The Origin and Development of the CIA in the Administration of Harry S. Truman

A Conference Report

Center for the Study of Intelligence

CSI 95-001
March 1995

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Foreword

The conference on "The Origin and Development of the CIA in the Administration of Harry S. Truman" was held on 17-18 March 1994, at the Ritz-Carlton Hotel in Tyson's Corner, Virginia. Jointly sponsored by the Harry S. Truman Library and Institute and CIA's Center for the Study of Intelligence, it brought together roughly 200 scholars, government officials, and representatives of the media and public interest groups to explore how CIA came to be established in 1947 and how the Agency evolved through the end of the Truman Administration in 1953.

Panels of distinguished scholars and government officials addressed Truman's relations with the first four Directors of Central Intelligence; CIA's origins in the Office of Strategic Services (OSS); the Cold War in Europe and Asia during the Truman years; the development of intelligence collection, covert action, and analysis during CIA's early years; and records and research associated with these topics. CIA Director R. James Woolsey addressed the conference during a session at CIA Headquarters at the end of the first day.

Hosting such public conferences is one aspect of the efforts of CIA's Center for the Study of Intelligence to implement the Agency's policy of increased openness to the public. The Center's mission also includes conducting research on intelligence; writing intelligence history; declassifying historical documents on intelligence; and publishing books, monographs, and *Studies in Intelligence*, a quarterly journal.

This report was prepared from an audiotape transcription provided by Helen Sustachek. Additional copies can be obtained from the National Technical Information Service, telephone (703) 487-4650, fax (703) 321-8457.

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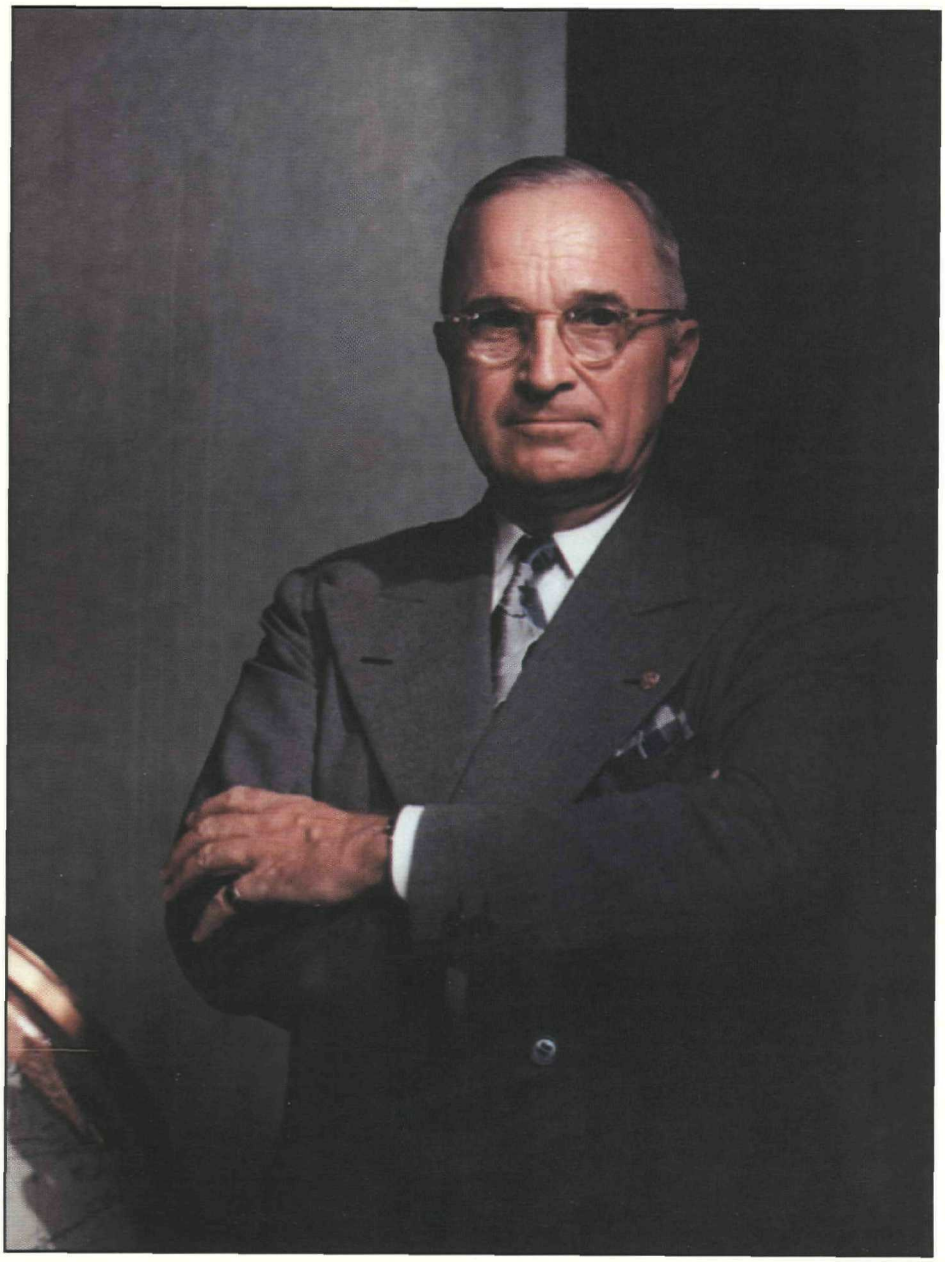

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President Harry S. Truman
"To the Central Intelligence Agency, a necessity to the President of the United States, from one who knows. Harry S. Truman, June 9, 1964" (inscription with photograph hanging at CIA Headquarters).

Welcome

Gen. Donald S. Dawson, President, Truman Library Institute for National and International Affairs

David Gries, Director, Center for the Study of Intelligence, CIA

"This conference is about the Central Intelligence Agency, why it came into existence and how it grew," ***Donald Dawson*** declared in welcoming the conferees. He said Harry Truman noted in his memoirs that when he became President, "I found that the needed intelligence information was not coordinated in any one place and that the information often conflicted." Truman took steps to improve the system, and, after CIA came into being, he began to receive a daily digest of information from abroad and conferred each morning with the Director of Central Intelligence.

David Gries, in his opening remarks, showed the assemblage the plain three-ring notebook that held the briefing papers that routinely were passed to President Truman by CIA's Meredith P. Davidson, who was in the audience and was subsequently introduced. Gries also cited the inscription Truman wrote on his photographic portrait in the main corridor at CIA headquarters: "To the CIA, a necessity to the President of the United States, from one who knows."

Observing that it was 47 years since Truman signed the National Security Act of 1947 that established the Central Intelligence Agency, Gries sought to put its enactment in context by recalling major historical events of that period. The President sent the act to Congress on February 26, signed it on July 26, and it took effect on September 18. During that seven-month period, "five defining events of the Cold War" occurred: The Truman Doctrine involving aid to Greece and Turkey was initiated; groundwork for the NATO Alliance was laid in Europe; the Communist coup in Hungary occurred; the Marshall Plan for European recovery was announced; and George Kennan, "Mr. X," enunciated the containment policy in *Foreign Affairs*.

Gries pointed out that hundreds of documents relating to CIA and the Truman Administration were assembled in the book the Center for the Study of Intelligence had released that morning entitled *CIA Cold War Records: The CIA Under Truman*, and copies were available for all attendees.

Session I: President Truman and Four Directors of Central Intelligence

Christopher Andrew, Cambridge University

Mary McAuliffe, CIA

Christopher Andrew, who said he had been invited to talk about Truman's attitude toward intelligence, began by asserting that the Truman presidency stands out in American intelligence history for two contrasting reasons. First, "No President since Truman has known as little as he did when he became President." Determined that no future President should have to endure what he had, Truman assured the CIA as his Presidency was drawing to a close in November 1952 that "I am giving this new President (Eisenhower) more information than any other President ever had when he went into office." He also assured that no future Vice President would be as ignorant about intelligence as he had been by promoting an amendment to the National Security Act of 1947 that made the Vice President a statutory member of the National Security Council.

The second reason was that "the Truman Administration did far more than any other administration in American history to shape the American Intelligence Community." This happened because of the circumstances prevailing during that period: Truman presided over the end of World War II, the beginning of the Cold War, and most of the Korean war. "No incoming President of the United States had ever received intelligence as stunning as that Truman received a week after he became President." Beginning in April 1945, "he was indoctrinated into the two biggest secrets in the history of modern warfare: the atomic bomb and ULTRA." SIGINT gave him a dramatic insight into the last days of the Third Reich and, more important, into the four final months of the Pacific War, including Japan's surrender maneuvers.

As a result, by the end of the war Truman was impressed by SIGINT but still deeply suspicious of human intelligence, Andrew said. This was the basis on which, in September 1945, he made "two crucial decisions...which had an enormous impact on the subsequent development of American intelligence." On September 20 he signed Executive Order 9261, closing down OSS and dividing what was left of it between the State Department and the Department of the Army. "A week earlier he had signed a Top Secret memorandum authorizing the peacetime continuation of SIGINT operations in collaboration with the British. Truman's memorandum became the cornerstone of an unprecedented and still unique peacetime intelligence alliance. Over the next three years, Anglo-American collaboration led to the construction of a global SIGINT network including Canada and Australia as

Maj. Gen. William J. Donovan. *He was wartime head of OSS. Under President Roosevelt, he set out "to invent an American intelligence establishment (with) no models to build on." Later he "irritated peers and superiors alike with his personal ambition and single-minded drive for an independent and powerful DCI."*

Portrait by Thomas E. Stevens 347462PM 2-95

well as the US and the British Empire." Andrew predicted there will be "tens of thousands of fascinating Ph.D.'s" on how the decrypts from this network informed American foreign policy during the Cold War.

Truman's gradual conversion to the idea of having an agency for foreign intelligence and covert action progressed during the three years following those two momentous decisions. What he hoped for in founding the Central Intelligence Group, CIA's immediate antecedent, "was help in coping with the deluge of contradictory cables, dispatches, and reports on the complex problems of the outside world." He told Admiral Souers, the first Director of Central Intelligence, that he needed a daily digest of all those messages. It was provided and became the forerunner of *The President's Daily Brief*. After promoting the National Security Act of 1947 which created CIA, Truman the following year authorized the beginning and, during his second term, the rapid expansion of peacetime covert actions by US intelligence agencies. Andrew enumerated some of the activities conducted under Truman's authority—to combat Communism in Greece, suppress the rebellion in the Philippines, and support anti-Communist parties in the Italian elections of 1948, as well as several operations behind the Iron Curtain.

In addition, it was Truman who established the principle of "plausible deniability" of Presidential responsibility for such actions by signing NSC 10/2 in June 1948.

In October 1952, in one of his final acts as President, Truman founded the National Security Agency to bring order out of chaos that by that time had reappeared in the US SIGINT community during the Korean war.

During his 20-year retirement, Andrew noted, Truman seemed amazed, even somewhat appalled, by the size and power of what he had brought into being, "the biggest peacetime intelligence community in the history of Western civilization."

Mary McAuliffe agreed with both of Andrew's hypotheses, adding that CIA probably would not exist today had it not been for the intense international situation the United States faced in the aftermath of World War II. President Truman's growing commitment to a peacetime intelligence organization, she said, developed in the larger context of his commitment to the Cold War during which CIA became one of the major institutions active in it.

CIA's predecessor, the Central Intelligence Group (CIG), was established by Truman in the Presidential Directive of January 22, 1946. "It had one overriding purpose: to coordinate, evaluate, and disseminate intelligence and thereby prevent another Pearl Harbor from happening in what was an increasingly unstable world." McAuliffe observed that it conformed to a longstanding proposal of the Joint Chiefs of Staff that had called for "a permanent central intelligence agency that would coexist rather than compete with the long-established intelligence organizations in the State, War, and Navy Departments." The proposal had specified that "such an organization would synthesize the information received from the other intelligence organizations and in general serve in a subordinate role."

At Truman's insistence, the CIG immediately began to help the President deal in an orderly fashion with the huge volume of information on national security situations that was inundating him. This led to the *Daily Intelligence Summary* Andrew referred to, which first appeared on February 15, 1946. Publication of a weekly summary began the following June, and the two summaries became models for a succession of later CIA serial publications.

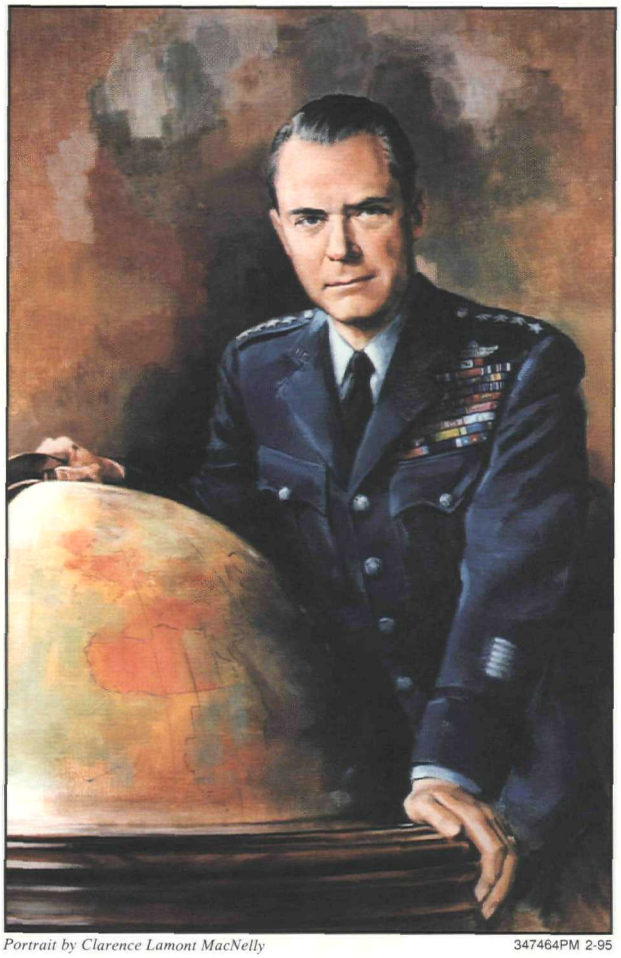
As CIG's first Director, Truman appointed RAdm. Sidney Souers who, until then, was Deputy Chief of Naval Intelligence. He spent much of his brief tenure helping to establish his new organization's legitimacy during the critical early months of 1946. "Souers was well suited for the task as the first leader of our first peacetime organization," McAuliffe said. Unlike Maj. Gen. William Donovan, who headed OSS and "had irritated peers and

RAdm. Sidney W. Souers.
He was the first DCI and Director of Central Intelligence Group, CIA's predecessor. His "nonconfrontational style brought CIA a period of relatively smooth sailing during important early months of its career...."

Portrait by Clarence Lamont MacNelly 347463PM 2-95

superiors alike with his personal ambition and single-minded drive for an independent and powerful DCI (Director of Central Intelligence), Souers had no personal stake in CIG. He hadn't even wanted to be DCI. Furthermore, in dealing with people, (the two) were light years apart. Souers trod lightly; Donovan did not.... Souers' nonconfrontational style brought CIG a period of relatively smooth sailing during important early months of its career, especially in its relations with its supervisory and advisory boards, the National Intelligence Authority, and the Intelligence Advisory Board."

Lt. Gen. Hoyt Vandenberg, a ranking member of the Intelligence Advisory Board, was a logical choice to succeed Souers when he retired. Vandenberg immediately set to work to give CIG more independence and stature, and McAuliffe stated his impact on the new organization was considerable. Vandenberg improved CIG's budgetary position "from having to beg for funds as the need arose to the more businesslike arrangement of specific departmental allotments over which the DCI had dispersal authority. He also expanded CIG's role beyond that of a coordinating body and established the organization as an independent player (in both the production and



Portrait by Clarence Lamont MacNelly 347464PM 2-95

Lt. Gen. Hoyt S. Vandenberg. *He improved CIG's budgetary position, expanded its role "beyond that of a coordinating body, and established the organization as an independent player" in both the production and collection of intelligence, moving decisively into espionage.*

collection of intelligence,) moving decisively into espionage. After the war, Truman had disbanded the OSS but retained the remnants of its espionage and counterespionage capabilities in a Strategic Services Unit, which he temporarily housed in the War Department. CIG acquired those remnants and, in July 1946, Vandenberg placed them under a new Office of Special Operations. The tense state of world affairs at that time provided "a persuasive backdrop for Vandenberg's efforts to turn CIG into a permanent central intelligence operation," McAuliffe said. "In scarcely more than six months, Vandenberg had significantly enhanced CIG's activities as well as strengthened the DCI's position. Nevertheless, he knew that until the fledgling organization received independent status it would remain weak and vulnerable," He focused on achieving that goal but first "had to persuade the White House, which was reluctant to bring such legislation before Congress while the Army and Navy were still at loggerheads over the difficult problem of national defense unification.... In the end, to avoid any controversy that might threaten the defense merger bill, the White House agreed to include a section establishing a central intelligence agency, but kept it brief and unspecific." The only real reservations that were expressed centered on

RAdm.
Roscoe H. Hillenkoetter.
He had little taste for either bureaucratic infighting or empire building. He spent three-and-a-half troubled years as DCI and became first Director of the CIA, CIG's successor.

Portrait by Comis 347465PM 2-95

fears of fostering an American Gestapo. "The lawmakers resolved this issue by specifically forbidding the Central Intelligence Agency any police, subpoena, law enforcement, or internal security functions." With these constraints, Congress approved the National Security Act in July 1947.

By this time Vandenberg had left to lead the new independent Air Force, and RAdm. Roscoe H. Hillenkoetter succeeded him as DCI. Virtually everyone, including Congress, expected CIA to collect, analyze, and disseminate intelligence for senior policymakers, just as CIG had done. No one, according to McAuliffe, anticipated the dramatic changes that were about to occur, specifically regarding covert operations. Yet even those activities "carried little negative baggage." In fact, they seemed "a logical and, at the time, commendable extension of Truman's containment policy.... Indeed, CIA's successful intervention in the Italian election of 1948 won Hillenkoetter a personal commendation from the President. Italy did not go Communist, the United States held the line, and scarcely anyone at the time was concerned about the implications of interfering in the democratic processes of other nations."

Hillenkoetter, however, had little taste for either bureaucratic infighting or empire building, and he spent three and a half troubled years as DCI.

Portrait by William F. Draper 347466PM 2-95

Lt. Gen. Walter Bedell Smith. *He "moved quickly to improve the quantity and quality of National Intelligence Estimates, tightened up CIA's central administration, and overhauled the Agency's structure."*

McAuliffe observed that the rest of the Intelligence Community adamantly refused to cooperate with the new Agency, which they feared might grow strong enough to dominate them. Hillenkoetter's detractors were numerous, she said, and included Allen Dulles, who chaired a group commissioned by the National Security Council to examine the new intelligence agency. The Dulles Report "prompted some of the most devastating criticism leveled at Hillenkoetter and the Agency" and was his "death knell as DCI. CIA's failure to predict the outbreak of the Korean war may well have been the last straw convincing Truman that a new Director of Central Intelligence was indeed necessary."

As Hillenkoetter's successor, Truman selected Lt. Gen. Walter Bedell Smith, who had been Eisenhower's chief of staff during World War II and was Ambassador to the USSR from 1946 through 1949. Smith provided the leadership that was so desperately needed at that point in CIA's history. He "immediately went to work to overhaul and reorganize CIA and its relations with the Intelligence Community, enacting many of the reforms the Dulles Report had recommended. Smith moved quickly to improve the quantity and quality of National Intelligence Estimates, tightened up CIA's central administration, and overhauled the Agency's structure."

Covert Action Operations

Mary McAuliffe defined covert action operations as the general term for secret efforts to influence or subvert a foreign adversary, such as through political action, economic destabilization, paramilitary activity, and secret propaganda. She pointed out that the term does not encompass either espionage or counterintelligence which, along with covert action, are subsumed under the larger heading of clandestine operations.

"Nevertheless, covert action operations rather than intelligence collection and production now increasingly defined and dominated CIA." The Office of Policy Coordination (OPC) had expanded by the time Smith became DCI, and he attempted to gain some sort of control over it by annulling its virtual independence and placing it under the DCI's authority. "He had become greatly concerned that the scale and energy of OPC enterprises as well as its lack of accountability and discipline would eventually undermine CIA's intelligence mission," McAuliffe stated. Smith brought in Allen Dulles to provide stronger leadership over intelligence collection and covert action operations and in mid-1951 made him the Deputy Director of Central Intelligence (DDCI).

Smith, however, was unable to deter or control the rapid expansion of CIA covert operations. In February 1953 he left CIA when Eisenhower, then the newly elected President, asked him to become Undersecretary of State, "a move most insiders understood as the new President's way of opening the DCI position for Allen Dulles. Smith left behind a more sensibly organized CIA, one more at peace with its sister departments, and one whose intelligence mission was more clearly defined," McAuliffe concluded. It became Dulles's role "to complete what by then was well under way: converting CIA into a vigorous department of the Cold War to deal in its own ways with the Soviet threat."

During the subsequent question period, Walter Pforzheimer, a former CIA officer who participated in those formative years, contributed some observations on McAuliffe's presentation. He asserted that perhaps the biggest controversy on Capitol Hill involving CIA when the National Security Act of 1947 was being considered was whether the DCI should be a military officer or a civilian. The alternatives remained in the 1947 Act, and the issue was not resolved until the 1953 legislation was passed, which specified that a military officer could serve as DCI or DDCI but that two military officers could not fill both positions at the same time. Pforzheimer also stated that Hillenkoetter's dislike of DDCI-designate William Jackson was so intense that he refused Walter Bedell Smith's request to appoint Jackson to the DDCI position for the few weeks before Smith took office. Nor was it

generally accepted, according to Pforzheimer, that Dulles should be DCI as McAuliffe had suggested because a substantial group, including Smith, strongly opposed his appointment. The alternative, endorsed by Smith, was to bring in General Donovan, wartime head of OSS, as President Eisenhower's DCI.

A questioner took issue with the "complimentary terms" with which Christopher Andrew had described the Anglo-American intelligence relationship, submitting that the relationship was "deeply flawed" and "compromised" because members of the British Intelligence Community were agents for the Soviet Union. "Given this," he asked, "who was the relationship good for?" Andrew acknowledged that Cambridge, where he teaches, was the university of well-known Soviet spies Philby, Maclean, Burgess, Blunt, and Cairncross but asserted he nonetheless could give an impartial response. He noted that treachery within the Intelligence Community is "a problem not unknown in the United States over the past few weeks," alluding to the indictment of CIA's Aldrich Ames for being a Soviet spy, and he cited the fact that during the Truman years there were three Soviet agents within the National Security Agency (NSA). "Nonetheless," Andrew affirmed, "both sides of the Atlantic have gained far more than they've lost, not simply from the military alliance in NATO but also from the intelligence alliance which began during the Second World War."

Session II: From OSS to CIA, 1941-1950

Panel A: OSS and the Origins of the CIA, 1941-1947

Barry Katz, Stanford University

Thomas Powers, author, Royalton, Vermont

Before World War II, ***Barry Katz*** stated, the United States "had been strikingly lacking, almost uniquely among the Great Powers, in establishing any kind of systematic clearinghouse of foreign intelligence. The war had been raging for almost a year when President Roosevelt began belatedly to address the looming need for a continuing assessment of America's strategic position." His first move, in July 1940, was to charge William Donovan with a series of overseas missions to Europe and around the Mediterranean Basin to evaluate the strategic situation in those areas and associated US intelligence needs. When he returned, Donovan submitted a memorandum to the President recommending an organization for developing strategic information that would be staffed by "a corps of carefully selected minds equipped with the knowledge of foreign languages and the latest research techniques." A month later, on July 11, 1941, Roosevelt acted on this recommendation by signing an Executive Order designating the appointment of a civilian Coordinator of Information (COI). Donovan was assigned to this post and was instructed, in the enabling legislation, "to collect and analyze all information and data which may bear upon national security."

Donovan immediately set out "to invent an American intelligence establishment...probably the line in my talk," Katz said, "that needs most to be emphasized. With virtually no precedent, virtually no models to build upon, Donovan really did set out to build this thing from scratch. There was no sense of how to do it right, how to do it wrong, simply because it hadn't been done before." Katz asserted that "the accomplishments as well as the embarrassing failures of OSS always have to be evaluated against the tabula rasa from which Donovan had to begin. He drew his first wave of recruits from the military services, from within the Roosevelt Administration and, perhaps his greatest innovation, from the nation's colleges, universities, and research institutes."

"For about a year, the Coordinator of Information led an uncertain and shifting existence as the aggressive Donovan attempted to claim functions of intelligence gathering, propaganda, espionage, subversion, strategic and post-war planning, and more.... By the end of his first year he had hired 1,851 employees, and the organization was growing fast and uncontrollable. The COI "was doomed in such circumstances to be viewed as a dangerous and amateurish interloper among the more established offices of the Departments of War and State and, accordingly, after about a year of jurisdictional

rivalries and being cold-shouldered at every opportunity, the organization was radically restructured. The overt propaganda functions of the old COI were severed and autonomously constituted as the Office of War Information. Donovan was allowed to retain control of the functions of intelligence gathering, research and analysis, to which was added an operational branch that would conduct clandestine activities in enemy territory and enemy-occupied territory. On June 13, 1942, streamlined and staffed with its first generation of agents and analysts, the American intelligence establishment came into its own, now named the Office of Strategic Services (OSS)."

OSS was given a two-part charge by the President: first "to collect and analyze such strategic information as may be required" and, second, "to plan and operate such special services as may be directed by the United States Joint Chiefs of Staff." Katz considered this functional division between intelligence and operations as "perhaps the most enduring legacy of the OSS." He acknowledged that, by far, the most famous exploits of the wartime OSS were carried out by its several operational branches, including sabotage, supporting resistance movements, raids and other irregular combat missions, psychological warfare, and black radiobroadcasts. As important as many of these covert missions were, the drama surrounding them, in Katz's opinion, has led to "a quite disproportionate focus on the covert operational aspects of OSS as opposed to its more mundane intelligence functions." Less flamboyant but more fundamental were the intelligence branches of OSS. "Donovan always insisted that the functions of research and analysis lay at the heart of any modern intelligence agency." Accordingly, "the largest of the intelligence units was the Research and Analysis Branch directed by historian William Langer of Harvard. R and A drew heavily on regional and functional specialists from the American and refugee communities, including an astonishing number of internationally recognized scholars." Among them were five future presidents of the American Economic Association, seven future presidents of the American Historical Association, two Nobel laureates, and various Pulitzer Prize winners. "The Research and Analysis Branch produced analytical reports on economic, political, geographical, and cultural topics pertaining to all theaters of operations as well as the USSR and Latin America."

"The Office of Strategic Services was designed to be an apolitical service agency, specifically excluded from the policymaking process in Washington and strictly subordinated to the military theater commanders overseas." According to Katz, OSS gained "a reputation for disinterested objectivity" and made "a number of significant contributions to the war effort." He summarized its principal activities: "softening-up operations" in North Africa in advance of the landings there ("the first major test"); development of a program of strategic aerial warfare based on precision bombing of selected industrial targets ("an early application of economic theory to military practice" which "remained a basic strategic concept until well into the nuclear age"); close cooperation with military forces in the North African and Italian campaigns and in the Balkans (including the Allen Dulles mission to secure the surrender of German troops in Italy); the penetration

of Nazi Germany by OSS operatives (to identify strategic targets and promote resistance, sabotage, and subversion); planning for the postwar governance of Germany and German-occupied territories; identification of prominent Nazis to be investigated for war crimes; and preparation of extensive documentation for the Nuremberg Trials. The OSS was also active in the Asian and Pacific theaters, but Katz said that even to list them would require more time than is available.

OSS was abolished by order of President Truman on September 20, 1945, and the termination became effective on October 1. "Between 1945 and 1947, as the shooting war against German Fascism turned into a Cold War against Russian Communism, the international political order was turned upside down. Although there would be strong family resemblances between OSS and CIA," Katz observed, "they belonged to fundamentally different worlds."

Picking up on that theme, ***Thomas Powers*** likened the transition between OSS at the end of World War II and the establishment of CIA to the present time when the Cold War has ended and "there are calls now as there were then for a considerable revamping of intelligence." He said he would cite one example of the kind of "slippage" that can occur while there is tinkering with the machinery and organizational framework of an intelligence agency. Powers suggested the cost incurred when OSS was disbanded was a loss in intelligence capabilities regarding Soviet nuclear capabilities. This question was considered often by the Central Intelligence Group and later by CIA. But the organization that had principally been involved in producing intelligence on atomic matters was the Manhattan Engineering District under Gen. Leslie Groves, which had produced US atomic bombs. Most of that organization was absorbed by the Atomic Energy Commission that was established in 1946. The exception was the office that had dealt with atomic intelligence which, after much haggling, went to CIG.

As Powers put it, there were "two years of fooling around," moving personnel and files while intelligence was being reorganized. Meanwhile, the Russians were working on their bomb, and a lot of people were trying to figure out when they would get it. He cited a CIA memorandum dated 20 September 1949 that is reproduced on page 319 of *The CIA Under Harry Truman*, the Agency History Staff's collection of declassified documents. It said the USSR would have an atomic bomb in three years, whereas the Soviets at the time had already detonated one on 29 August. The date of the CIA estimate also demonstrates that the Agency had been shut out by other intelligence organizations, which had been arguing about the significance of radioactive debris collected by an Air Force plane in early September. President Truman announced the first Soviet atomic explosion on September 23. Powers described this series of developments as a classic example of the kind of slippage that can occur when organizations are in transition. "We paid a price, and the price was surprise."

Session II: From OSS to CIA, 1941-1950

Panel B: CIA: The Early Years, 1947-1950

J. Kenneth McDonald, CIA

Wesley Wark, University of Toronto

Ken McDonald recalled Yale historian C. Vann Woodward's dictum that the twilight zone that lies between living memory and written history is one of the favorite breeding places for mythology. "On looking back at the Truman Administration," McDonald observed, "we're about into that twilight zone. In fact, CIA has probably been in that zone from its inception, breeding myths almost from the day it was born." This is so, he explained, because of the enormous secrecy that always surrounds a foreign intelligence organization such as CIA and the consequent classification—until very recently—of almost all of its historical records. "The purpose of this conference, he continued, "is to try to demythologize the Central Intelligence Agency."

To outline CIA's history from 1947 to 1950, McDonald spoke of "five decisions, events, developments," which were turning points in CIA's early days that have also influenced its evolution over the years. These five developments were, first, RAdm. Roscoe Hillenkoetter's appointment as the Director of Central Intelligence (DCI) in May of 1947; second, the passage of the National Security Act two months later; third, CIA's substantial commitment to covert action when the Office of Policy Coordination was formed in the summer of 1948; fourth, the Dulles Report of early 1949, which criticized CIA's failures in coordinating intelligence and producing National Intelligence Estimates; and lastly, Truman's appointment of Gen. Walter Bedell Smith as the DCI, which began "a new period of re-invigoration, reform, and reorganization" for CIA.

The first of these events, Admiral Hillenkoetter's appointment as DCI in May 1947, was perfectly logical and in many ways sound. He was an experienced intelligence officer who inspired a great deal of loyalty in people who worked for him. Noting that Hillenkoetter was a man of considerable intelligence and perception, McDonald disclaimed any intention to denigrate him, "but if you compare and contrast him with his predecessor, Hoyt Vandenberg, and his successor, Bedell Smith, you will begin to see why Hillenkoetter was an unsuccessful Director of Central Intelligence." He was a new and unknown rear admiral, while Vandenberg and Smith took office as three-star Army generals with substantial public reputations from brilliant wartime careers. "When Hillenkoetter took office on 1 May 1947,

he was given a job of enormous proportions. The National Security Act, then on the verge of passage, included only a short and vague description of the new Central Intelligence Agency, whose actual definition and role would depend heavily upon the leadership of its first director. Hillenkoetter, who had no real taste for the cut and thrust necessary to survive and succeed in Washington, was simply the wrong man for this defining role. Vandenberg and Smith both had what Hillenkoetter lacked: a real instinct for power and the rank and prestige needed to succeed in bureaucratic infighting. McDonald quoted R. Jack Smith, a CIA officer of that period, who wrote in his memoirs, "Our director was Rear Admiral Roscoe Hillenkoetter, a thoroughly decent, unpretentious man, but a rear admiral. In the hierarchical maze of Washington, his authority scarcely extended beyond the front door."

While the 1947 National Security Act established CIA principally as an organization to coordinate departmental intelligence activities and to "correlate and evaluate" intelligence, it was understood that it would also collect foreign intelligence as its predecessors the Strategic Services Unit (SSU) and the Central Intelligence Group (CIG) had done, even though neither the Act nor the debate before its passage spoke of this espionage function. What later came to be called covert action, on the other hand, was unmentioned in the Act because it had not been considered at all. The Act's primary purpose, McDonald noted, was "to create a National Military Establishment (which eventually became the Department of Defense), an independent air force, a statutory Joint Chiefs of Staff, and a National Security Council to coordinate national security policy. A short section establishing the CIA was tacked on to the Act. Although Vandenberg had convinced President Truman that the United States needed a statutory CIA, the Act included the Agency as unobtrusively as possible, to avoid provoking debate that might endanger the Act's principal objective, to unify and restructure the US military establishment."

CIA's commitment to covert action began in a small way in the fall of 1947. Since the Soviets were vigorously subverting West European governments and subsidizing Communist parties, many US officials—especially the State Department—sought new ways to help our friends counter Soviet influence. The issues were how to do it and who would have the responsibility. Originally, the new covert action role was assigned to the State Department, but Secretary of State George Marshall rejected it, convinced as he was that such activities would undermine the credibility of US diplomacy. In late 1947 the NSC added the covert action responsibility to CIA's espionage unit, the Office of Special Operations (OSO). "Although OSO did some very effective covert action, especially in the April 1948 Italian elections," McDonald continued, George Kennan, first Director of State's new Policy Planning Staff, pressed for a new organization specifically designed to handle such operations. In the summer of 1948 the NSC therefore established a new Office of Policy Coordination (OPC), which found a dynamic leader in Frank Wisner, a deputy to the Assistant Secretary of State

for Occupied Areas, who had served with distinction in the OSS. Although OPC was administratively part of CIA, Wisner took his directions from the Secretaries of State and Defense, largely bypassing the DCI. McDonald pointed out that Hillenkoetter, to his credit, had opposed the whole covert action concept for CIA, but that OPC nevertheless rapidly grew into an almost autonomous empire.

In 1948 the National Security Council commissioned the Dulles Report, a study of CIA produced by a three-man committee chaired by Allen Dulles, who later became President Eisenhower's DCI. Although it was expected to be a routine survey of CIA, when submitted in January 1949 the Dulles Report turned out to be a "devastating critique" of the Agency. The criticisms, McDonald explained, were principally that the CIA and DCI were not effectively coordinating what we would today call the Intelligence Community. CIA, the report contended, was adrift. "Having become engrossed in current intelligence, it had failed to produce national intelligence estimates regularly and systematically." Endorsing most of the report's criticisms in July 1949, the National Security Council directed Admiral Hillenkoetter to make the necessary changes and reforms.

While the NSC's action was a vote of no confidence, Hillenkoetter remained in office for another year and half. It was only in the summer of 1950, after the North Koreans attacked South Korea, that President Truman sent Admiral Hillenkoetter back to sea and appointed Walter Bedell Smith as DCI. (Stomach surgery for ulcers kept Smith from taking office until October.) Unlike the unassuming Hillenkoetter, Smith had rank and enormous prestige—he had been General Eisenhower's chief of staff from the North African campaign through the conquest of Europe, and President Truman's Ambassador to the Soviet Union at the outset of the Cold War. Demonstrating "tremendous drive and an enormously forceful personality." Bedell Smith took the Dulles Report as his agenda and systematically reorganized the CIA. He immediately took control of the sprawling and quasi-autonomous OPC, informing Frank Wisner that henceforth his orders would not come from the Secretaries of State and Defense, but from the DCI. Smith systematized the production of estimates by creating the Board and Office of National Estimates, both headed by William Langer, a distinguished Harvard professor of diplomatic history. The new DCI also reorganized CIA's structure into the directorates that still exist today.

In the light of these accomplishments, McDonald regards Walter Bedell Smith as "one of the greatest Directors of Central Intelligence." Before he left that position, however, Smith recognized that, although he had brought OPC under the DCI's control, its huge expansion of covert action still "threatened to engulf CIA." "In October 1951 Smith told his staff that covert operations had become so large in comparison to the Agency's intelligence function, "that we have almost arrived at a stage where it is necessary to decide whether CIA will remain an intelligence agency or become a 'cold war department'." "Although we must admire

General Smith's great achievements in reforming CIA," McDonald concluded, "we must also regret the enormous excursion into covert action that even he could not stop, and whose consequences would plague the Agency for many years to come."

In his presentation, ***Wesley Wark*** stated that there are some startling features associated with the US entry into the intelligence game as a permanent player in peacetime. One, he said, is the rapid pace of change experienced by the CIA and the US Intelligence Community after 1947. "Change not only came quickly but was largely unplanned. If there ever was a blueprint, it was rendered irrelevant by ad hoc US responses to Cold War pressures and by the vacuuming up of new missions by a CIA which, in this feature at least, closely resembled its wartime predecessor, the Office of Strategic Services. What began in 1947 as a small analytical reporting unit to provide coordinated intelligence assessments for the President quickly mutated...into an agency with significant psychological warfare, covert operations, and foreign intelligence gathering capabilities. An agency which had its sights first set on the frontlines of the Cold War in Europe soon came to have a global mission, with increasing emphasis on political instability in Latin America...and a major role in Asia following the so-called loss of China, the subsequent establishment of a major intelligence base on Taiwan, and the outbreak of the Korean war in 1950."

A further feature of the late and fast US entry into intelligence which marks the US experience as unique, according to Wark, "concerns the way in which the United States constructed its new intelligence system in public. This was historically unprecedented. Like the evolution of a Central Intelligence Agency, the public unfolding of a debate over the nature and purpose of intelligence was unplanned but probably inevitable." Wark stated that the origins of this debate were in "the politics of leaking" but that it was sustained by the press and sporadic congressional interest and by public anxiety. "That the United States might need to construct a permanent intelligence service in peacetime raised the spectre not just of Soviet espionage (but also) the emergence of an American gestapo." *The Chicago Tribune*'s publication in February 1945 of General Donovan's "Top Secret plan" for a postwar OSS contributed to this anxiety, and after the Truman Administration abolished OSS the following September, Donovan counterattacked. He leaked favorable press accounts of OSS achievements during the war and helped promote publication of the memoirs of OSS colleagues. In a major article entitled "Intelligence: Key to Defense," published in *Life Magazine* in 1946, he argued that intelligence was necessary for a world power such as the United States had become.

Wark identified Hanson Baldwin of *The New York Times* as "perhaps the most sophisticated commentator in the American press on intelligence matters during the early years of the Cold War" and "the principal journalistic crusader for a strong American intelligence system. In his first article addressing this theme, printed in October 1945 and entitled *Atomic Age*

Lessons, Baldwin conjured up a vision of an atomic Pearl Harbor and coined the phrase that would become his trademark: 'An adequate intelligence service...is today the first line of defense.'" In 1946 and 1947, he wrote "a series of thoughtful and articulate pieces...all loosely tied to the ongoing struggle to create a centralized peacetime intelligence service in Washington....Baldwin kept a close watch on intelligence developments in the US Government and attempted to use his journalism to stimulate further improvements in the nascent intelligence system and to alert the public to what he saw as laggardly or ineffectual measures."

"Running parallel to this journalistic debate on the issue of American intelligence needs was a more academic investigation which saw the publication of a first generation of analytical works on intelligence as a government activity." Wark recounted that, "Walter Langer contributed occasional articles to scholarly journals on the subject, and David Bruce, former OSS station chief in London during the war, wrote, sometimes anonymously, for highbrow magazines like *The Atlantic Monthly*. "But the "crowning achievement" of this kind was the book *Strategic Intelligence for World Policy*, published in 1949, by Sherman Kent, Yale historian and OSS veteran (who later became chairman of CIA's Board of National Estimates). "Kent advocated special attention to what he called speculative evaluative intelligence designed to give policymakers a sense of the direction in which world politics were headed."

In Wark's judgment, "The academic investigation, like its journalistic counterpart, helped keep attention focused on intelligence issues and helped codify problems in the American conduct of intelligence. The journalistic investigation helped to define the role of American intelligence in the postwar world and helped accustom the American populace to the need for intelligence."

Luncheon Address

Richard E. Neustadt, Harvard University

In order to provide some insights about President Truman and "add a certain flavor" to the conference, Professor ***Richard E. Neustadt***, who worked for the Truman Administration in the Bureau of the Budget and then on the White House staff, told some stories. The first concerned a personal encounter he had with the former President in the mid-1950s. Mr. Truman, Neustadt said, told him the decision to proceed with research on the hydrogen bomb had not been a difficult one, even though a breakthrough on how to develop such a weapon had not been achieved and the trigger had not yet been invented. The President was convinced the Soviets did not have the capability to build one that would be the equivalent of a US version because "after all, they're essentially peasants, not Americans." But when the scientists involved asserted that the USSR might be able to do so, whether we did so or not, Truman realized he had no alternative; US policy had to be based on that premise: "I could not bind my successor, [he said,] to nuclear inferiority."

"Mr. Truman had faith in the United States and in the linear character of progress. He did not in his heart believe that anything fundamentally bad could happen to the United States." Such faith, Neustadt acknowledged, "doesn't exist anymore, but you have to remember it existed then."

He told some other stories that underscored Truman's deep loyalty to people he trusted, like Dean Acheson, adding that the President "had the inverse feeling about people who had earned, in his view, his mistrust." Neustadt believed one of them was Bill Donovan and that this was the genesis of Truman's initial antipathy toward a central intelligence organization. "[He] acquiesced very cheerfully in the demise of OSS. My suspicion is he was the more cheerful because of his feelings, for whatever reason, about Colonel Donovan." According to the gossip Neustadt heard in the White House at the time, James Byrnes, then Secretary of State, wanted State to inherit the functions of OSS. Budget Director Harold Smith not only wanted OSS dismantled but also "did not want an organization of that character in the executive office of the President."

Truman believed as they did that "the permanent functions of the government should go to the permanent departments of the government and be under the supervision of responsible Cabinet officers." Later, when the issue was the extent of the DCI's control, he apparently shared Admiral Hillenkoetter's view that the legitimacy of the intelligence collection and analysis functions would be put at risk by adding covert action. Truman yielded only when Dean Acheson and Walter Bedell Smith, in response to the perceived demands of the Korean conflict and its implications for the East-West conflict, insisted on extending DCI control to the Office of Policy Coordination, which then had responsibility for covert action.

Neustadt's last story related statements he personally heard Truman make about his foreign policy after he left office. " 'Hell,' he said, 'That wasn't [my] foreign policy. I never could have gotten those things through the Republican 80th Congress.' (They only got through because of Stalin.) 'It was Stalin's foreign policy.' " Neustadt's assessment was that Truman did not view East-West rivalry in apocalyptic terms. "He did not think the United States was going to be defeated. He never lost the view that the Soviets weren't Americans and that, technologically, they couldn't keep up.... His faith in the outcome was limitless. Maybe he wasn't so dumb after all."

Session III: The International Context: 1945-1953

Panel A: CIA and the Cold War in Europe

Deborah Larson, UCLA

William Colby, former DCI

"The CIA had a particularly important role to play in the early part of the Cold War because the Soviet threat was perceived to be primarily political and psychological rather than military," ***Deborah Larson*** began. "Accordingly, Washington poured resources into psychological warfare. What I am going to talk about today is the European context for this interest in covert operations and psychological warfare. I'm not a veteran of covert operations, ...but I'll give you the academic point of view."

"In February 1947, Greece was on the verge of falling under the control of a Communist-led guerrilla movement. George Kennan warned that the fall of Greece might have a bandwagon effect on the rest of Europe. Communist parties in Italy and France would be strengthened. Other states would believe that Communism was the wave of the future.... In the Truman Doctrine speech in 1947, Truman requested $400 million for aid to Greece and Turkey. Although the Truman Doctrine was directed specifically at Greece and Turkey, US officials knew that much greater aid would be needed for Western Europe. In 1947 there was a serious economic crisis in Europe brought about by the wartime destruction and unusually harsh winter and disruption of traditional trading patterns. Europeans were starving and shivering in the cold, and to make matters worse there was a shortage of coal. In April the French pleaded for additional shipments of grain so that they would not have to reduce bread rations. Forty-five percent of Europe's imports were paid for with US assistance. When the US began reducing its loans, the Europeans would have to cut purchases of food and fuel, which could lead to massive political unrest."

"State Department officials feared that the Europeans might turn to Communism out of despair and desperation. Both Italy and France had coalition governments in which the Communists were represented. Communists held four cabinet positions in France, including the posts of Vice Premier and Minister of Defense. About one-third of the electorate in France and Italy supported the Communist Party. In the 1946 elections in France, the Communists received the largest number of votes. Italian moderates were uncertain of American support and unwilling to offend the Soviet Union by casting out the Communists. The Truman Administration was worried that the Communists could win power through elections in

Italy and France. Communist regimes in Italy and France might negotiate agreements with the Kremlin and take their countries into the Soviet orbit. Bolstered by the Truman Doctrine and by the hope of US financial assistance, the Governments of Italy and France in May 1947 excluded the Communist members. On June 5, 1947, Secretary of State George C. Marshall offered the Europeans assistance for reconstruction. The most important objective was to prevent Communism from advancing into Western Europe. The Marshall Plan and the Truman Doctrine were both aspects of the containment policy, the use of economic and military assistance to block the spread of Communism."

"Although the Truman Doctrine had anti-Communist rhetoric whereas the Marshall Plan was purely humanitarian in its rhetoric, the Soviets were much more threatened by the Marshall Plan than they were by the Truman Doctrine. Stalin was not alarmed by US aid to Greece because the Soviets were not supporting the Communist uprising in Greece. Stalin considered Greece to be in the Western sphere of influence. The Marshall Plan, and particularly US plans to rebuild Germany, terrified the Soviets. One of the objectives of the Marshall Plan was to rebuild the Western zones of Germany. The Soviets were afraid that the United States was planning to use Western Europe as a base for attack. Otherwise, Soviet officials reasoned, why would the Americans be so generous with their capitalist rivals? Why would the US spend millions of dollars to build up other countries' economies? . . . "

"Stalin's fear of Germany and the Marshall Plan led him to take several actions which frightened the United States. The first Soviet reaction was the establishment of the Cominform. The Cominform, or Communist Information Bureau, was the director of the international Communist Party.... his was mainly a symbolic gesture because the Cominform had no real power. But Americans feared the spreading tentacles of Communism. Stalin put Zhdanov, a hard-liner, in charge of the Cominform and of carrying out ideological activities.... Zhdanov told the first organizing meeting of the Cominform in September that the Marshall Plan was aimed at overthrowing the new democracies in the Balkans. He explained that the Marshall Plan was designed to lure Eastern Europe into a trap and shackle them with the fetters of dollars. Just as the Truman Doctrine was the US declaration of Cold War, so [Zhdanov's speech] was the Soviet declaration of Cold War. He said the world was divided into two camps, capitalism and socialism. It was a mirror image of the Truman Doctrine."

"At the same meeting Zhdanov told representatives from the Italian and French Communist Parties that they should struggle against the Marshall Plan. The Italian and French Communists were not pleased with these instructions. During the war (they) had cooperated with the non-Fascist parties and had won considerable support doing so. Now, the Soviets told them they should try to block the success of the Marshall Plan by engaging in

strikes, walkouts, riots, even though this would slow down economic recovery and worsen the plight of the working man. In fact, the strikes and walkouts carried out by the Italian and French Communists backfired because they resulted in loss of support. But the strikes did frighten Western liberals and Social Democrats."

"On September 16, 1947, the CIA circulated the first of its monthly reviews relating to the security of the United States. The memo stated that only the Soviet Union could threaten the security of the United States but the Soviets were presently incapable of military aggression outside Europe and Asia. Even though they were conducting political, economic, and psychological warfare against the United States, the greatest potential danger to US security, according to the CIA, lay in the possibility of the economic collapse of Western Europe and the consequent accession to power of elements subservient to the Kremlin. . . . "

"In 1947 the CIA provided funds that helped defeat the Communists in the French elections. The CIA also subsidized non-Communist unions in France, helping to split them off from the Communist unions and averting a general strike. In response to the challenge presented by the Cominform, the United States decided to resort to psychological warfare against the Soviet Union, which meant primarily propaganda. In December 1947, National Security Council Directive 4/A put the CIA in charge of covert psychological operations. US psychological warfare was a necessary complement to the huge financial resources the US was spending in the Marshall Plan. It was designed to prevent the Communist parties from sabotaging the success of the Marshall Plan through the use of propaganda or agitation. The initial theater of psychological warfare was in Italy. James Jesus Angleton was placed in charge of the covert Italian operations. The CIA subsidized the center-right in Italian politics. The Truman Administration poured in about ten million dollars to pay for local election campaigns, bribes, and propaganda."

"The Marshall Plan could not succeed if the Soviets interfered with German recovery. European recovery needed German coal, steel, and chemical fertilizers. Because the Soviets had a veto, the Control Commission in Germany could not operate effectively. The Western countries decided to take matters into their own hands. In February 1948 the United States, Britain, France, and the Benelux countries opened a conference on Germany in London to which the Soviets were not invited. They decided to unify the Western zones, giving the West Germans control over their government, [and to institute] currency reform."

"Stalin saw the United States engaged in an effort to rebuild Europe, rebuild Germany, extend American influence over Europe, using dollars to isolate the Soviet Union. As part of his reaction to the Marshall Plan and steps toward the formation of a West German government, Stalin cracked down on Eastern Europe. He had 'nondemocratic' politicians shut out of the

Governments of Hungary, Poland, and Czechoslovakia. In Bulgaria opposition leader Petkov was executed; in Poland, 17 non-Communists were tried as traitors; in Hungary prominent members of the opposition had to go into hiding. Until this time, the Czechoslovakian Government had managed to maintain a democracy; they did whatever the Soviets wanted in foreign affairs, and in return they were left alone to manage their internal affairs—a classic sphere of influence. In February 1948, 12 non-Communist members of the Czech cabinet resigned in order to force a new election. The Czech Communists used this as an opportunity to establish a Communist government. After taking over, the Communists carried out purges and trials of political opponents. There was no direct evidence of Soviet involvement; the Soviets only had 500 troops in Czechoslovakia at the time. On March 10 the non-Communist premier, Masaryk, jumped to his death from his bathroom window. It is unclear if it was suicide or murder. There is some evidence that Masaryk was about to flee the country and in order to avoid embarrassment was murdered and pushed out the window."

"The Czech coup seemed to prove that democratic institutions were more fragile than had previously been believed. United States officials inferred that Soviet dominance was likely to come about through local subversion, not military conquest. Truman used the Czech coup to get the Marshall Plan through Congress, restore the draft, and increase the military budget for air power.... In light of the coup, the Western European countries became concerned about the military imbalance in central and eastern Europe; the Soviets had thirty divisions [there] whereas combined French, British, and American forces amounted to less than ten divisions. In March 1948 Britain, France, and the Benelux countries signed the Brussels Treaty, which created the Western European Union, a predecessor of NATO. Under the Treaty, the five countries agreed to cooperate with one another militarily. The British asked the United States for a firm commitment to defend Europe against aggression, but...Congress was wary of permanent US commitments to Europe."

"For various reasons, the Communists did not win in the Italian elections in 1948; instead, the Christian Democrats won 48.5 percent of the popular vote. The defeat of the Italian Communists showed that the momentum of Communism could be stopped. Heartened by the Christian Democrats victory, the Truman Administration decided to increase support for covert operations. Kennan pushed hard to make special operations permanent and to enlarge the scope of covert operations. In June 1948, NSC 10/2 superseded NSC 4/A. NSC 10/2 established a new covert operations branch within the CIA, the Office of Policy Coordination. It was authorized to carry out propaganda, economic warfare, sabotage, and subversion against hostile states."

"In order to reassure France about the formation of a West German government, Washington began to coordinate military plans with the British and French. Senator Arthur Vandenberg, a former isolationist who headed

the Senate Foreign Relations Committee, sponsored a Congressional resolution that became the basis for NATO. [Secretary of State] Dean Acheson promised Congress that American troops would not be stationed in Europe permanently but only until Europe recovered. The Truman Administration did not regard the Soviet Union as a military threat. US troops were intended to reassure Europe and prevent panic, so that recovery could get under way. But now the Soviets were alarmed. The Americans were breaking a tradition that went all the way back to George Washington, that of avoiding alliances except in the case of war. The Soviet Government pointed out that an American–West European alliance was proposed in peacetime when nobody threatened the security of either the United States or Western Europe."

"The Soviets were even more concerned about Western steps toward establishing a government in the Western zones of Germany.... On June 18, 1948, the Western countries announced that they were going to issue a new currency for the Western zones ... the Soviet response to the currency reform was to blockade West Berlin. On June 24 the Soviets closed off all routes to Berlin except by air. The city had enough food for 36 days. Berlin was a Soviet hostage. Stalin's goal was to pressure the Western countries into giving up the idea of establishing a separate West German government, but the blockade had the opposite effect; it hastened progress toward establishing a West German government and incorporating it into NATO. Truman chose to airlift supplies to Berlin as a compromise between retreat and war. Finally, in May 1949, the Soviets lifted the blockade. They had failed entirely in their aims.... The Berlin blockade led to the formation of NATO in April 1949. France decided that the Soviet Union was now a bigger threat than Germany."

"The Berlin crisis was part of an action-reaction syndrome: Marshall Plan, Czech coup, currency reform, Berlin blockade, NATO. Each side perceived the other's defensive actions as offensive. Each side took countermeasures. The result was a spiral of conflict that neither side intended.... After the North Koreans invaded the South in 1950, US officials feared for a brief period that the Soviets might resort to war in Europe, such as between East and West Germany. United States covert action continued in France and Italy throughout the 1950s as the psychological warfare continued. "

"That," Larson declared in conclusion, "was the Cold War."

William Colby, addressing the role of CIA in Europe during this period, began by explaining, "We had just finished the Great Crusade against Fascism." The United States had 12 million people in the armed forces in 1945, but by the end of 1946 there were about a million and a half, the remainder having been sent home. "We then were faced with the fact that there was a remaining threat, and many in my generation considered the Cold War was merely a continuation" of the kind of totalitarian threat

Hitler had posed. There were some obvious differences: former allies had become adversaries, and the French and Italian resistance forces with which the Allies had worked during the war against Germany became major subversive forces. When France was liberated in 1944, a large portion of southwest France was taken over by Communist units which tried to establish Communist governments there, using even executions to achieve that end. "That was the first scent that something was wrong in our relationship" with them. "We saw the Communist parties develop with the Cominform's enthusiastic support in countries like Italy and France and...that they were building their legal forces, not only the [political] parties but Communist trade unions, farmers' groups, cooperatives, youth groups, womens' groups, lawyers groups—the whole panoply of international fronts for the Communist political offensive."

"CIA's initial reaction to this was, of course, to try to reestablish some intelligence capabilities in Europe," Colby continued. "We turned first in many cases to developing liaison relationships with governments. That included one that was quite controversial: the establishment of a relationship with General Gehlen and his (intelligence) service in Germany, which had concentrated during World War II on Eastern Europe and Soviet actions there (and had) a fund of knowledge that was very handy to us. We sensed that it was politically delicate, but at the same time the threat demanded that we take such steps.... At the time it seemed quite a reasonable thing to do. We did not consciously establish links with Nazi groups but rather with members of the Wehrmacht,...a number of whose officers had participated in the plot against Hitler."

Colby said his first assignment in Europe for CIA was to help prepare for a possible Soviet occupation of Western Europe—stashing supplies, doing some training, and establishing networks of potential resistance organizations in Scandinavia, where he had operated during the war. "We began by using the same tactics and techniques that had been so successful during the war, parachuting agents into the Baltic countries, Poland, and various other countries...only to find out that in some of those areas we were taken in by the very authorities we were trying to oppose. They managed to fool us in Poland rather thoroughly; the agents we dropped disappeared in a very short time. We discovered that action in a Communist totalitarian society was a very different thing than action in Nazi-occupied Europe or even in a Fascist society."

CIA operators then tried new techniques, using defectors and refugees to develop agents in Eastern European countries in order to learn something about the policies and programs of the new governments there. These operations, according to Colby, "were moderately effective." He cited Radio Free Europe and Radio Liberty as the one significant offensive effort "against the occupied territories and the USSR itself. It gave the people in those areas "an alternative view of what was happening." revealing to them Stalin's labor camps and prisons. "We began the process of showing the

reality of life under Communism as against the so-called glories of Socialism that were being touted. And we tried to support the concept of the captive nations: the fact that nations in Eastern Europe had been captured by a foreign and alien society." The objective was "to create a climate of opinion that those countries were suppressed" and that other European countries were similarly threatened by the spread of Communism.

Colby also described the major political and psychological programs that were conducted in Western Europe. "There was a danger that several of these countries might vote themselves into Communism by error or by fraud. It was a problem of strengthening the resistance to Communism."

Colby acknowledged that inasmuch as the Communists were on the far left of the political spectrum, the question can be asked, "why didn't we turn to the Right" for support in resisting Communism? The answer, he said, was provided by "some very smart people who were running our programs at the time. They said, 'you can turn to the Right [but] at that point you leave the Center open to penetration by the Communists, and if they get both the Left and the Center, they've got the victory. The battle for the loyalties of these Western European countries will be a battle for the Center, and the Right is irrelevant because it has nowhere else to go.' So a very conscious program and policy was developed to strengthen the Center, the democratic forces in Western Europe, so they could revisit the entreaties of the Left."

"Similarly," the former DCI continued, "there was an intellectual contest, a very important one. The challenge was whether intellectuals would sympathize with the changes advocated by the socialist nations or find more value in the importance of freedom—free speech, free press, free broadcasting, and so forth. So CIA, again seeing that the Center was the contested area, began to support groups of intellectuals, the Congress of Cultural Freedom for instance. We had to meet the Communist peace offensive...which tried to identify the Soviet Union and Eastern Europe with the cause of peace and (contended that) it was the West that was building up its forces and threatening to end peace. This was carried on at massive expense by the Communists at world congresses of peace, at youth congresses (and similar international gatherings). So as part of the effort to meet that challenge, we began to support groups in the West and in this country which would participate in those congresses, who would speak for the importance of freedom (and) real peace rather than the peace of the gulag."

Colby affirmed that "a very famous lady who was very antiestablishment for many years" acknowledged that she was supported by CIA when she went to one of those congresses. "She said the interesting thing about it was CIA never told us what to say. They just said go over there and act like a free American student. That's all you were asked to do, nothing more than be yourself. And she, I think for good reason, couldn't find anything very wrong with that, even though CIA had paid the very modest expenses."

After the Soviets "held a peace conference in Vienna of which they lost control, they never tried to hold another one outside the Iron Curtain because they wanted to have absolute control of the scenarios for such congresses."

The US countermeasures begun under President Truman in the early 1950s, in Colby's view, were helped by Soviet actions, such as the coup in Czechoslovakia and the suppression of the revolution in Hungary in 1956. "We lost some of those efforts," he admitted. "We lost in Albania because there were traitors in our midst—the British group [Philby and his collaborators]. But the occurrence of these rebellions dramatized the fact that freedom was very much the objective of many people in that area. By the '60s the major battle had ended; Western Europe was protected. It had been threatened by the Red Army, which was met by the NATO Alliance; it was threatened with economic collapse which was met by the Marshall Plan; and it was threatened by subversion."

"In the '60s we began to see the revelations" of CIA's covert activities. The Bay of Pigs was a revelation of a sort, but the book *Invisible Government* really started it. Then came the *Ramparts* articles showing CIA had had a relationship with the National Student Association. Following such exposes, the Agency began "a phasing down" of some of those activities, including in Italy where the situation improved and the need for the support of the Center parties declined. Colby summarized by saying, "If you look at the record of CIA in those early days, we set up the systems by which we had to meet a whole new kind of world warfare. It was a war, a political war, and we made some mistakes. We did some things wrong, but overall I'd give us a good B plus."

During the question period, Colby was queried about how beneficial CIA cooperation with Gehlen's organization had been. He replied that he had not dealt directly with Gehlen but that it was always "an arms-length relationship" with the main value being access to "somebody who knew something about East Europe and...Ukraine and Russia." Gen. J. Lawton Collins, from the audience, volunteered that he was in the intelligence division of US Forces in Europe which dealt with the Gehlen group before it was turned over to the CIA. According to him, Gehlen's people "had a tendency to tell you what you wanted to hear, so you had to be a little cautious with them." He added that at the time he and many others in the military did not think the United States should be spying on our former friends and allies.

Another questioner asked whether the two speakers thought Soviet archives will ever yield anything that will help us understand how much of a threat the Soviets really were, because much of what we did was a reaction to that perceived threat. Colby cited a Soviet document on a briefing for Khruschev about the Korean war which, as he recalled, said Kim Il-song made "something like 37 requests" for Stalin's permission to start the war

but was repeatedly turned down. The thing that changed Stalin's mind was a Soviet assessment that the United States would not react, whereupon he gave his permission. Colby pointed out that this coincided with Dean Acheson's speech at the time in which he excluded the Korean Peninsula from the areas he designated were important to US interests. "So here was a very well-founded assessment which...didn't turn out to be a correct assessment because Harry Truman wouldn't stand for [a North Korean conquest of the South]."

A similar case was the question of who on the Soviet side had the authority to use nuclear warheads during the Cuban missile crisis. The United States, according to Colby, had assumed that the Soviet commander in Cuba was subject to Moscow's control on the question. That was true, he said, for the long-range nuclear missiles but not for the tactical ones, because the Soviets feared their communications relay ship in the Atlantic would be taken out in the event of an American invasion, and that authority could not be granted in a crisis. So the local commander actually had authority to use the tactical weapons, which could have engendered a nuclear holocaust if the United States had invaded and been met by a nuclear response.

Norman Polomar of the US Naval Institute, commenting on what had been said about documentation and perceptions, submitted that, "We have to be very careful with some of the documentation we're getting from Russia now. I'm working on a Soviet Russian naval history program with the Russian Navy, and there are documents that they contend just no longer exist because as leadership changed, certain documents were trashed." In some cases, even records that documents existed were destroyed because people were instructed to get rid of anything reflecting the policies of their predecessors. "There are major gaps in their archives that I had a feeling we and they themselves may not even be aware of at this stage, going back to the 30s and 40s."

Vladimir Pozniakov of the Institute of General History in Moscow volunteered on that point that, "Even if some naval records were destroyed, it doesn't mean that there are no traces whatsoever." According to him, the peculiar feature of Soviet archives system is that all the major documents or copies of them or special memorandums on them were sent to the Party Central Committee, "and you can always find a lot of documents there [that are] not, say, in naval or army or intelligence archives. It is my own experience."

Session III: The International Context: 1945-1953

Panel B: CIA and the Cold War in Asia

Nancy Bernkopf Tucker, Georgetown University

Harold Ford, CIA

For ***Nancy Bernkopf Tucker*** the moment that symbolized the developments of the Truman era with reference to the Cold War in Asia was Dean Acheson's speech at the National Press Club on January 12, 1950, in which he placed Taiwan and Korea outside the US defensive perimeter in Asia. "Why was this such a significant address?" she asked. "Because in one stroke it encapsulated the basic dynamics of the policies, pressures, and problems that characterized the Truman Administration's interaction with Asia between 1945 and 1953."

"Specifically, the speech demonstrated four critical realities. First, it made clear that the hearts and minds of policymakers in the Truman Administration were deeply immersed in European affairs. Asia was decidedly less significant in their view, ranking at the bottom of most lists of priorities. Even after the war broke out in Korea, for instance, triggering a great escalation in the US military budget and approval of National Security Council Directive 68, much of the additional money appropriated went for the militarization of NATO and the United States rather than to fight in Korea...."

"This Atlanticism related intimately with another decisive variable: the effort to take note of the limits of US resources and the need to focus on defensible strong points of clear value to the United States. This was, of course, in absolute contrast to the posture of the 1947 Truman Doctrine, which had suggested US involvement everywhere. Now the focus was rhetorically where it had always been realistically: on Europe, the Middle East, and occasionally Japan. Retrenchment also reflected the earlier decision by Truman to retreat from the anticolonialism of his predecessor. Whereas the elimination of colonies and the fostering of democracy was desirable in Asia, Truman was loathe to risk relations with US allies or dissipate resources in pursuing quixotic goals."

"Third, the willingness to place Taiwan and Korea outside the US defensive perimeter suggests, I believe, that the Cold War had not yet arrived in Asia in full force. Acheson, in taking this position, was simply reiterating a perimeter strategy articulated the previous year by Gen. Douglas MacArthur and reinforced by Joint Chiefs of Staff insistence that Taiwan was not important enough to warrant use of US troops to save it from

Chinese Communist takeover, predicted by the CIA to be probable during the summer of 1950. The speech also reconfirmed the announcement by Harry Truman on January 5, 1950 that the United States was disengaging from the Chinese civil war after years of funneling large amounts of aid to Chiang Kai-shek and trying unsuccessfully, through Gen. Patrick Hurley and then the Marshall Mission, to mediate a negotiated settlement. Although Soviet involvement on the island of Taiwan was considered an alarming prospect because of danger to sea lanes, this was still great power rivalry rather than ideological conflict and not yet powerful enough to project the United States into a full-scale war with the Communist Chinese.... Similarly, there was a perception of Korea as peripheral and expendable, with complicated and dubious politics. The United States had welcomed Soviet troop withdrawal late in 1948 and then pulled its own forces out with alacrity in June of 1949."

"Finally, point four about the Acheson speech, was the reception that the speech evoked in the United States. That clearly demonstrated the difficulties that Truman faced at home because of Republicans frantic to recapture the Presidency after what would soon be 20 years of Democratic party dominance, and, increasingly, the tensions bred by the aspirations of a particular Senator named Joseph McCarthy. Acheson was first pilloried for having abandoned a loyal American ally on Taiwan and later for having issued an invitation to the Soviets to invade South Korea. There were calls for his resignation, and no one remembered that his remarks had been well within the parameters of policy concurred in by the military establishment."

"The outbreak of the war just five months later caught Americans by surprise, an intelligence failure and a cause for much alarm lest it herald Soviet encroachment in Europe as well. The war did resolve uncertainty about the lengths that the United States would have to go to cope with the Soviet Union. It ended the reluctance to militarize NATO and the United States, and it eliminated indecision about commitments to Korea, Taiwan, and Southeast Asia. Earlier gestures had demonstrated the Truman Administration's concern about potential Soviet expansion in Asia. Some historians have suggested that the decision to drop the atomic bomb on Hiroshima and Nagasaki was informed in part by a desire to use atomic diplomacy to constrain Soviet aspirations in Europe and Asia."

"Later, the reversal of occupation policies in Japan—with its abandonment of political purges, unilateral termination of reparations payments, and preservation of the Zaibatsu industrial monopolies—was designed to strengthen an economy whose continuing fragility risked domestic turmoil, regional instability, and vulnerability to Communist contagion through infiltration or dependence on Communist markets. So, too, the secret provision of financial support to Paris, beginning in 1945 and becoming public in February of 1950, allowed France to free resources better to fight in Vietnam against a Communist insurgency. This, too, indicated a willingness on the part of the Truman Administration to try to stop the growth of Soviet power in Asia."

"With the Korean war, anti-Communism for a time became all encompassing. Prior to Korea, Acheson had successfully sidetracked those in the State Department, the military, and among the public who were most belligerent, ignoring men who wanted to place troops in Taiwan or stage a coup against Chiang Kai-shek in order to create a stronger, more responsive government on the island. In contrast, Acheson thought a lot about the likelihood that Mao Zedong might be another Tito, and he convinced the National Security Council and the President to approve an economic policy which allowed for limited trade with Communist China, recognizing the benefits to Japan. But with the war, efforts to see Communism as anything but monolithic ended. Aggression necessitated forceful response to make containment credible. It also gave Truman the opportunity to demonstrate to his critics that he was tough. The results of the attack can be seen in six immediate and longer term developments."

"First, Truman ordered the Seventh Fleet to patrol the Taiwan Strait so as to prevent the anticipated Chinese Communist assault on the island. It also constrained Chiang Kai-shek, deterring his efforts to return to the mainland and at the same time drag the United States into a war with China. Although meant to be temporary, Truman found it subsequently impossible to extricate the United States from this commitment, and Dwight Eisenhower would eventually be forced to accept a mutual defense treaty with the Nationalists as a result."

"Secondly, the Administration provided technical advisers to the French in Indo-China, supplementing earlier financial aid. This, of course, was the entering wedge for full-scale US commitment later."

"Thirdly, in 1951 the Japanese Peace Treaty was signed without either the Soviet Union or the Chinese Communists adhering, since they believed that the Treaty represented a threat to strengthen Japan dangerously and also would assure continued basing of US forces in Japan."

"Fourth, the war led to the restructuring of the United Nations, replacing an institution based on great power agreement with a new organization based on the Uniting For Peace resolution, which made it possible for the General Assembly to vote to bypass a Security Council unable to act, should a Soviet veto be cast. The assumption was that, since the United States controlled the General Assembly, if the United States wanted something to happen it could always make that come to pass."

"Fifth, the North Korean attack led the Truman Administration to the folly of trying to reunify Korea. Ignoring both the authoritarianism and ineffectiveness of the Rhee regime and the warnings from Beijing that US troops must not cross the 38th parallel and threaten China's borders, the result proved to be a wider conflict with American and Chinese boys killing each other on the Peninsula. Still it was not as wide a war as some elements of the US military and Chiang Kai-shek hoped it would become when they advocated blockading China, deploying Nationalist Chinese troops on the

Korean Peninsula, and aerial attacks, perhaps even nuclear ones on Chinese supply lines and cities. The world was spared such a conflict because all the belligerents and most of their supporters recognized the futility of massive engagement. On the other hand, the Korean conflict entrenched Sino-American antipathy for the following twenty years."

"The sixth is the only really positive result of the Korean war: the fillip it gave to the Japanese economy. For many Americans, Japan was really the only important actor in Asia because it had the potential of being the industrial engine for the region. The fact that war procurement invigorated Japan's faltering economy they perceived as critical."

"There were other developments in these years not influenced by the war in Korea that also demanded attention from Washington. First of all there was a struggle for independence in the East Indies between 1945 and 1949 which eventuated in the end of Dutch colonial rule. In this prolonged conflict the United States took a decisive part by threatening to suspend all economic aid to Holland if it did not grant independence. Unfortunately, or maybe fortunately, US motives here were not primarily respect for self-determination but rather were influenced by the weight of domestic US and international criticism of Dutch policy, which threatened to undermine support for European economic recovery programs. At the same time, the United States Government worried about continuing instability caused by Dutch policies and the Dutch inability to end guerrilla warfare which had the potential of producing a Communist government."

"Secondly, in 1950, the Chinese Communists brought their form of liberation to Tibet. Concern about this development and American eagerness to destabilize Beijing would lead to significant and prolonged CIA involvement in resistance efforts.

"And thirdly, in Burma remnants of Nationalist Chinese armies, which fled the Communist victory in 1949 and 1950, set up bases for continued civil war. During 1951 they staged two unsuccessful attacks on Yunnan Province. But, the lack of success did not deter either the Nationalists or the CIA. Operations would continue through the Eisenhower, Kennedy, and Johnson Administrations, sometimes with US support, sometimes without, and sometimes with support so covert that it would continue even when much of the US Government believed that it had ended."

"The Truman Administration, then, was confronted with a galaxy of problems in China, Japan, Korea, Indonesia, and Burma to which it could bring to bear little prior knowledge or thought, about which it could muster only limited interest, and for which, as Hal Ford will doubtless make clear, covert solutions often look more appealing than conventional policies."

"Let me end by returning to the beginning. Recent revelations from Soviet and Chinese Communist archives ironically suggest that the Acheson speech, my symbol of the times, may have been as disastrous an

error as contemporary critics insisted. A 1966 report prepared for the Soviet Foreign Ministry, which Katherine Weathersby read and translated in 1993, shows that the North Korean attack was not a Soviet effort to test American power or to tie Washington down in an Asian war, or to expand Soviet power and control. In fact, Kim Il-song had to plead with Stalin for support, and Stalin's hesitancy was finally breached only because Stalin was convinced that the United States would not intervene. How was he convinced? The Acheson Press Club speech was not the only evidence, but it did weigh heavily. Similarly, Mao Zedong was preoccupied with preparing to attack Taiwan so as to bring the Chinese civil war to a successful conclusion. He, too, believed Acheson, and he not only thought the United States would refuse to be involved in Korea but, more importantly for him, he concluded that the United States would not interfere in the liberation of Taiwan, which he was in the process of planning."

"So in the end, McCarthy and those others whom Acheson dismissed as neanderthals may have had a point: his statements were probably ill timed. In the larger sense, however, the critics were as destructive and perverse as Acheson asserted. By trying to ensure that judgments regarding Asia be made entirely on the basis of anti-Communism, such people were wrong in their analysis of what was happening in China, irresponsible in overlooking the difference between ideological-driven strategies and policy determined by great power rivalries, and foolish in making it possible for other governments to manipulate Washington by limiting legitimate parameters for decisionmaking. The arrival of the Cold War in Asia narrowed options and imagination, ensuring that hot war would continue in Korea and reoccur elsewhere, most painfully in Vietnam. For this, both the Truman Administration and its opponents bear a significant degree of responsibility."

Harold Ford introduced himself by saying that in 1950-51 he was the Headquarters' case officer in CIA responsible for backing up OPC's most ambitious China operations. He offered a couple of preliminary remarks about the nature of the Cold War in Asia, which he felt was quite different from that in Europe. "There were misconceptions on both sides [in Europe]. Nonetheless, I'm not convinced that the Cold War began in 1947. I recall that President Roosevelt before his death was concerned about Soviet misbehavior, backing off in many important ways from Yalta even before his death.

"The key event that precipitated the Cold War in Asia was, of course, the North Korean invasion. Prior to that time CIA had been running some successful OSO or intelligence-gathering operations, and I think I'm right that the only covert operation of any consequence prior to the invasion was sending Colonel Landsdale and a small team to the Philippines where, as you know, CIA and Col. Ed Landsdale helped Defense Secretary Ramon Magsaysay turn back the Communist-led Hukbalahap rebellion. But the event which spurred large-scale US covert operations was the North Korean

invasion and then, five months later, the massive Chinese Communist intervention.... The US Intelligence Community did not predict the North Korean invasion [or the Chinese Communists' intervention].

"I call your attention to the books that you have (*CIA Cold War Records, The CIA Under Harry Truman*). On page 351 [there is] an estimate—from not just the CIA but the then American Intelligence Community—of 12 October 1950 which concluded: 'There are no convincing indications of an actual Chinese Communist intention to resort to full-scale intervention in Korea.' Not so good. One of the reasons for that was the overweening influence upon estimates, as I understand it, of the man who knew the most about those questions at the time, and that was Douglas MacArthur. He and his headquarters consistently downplayed the likelihood of significant Chinese intervention. Thanks to the State Department's release of earlier documents now in their published series, we learn that on 24 November 1950 Douglas MacArthur visited frontline troops, American troops in Korea, and assured them that the war would soon be over and 'you will be home for Christmas.' Less than 24 hours later, Chinese Communist units struck US-UN troops in enormous force."

"Now the question was, how should the United States respond? MacArthur—a virtual law to himself and, remarkably, still a hero—recommended that the United States take extreme measures against China. In Washington, the Joint Chiefs of Staff, fearful of global war, urged more measured responses. As we know, the latter argument won out. The Truman Administration proceeded to fight a limited war in Korea and, as part of that decision, directed CIA to take any and all measures it could to aid and abet the effort in Korea, especially measures that might impair Communist China's ability to wage war there."

"Our covert operations were of two kinds. One was in the immediate war theater in and around North Korea, and there CIA people did a lot of successful and good things in conjunction first with US Navy people. They reconnoitered before the Inchon invasion, a very successful invasion that MacArthur did pull off in September 1950. CIA people established escape and evasion teams. They ran intelligence teams into North Korea and China. They were able to energize some 1,400 anti-Communist Koreans in North Korea. And CIA, having taken over China Air Transport (CAT), performed fine duties there because, by the time of the armistice in mid-1953, CAT had flown some 15,000 support missions to Korea and overflights of enemy territories. One such flight ended in disaster in November 1952 when two American officers were downed in Manchuria and captured by the Chinese."

"The largest and most ambitious CIA efforts to assist the Korean war, however, were embodied in two simultaneous OPC China operations—or, more correctly, two and a half operations—which sought to support and run some tens of thousands of claimed anti-Communist guerrillas in China who, if armed and supported by the United States, could supposedly harass and

damage PRC lines of communication and hence Beijing's ability to support its war effort in Korea."

"The first of these two OPC endeavors operated with and through the Nationalist Chinese Government on Taiwan, despite the fact that official US policy toward the KMT had grown cool following the collapse of Chiang Kai-shek's regime on the mainland and $2.2 billion worth of US assistance—which probably, I interject, was another reason why it seemed that we were shifting attention to Europe, because we had tried with what seemed to be our strongest ally out there, these great armies of the 'Gimo, and it had been proved a failure. But now with US-UN forces in jeopardy in Korea, the Truman Administration, acting through CIA, was receptive to Taipei's claim that it had—and this is the exact figure—one million six hundred thousand anti-Communist guerrillas still answerable to it on the mainland. I saw that report and that map when it first hit Headquarters.... Then, making use of close contacts and collaboration the US Navy had had during World War II with Chinese Nationalist intelligence, in early 1951 CIA, I included, set up a business firm on Taiwan called Western Enterprises, which was a not-very-covert cover for supporting Taipei's claimed 1.6 million assets on the Mainland.... Western Enterprises grew to several hundred officers on Taiwan, where they assisted the Chinese Nationalists in guerrilla warfare training, logistic support, propaganda, small-boat operations in the Taiwan Strait, and overflights of the mainland, which became deep overflights in 1952 when OPC and CAT picked up an unmarked B-17. Nonetheless, the results of OPC and the Chinese Nationalists were so-so, and with the coming of the armistice, that operation was subsequently scratched."

"The second operation that OPC was running simultaneously supported various so-called Chinese Third Force leaders, most of whom had become refugees in Hong Kong following the fall of the mainland. They maintained that they were answerable to neither Beijing nor Taipei, and claimed that they still had tens of thousands of anti-Communist guerrillas in South China responsive to their direction. These refugees were a mixed bag of officers, feuding among themselves. Some were former South China warlords, some were so-so Nationalist officers, and some were former outstanding Nationalist officers, especially one Gen. Tsai Wen-chih who had earlier become crosswise with Chiang Kai-shek for having disobeyed the Gimo's orders, and had stood and fought successfully on the mainland when he'd been ordered to retreat. That operation, the Third Force, until 1953 involved OPC and CIA setting up a $25 million training base on the island of Saipan in the Marianas and there training Third Force Chinese in guerrilla warfare skills of various kinds. Later, operating out of Japan, it infiltrated numerous paramilitary teams into China. But in the end, like Western Enterprises, this operation, too, gained very little."

"The third OPC China operation is the one Professor Tucker told you about. I call it half an operation. This was the support of Nationalist Gen. Li Mi. He and his small army had been pushed out of Yunnan and into northern Burma. He claimed in late 1950 that he still had four thousand troops

loyal to him there and many more still answerable to his direction in the mainland. OPC thereupon supported his effort to reinvade Yunnan and harass Chinese Communist lines of communication. The operation proved a fiasco. He invaded twice to a distance of 60 miles, was thereupon pushed out twice. In the end, long diplomatic wrangling finally brought about the subsequent exfiltration of Li Mi and some of his people to Taiwan—though many others of his people remained in Burma and upper Thailand, where they became farmers—poppy farmers."

"Now forty years later, what do we say about the varied success of these operations? The most successful clearly were those of CIA in the Philippines, where a splendid leader turned back the Huk challenge and subsequently became President of the Philippines—probably, at least in my view, the best President the Philippines has had—but who was tragically killed in an airplane accident in 1957."

"CIA's operations in and around the war effort in North Korea were successful in many modest ways. The two big ambitious efforts, Western Enterprises and the Third Force, achieved only minor results despite heroic efforts by CIA and the many Chinese who staked their lives on these operations. Most of the teams infiltrated into the PRC were never heard of again. At best, these operations can be judged to have put some strain on Chinese Communist security forces and doubtless caused Beijing to divert some military units from commitments elsewhere. The Li Mi operations were a disaster from conception to completion...."

"How should we assess or what conclusions can we draw from these experiences? First, starting from a small operational base of officers and of experience—including my own, I was green and brand new—CIA did make heroic efforts to assist the US-UN effort in Korea."

"Secondly: Nonetheless, here as in other CIA paramilitary operations later, good intentions, enthusiasm, and frenetic effort were not enough. To be successful such operations must have something very positive to work with on the ground. This we did obtain in the Philippines, especially in the person and character of Ramon Magsaysay. One reflection of the success which he and Colonel Landsdale achieved there is the fact that the latter subsequently became the model hero of a novel, *The Ugly American*. And, as for Western Enterprises and the Third Force, they doubtless had few significant assets to work with on the mainland on which to base operations."

"Third, in 1950-53 many problems combined to thwart Western Enterprises and the Third Force. Chief among these are the fact that the mainland assets which the respective Chinese leaders claimed, Nationalists and the Third Force alike, were grossly inflated from the start; and the overwhelming strength of Communist China's Security Forces almost certainly wrapped up such antiregime guerrillas as existed."

"Fourth, throughout its lifetime the Third Force suffered from intense factionalism."

"The fifth conclusion: The efforts of the US Government to support and administer the ambitious Third Force and Western Enterprises' operations were of necessity hurried, piecemeal, and somewhat ramshackle."

"Sixth, operations of their size, complexity, and priority rendered effective security almost impossible. Both the Western Enterprises and Third Force operations were almost certainly penetrated by the other, and each almost certainly was penetrated as well by the Chinese Communists."

"Seventh, the efforts of Li Mi were stillborn from the start. Even if his small forces had been able to harass Chinese Communist forces in southernmost Yunnan, that would have had virtually no significant effect on the ability of Beijing to conduct its war effort in far-off Korea. Moreover, the Li Mi operation damaged US relations with Burma and with the UK and helped beget a vexing drug problem in upper Burma and Thailand that exists to this day. Somewhere in CIA's files I hope there is still on file a blistering critique of the Li Mi Operation written in 1951 by an OPC officer I am too modest to identify."

"Eighth, in Washington's early 1950s, secrecy and frenetic deadlines led to a situation where OPC to some degree proceeded on its own, not being able to check carefully or fully even with other offices of CIA, some of which I subsequently found out already had extensive files on much of this material which OPC was doing from scratch."

"Ninth, in Washington all three OPC China operations—Western Enterprises, the Third Force, and Li Mi—suffered from super enthusiasm and super salesmanship of these operations to policymakers, who were faced with a horrible situation in Korea and convinced that something had to be done to aid the war effort."

"Finally, in the case of all these three priority China operations, their operational assumptions were checked only hurriedly with senior US intelligence and policy officials, who were not themselves part of these efforts and who could have looked at the respective assumptions freer of operational enthusiasm and commitment. Hence, one of the most important lessons that these three China efforts could have bequeathed to future CIA paramilitary operations was the need from the outset to carefully check the assumptions of such proposed operations with outside senior review. Unfortunately, sometimes thereafter this was not adequately done; the most serious result a decade later was the Bay of Pigs."

"Intelligence and Democracy: The CIA and American Foreign Policy"

Address by R. James Woolsey, DCI

(The following excerpts from Director R. James Woolsey's address focus on his references to President Truman's leadership as the United States dealt with international conditions following World War II, CIA's role and development during that transition, and critical issues the Agency now faces in the post–Cold War period.)

"I'd like to begin by focusing on President Truman: the man, the President, and the mission. President Truman's life spanned the remarkable challenges that faced our country in the first half of this century: the crusade for democracy in what historians called the "Great War," the period of illusory isolation, the formation of the Grand Alliance and with it the defeat of Fascism, and then, the beginning of the Cold War. Truman represented not only the essence of leadership, he symbolized the spirit of America, and the coming of age of American power and global responsibility in this century."

"A nation's mettle is tested in times of great challenge or crisis. When President Truman established the CIA in 1947, 'crisis' would be an apt description for the condition of an unstable, war-ravaged world."

"...He presided over what should have been one of our nation's most joyous occasions: the defeat of Fascism in 1945. Yet no one would have predicted in the summer of 1945 that within a year Stalin would be proclaiming the incompatibility between Communism and capitalism; within two years Truman would have to ask the Congress for urgent funds—first for Greece and Turkey, then for the reconstruction of Europe; within three years the people of Berlin would be cut off from freedom; within four years China would be added to the ranks of Communist powers; and within five years American forces would be fighting a major war in Asia. No one could have believed during that glorious summer of 1945 that certain victory would be followed first by uncertain peace, and then by war. Those five years were easily as startling at the time as the last five years have been to most Americans."

"As scholars and historians you have made major contributions to our knowledge of the Cold War. But let me just add this one thought: there was nothing preordained or automatic about the decisions Truman and others made. After four long years, the American public did not want to hear of sacrifice, struggle, or war. None of these would have been a winner in the polls. None would have made good sound bites. Yet, as Truman, watching the events unfolding in Europe, wrote in his diary, 'It can't happen that way again.' He was referring to the possibility of America once again rising too slowly, responding timidly—unsure of itself and its role in the face of another threat, this time the threat posed by Soviet Communism."

"Two days after the surrender of Nazi Germany, Truman wrote to Eleanor Roosevelt, 'patience must be our watchword if we are to have world peace.' Within a year that patience had been exhausted by the policies of the Soviet Union. Yet, as is our American habit, even as we implemented the policy of containment, we vigorously debated its very meaning. Did Stalin really mean to overrun Europe? Was the threat ideological? Military? Political? Psychological? How appropriate was our response? Didn't we exaggerate the threat?"

"Dean Acheson's definition of our mission, looking back now over nearly half a century, has stood the test of time quite well. In the preface to Acheson's memoirs, *Present at the Creation*—memoirs which he dedicated to Truman—Acheson described the mission in these terms: 'to create half a world, a free half...without blowing the whole to pieces in the process.' "

"To create this free half, President Truman needed to summon an American people still unaccustomed to global responsibility, to tell them to bid farewell forever to isolation. His guide for American leadership was straightforward: a vision of a world where liberty would be secure, a determination not to repeat the isolationist folly of the past, and plain hard work."

"But Truman also had to ensure the means with which to protect the security of the nation for, as Churchill once said, 'Rhetoric was no guarantee to survival.' Truman knew that, regarding national security, while power without principle was morally unsustainable, principle without power was neither morally nor physically defensible. So he set out to reorganize both the way we think and what we do in providing for the defense of our nation and our values. The Marshall Plan was a remarkable example of this change in thinking: helping others to overcome the fear of want, the fear on which tyranny preys."

"But there were other measures which proved equally, if not more, difficult to implement. President Truman had to get the Congress and the American people to accept the necessity of maintaining strong armed forces in peacetime—something which ran counter not only to American history, but in a sense to the spirit of the Constitution. His notes and diaries were peppered with frustration over the rapid, and in his view, reckless demobilization, and over his failed attempts to sustain selective service or to have Congress enact universal military training. Before World War II, General Marshall, then Army Chief of Staff, complained that for years America had time but no money; by 1940 it had money but no time. Truman was determined not to let history repeat itself."

"To help him craft responses to the Soviet Union, to deal with an unsettled world, to sort through the many reports, hypotheses, and analyses coming from his departments, Cabinet officers, and aides, Truman also decided to establish a permanent intelligence structure. As you all know this

was not an easy decision for him, for he had misgivings about the place for such an organization in a democracy. His misgivings reflected a fundamental paradox: sanctioning acts abroad—in a word, espionage—which would be antithetical to our laws and principles if conducted at home."

"...The mission of the CIA throughout the Truman Administration—and, indeed, throughout the Cold War—can perhaps best be captured by three verbs: to explain, to warn, and to spy. Our work began with analysis to help the President and his advisers sort through the signals coming from the East—often puzzling, at times belligerent. We began providing the *Daily Intelligence Summary* on February 15, 1946, one week before George Kennan's famous long telegram from Moscow. In July the newly established Office of Reports and Estimates drafted ORE 1, 'Soviet Foreign and Military Policy.' It was written at the request of Presidential Counselor Clark Clifford, whose subsequent report on the Soviet Union mirrored much of the analysis in George Kennan's telegram. Countless reports, briefs, and estimates were to follow."

"Just as American foreign policy followed no preordained course, the same could be said of the evolution of the CIA. Whether in Europe, in the Far East, or in regional hot spots in the Third World, as successive Administrations continued to meet the challenge from the expansion of Soviet Communism, and the transformations under way in the international system, CIA analysts and officers were called upon to provide critical assessments and to spy, to steal secrets from those who wished us harm."

"Today we are declassifying thousands of pages of analysis—including 500 National Intelligence Estimates on the Soviet Union—indeed nearly 300 have already been turned over to the National Archives. We are also declassifying thousands of pages on some of the key covert operations we conducted during what President Kennedy once called the long, twilight struggle—the Cold War."

"No doubt, Truman, Acheson, Marshall and others would have been gratified to see the result of their work. Three years ago, after the failed coup in Moscow, Paul Nitze commented that he and George Kennan would argue in earlier times over how long containment would be needed in order to achieve the desired results. Nitze thought it would take three to four generations; Kennan, three to four years. It took four decades."

"Today, with the demise of the Cold War, we no longer face a single overarching threat. But, our environment is not problem free. Just as we did not anticipate the Cold War at the moment of freedom's triumph over Fascism, so too today we have been surprised by some of the challenges which have awaited us beyond the Cold War. Who would have thought that one year after the Berlin Wall fell that American troops would be disembarking by the hundreds of thousands into the Saudi desert, prepared to liberate

Kuwait? Who would have thought that North Korea would vault to near the top of our national security agenda as it did last year?"

"...The Cold War has ended, but history has not, and neither has conflict. Samuel Huntington has labeled some of these conflicts as the clash of civilizations occurring along the ethnic faultlines throughout the globe. The term ethnic cleansing has become part of the language of international politics—hardly a reassuring thought when less than 10 percent of the 170 nations around the globe are ethnically homogeneous."

"Some of the conflicts we are witnessing today stem from the implosion of the former USSR, or the dissolution of Yugoslavia. Others stem from hostilities which preceded the Cold War and continue to this day, such as in the Middle East. Although we can, of course, not solve each of them, we had best understand them."

"Still other conflicts know no national boundary. They can take a relatively benign form—such as disputes over international trade—or they can prove deadly to people or to whole nations: proliferation of weapons of mass destruction, terrorism, or drug trafficking."

"...The task for CIA in this uncertain world is threefold:

- First, to help nurture the remarkable—indeed, revolutionary—gains from the past five years;

- Second, to counter efforts by states such as North Korea, Iraq, Iran, Libya, and others to undermine our hopes for a more peaceful world;

- Third, to be prepared for the unknown, for crises which can occur at any moment and which could threaten our interests and test our resolve."

"Let me share with you today several critical issues on our intelligence agenda, beginning with the revolutionary changes in Russia and the former Soviet Union."

"...Our task is to step back, to separate what is transient from what could be more permanent, to help the President and Congress sort out the confusing and often conflicting aspects of political and economic changes, not only in Russia, but throughout the former Soviet Union. Let me cite several examples."

"...In addition to monitoring and evaluating economic trends, we also continue to monitor the disposition and status of Russia's 27,000 or so nuclear warheads as well as the strategic systems deployed to deliver these weapons. The combination of declining morale in the military, increased

organized crime, and efforts by states such as Iran to purchase nuclear material or expertise, all make monitoring a major concern for us throughout this decade and beyond."

"We are also monitoring the state of Russia's general purpose forces...."

"Our analysis is not directed solely at Russia or how it interacts with its neighbors, but encompasses how the other states of the former Soviet Union are faring. The largest of these—Ukraine—is of particular concern to us, because its picture can only be described as bleak. Reform has been nonexistent, inflation is rampant, and nearly half of the population is living below the poverty level. Moreover, although the shipment of nuclear weapons from Ukraine to Russia has begun under the terms of the US-Russia-Ukraine Trilateral accord, this is a long-term process which could be buffeted by any number of irritants between these two countries, whether they entail the flow of energy supplies to Ukraine or tensions over Crimea."

"The Middle East is another area where we have seen great promise and great challenges. Our work includes providing direct analytical support to our negotiators involved in the peace process, and monitoring existing agreements covering the Sinai and the Golan Heights. If there is a breakthrough leading to a comprehensive settlement on the Golan Heights, we stand ready to do all we can to help monitor any agreement."

"But if intractability has given way to promise in some parts of the Middle East, there are two regimes in particular, Iran and Iraq, which continue to threaten our interests.... Iran continues to maintain its implacable hostility, and to undermine our security interests and those of our friends and allies in the region. In particular, terrorism remains a central foreign policy tool for the Iranian Government, and its support for Hizballah and other such groups from Algeria to Tajikistan has not abated."

"We are especially concerned that Iran continues to develop its ambitious multibillion dollar military modernization program and to pursue development of weapons of mass destruction. In fact, we believe that Iran is beginning to attempt to develop nuclear weapons, and that it will seek help from outside sources to move its program beyond its early and rudimentary stage."

"...As to Iraq, let me be clear: Iraq's leadership continues to engage in half measures and duplicity in attempting to circumvent UN Security Council resolutions. This puts a heavy burden on the Intelligence Community."

"Our work remains critical to the success of UN efforts to find and destroy Iraq's weapons of mass destruction and Scud missiles. As a result, more of Iraq's arsenal of weapons of mass destruction have been destroyed by the UN than by all the hostilities during operation Desert Storm. But

much needs to be done. Saddam's regime is still trying to retain its expertise to develop nuclear weapons and is hiding dozens of Scuds, hundred of chemical munitions, and virtually its entire biological weapons warfare program."

"There are no easy solutions to the threats posed by these two regimes. For years we in the Intelligence Community will need to monitor their military programs, to uncover their attempts to establish clandestine procurement networks aimed at obtaining material and expertise for development of weapons of mass destruction, and to piece together a picture of their terrorist activity. We cannot relax our guard against such governments."

"Let me now turn to North Korea, a country that played a critical role during the Cold War and that can substantially affect our hopes for a peaceful world in the post–Cold War era...."

"Topping the list of challenges presented by North Korea is its effort to develop its nuclear capability. North Korean cooperation with the IAEA has been anything but thorough—indeed, North Korea continues to insist that it is not bound by the Non-Proliferation Treaty. As I have testified before the Congress, we estimate that North Korea may have extracted and processed enough plutonium from its Yongbyon reactor for at least one nuclear weapon. We will continue to support policymakers working to resolve through diplomatic means the serious concerns raised by North Korean actions. We have also taken additional steps in cooperation with the defense community to improve further our ability to ensure strong intelligence support to our military forces."

"Another challenge is North Korean development of ballistic missiles—including those in the range of 1,000 kilometers and greater—which can be made capable of carrying nuclear, chemical, or biological weapons...."

"We can confirm that the North Koreans are developing two additional missiles with ranges greater than the 1,000-kilometer missile that it flew last year. These new missiles have yet to be flown, and we will monitor their development, including any attempts to export them in the future to countries such as Iran. Unlike the missiles the North Koreans have already tested, these two—if they are developed and flight-tested—could put at risk all of North East Asia, Southeast Asia, and the Pacific area, and, if exported to the Middle East, could threaten Europe as well."

"Beyond the challenge that North Korea poses to stability in the Far East, it, along with other countries such as Iran, Iraq, and Libya, threaten to undermine our efforts to halt the proliferation of weapons of mass destruction. The proliferation of these weapons is not a new problem, but it is a

growing one. Today there are 25 countries—many hostile to our interests—that are developing nuclear, biological, and chemical weapons. More than two dozen countries alone have research programs under way on chemical weapons. Added to the problem is the fact that ballistic missiles are becoming the weapon of choice for nations otherwise unable to strike their enemies at long ranges."

"Such countries will resort to every means to circumvent international agreements or safeguards in order to obtain the necessary material, technology, or expertise. Moreover, some of these countries may place little stock in the classic theory of deterrence which kept the Cold War from becoming a hot one between the US and the Soviet Union."

"The task for us in the Intelligence Community is a daunting one. We need to decipher an intricate web of suppliers and end users; we need to distinguish between legitimate and illicit purposes, particularly for dual-use technologies; and we must help track the activities of others and work to see that the flow of material, technology, and know-how is interdicted."

"Proliferation is not the only crisis transcending national borders. We also devote considerable efforts to countering terrorism and drug trafficking. Terrorism is not solely a Middle Eastern phenomenon: it is still being used in Latin American and Western Europe. Nor does it show signs of abating: on the contrary, terrorism could rise as a result of growing ethnic, cultural, and religious turmoil throughout the globe...."

"...Attorney General Reno and I are committed to strengthening our cooperative efforts so that the world of intelligence and the world of law enforcement can work effectively to thwart the plans of terrorists here and abroad."

"We also cooperate with FBI—and with DEA—to counter drug trafficking. For example, we provided intelligence support that was essential to the success of Colombia's Pablo Escobar Task Force. We continue to focus our attention on obtaining information necessary for disrupting and dismantling the entire process of drug trafficking—from transportation to finances, to the chain of command—whether in Latin America or in the Far East. No one agency can tackle this problem alone."

"Let me mention one final area: our growing work in the field of international economics. Although economic analysis has been part of our intelligence functions for decades, international economics per se took a back seat during the Cold War. No longer."

"Today we provide policymakers with analytical support on world economic trends, as well as analytical assessments to trade negotiators, as was the case over GATT."

"We provide our expertise in trade, finance, and energy to help Administration officials thwart efforts by countries such as Iraq, Libya, or Serbia to circumvent UN sanctions."

"We assess how governments violate the rules of the game in international trade. This does not mean that we are in the business of industrial espionage. But it does mean that we are paying careful attention to those countries or businesses who are spying on American firms, to the disadvantage of American business and workers, and those foreign governments or firms that try to bribe their way into obtaining contracts that they cannot win on the merits."

"The challenges I have raised by no means exhaust the list of issues we follow in the Intelligence Community. The intelligence we provide must be timely and must address these, and other critical needs. In addition, our intelligence must be credible, and that can often mean providing unwelcome news. Yet, if we tailor the analysis to tell people what they want to hear, we lose all credibility and our work becomes of little use to anyone. One reason for creating an independent CIA was to free it of institutional biases. And so, I ask CIA employees to—in effect—honor the spirit and intent of President Truman by following one set of instructions, and that is—regardless of the issue—call 'em like you see 'em."

"Let me conclude with a few comments about the nature of intelligence work itself. In the ranks of CIA today you will find political and regional specialists sifting through the historical record of groups, causes, and nations. You will find scientists tracking technological breakthroughs in such areas as communications and missile technology. You will find economists and financial analysts, evaluating global financial or trade flows, or uncovering money-laundering schemes by organized crime or terrorists. You will find military analysts tracking the programs of potential adversaries in order to gain a better understanding of their military capabilities and intentions."

"We rely on these people to integrate large quantities of information, to form and test hypotheses, to search for corroborating or contradictory evidence—and to do so often under intense time pressure. Above all we rely on them for their diligence, their persistence, and their dedication."

"But, ours is also a world of espionage: We rely on electronic intercepts, satellite imagery, and human reporting to conduct the world's second-oldest profession—spying."

"...Amid the uproar over the Ames case there have been questions about the continued need for espionage, as well as our inability to uncover such heinous acts earlier. Let me share with you a few thoughts."

"With expertise in the world of space, of micro-electronics and of computer chips we can, and do, develop a remarkable capability to obtain information which can thwart threats to our security. But there are places where the most sophisticated engineering feats can fall short, and where human reporting may be the only source to tip us off to impending threats. Moreover, even when we uncover with technical means news which could be disturbing or alarming, policymakers inevitably ask us two questions: 'are you sure?' and, 'do you have a second source?' Human reporting—from case officers in the field and the agents they recruit—sometimes stands alone, but often can provide important corroboration for what we have otherwise picked up. In short: satellites can tip off spies; but spies can also tip off satellites."

"...In all these difficult matters, it is not a bad guide to ask ourselves, 'how would Harry Truman have handled this problem?' "

"On April 3, 1949, the eve of the signing of the North Atlantic Treaty, President Truman invited the foreign and defense ministers of the NATO signatory countries to a private meeting in the White House. With Secretaries Acheson and Marshall present, Truman described their collective task in the following words, 'Great problems call for great decisions.' "

"Great decisions await us every day—in advancing peace, in thwarting aggression, in keeping our nation and its citizens safe and secure. The CIA will learn from both past mistakes and successes. I will make the necessary changes in our security procedures and programs—and we will move on, to support the President and the Congress in helping them understand the outside world and to chart the course for America's future. In the midst of another great transformation in the international arena, we owe that to you, and to the American people."

Session IV: CIA at Work, 1947-1953

Panel A: Espionage and Covert Action

Richard Helms, former DCI

John Ranelagh, author, Cambridge, England

Former DCI ***Richard Helms*** said he would talk about the atmosphere in Washington at the time being discussed—the period of the SSU, CIG, and the earlier days of CIA. The SSU people from OSS who were picked up by CIG after the war and then came into CIA at its founding were housed in four temporary buildings along the Reflecting Pool near the Lincoln Memorial, "ugly buildings which were hot in the summer and cold in the winter, cramped quarters if I've ever seen them." The occupants were "survivors of World War II," a very diverse group—some from the military, some from the OSS, including "individuals who hardly knew the English language and yet were extremely valuable in the postwar period." In World War II if you had come to the United States and joined the military services, you could rapidly become an American citizen. In addition, during the OSS days great effort was made to recruit linguists throughout the country, including Mormon missionaries who, it was discovered, "were a great treasure trove of linguistic ability."

Helms stressed that trying to hold together a representative group of intelligence officers to man this organization was a considerable problem. Except for the regular Army and Navy officers and enlisted men, "anybody who was wearing a uniform after 1945 was trying to get out of it." Moreover, "we had all of the problems of a new intelligence organization to resolve. We had inherited these things from the OSS, but what underpinning did they have in our government? They had almost none. After all, the OSS was a figment of Donovan's imagination which President Roosevelt brought into existence through an Executive Order." Part of the SSU was passed to the State Department and the rest was put in the War Department, although "there wasn't a one of us who ever went near the Pentagon." Helms paid tribute to two officers who, "by some extraordinary good fortune, "were the first two bosses of the SSU-CIG group: Gen. John Magruder and Col. William W. Quinn, whose names "seem to have receded into history." Both, he affirmed, were keen intelligence officers who, along with the US Army, "fought a very good battle to keep us together" and protect the fledgling organization from being consumed by other parts of official Washington. "Somehow they managed to keep this boat afloat."

One of the difficult problems that arose rather early, according to Helms, resulted from the decision to take responsibility for intelligence in

Latin American away from the FBI, which had it during the war, and give it to the SSU. "This enraged Mr. J. Edgar Hoover but, since it was a Presidential order, he had to give it up." When the SSU took over that responsibility and its people went to FBI offices in the various Latin American capitals, they found "there was nothing there, no repository of the things the FBI had been able to achieve during World War II, or any of their contacts or knowledge of the area.... We obviously had to find some people who knew something about Latin America and were successful in recruiting some of the FBI agents who had worked there."

From the very beginning, however, "the Agency and the Bureau did not have what you would call connubial relations. It was finally worked out over the years as to how we were going to proceed, and with its ups and downs I think the country was pretty well served. But there was nothing we could do in the Agency to make Mr. Hoover happy about the fact that he didn't like the Agency in the first place. He didn't like its people in the second, and as far as he was concerned it was quite unnecessary." Helms did not want to demean the Bureau, however. The people in it, he said, "do an extraordinarily good job, but their culture is very different from that of the CIA or any of its predecessors, and it's very hard for the two to communicate sometimes on a problem which is very sensitive to either one or the other.... And so when I read in the paper about the difficulties over the Ames case, none of it surprised me at all. The alleged love and affection between directors of the two organizations has very little to do with the fellows who have to do the work every day of the week."

Counterintelligence operations in CIA, Helms declared, started with two individuals. One was William Harvey, "who came to us from the FBI because he somehow had gotten into Mr. Hoover's black book," enough so he joined the Agency. His job in the Bureau during the war had been to deal with Soviet agents in the United States, so he was up-to-date on what the FBI had in this field. The other was James Angleton, who was trained by the British, ran double agents in Italy, and brought to the Agency a very real sense of how counterintelligence should be run. Between these two, "we began to develop a counterintelligence approach, and the answer to whether it was successful or not is that the Agency was certainly not penetrated at any level that made any significant difference until very much later, I think after Angleton left. He has been much abused by two books...but I think a little balance in these things might be desirable." (Later in his talk, the former DCI said he had forgotten to mention that it was Harvey who, in 1951, had first suggested that Kim Philby was a Soviet penetration of the British SIS.)

Helms acknowledged that before the Ames matter is finished a lot is going to be said and written about counterintelligence, and he warned that whatever improvements are made in the way it is conducted will not be foolproof. In his opinion, "although the Ames case may be big at the moment, it will simply take its place with some of the more serious ones that the Allies had since World War II."

Regarding covert action, he said OSO and the new Office of Policy Coordination established at George Kennan's behest had a difficult time working together—"two separate organizations, both in CIA, both operating overseas and with a tendency to compete for agents, for networks, for liaison relationships, for relations with the State Department. In many respects it was a nightmare. The OSO was small; OPC was getting larger by the moment. When the Korean war came along it really exploded. The OSO people felt the OPC were a bunch of cowboys." It was General Walter Bedell Smith who decided to merge the two organizations. "There was lots of turf warfare and lots of undercutting, but the merger came off rather well after a year or two, and then we had what I think was a much harder hitting organization which was tied together, shared experiences and, above all, did not compete for the few good agents who were around."

"The early days of the Agency as far as Capitol Hill was concerned can only be described as halcyon. We reported to four committees of the Congress—the Armed Services and Appropriations Committees in the Senate and House of Representatives. The Appropriations Chairman in the House when we started out was Clarence Cannon, who used to have hearings on the Agency's budget with just two or three other Representatives present. He would end the session by pointing out very carefully to the Director that he should not go around talking to a lot of Congressmen because they leaked all the time, that he would take care of the budget and not to worry about it, and that secrecy was all important in this kind of activity. The same situation existed in the Senate where there was finally one committee composed of the chairman of the Armed Services Committee, the chairman of the Appropriations Committee, and about four other Senators. That was it. One staffer."

"The budget was never hidden from the Congress as has been charged; it was laid out in minute detail for these gentlemen to examine. But that was back in the days when powerful committee chairmen ran both Houses of Congress. They felt that this fledgling organization deserved the chance to get going. The Cold War was ominous, and they were behind the Agency. So when 1975 came along and many of those secrets were suddenly pulled out in the Church Committee, there were a lot of people in the intelligence world who felt they had been betrayed in the sense that they had always been assured in Congress that these secrets were going to be kept."

Helms stated that operations against the Soviet Union in those days were run almost entirely from the Berlin base. "We had nobody in Moscow. We had no overhead reconnaissance. Occasionally, a defector would come along providing useful information.... Gradually, one by one, we got agents like Popov and Penkowsky who contributed enormous amounts of information. But that was not satisfactory; it was not until we developed various kinds of overhead reconnaissance for which the Agency can take full credit, such as the U-2 and the SR-71, and photographic satellites."

"I think it's fair to say in closing that when General Smith and Allen Dulles took over at the Agency things really started to happen.... This is when the spirit picked up, when things began really to get tightly organized, and the Agency 'took off' for the ensuing period of the Cold War."

"I want to conclude this talk by observing that, since I was privileged to be present at the onset of the Cold War as well as at its conclusion, I would like to voice the hope that we can do as good a job of dismantling this particular apparatus as President Truman did of constructing it in the first place. Transition periods like the one we're in—transition periods in a democracy—have a tendency to be somewhat disorderly since public opinion is diffuse, diverse, and divided. Where do we want to head, and how do we get there? Well, one consideration should be kept in mind, and firmly so: Great technological breakthroughs spawned by the urgency of war, hot or cold, do not have behind them the same driving force in peacetime. Therefore, let us be careful not to destroy what we already have by an excess of zeal to return to budgets dedicated solely to social issues. Today I'm thinking particularly of the marvelous photographic satellites devised and designed by a scientist of the Central Intelligence Agency. Such inventions may not have been part of Mr. Truman's dream for the CIA he founded, but they turned out to be the solution to the paramount intelligence enigma of the Cold War: Soviet military strength and what it entailed. They still serve an essential intelligence purpose today and every day, and they will for a long time to come."

John Ranelagh began by saying, "What I'm going to try to do is put some sort of historical perspective on the period '47 to '52, the Truman Presidency era of the CIA.

"David McCollough's biography of Truman mentions the Agency five times in 992 pages. He concludes that Truman 'never expected the CIA to become what it did.' I should say right away that it is doubtful if Truman or anyone else had any clear idea of how the CIA would turn out in the late 1940s. Great institutions work out their own destinies in relation to the societies that surround and supply them. Espionage and operations, for example, took time to gear up, so it is not surprising that people might have been surprised by later activity in those areas. It took time because America had not yet worked out how it would conduct the Cold War and did not want to imagine itself doing so. I think, therefore, it's worth having a look at the nature of the age when the CIA came into being."

Uncertainty and concern about international relations and national security were central factors during Truman's presidency. "1945-1950 was a period of particular tension, both about the immediate present and the future. On the third of November 1947, John G. Winant, who'd been Ambassador to Britain during the war, committed suicide in general despair at the future of the world. On that day Lenin's seizure of power in 1917 was closer in time than John F. Kennedy's assassination is to us today. Winant was followed 16 months later in 1949 by Jim Forrestal, the first Defense

Secretary, who committed suicide for similar reasons. A band of savage and cranky conspirators who had seized Russia looked as if they were taking over the world."

"With the Korean war, the age was simultaneously defined as Soviet-American polarization and was so institutionalized for the next 40 years until the collapse of the Soviet Union. So at the moment of the Agency's coming into being in 1947, nobody knew what shape it would have because nobody knew the shape the unformed world would actually take. At the highest levels in Washington, for example, it was thought that a third world war might actually break out, and 1952 was considered to be the most likely year for this to happen. There's the famous telegram from Lucious Clay in Germany, 5th of March 1948, when he declared that he thought that war with the Soviets might come with dramatic suddenness. Eleven days later, it is reported, the young CIA said in an estimate that it did not think that war would start within the next 60 days. Early Agency reports and estimates are peppered with headings such as, 'Assessment of a Country's War Potential' and 'Preparedness for War.' The level of tension implicit in General Clay's expectations and the Agency's principal analytical concerns simply reflected the period. The Korean war finally conditioned and began giving clear shape to the age."

"So we have two stages: the Creation Period from 1945, and then the Shaping Period, beginning in 1950 with the Korean war."

"First, the Creation Period. There was a great sense of rethinking American's place in the world after 1945. In 1947 the Agency was formed in what amounted to a second industrial revolution, where developments were accelerated. In the previous ten years, radar, the jet engine, supersonic aircraft and supersonic guided missiles, the atom bomb, intercontinental aircraft and rockets, the backpack radio, plastic, photocopiers, nylon, computers had all come into being. Immediate past history was all defining. The Russian Revolution of 1917—more accurately a coup d'etat—had brought home the significance of long-range covert penetration, subversion, and organization."

"The mind-set of politicians and of the people who formed the Agency was shaped by their experience in World War II, most directly by the shock of Pearl Harbor. The 1939 Nazi–Soviet Pact also had a devastating impact on this first national intelligence generation, and they sought not to repeat American habits of improvisation and instead carefully to plan responses. A high proportion of young Agency people had taken heavy personal risks during the war. They knew horror. Espionage and operations to keep peace seemed an infinitely preferable alternative. Into the early 1950s it was not clear that containment would succeed. But to these young men and women intelligence was akin to Lawrence of Arabia–type work in the developed world: brave, sophisticated and, above all, economical of life. 'No more Pearl Harbors' was the cry after 1945 and was at the heart of the planning and establishment of the CIA as an Agency of armed peace."

"World War II had seen the United States encounter totalitarianism without real mastery of intelligence. It was followed immediately by a new world of permanent struggle with no clear limits and unknown but rightly feared consequences attaching to actions large and small. For almost two years after the end of the war, Communists shared power in Belgium, France, and Italy. Communist Parties in the West received not-so-secret Soviet funding. The strikes on the Marseille waterfront and at Italian food depots that mushroomed in 1946, guerrilla movements in Greece, Malaya, the Philippines, Vietnam, Indo-China, the independence of India, the creation of Pakistan and the medieval-like religious war that followed, China falling to the Communists, Whitaker Chambers' testimony implicating Alger Hiss in the Red American underground, murderous conflict in the dark alleys of Berlin, Jan Masaryk thrown from a window to his death by Communist secret police in Czechoslovakia in 1948—all looked, with justice, to be foaming surface-traces of a Great Red Shark racing to attack underneath. In Europe by the end of 1947, about 116 million people and about 577 thousand square miles were either under Soviet occupation, had Soviet-controlled governments, or had been incorporated into the Soviet Union since 1939. It was clear that a completely new experience faced the war's undamaged country, America, and only America could act to withstand Red imperialism. 'What to do and how to do it' were the operative questions."

"The maps had not been drawn. No one had written the book on ideological war. The great game had moved outward from Central Asia to Central Europe, and America had never played the great game before. It had neither the desire nor the people to be involved in the colossal civil war in China in the 1940s. Its policy had been to keep out of the entanglements of alliance systems. Now it found itself in alliance with allies of dubious background, stability, and purpose. The United States under Truman had inherited every enemy the Soviets had. After all there was no one else but America to turn to after 1945. The Soviets had intense and extensive experience of dirty work, and America did not. What is more, America traditionally had rejected dirty work and to the present day finds it very hard to accept anything that smacks of it. But Truman found that, willy-nilly, his country was involved and that some strategic direction and control was necessary."

"Truman felt the only way to learn was by doing, so he did. He sought resolution and cool action rather than some great theoretical scheme. Early Cold War experience together with the obvious contraction of British power showed him clearly that the Central Intelligence Agency coupled with coordinated national security policymaking objectives was an essential step to take. Thoughtful people, not the least Truman himself, were trying to put systems in place that would at the least enable the United States to be better prepared to contain shocks and changes in less response time. From 1945-1947 these preparations themselves affected the shape that was to come. New Deal experience at home was applied to the foreign front. It was a time, therefore, of great institutional incubation. But institutions are set up to handle the preoccupations of the people who set them up, and it is

instructive therefore to look at what was being done. The Defense Department, National Security Council, the CIA, Atomic Energy Commission, Air Force, Joint Chiefs of Staff, policy planning at State were all being planned and formed. Centralization and gearing for the struggle with the Soviets was the double helix that bound the new organizations together."

"There were appalling Army-Navy-Air Force fights in the 1940s that cost one Secretary of Defense and one Chief of Naval Operations their jobs.... The CIA's creators, beginning in many ways with Bill Donovan and the OSS veterans, fought for an Agency that would be above interservice conflict, that would be the President's and not the brass's, and that could concentrate all intelligence information so as explicitly to forestall another Pearl Harbor. They set about creating a declared civilian, permanent, worldwide, large-scale, comprehensive intelligence agency that came into being in 1947 with an elite talent pool" and a Director of Central Intelligence who was functionally at Cabinet level. "Congress's role should not be underestimated either. In 1946 the House rejected a proposal to spend $1 million on cancer research but a year later was perfectly willing to spend tens of millions establishing the Agency.... The understandings and relationships that then inhibited Congress produced the votes, the law, and the funds. This would probably be impossible to achieve today."

"The part that Truman played was of enormous importance. He was far more important at the beginning than at the end. His conviction and drive made much of the institutionalizing happen.... There was no surrogate for the man in the White House in 1947. He was the only official that could make the decision to confront the Soviets to some degree on their own ground, and that decision was what the Agency represented. Eisenhower, in contrast, might well have rejected the Agency, reasoning that it would be better to avoid fights that could easily be lost."

"Truman was the first President from Congress since Harding, and Congress was not beating at him. But in 1946 the 80th Congress had come in with a strong Republican majority, and there was a sense that political time was running against Truman and the Democrats. Political observers assumed that Truman would not win the 1948 election, that there would be a Republican President and a return to a 1919-like situation with tariffs and a focus on Asia. The Republicans wanted a voice—Republicans had been in a minority for 15 years—and so did Congress as a whole. 'The do-nothing, good-for-nothing Congress' Truman called it. Congress had been left out of foreign policy making and some of the most significant decisions of the US Government since before Pearl Harbor: no Senator or Representative had really known that they had voted for the Manhattan Project.... The 1947 National Security Act creating the Agency, the National Security Council, and the Defense Department was a gesture to Congress, which was being told who was in charge and was being involved in defining who should be in charge. At the same time Congress was encouraged to reorganize the Presidential succession with the 1947 Succession Act. The Speaker of the

House was now placed after the Vice President in order of succession. From 1886 to 1947 the Secretary of State and the whole Cabinet had stood between the Speaker and the Presidency. Congressional vanity was being placated."

"Military intelligence, of course, has always been part of the framework: it's automatic. The struggle at this time was to gain political and military acceptance of an addition to military intelligence giving the 'no more Pearl Harbors cry' added potency. Pearl Harbor had been a failure of military intelligence. But after 1945 it was a cold, not a hot, war that was being fought, the kind of conflict that military intelligence is simply not set up to do. It needed political types to [fight] it. From the start, despite appointments from the military, DCIs with the exception of Hillenkoetter were political. Putting to work in peacetime the special OSS skills was the addition to the military intelligence framework that they achieved: the skills of political analysis and micro-operational experience. In securing this achievement, combating military influence on the Hill was the first success of the OSS veterans. Maintaining momentum so that the CIA was established and maintained was their second. Their compromise was actively to seek not to attract the attention of or interference from the military. Thus, too, the military ranks that adorned each DCI under Truman. But the idea of the Director of Central Intelligence as the overall coordinator of intelligence was a dead letter before it began. The generals and admirals won that one. All the civilians on the sidelines could not bring about a central unity."

"In placating the military, the Agency's founding generation was again successful. Espionage and operations were always the areas that the military and politicians would be most sensitive about. So OSO in the Agency was quiet and sophisticated; OPC in contrast, formed under State auspices, collected many of the gung ho types that drew attention and campaigned for operations. They were to come into their own after 1950. They reflected both Truman's temperament—treading on people's toes if they were trying to tread on his—and the American desire to do something."

"So now I turn to the second phase of the Truman years, namely, the Shaping Period ushered in by the Korean war in 1950."

"At its start the Agency was more of a covert action organization than an espionage one. This is a difficult point to press since the two went very much together at the time. Technical intelligence was important and significant. [The Agency had] inherited the wartime achievements of Magic and Ultra, but it was not employing a large number of people, and its output was not voluminous. While Truman was impressed by communications intelligence—one of his last acts as President was to create the National Security Agency—intelligence in the Truman years was still a warm body activity. The great technical breakthrough was Carl Nelson's achievement in the Office of Communications in 1950 when he broke the Soviet cipher and coding process. But it was not really until the development of the U-2, just

outside our span, that what had been an espionage famine became a feast. This was because technical intelligence was not so advanced in the early years, and this meant that the Soviets, the Red Chinese, the North Koreans, and so on were less known. Consequently, there were more Pearl Harbors, notably the North Korean attack on the South in 1950 which was predicted by no one. It was too close a parallel; an enemy had massed its forces and launched a surprise attack without the United States being prepared. It dictated change."

"The change was Bedell Smith. His appointment as DCI in October 1950 marked a fundamental shift in the importance of the Agency and of its bureaucratic clout. In turn this represented a clarification of Truman's mind. General Smith was the first absolutely first-class staff officer to be DCI. He enjoyed the confidence of the civilian and military leadership at the highest levels. Cold War, espionage, subversion, continuing conflict in Korea needed political types, and this had also called for Smith as a new kind of intelligence chief. He had political-military experience, second only to Eisenhower's, of running a great alliance war. With Smith the Agency had the Director who put it unmistakably at the top table and gave it the force to fend off State and the Pentagon."

"The clarification of Truman's mind which prompted Smith's appointment was in step with the reality that Korea represented. As the early 1950s unfolded, it was clear that the chance of direct, as opposed to indirect, conflict was less and less and that the secret world would register most of the indirect conflict. Thus, Truman considered that it was suitable and safe to promote intelligence and support secret conflict (secret in that it was kept from Americans; it sure as hell wasn't kept from the Soviet leadership). And this is where the move began towards operations. The Korean war argued that the Soviet Union was not going to launch a direct attack and that direct conflicts could be limited and contained, if only at the cost of Douglas MacArthur's career...."

"As I have already indicated, covert actions carried more weight at home than espionage at this point. Espionage had not penetrated Moscow, had not forewarned about North Korea's and subsequently China's plans. And the Korean war early on showed that Cold War might be a hot contest between two secret networks."

"I mentioned earlier the elite pool that the Agency drew from at its start. It should not be overstressed, but it should be noted. The elite and wealthy families that sprinkled Donovan's OSS lent their gloss to the CIA, taking the curse off secrecy. Traditionally, intelligence services tend to be in the hands of oddballs—the necessary paranoia of the profession pushes toward this—but by placing intelligence in the hands of people with a solid stake in the republic, the creators of the Agency averted such oddballism."

"The strong magnet for the elites, especially intellectual ones, was that the Agency in America was engaged in a struggle for the world. There

was an enormous and exaggerated sense of the power of social and behavioral science when new experts and new subjects mushroom daily. The CIA represented a vision of the management of information which was a contemporary social science dream; it developed social science intelligence, itself a followthrough from the OSS. Incorporating analysis was the most unusual aspect of the Agency in the early period and is a unique American contribution to intelligence organizations generally. The Agency could and did reject military analysis from the Pentagon that it deemed inadequate, which was a real test of its power and authority. The unsung Hillenkoetter deserves particular tribute on this score. It did not stop the military getting their views across, but the Agency and the DCI could prevent the central stamp being put on them."

"All this, in turn, acted to advance intellectuals. The idea of a world struggle was an intellectual way of looking at events. That there was a real struggle of ideas and ideology enhanced this, and the Agency in its early analytical emphasis locked in people with an intellectual perspective. Journalists with claims to reflective interests, like the Alsop brothers, saw the struggle with the Soviets in ideological terms and were Agency channels to a wider world. Tom Braden, that unlikely ambassador of the International Organizations Division in the Directorate of Plans at the time, said, 'We had a vast project targeted on the intellectuals—the battle for Picasso's mind, if you will. The Communists set up fronts which effectively enticed a great many—particularly the French—intellectuals to join. We tried to set up a counterfront.' Agency support for Radio Free Europe and Radio Liberty, for the National Student Association and the International Student Conference, for the Congress of Cultural Freedom, for Encounter, Monat and Preuves was the result. The whole operation was an entirely natural rifle action of elite sensibilities."

"So, to sum up," Ranelagh stated, "when the Agency came into existence, its job was the struggle for the world. It was seen by contemporaries as a clearing house. Today it is worth noting that, in the decades that followed, the Soviets always attacked the Agency for its subversion, not its espionage. To outsiders, covert operations were to become the Agency's defining activity."

"Second, Truman was not a philosopher; he was a problem solver. He was clear about what he did and, despite his subsequent hesitancy to acknowledge some of the logic of some of his actions, operations were in tune with his temperament. He was motivated by immediate practical concerns and did not scan the far horizons. He signed off on the Agency because he and the country needed it."

"Third, the Agency was a creature of its Age. Immediate past history of subversion, surprise attack, and war was crucial to its nature. The experience and mind-set of the veterans of the OSS who campaigned for a centralized peacetime civilian agency had a direct bearing. The great tribute to the

Agency's leadership of the decades is the way that it has adapted to change—most importantly during the 1970s—moderating itself, finding a place for secrecy in a democracy."

"Fourth, the Korean war forced a clarification in Truman's mind that resulted in Bedell Smith's appointment and the Agency having real clout in Washington. It also resulted in an acceptance that the Cold War would in part be a secret struggle between secret organizations, and this in turn spawned operations."

"Today, as Dick Helms has reminded us, we are at what could be another dividing gap—not the end of history but another phase, just like the late 1940s. We do not today have a new world of order; we have another interim period during which we have to make up our minds about what kind of world we are seeking and what kind of world we are really likely to face. There are, of course, differences between then and now. America, for example, is relatively less powerful than it was 45 years ago. But the most important contrast is one of attitudes. In his farewell speech to the Agency in 1952, Truman said, 'We are at the top and the leader of the free world—something that we did not anticipate, something that we did not want, but something that has been forced upon us.' Today, America is fundamentally bored with being a world power although, just as before, it is still the most authentically great one."

During the subsequent question period, Helms was asked whether he believes there is information about operations or activities during CIA's early years that still would be inappropriate to declassify. The former DCI replied, "There was a question whether certain documents should be declassified for this conference on operations in France and Italy during the period of President Truman's Administration. But there's a very important election coming up in Italy shortly, and it was felt that it would be very undesirable to lay out what the Agency had done in Italian elections at the end of the '40s and early '50s. Certainly these things are known to historians; there's no particular secret about them. But all you have to do is declassify these papers at this particular time and it'll be headlines all over Italy. There will be the assumption that we're messing around in Italian politics again, and this is the kind of headache that I think the State Department and the White House don't have to have. So I think this question of declassification not only has to be ad hoc, if you want to put it that way, but also there are still certain things that...aren't necessarily items that we need in headlines in the modern context."

Session IV: CIA at Work, 1947-1953

Panel B: Estimates and Analysis

John Prados, author

Richard Betts, Colombia University

John Prados acknowledged that CIA had provided this panel a "foot-high stack" of estimates that were produced during the Truman Administration but that it wasn't a complete set of those published during that period. Thus, he cautioned, some of the conclusions drawn from his survey of the estimates might very well change following declassification of additional material. Moreover, the number of deletions in the released estimates was up from what it had been in previous releases, including almost all footnotes, which often are especially helpful to historians.

As for the estimative process, he stressed that the reports and estimates produced do not constitute all intelligence. "This is not current intelligence; it's not supposed to be telling you what's happening today. The subject of the estimate is predictive." The objective is "to give the policymaker, the decisionmaker, an idea of what to decide and how to decide it." Another caveat Prados mentioned was that the records he had seen "do not tell us what Harry Truman actually did with the estimates he received. So again there's a disconnect between what we know about the estimates themselves and what we know about their impact."

The organization that did these estimates, the Office of Research and Estimates (ORE), existed first within the Central Intelligence Group and then within the Central Intelligence Agency. It was among the first units formed. One of the main struggles in the period from 1945 through 1952, Prados observed, involved getting the organizations in the Intelligence Community "to agree to comment on the estimates, establishing that the entities doing the estimating could have access to (relevant) materials from all the other entities, and winning credibility for the (final products)." In this early period, the coordination on the estimates was done informally by OER personnel; in contrast to recent practice with National Intelligence Estimates, the Director of Central Intelligence and even the Assistant Director for Research and Reports at the time typically did not see the text of an estimate until it was already in print.

Prados proceeded to assess, by region, major conclusions in estimates done during those early years.

The record on China was "pretty good." "CIA was predicting from an early date that the Nationalist regime of Chiang Kai-shek had little chance" of surviving on the mainland. "The first estimate of that set predicted the fall of the Chinese Government at any time," and subsequent estimates anticipated the imminent end of Nationalist Chinese resistance. "The CIA also observed, forthrightly in my opinion, that the Communist revolution then in progress was 'part of a long-term revolution, the course of which will be essentially determined by local or national factors and only to a limited degree subject to external pressures by either the Soviet Union or the United States.' That's in ORE 45-48." The intelligence estimates missed, however, on "the ability of the Nationalist Chinese to hold out on Taiwan."

On the Middle East, five different estimates published before and during the first Arab–Israeli war were reviewed. "Many of them read like think pieces that might have been produced by the State Department. For example, there (was) argumentation in the CIA estimates about why the United Nations should 'reconsider' the UN partition plan that created Israel. The CIA did predict, seven months ahead of the event that (partition) would lead to a war between Arabs and Israelis. It did predict in the middle of that war that the truce—there were several truces—would benefit the Israelis rather than the Arabs." The estimates also had good material on the mechanisms the Israelis were using to import weapons and equipment during the truces.

Prados asserted that some of the worst estimating was done on Greece. "The assumption of monolithic Communist control from Moscow led the CIA into some of its worst analytical errors." At a time when, in fact, the Greek Government was winning against the rebels, CIA predicted it had no chance unless there was major US intervention with all available forces. A later estimate failed to detect that Moscow, according to historical sources, had ended its support of the Greek guerrillas about ten months earlier; CIA was still asserting that there was no letup of Communist support. This failure, he noted, was replicated in estimates of Soviet intentions in the context of the Greek situation.

On the other hand, he judged that the Agency "did a very good job on Berlin. Estimates took a nonalarmist view of the situation from the very beginning, concluding that the Soviets were not likely to attack there. This analytic viewpoint was maintained through a series of estimates despite countervailing pressures from other parts of the US Government. The main threat from the blockade was declared to be to the Agency's ability to conduct intelligence operations out of Berlin. It was predicted several times from 1948 to 1952 that the Soviets might very well organize an East German Government.

Prados described the contrast in assessments of Soviet intentions that were made in estimates before and after the Korean war started. In the summer of 1950, just before the war, CIA was very forthright when an ORE

report predicted the Soviets' possession of an atomic weapon would not have a great impact on their foreign policy and would not lead them to attack when they might not otherwise do so. Because that ORE report was so controversial, every other participating US agency dissented. Then, in November 1950, the apparatus for making national intelligence estimates was established by DCI Walter Bedell Smith, and a Board of National Estimates was created. An initial series of estimates was done on a crash basis. NIE 3 "concluded that the Soviets might well attack during their period of relative strength as a result of having the atomic weapon and the invasion of South Korea, that these advantages would disappear by 1954 because of the NATO buildup, and that the peak period of that advantage would exist during 1952. If you look at United States defense budget planning for this period you will see that in fiscal '52 and onward the assumption is built into the defense budget planning that 1952 needs to be the year during which the United States has peak military power. That's directly related, I think, to this conclusion in NIE 3."

Prados stated that another in this initial series of important crash estimates was NIE 11, which "contained the somber conclusion that Soviet aggression against the West was likely regardless of the outcome of the Korean war. In fact, it concluded the 'USSR is prepared to accept and may be seeking to precipitate a general war between the United States and China despite the inherent risk of global war. The possibility cannot be disregarded that the USSR may already have decided to precipitate global war in circumstances most advantageous to itself through the development of general war in Asia. We are unable on the basis of present intelligence to determine the probability of such a decision having in fact been made.' This prediction was extended a few weeks later in NIE 15, which...saw the Soviets operating from a position of great strength and said that, in fact, the Kremlin might have already made the decision to proceed to a global war."

"Later National Intelligence Estimates stepped back from that degree of concern. When they got to NIE 25 in the fall of 1951, they were able to conclude that the Soviets would not initiate a global war even if they thought it was to their advantage because they could do things that were short of global war that were advantageous to them, and a global war was not. Ludwell Montague, who at that time was a member of the Board of National Estimates after having headed the unit that did estimates during the '40s, says that this NIE 25 was a watershed in CIA estimating because it was able to step back from these somber kinds of predictions."

On the Soviet nuclear weapons issue, "the CIA was good at the very beginning and got worse as it got closer to the event. That is, in 1945 and '46...the CIG was predicting that the Soviets might have a nuclear weapon in production in five years, and that they might have a heavy bomber of the type of the B-29 by 1948. Both of those events in fact came to pass; the Soviet weapon was in production in 1950, and in 1948 the Soviets did exhibit their version of the B-29 in the Moscow air parade.... [CIA was]

still predicting five years until production after the Soviets had tested [a nuclear weapon]." Prados offered a partial explanation: "Throughout this period the intelligence authorities were having difficulty getting the military intelligence agencies to share their information with CIA. And getting FBI reports and State Department cable traffic in some cases was even a problem in terms of access. So it is possible that the estimators trying to predict the Soviet A-bomb were not getting access to the kinds of material they needed to change that initial impression...."

"In general, I think that CIA predictions through this period were pretty good," Prados concluded. "They responded to a set of situations that were [highly important] to the United States.... They were aware of the emerging trends and postulated the factors, if not always drawing the right conclusions. In baseball if you have a .500 batting average you're doing pretty well, and I think that the Central Intelligence Agency Estimates in this period were probably better than .500. I don't think you can ask much more than that." Prados added that throughout this period everyone involved was dissatisfied with the system for estimating, and a bureaucratic struggle to establish the estimative process at the CIA was in progress.

Richard Betts said he wanted to discuss briefly the organizational evolution or bureaucratic political background of analysis and estimates in the Truman period, and then would focus on the record of estimates on Korea, "the main alleged intelligence failure of the period and also an example of the generic problems and issues that have persisted in the business of estimating." He acknowledged he has a reputation for "pessimism about how much can be expected from intelligence analysis," and for arguing that a "high incidence of surprise cannot be avoided...the imperfectibility of intelligence and the inevitability of surprise." But after looking at the declassified estimates on Korea, he didn't think those arguments required significant revision.

"The Truman Administration was the formative period for establishing this whole new bureaucratic infrastructure for analysis and estimates—a period of ferment, growth, and change in the process in a very short time.... There was a rapid increase in the size and function of the CIG, and this led to an independent role in intelligence production that outstripped coordination as the primary mission.... The President's Daily Summary became ORE's main priority. Current intelligence came to dominate the effort as opposed to long-range estimates." Such a tendency, Betts pointed out, prompted complaints in later generations in the Intelligence Community, but "it's probably inevitable that current intelligence will be what is most relevant at the top of the government."

As for Korea, "The record in estimates is better than a lot of the folklore or comments earlier in the conference have suggested. And the inadequacies in them—the failure to predict—reflect generic problems in estimating, most of which have never been solved satisfactorily in more

than 40 years since North Korea attacked, despite lots of efforts.... My bottom lines on this case would be that estimates before June 1950 did predict North Korean attack under circumstances roughly similar to those that ultimately obtained, but without specifics about timing and with equivocation and mealymouthed language about probability. But this was the only reasonable approach that one could take until close to the event, and did not provide the proper alert.... [However, that] is essentially a problem of current intelligence or tactical intelligence rather than long-range estimating of the sort one expects in NIEs. It brings us back to Sherman Kent's point, 'Estimating is something you do when you don't know.' "

Exemplary passages from the estimates were cited to support these conclusions. In 1949, just before the US troop withdrawal, ORE 349 argued that, "Withdrawal of US forces from Korea...would probably in time be followed by an invasion [and] would probably result in a collapse of the US-supported Republic of Korea. Continued presence in Korea of a moderate US force would not only discourage the threatened invasion but would assist in sustaining the will and ability of the Koreans themselves to resist."

Betts found this of particular interest on several counts. "First, it did more or less predict the eventual outcome, although perhaps not in a form that ultimately would be useful for dealing with the problem as we faced it. Secondly, in a sense it was perhaps too pessimistic about the future and the chances for political survival of the regime in the south. And third, the flavor of the estimate comes very close to policy advocacy. It evokes all of the problems I have always thought make the question of politicization extremely difficult to deal with...it's very difficult to do a trenchant analysis and an objective assessment of reality on a controversial and important matter that does not verge on clear implications for policy (and appear)—at least for anyone who disagrees with the analysis—as advocacy that contaminates proper objectivity."

Betts also was intrigued by the Army's dissent from ORE 349. He thought it probably reflected the Army's interest in shedding the burden of the occupation of South Korea at a time when forces were being cut drastically and other priorities seemed much more pressing. The dissent struck him as "an unusual inversion of the more common tendency for military estimates to be more pessimistic or alarmist than CIA analyses." It argued that the Army "does not believe that US troop withdrawal would be the major factor in the collapse of the Republic of Korea.... Political factors other than the presence or absence of the United States troops will have a decisive influence on the future course of events in Korea."

The most famous estimate, ORE 1850, was issued on 19 June 1950, less than a week before the actual attack. It said, among other things, "Trained and equipped units of the Communist People's Army are being deployed southward in the area of the 38th Parallel. Units there equal or

surpass the strength of southern Korean Army units similarly deployed. Tanks and heavy artillery have also been moved close to the Parallel in recent months. At the present time the northern Korean forces are probably psychologically prepared to fight wholeheartedly against southern Korean troops."

Noting that President Truman had written in his memoirs that there were ample warnings about the possibility of a Communist attack in Korea, Betts observed that the problem was that they came amid similar warnings about possible aggression in numerous other places around the world. Thus, the Korea warnings perhaps were affected by the classic "noise" problem.

"There was not such a good record about the problem of Chinese intervention in the fall and winter of 1950." Betts quoted from an estimate of 12 October 1950: "Despite statements by Chou En-lai, troop movements to Manchuria and propaganda charges of atrocities and border violations, there are no convincing indications of an actual Chinese intention to resort to full-scale intervention in Korea. Barring a Soviet decision for global war, such an action is not probable in 1950."

According to Betts, "There are some other deficiencies that appear, with the benefit of hindsight, in some of the prewar estimates about Korea. One was a fairly consistent flavor of simplistic, categorical emphasis on Moscow as the decisionmaker for North Korea coupled with negligible attention to Kim Il-song as a factor in his own right." There also were "numerous contradictions in several estimates about the issue of Communist support in South Korea, which suggested that some of the judgments may have been made rather offhandedly or on the basis of limited information or reflection."

"I'm not sure," he said, "how much in the way of very trenchant conclusions can be drawn from what we can see of the record of estimates in the Truman period. The organizational shift to independent production may have been the only way, in terms of bureaucratic political realities, for CIA to carve out a dominant role in the process. Given the tenacity and possessiveness of the departments, that's a general organizational phenomenon. The estimates themselves were problematic in many ways—often delphic, hopelessly hedged, or sometimes superficial and obvious in their conclusions. But they are probably not far from as good as we could realistically expect them to be, given the inherent uncertainty involved in most of these issues, which really precluded judgments that would not fudge and hedge."

"Finally, it's not clear to me how much later evolution of the organization and process brought progress in the quality of estimative products. I don't know how one would seriously try to measure this; I can't prove the point. All I have is the impression that, stacked next to a random sample of NIEs I remember reading from other periods, including the '70s and '80s, the early ones from the Truman Administration don't appear to me to be primitive and markedly inferior."

Luncheon Speakers, Friday, 18 March 1994

Lawrence Houston, John Warner, Walter Pforzheimer

After the luncheon, David Gries introduced three former senior CIA officials who were in the legislative process leading to the National Security Act of 1947 that established CIA. They had been invited to relate their experiences in connection with that process. Lawrence Houston was the Agency's General Counsel from 1947 to 1973. John Warner was the first Deputy General Counsel. Walter Pforzheimer was the first Legislative Counsel.

Lawrence Houston said he returned to Washington in the fall of 1945 after serving eight months in OSS as Deputy Chief of the Middle East Theater in Cairo. Shortly thereafter, OSS was abolished and its research and analysis group was put in the Department of State. The operational part went to the Strategic Services Unit under Secretary Royal of the Army, with the function ostensibly of liquidating all the OSS operations around the world.

"In January of 1946 we were busy with our liquidation problems when we got word of the creation of the Central Intelligence Group." In taking on the numerous and complicated problems associated with establishing CIG, it was learned that legislation had been passed in 1945 stating that no organization established by the President without Congressional participation could exist for more than one year. Consequently, Houston said, he and John decided that legislation for a permanent organization should be drafted."

"When Hoyt Vandenburg became CIG director in the spring of 1946, he directed that the draft legislation should be cleared with the White House. The new White House Counsel with whom Houston and Warner met was Clark Clifford, who was "extremely helpful." They also got cooperation from the Bureau of the Budget, the Comptroller General, and other parts of government. This led eventually to putting enabling legislation regarding CIA in the National Security Act then under discussion. And so CIA became an established entity in September of 1947, and we began working under a new Director, Admiral Hillenkoetter."

Later that fall, after one of the first National Security Council meetings, Secretary of the Navy Forrestal approached Hillenkoetter and expressed his concern about Moscow's increasing international activity in labor, education, and political affairs, asserting, "We've got to do something to stop the Russians and their rapid spread around the world. Secretary Marshall in the State Department doesn't want State to do it, and I think he's right. The military can't do it. Could you take it on?"

Hillenkoetter thereupon queried Houston whether CIA had the authority to undertake the action necessary, and he advised the Director that there was no legislative authority for that because "the aim of our legislation had been entirely in the field of intelligence." When pressed further, Houston wrote a memorandum saying, "If the President, as Commander-in-Chief and with responsibility for the conduct of foreign affairs, gives us the proper directive, and if Congress gives us the funds to carry them out, we can do the work." "That was how we got into what is now called covert action," Houston concluded.

John Warner said he was assigned to OSS in December of 1944, "so I was there through the whole period of SSU and CIG." He wanted first to talk about the provision of the National Security Act of 1947, Section 102, D3, which states that "The Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure." Many DCI's, he said, later lamented this burden and responsibility because there is no concomitant authority to help fulfill that responsibility. According to Warner, the language in that section came from the Truman directive of 22 January 1946. "In the discussions of the early drafts to set up the CIG, Army intelligence was concerned about this new entity coming into the picture, and they wanted assurances that their intelligence sources and methods were protected."

"So what was originally formulated to protect other agencies' sources and methods eventually became a tool and a provision relied on by the courts in implementing the DCI's responsibility to protect intelligence sources and methods. It was raised in hundreds of lawsuits over the years since then, and the courts said we must protect intelligence sources and methods because the Director is responsible for doing it."

Warner then turned to the subject of confidential or unvouchered funds. He quoted Section 10(b) of the CIA Act of 1949, which states, "Sums may be expended without regard to the provisions of law and regulations relating to the expenditure of government funds, and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director, and such certificate shall be deemed a sufficient voucher." "In other words," Warner told the group, "this is a blank check to the Director of Central Intelligence to spend it any way he sees fit."

Warner added that the language was taken verbatim from the OSS Appropriation Act. "Where else could I find such a source?" However, confidential funds began with "our original master of intelligence, George Washington. When the Constitution became effective in 1789, secret funding for foreign intelligence was formalized in the form of a contingent fund for use by the President. In a speech to both Houses of Congress, the forerunner to the annual State of the Union message, President Washington requested a contingency fund designated for defraying the expenses incident to the conduct of foreign affairs. In the Act of July 1790, Congress

appropriated the money, and that has been repeated all the way up to OSS and now the CIA. This confidential fund, unvouchered funds, is the basic tool which enables CIA to conduct espionage, clandestine activities, the U-2, the SR-71 and all the various covert operations. Without this you are unable to spend money secretly in a way that is not publicized and subject to audit and leaks."

With the termination of OSS, CIG had no statutory authority for unvouchered funds, and Warner described how the problem initially was resolved. He credited Houston, who with a lot of help from the Bureau of the Budget and the Comptroller General, established a working fund "without clear legal authority." It was agreed this was for a valuable purpose, but the law Houston mentioned in his talk stipulated that CIG funding would cease after a year because the initial funding had come by Presidential order, not Congressional authorization. Warner explained that the group acted in the expectation that, with drafting of the National Security Act proceeding in both SSU and CIG, "soon we would have appropriate legislation to back this up."

He pointed out that the portion of the National Security Act relating to CIA contains a statement of its functions but does not include all of the provisions that later were incorporated in the CIA Act of 1949, including the section on unvouchered funds. Because CIA was a lesser part of the momentous bill setting up a Secretary of Defense and the new Air Force, it was decided as discussions with Congress progressed that details about CIA, including its unvouchered funds, would overburden the bill. Hence, the enabling provisions were dropped, and the National Security Act simply established CIA and stated its general function. Two years later, the CIA Act of 1949 provided the authority to have unvouchered funds.

Warner added that, while a number of other agencies—the Army, the State Department, the old Atomic Energy Commission, the Department of Energy—have or had confidential funds, "CIA is the only Agency that spends a major part of its appropriation under this authority. Sometimes, in prior years, it went to over 50 percent of money that was spent. Otherwise, the funds available to CIA are subject to audit."

As a final note, Warner referred to Section 102(d)(4) of the National Security Act, which states that the CIA "shall perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the NSC determines can be more efficiently accomplished centrally." "That means espionage," he said. "The Congress was unwilling to put into a United States law that CIA was to be authorized to break the laws of every other country in the world. So that's why it was masked this way. The next day there was a National Security Council Directive saying 'CIA, you'll conduct espionage.' "

Walter Pforzheimer related some of his experiences as CIA's legislative Counsel while the National Security Act of 1947 and the CIA Act of 1949 were being considered. He described in some detail why the key drafters of the 1947 Act from the Pentagon and the White House tried to omit references to the roles and missions of CIA, especially in any specificity, because they feared that would precipitate discussions of the roles and missions of the various armed services, then in considerable controversy. He also discussed the attempts by "old-line" G-2 officers to forbid any clandestine collection activity by CIA. Pforzheimer then explained his own crucial role in preventing Senator Brian McMahon of Connecticut from eliminating the Agency's authority for confidential funds from the proposed CIA Act of 1949.

Session V: Research, Records, and Declassification Today

Benedict Zobrist, Truman Library

David Gries, CIA

Anna Nelson, American University

"The Truman Library at Independence, Missouri, has had a modest but important role in historians' attempts to understand the Central Intelligence Agency and evaluate its work during the Agency's early years," Library Director ***Benedict Zobrist*** said. "Our holdings are not large but...have represented for some years a significant portion of the primary documents about the CIA for the Truman period that are available for research."

Most of the library's CIA-related documents are in President Truman's papers. His office file, called the President's Secretary's File, was only conveyed to government custody after his death, when his will was implemented in 1972. "These papers contain presumably all, or almost all, of the CIA briefing information that came to the President," except for the daily intelligence summaries which were not retained in his White House files. The intelligence documents in the President's Secretary's File total about 15,000 pages, and about 40 percent of them are situation reports and other materials relating to the Korean war. The remainder includes reports prepared by different offices in the CIA.... About 350 pages from this series remain completely or partially classified."

"Other portions of the Truman Papers also contain CIA materials," Zobrist stated. "The confidential file in which the White House central files unit stored especially sensitive material has about 800 pages of CIA material, most of it relating to the Agency's Foreign Broadcast Information Service. In addition, the official file includes about 250 pages of unclassified material about the Agency. The National Security Council files have about 3,000 pages relating to the CIA, some of it duplicated in Truman's office file. This file includes several folders of correspondence of the Executive Director of the National Security Council regarding CIA. About 500 pages from this collection remain completely or partially classified." He also mentioned Psychological Strategy Board files in the Presidential papers, comprising about 33,000 pages, as "containing CIA equities." The Psychological Strategy Board was established by Presidential directive on June 20, 1951, "to authorize and provide for the more effective planning, coordination, and conduct within the framework of approved national policies of psychological operations." About half of that collection is still classified.

Other intelligence-related papers that are kept at the Truman Library include those of Budget Director James E. Webb which "have a few documents relating to the CIA's budget requests but contain no specific information on that sensitive subject." However, the papers of Defense Secretary Forrestal's Special Assistant, practically all of the paperwork that passed through the secretary's office, provide "a remarkable overview of CIA activities in this early period." In addition, there are three interviews with RAdm. Sidney Souers in which he discusses his work as Director of the CIA and Executive Secretary of the NSC, about 50 pages of correspondence with Allen Dulles, materials relating to the OSS, and memorandums from Maj. Gen. William Donovan to President Truman.

David Gries announced that he would try to answer three questions: "What have we [CIA] declassified from the Truman period? What are the current plans for further declassification? And what is our general policy toward historical records?"

In answering the first question, he said most of the OSS records—"at the instigation and with the encouragement of Bill Casey" —are now in the National Archives, and that those "9-million-odd pages," according to the people there, are among the most used documents they have. Included are most Truman-era estimates and assessments, of which "just a little bit" remains classified, 20,000 pages of documentation for Arthur Darling's *Central Intelligence Agency, An Instrument of Government to 1950*, and Ludwell Montague's *General Walter Bedell Smith as Director of Central Intelligence*, October 1950 to February 1953, plus the sources for nine of the ten chapters of *Organizational History of the Central Intelligence Agency, 1950-1953* by George S. Jackson and Martin P. Claussen.

Regarding current plans for declassification, Gries said the Agency's Center for the Study of Intelligence has authority to review 11 significant Cold War covert actions, three of which relate to the Truman period. Work on operations in Korea during the Korean war is expected to begin later this year, and operations in support of democracy in France and Italy will be done in 1995. CIA also is a major contributor to the State Department's Foreign Relations of the United States (FRUS) series but, "until we had our review program in place and the backing of, first, [former DCI] Bob Gates and now [present DCI] Jim Woolsey, we were simply unable to comply with the requests for documents that we received from the Department." He said one of its forthcoming volumes, tentatively titled *Intelligence and the United States Foreign Policy, 1945-1950*, will, of course, contain numerous items from CIA. "We have today a very full relationship with the State Department in supplying documents for volumes of FRUS that are in preparation. "In addition, another 20,000 pages, approximately, of documentation for the books by Arthur Darling and Ludwell Montague have yet to be declassified, but will be as soon as possible, as will the sources for the final chapter of the Jackson-Claussen book. The classified material Ben Zobrist mentioned is in the Truman Library will also be reviewed for declassification.

Gries then covered the key elements of the Agency's openness policy. Regarding Cold War covert operations, he described the difficulties involved in getting them declassified. "When you're dealing with covert action which involves human beings who, [having received] a pledge of confidentiality, agreed to help the United States, you are taking grave risks. We have made mistakes in the past which we deeply regret, and we intend to be very careful. Don't expect speed [in this process], but we will do what we say we're going to do."

"We're going to continue this conference series and have several more planned." One in the fall, to be conducted jointly with Harvard University, will be on estimating Soviet strategic capabilities, and by that time the Agency will have declassified and made available to scholars "all strategic estimates on the Soviet Union through 1984." He told the audience "we're open to suggestions" regarding other conference topics and "if you have some good ideas, we would like to hear from you."

Declassification of the archive of the journal *Studies in Intelligence* continues, and 500 articles from it have been deposited at the National Archives. Another 500 have not yet been released, he said, because they were reviewed in the past under a different set of guidelines, but a substantial number of them will be releasable under present guidelines. An index of those articles released will be published, as has already been done for the initial group of *Studies* articles that were released. In addition, the second annual unclassified edition of *Studies* will soon be available through the National Technical Information Service.

Gries then described the program called block review, a concept DCI Woolsey introduced in September, 1993, for reviewing and declassifying 30-year-old analyses, grouped by subject. It involves "a rather hurried review, and the reason we can do it is that properly prepared analysis does not contain references to sources and methods. It is what we call finished intelligence and should be much easier to go through." The first such block will be all analyses on Vietnam from the beginning to 1964. Gries thought that Korean war analyses might be another suitable subject for this method of review.

"We also continue to work on older CIA histories, classified histories produced by our history staff.... The history of Allen Dulles as Director of Central Intelligence is nearly complete and will be available this year." Sherman Kent's monograph on the tradition and practice of producing national estimates is finished and will be available as well.

Gries mentioned the quarterly newsletter through which the Center for the Study of Intelligence endeavors to inform the scholarly community of "our schedule, our conferences, and our declassification plans." He reiterated that the DCI's intention is "to enrich the historical record without [compromising] the pursuit of our central mission to provide intelligence

and analysis to the President and his senior officers. We think it can be done. We are limited only by our resources."

Anna Nelson said she would like to concentrate on the documents in the National Archives from the standpoint of the researcher, "...somebody for whom you're doing all this work." "There are in fact three groups of documents in the Archives that reflect the period of Truman's Administration. They are the intelligence estimates, 11 boxes that contain articles from *Studies in Intelligence*, and the history series which contain the information used by Ludwell Montague and the various histories written about the organization." However, she pointed out, the memorandums in the publication distributed at the conference, *CIA Cold War Records, The CIA Under Harry Truman*, are not yet in the Archives.

The National Archives does not have a list of the Estimates that are still classified. The available ones have been released in their entirety—"nothing has been redacted"—and many more of them are on the USSR than on any other country. "There is no doubt that their release is a giant step toward our understanding of the evaluations of the Intelligence Community. The Estimates include a list of distribution, who saw them—or where they were sent, whether anybody looked at them or not—and there are notations as to the disagreements among the various members of the Intelligence Community. But to a researcher, reading them is a very disquieting experience. It is so difficult to discover their relationships to policy.... We want to know how policy was made. We'd like to know who argued out the conclusions of these National Estimates. We need to know more if we're going to understand how the policy came to be created. Establishing cause and effect is always difficult when there are no ancillary documents.... It really does become a guessing game.... We'd like to know more about their impact. Here, as elsewhere, these Estimates tend to lead the researchers to more questions than answers."

"The *Studies in Intelligence*, as you all know, are not really records, Agency records. They are a collection of articles from the internal classified journal that was started in 1955. The articles are very interesting—a very wide range of subjects: one on Napoleon, one which talks about using aerial reconnaissance photos for studying an aspect of the Holocaust, and, of special interest for us today, one on Truman and CIA covert operations. So it's a very interesting collection. In general, it does contribute to our understanding of what people in the Agency were interested in and thinking. I have to confess, however, that the way the researcher finds them is not very user-friendly. I assumed it was a journal and that when I opened my boxes I'd see something bound or organized by month. But that's not so. They're xeroxed articles, and they are in file folders identified only by number.... There are, of course, sentences and words blacked out. There are some articles with authors who will remain anonymous under the heavy black rectangles where their names appeared. We are not told whether articles are missing; some clearly are. There is no list of articles still classified."

"The third collection actually contains material researchers associate with archives: memoranda, summaries of interviews, information that cannot be found in the official written record. This is the history series, primarily the files of Ludwell Montague. It's the kind of information that could help us understand the bureaucratic struggles, the conflicting personalities that influence policy. Clearly personalities matter a good bit to the way in which policy develops. In these boxes, for example, we learn that Sidney Souers told Montague that it often seemed as if no agency wanted a CIA unless they could control it. We learned that Bedell Smith thought Allen Dulles was a 'fair operator' of clandestine operations but a weak administrator. And then we find that William Jackson thought Dulles was a man of arrogance and self-satisfaction whose brother engineered his position as DCI. Now, whether these are accurate is not the point. The point is, these comments illuminate important relationships...." Unfortunately, this collection also contains an inordinate number of shocking pink withdrawal cards, so many documents are still classified.

"Some information, of course, is always an improvement over no information. And those who have been battling the Cold War mentality in the Agency and successfully [declassified] the information are really to be commended and congratulated. But the Agency has, in fact, released very few of its records. As a matter of fact, it's only in the last couple of years that State Department historians have been allowed into CIA to read records and choose what might go into foreign relations volumes. That is a very important change. If the CIA is seriously interested in promoting the study of intelligence, if it really wants to help us understand the internal culture and its role in the making of foreign policy, then it will have to consider, it seems to me, a number of changes."

"First of all, declassified documents should be released with the file markings that indicate their origins, their course through the Agency, and what's been withdrawn. That's the way every other agency does it. These published collections of pristine documents are very difficult to evaluate and leave the researcher to suspect that important documents have been withheld, even when that assumption may not be correct. So I think it's important to make that change.... We really need to know something about what archivists call provenance, where [the documents] sat in the files and where they went."

"Secondly, the passage of time is going to have to one day be acknowledged by new classification procedures. The Truman Administration came to an end more than 40 years ago. There may still be individuals who require protection; in fact, I'm sure there are. But is it necessary to protect codes that have been obsolete for 25 years? Or is the information merely indicating the presence in US embassies of the CIA? Will security be breached if the State Department releases a document with a certain combination of letters long since replaced?"

"I think it's time to ask questions like that because, remember, we're not just talking about what is in the CIA records in the CIA building. We're talking about records that have CIA equity; that is, in which the CIA has an interest. This business of declassification is a very byzantine one, and I think that we have to understand there's a difference between the kind of records [with information about] sources and methods that are in the CIA's files and those records which CIA has an interest in, for one reason or another, that are in other agencies' files. The CIA must acknowledge that there are different levels of documents that concern intelligence. Montague's papers, the sources that he used to write his book, are not as important as documents that reflect US covert activities behind the Iron Curtain. Do they have to be looked at in the same way, page by page, line by line? That's a question that ought to be asked, about the level of the necessity for review." Nelson submitted that CIA authorities ought to ask themselves, "with an open mind," whether documents with CIA "equity" in other agencies could be given a kind of "bulk declassification" suggested by recent efforts to change governmentwide declassification procedures instead of the painful and expensive reviews they now receive.

"I'm suddenly reminded of the trendy new phrase virtual reality" she mused in closing. "The Agency has come close; it hasn't gotten there yet. When the CIA decides to relax its demands for page-by-page review of every national security document from the Truman years, then researchers will begin to understand the dynamics behind the formation of the Agency and its role in American national security policy."

Session VI: The Legacy of Harry Truman's CIA

John Lewis Gaddis, Ohio University

"My role as the final speaker at this conference was to summarize and perhaps to suggest some directions in which we might go from here. I should stress that I do so not as a practitioner of intelligence history but much more as a consumer of it and sometimes as a critic of it as well. But I also do so as one of the original members of the CIA Historical Review formed by Bill Casey in 1985.... The process that has brought us to this point today really did begin with this person who was in many ways the most secretive of DCIs. I think he set the process in motion because he considered the verdict of history to be quite important."

"Our experience with Bill Casey suggests something of the tensions that exist between the competing requirements of secrecy and openness. It's something, of course, that comes with the territory for anybody who is trying to do contemporary history on the basis of any official records. It needs to be said as well, apropos of this tension, that the record of the United States Government in making official sources available to historians is still better than that of any other major participant in the Cold War, even taking into account the fragmentary release of Soviet, East European, and Chinese sources, and even taking account—I know my British friends will agree with me—of the workings of a true 30-year rule. As far as I know MI-6 has yet to organize a conference like this."

"At the same time, however, one cannot help but be struck by the amount of time that has passed since the events we have been discussing actually took place. There has been time for not just institutions but also the cultures that grew up within institutions to get locked in and to take hold. It seems to me that what we face today, as Dick Helms was suggesting earlier, is the need to adapt the CIA culture and all other forms of Cold War culture to an environment that could hardly be more different from the one that gave rise to them almost a half century ago. Historians, whose task is to show how past environments differ from those that now confront us, can, I think, play a valuable role in that process of institutional adaptation."

"But before we can do that, we historians need to remind ourselves that we have our own forms of cultural lock-in that sometimes get in the way of our playing this role in institutional adaptation. At one end of the spectrum there is our affinity for anecdotalism, the tendency to value colorful particulars over careful, comparative generalization. Spy stories, after all, are not so different from sea stories, which is to say that they're entertaining. But sometimes it's difficult to know just what to make of them all. I recommend to my students the suggestion of one of our best historians of intelligence, Robin Winks, who advises frequently asking the rather rude question, So what?"

"The other end of the spectrum is the tendency of historians, when we do generalize, to do so rather crudely. We often seem to want to divide all known interpretations into such unimaginative categories as orthodoxy, revisionism, or postrevisionisms. We ought to do better than that; the world is more interesting than that. But at the same time I have to say I don't think we're going to do it by borrowing from our colleagues in international relations theory, who have labored mightily to produce static, reductionist, overquantified, and thoroughly boring models of the international system that have now been proven embarrassingly irrelevant by the way the Cold War ended."

"The most fruitful approach might be to try to get beyond our tendency as historians to pigeonhole and the tendency of the international relations theorists to overtheorize; to begin to think about how we might look at an institution like the CIA, or other products of the Cold War, in a way that parallels some of the work that's being done in the physical and biological sciences on something called complex adaptive systems. It's in that context that I'd like to frame my remarks this afternoon as a way of trying to pull together what we've heard so far."

"Well, you might ask, what is a complex adaptive system anyway? As the name implies, a complex adaptive system is an entity in which multiple agents interact with one another in ways that evolve over time. The model might fruitfully be applied to the Soviet-American relationship during the Cold War, which certainly was in many ways a complex adaptive system. And it seems to me it could be applied as well to the particular institutions that Soviet-American competition produced—one of which was, of course, the CIA."

"Now, complex adaptive systems have certain common characteristics. First of all, they reflect a high degree of sensitivity to initial conditions, which is only to say that conditions encountered and decisions made at the beginning of a process tend to have greater influence on the nature of that process and on the structures that emerge from it than the conditions encountered and the decisions made further down the pike. What happens at the beginning is critical."

"Secondly, complex adaptive systems exhibit a tendency for complicated patterns of behavior to emerge over time from the operation of just a few simple rules. Just a few basic guidelines can give rise to an astonishingly complicated set of activities. Complex adaptive systems tend to be self-organizing, which is to say that once they are set in motion they do not require, and often tend to resist, external efforts to reshape or reorganize them. Complex adaptive systems tend to be self-perpetuating, which is to say that they tend to remain in existence for some time after the conditions that gave rise to them have ceased to exist. They are, however, subject in such situations to abrupt shifts in direction, or even at times to complete collapse."

"Finally, complex adaptive systems do not lend themselves, beyond these very general rules, to forecasting. Consequences produced are often quite at odds with the intentions that went into them, and sometimes the only way to explain what happened is through 'retrodiction,' which is historical investigation."

"All of which brings us back to why we're here today. So let me experiment, and see how this model might help us make sense of some of the things that we've heard."

"First of all, sensitive dependence on initial conditions. This entire conference has been premised on the notion that if you want to understand the history of the CIA you've got to understand the particular circumstances of its founding. The point repeatedly was made—by Chris Andrew, by Mary McAuliffe, by Ken McDonald, by John Ranelagh—that, even if Truman himself may not have had a particularly sophisticated appreciation of the nuances and practices of intelligence, nonetheless what happened during Truman's administration set the pattern for the future. And it would be difficult to understand any aspect of the CIA's history apart from that initial set of conditions."

"But that requires we historians to make an imaginative leap, to get back into that very different time frame and try to get a clear sense of how people at the time saw things, even if we don't necessarily always approve of these visions. One of the things that clearly emerged from several of the presentations we heard at this conference was that, rightly or wrongly, people in 1947 did see a security threat of major proportions, not in the sense they expected a Soviet invasion of Western Europe the next morning, but rather because they feared a psychological collapse in Western Europe that might produce the functional equivalent of an invasion: The spread of Soviet influence through the choices demoralized Europeans themselves might make at the polls."

"This sense of insecurity that was so strong among the Americans of 1947 grew out of two separate but related prior events. One of them, as Barry Katz and Tom Powers suggested, was the trauma of Pearl Harbor, the event that gave rise to the creation of the first major American intelligence organization, the OSS. And that shock of being surprised is something this country has never gotten over, and it has profoundly influenced our thinking about security."

"The other prior circumstance that contributed to the attitudes of 1947 was the fact that VE and VJ Days marked the defeat of European Fascism and of Japanese militarism but by no means the defeat of authoritarianism, which still—as Bill Colby and Dick Helms suggested in their presentations—looked like it might indeed be the wave of the future. The particular set of circumstances that had arisen in the Soviet Union—whereby one

tyrant had remodeled an entire country to become a reflection of his own paranoid personality—was the other critical condition that was present at the creation of the CIA."

"The CIA cannot be understood, it seems to me, apart from that context. And it was this concern, of course, that accounts for the reversal of President Truman's initial instinct that the nation needed no peacetime intelligence apparatus, a shift in his viewpoint nicely documented by Chris Andrew in his presentation."

"A question historians of the Cold War are going to have to look at more carefully than they have up to this point is this: At what point did these initial conditions of insecurity about the future of free institutions begin to fade away; at what point could it be said that the circumstances that made certain responses appropriate in the context of 1947-48 had begun to shift? Was it with the Marshall Plan that we regained our self-confidence?...the successful outcome of the Berlin blockade in 1949?...the limiting and management of the Korean war? We know that by the time Eisenhower came into office he was taking a much more self-assured attitude about the prospects for the West than had been characteristic of the early Truman Administration."

"It becomes important to try to document when Western self-confidence was restored, because it helps us to understand, with regard to the history of the CIA, when the initial conditions that gave rise to its founding had begun to evolve into something else. It provides us, therefore, with a standard against which we might measure the extent to which the CIA changed itself in such a way as to remain in tune with its environment. That's a point I want to come back to later."

"A second point about complex adaptive systems is that simple rules tend to produce, over time, complicated behavior. I could not help but be struck, in reading over the National Security Act of 1947 and NSC 10/2, the authorizations for covert operations, by how inadequately the bland and dry language of these documents foreshadowed the train of circumstances set in motion by them. It was a long way from the simple and rather naive intentions of George Kennan, when he encouraged the development of a covert action capability for the CIA, to the tangled web, the 'wilderness of mirrors,' of a James Jesus Angleton. And yet we can see in this precisely what I'm talking about: how simple intentions at the beginning of a process can lead to unforeseen and infinitely complicated results at its end. We need to know a lot more, therefore, about just what that process was."

"The simple rule that appears to have been in effect in the early days of the CIA was that if the other side did it, it was okay for us to do it too. The point was made by John Ranelagh that the Soviet side had had a lot more experience with covert operations than we did. We had dabbled with such activities, of course, in the context of World War II, but they were new

to us as a peacetime practice. We came to them because of the sense of insecurity that was so pervasive at the time. Perhaps the best expression of this mentality was that dramatic line in NSC 68 which says, in effect, that the national interest will not be compromised by anything that we do, by the use of any means whatever to defend the national interest."

"Now, it seems to me that that simple rule—call it moral relativism if you will—produced adaptations over time leading to immense complexity. First of all, a symbiotic relationship developed between the CIA and its counterparts on 'the other side,' in which each determined the legitimacy of the other's actions. Another problem that arose from it was something Ken McDonald and Dick Helms both talked about, which was the progressive alienation of CIA from the society it served because it felt obliged to use means that could not be defended publicly within a democratic framework. So a kind of compartmentalization from society took place with the gradual descent of the CIA into covert operations at this particular time, with results that I think we would all acknowledge were unfortunate in many ways."

"Then, finally, as a result of this, very difficult moral dilemmas arose for the people who had to function in this environment. This is something we outsiders should take very seriously indeed. I don't necessarily mean that all of the people on the inside agonized over these matters, but I suspect more did agonize than did not. This is a dimension of CIA history that we may never fully recapture, but we certainly should try to. Again, it's a spinoff of a simple rule: that in conditions of ultimate insecurity it becomes acceptable to do everything the other side is doing to try to deal with that problem."

"What this all boils down to is a classic case—maybe even a classic tragedy—of a situation in which a broad definition of means available may well have corrupted ends. The old relationship between ends and means is absolutely basic in human history, and it's very important that we historians, whether working within CIA or outside CIA, address that issue bluntly, head-on, and candidly, with a view to trying to understand how far along the way the means were appropriate, at what point they became counterproductive, and at what point they began to corrupt the ends they were intended to serve? Why does that happen? Why does it take so long for people to realize that it's happened? Why does it take, in the case of the CIA, the functional equivalent of a catastrophe, the Church Committee hearings of 1975, to bring home to the Agency the extent to which its own practices had departed from what could be justified and explained openly to the American people?"

"These are all, I think, fair questions that should be raised. And they are all in one way or another a reflection of the complications one gets into from the application of so simple a rule as: 'if they did it, it's OK for us to do it.' "

"A third element in the behavior of complex adaptive systems is something called self-organization, and I think it helps to account for what happened with respect to this earlier set of problems. When George Kennan first encouraged the CIA to get into covert operations, it was with the idea that these activities would be carefully calibrated as instruments of national policy. Looking back on it now from the standpoint of what we know, I would be prepared to defend the proposition that at no point between the years 1948, when Kennan set up this process, and 1975 when the Church Committee really opened it up to public scrutiny—at no point during those years did CIA covert operations meet this test of being a precise instrument of national policy."

"Now, you can explain this in several different ways. You can say it was Kennan's naivete, that he did not realize once he got this process going how hard it would be to control. That certainly is true, but I think another explanation was a tendency toward self-organization that was a function of the rules under which the CIA operated in those early days. The Agency, and particularly the OPC, was never particularly responsive to external control and perhaps—given its task, mandate, and methods—it could never have been. The requirements of secrecy, the concept of 'plausible deniability' involve organizing yourself in such a way that you are not subject to external control. And yet, of course, we're all painfully aware of the problems that can arise from such situations. The organization and functioning of OPC provides a very good illustration of this principle of self-organization: as the process gets going and it is very difficult to control from the outside, it takes on a life of its own."

"I'd like, in this context, to say a word parenthetically about the whole issue of elitism or, as some people call it, old-boyism in the CIA. The subject was alluded to by John Ranelagh, but it's surprising the subject hasn't come up more frequently in this conference because, as you know, it comes up very frequently in the literature that's written about CIA. I must confess to never having found the existence of elitism within the CIA to be as sinister a phenomenon as many people do. I'm sorry, I just have never been convinced that Yale University really did have a secret plot to rule the world. Who came into CIA, where they came from, what their connections were, all of this needs to be understood in a somewhat broader context than the way historians have dealt with this subject up to now."

"It seems to me the problem of who was running and who constituted the CIA reflected a larger problem characteristic of the late 1940s, which had to do with the whole business of having a national security state. This was a totally new development in peacetime for the United States. It required a kind of training, a degree of linguistic and analytical ability that most Americans, in what was still very much an isolationist age, simply did not have. It seems to me that it was not so much the determination of a secret society or a secret elite somehow to seize power as it was the necessity of confronting a different kind of world and calling forth a different kind of expertise from what most Americans had in that period."

"Besides, has there ever been anywhere, under any circumstances, an intelligence organization that was not elitist in one form or another? Elitism may well come with the territory. It is one more form of self-organization, but it is one that has become highly visible in the books, articles, and movies about the CIA. I hope that we historians will find somewhat more sophisticated ways to deal with this issue."

"Self-perpetuation is another characteristic of complex adaptive systems. Like many other such systems, CIA, once it established and organized itself, fell into the assumption that the particular niche it had carved out for itself, the circumstances in which it had become relatively comfortable, would continue to exist indefinitely. That's quite characteristic of how organizations tend to function in these situations. Looking back on it now, the Agency, it seems to me, was not sufficiently sensitive to the shifts in external environment that over time cause methods that had worked in one context to work less well when applied to others."

"You can see this in geographical terms if you think about the difference between Bill Colby's and Hal Ford's talks yesterday afternoon. What Colby was laying out for Western Europe was a record of almost unparalleled success, while what Ford was describing for Asia was a very mixed record ranging from, as he put it, success to disaster. Right there you can see a clear example of the extent to which the transfer of techniques from one region to another, at almost the same time, did not work particularly well."

"You can do this same kind of analysis along a temporal axis, looking at the extent to which techniques transported over time worked less well as time went on. None of this is particularly surprising: time does pass. But the Agency did find itself surprised at several points along the way, through its insensitivity, to how much the external environment had changed. If you think about such episodes as Indonesia in 1958, the U-2, Bay of Pigs, certainly the Church Committee investigations, even Iran-Contra, all these can be understood, it seems to me, as failures to assess accurately the environment in which the organization was functioning. All of them reflect the tendency to transfer from the past techniques and procedures that were less appropriate to the present."

"None of this is in any way unique to CIA; I think it is a characteristic of large organizations in general and how they tend to function. The processes that produce this problem are so simple that historians and theorists of public policy often walk right past them without seeing them. They can be very simply expressed in a few basic maxims: Time passes; conditions change; and institutions adapt. But refine the statement just a little, because there's a difference in the way these things happen. Time passes at a regular rate; we can measure its passage very precisely. Conditions change at a gradual rate that is not always completely regular. Institutions tend to adapt at a very irregular rate, going merrily along their way until they get into

some kind of a crisis, at which point they're forced to undergo dramatic and wrenching change."

"One can find parallel examples in the history of evolutionary biology, which provides not a bad model for looking at the overall history of CIA. An environmental biologist would suggest that the healthiest condition for an organism is one in which it's constantly having to make small adaptations along the way; it's constantly in a state of manageable crisis, and it doesn't become too comfortable in its own niche. Organisms that become too comfortable often wind up going the way of the dinosaurs."

"Finally, a word about forecasting and prediction in relation to complex adaptive systems. I said at the outset that one of the characteristics of such systems is that it's very hard to predict, at the beginning of one, what its subsequent evolution is going to be. The same observation has been made here several times about the CIA. John Ranelagh said this morning that no one in Truman's era could have guessed what the CIA would eventually become over time. That doesn't surprise me, because very few people anywhere guessed the course that the Cold War itself would take over this period. That was a surprise to everybody. Clairvoyance extended over great sweeps of time is a gift that's granted to very few."

"The task for historians, it seems to me, is to ask the question: 'how exactly did we get from there to here, admitting that we can't be clairvoyant?' We can't see what's coming, but we can certainly go back and try to trace the process by which we got from that very different set of conditions to where we are right now. But historians, before they begin to answer that question too smugly and too superficially, probably ought to supplement it with another question that they should ask themselves. It's very useful for those of us who were not there on the scene, were not present at the creation, to ask what we would have done if we had been there, confronted with that same set of conditions and dilemmas. It's always worth remembering, in writing history, that people at the time don't know what's going to happen next, even though the historian does. Now, historians are normally not as arrogant as are certain unnamed social scientists, but they do have their moments, their flashes of arrogance if you will. These tend to arise from the failure, in dealing with controversial subjects like the ones we've been discussing here, to ask that rather humbling question: 'what would I have done if I had been in that situation?' "

"Another useful exercise for historians is to recognize that things did not necessarily have to have happened in the way that they did. There are an infinite number of paths from the past to the present, although if any of the others had been followed we might be in a completely different present from the one that we're in right now. It's important to question determinism, to be skeptical about the idea that things could only have happened in the way that they did. It's important to ask the question that Dick Helms was suggesting to us this morning: 'what if?' What would have happened if one

of these alternative paths had been taken? What if the CIA had never been created? Or what would have happened if the CIA had existed but in a very different form, say with no covert action capability? Or what if the CIA had existed in the same form but with different policies and practices along the way? How would things have been different? It's very interesting and I think a thoroughly responsible exercise for a historian to go through."

"Bill Colby, I thought, raised that kind of question yesterday afternoon when he asked: 'what if there had been more emphasis on technical means of collection and less on HUMINT, at least at the earlier stages in the late '40s and the early '50s?'. But that question, to which several people have returned in the course of our discussions, raises an even more fundamental point, also referred to by Colby and by Helms: that there really was an intelligence revolution that took place along the way. We have focused on the revolution that took place with the founding of OSS and CIA, but we perhaps need to give equal attention to the equally important intelligence revolution that occurred about halfway through the history of CIA. This was the shift to 'national technical' means of collection, to overhead reconnaissance and especially to satellites, which it seems to me have had a revolutionary significance which has yet to be fully discussed at this conference."

"Part of the implication of this midstream revolution in the history of the CIA was actually a fundamental turning point in the history of intelligence altogether. Intelligence activities in the past had been oriented toward the collection of information on one's own part and the denial of information to the other side, or at least the denial of information by providing disinformation to the other side. The idea had been to keep the other side in the dark, not to share information."

"But think for a minute about what the full implication of the reconnaissance revolution has been. We had got to the point by the time of the 1972 Salt I Treaty, at which it was very important to *share* information with the other side to make sure that the other side had accurate knowledge of our capabilities, just as it was important for us to have an accurate knowledge of theirs. And those of you who were involved in the negotiation of the Salt II Treaty will remember that we even came to the point of configuring our cruise missile systems so that they would be visible to satellites from the other side, and we were talking to the Russians about how they could make their weapons systems visible to us as well."

"There's a very interesting philosophical point that has yet to be discussed in all of this. Does stability in an international system come more from mutual opaqueness or, alternatively, is stability more likely to arise through mutual transparency? Could it be better for the other side to know your own secrets and for you to know those of the other side? One of the greatest ironies of the Cold War is the extent to which, at least in the field of

arms control, we worked ourselves around to that latter conclusion: transparency did turn out to be better than opaqueness in the latter Cold War."

"One of the interesting things we'll be looking for in the Soviet archives has to do with a particular application of that question: Was it a good thing or a bad thing that British and American intelligence were penetrated to the extent that they were in the 1940s? Bad, of course, for the people who got killed as a result, but did it stabilize the Soviet-American relationship? Did it make our behavior more predictable to Stalin? Did he use that information in the best possible way? Was it harmful? Destabilizing? We don't know the answers to these questions, but our experience later on with the reconnaissance revolution, it seems to me, ought to push us into asking such questions about espionage itself in this early period. But, of course, that is to raise a more fundamental question: what is the whole purpose of espionage and intelligence anyway?"

"In conclusion, let me come back to a point Mary McAuliffe raised in one of the earliest presentations, which is the importance of putting intelligence history into the larger context of diplomatic and international history. Intelligence history has far too long been written as a kind of a subspecies, as sophisticated buffism, so to speak. We have yet to make the real linkage between intelligence history, diplomatic history, military history, and even economic history which is certainly going to be important in the latter years of the Cold War. We need to think about how intelligence history can be integrated with these other approaches. I think there are a couple of things that need to happen to facilitate that process of beginning to treat intelligence history as normal history."

"For one thing, with all the admirable progress that the Agency has made since our initial meeting with Bill Casey some nine years ago, I quite agree with what Anna Nelson was saying this afternoon. A lot more progress toward openness with respect to CIA historical material needs to be achieved. I don't think anybody here would question the need for secrecy with respect to current, recent, and even in some cases intelligence activities that are fairly distant in time. But I come back to the point that I started with: four or more decades is a very long time indeed. I find it very difficult to believe that any aspect of CIA activities during the Truman Administration, apart from the exposure of the very few surviving personnel who were involved, could today endanger sources, methods, operations, or current policy.

"I return to the point Dick Helms made in applying a sort of 'Italian elections test' to declassification: 'There are Italian elections coming up, so it wouldn't do right now to declassify the way that we sought to manipulate the Italian elections of 1948.' My response to that is, that there are always Italian elections coming up; you can pick no point in time at which there isn't an Italian election coming up. I think this is a clever Dick Helms excuse rather than a valid rationale."

"I would propose a different standard: call it 'the Queen Victoria test' for the declassification of documents. The test is a very simple one: If the document is closer in time to her era than to ours, then it's really time to open it up. And that means opening entire files, as Anna Nelson was saying, not just individual documents. It's great to have the individual documents, but the true history that we're talking about—the kind of integrated, sophisticated history we need—will not be written until it can pass the 'Anna Nelson test' that she laid out very clearly for us this afternoon."

"I would hope also that those responsible for declassification in the Agency would recall a point I heard an Agency veteran make during one of our advisory committee meetings several years ago: if an agency devotes too much effort trying to keep too much secret over too long a period of time, it is very likely to lose track of what really is worth keeping secret right now and in the future. A certain confusion about standards sets in, reflecting the massive effort that is required to maintain a system of classification and review that has become so burdensome, so cumbersome, and so expensive."

"The other thing, it seems to me, that needs to happen if we're to move the field of intelligence history into a more sophisticated realm and relate it to other forms of history, is that historians themselves are going to have to make a greater effort to put their work into a truly international context. Although you would never know it from reading some accounts, the CIA has always been part of a wider world; it's been embedded in a complicated network of relationships, events, situations. Virtually everything the CIA has done over the years it has existed has, in one way or another, been a response to, or perhaps an effort to influence, something that was happening beyond the boundaries of the United States. Yet most histories of the CIA so far, like most American diplomatic history in general, are written as if the area inside the beltway—or whatever the functional equivalent may have been in the Truman Administration—is the center of the known universe and that everything else that happens is just a response to what goes on here, on this little patch of ground. This is a kind of historiographical navel contemplation, if you'll pardon my saying so, and now that documents are beginning to open up from the other side, it's high time that we historians recognized that there is little excuse for continuing to indulge in it."

"I think we historians also need to recognize—that is, the more conspiratorially minded among us need to recognize—that the CIA was not always supercapable or supercompetent. The CIA did not give the fatal push to every sparrow that fell to earth everywhere during the Cold War years; there was a good deal of pushing back from the other direction; and there were a lot of sparrows that either fell or did not fall quite on their own, regardless of what the CIA or the KGB or any Russian or any American did. Once we historians come to see that pattern and begin to incorporate that complexity into our scholarship, then the whole field of Cold War history will become a lot more interesting and a lot more significant than it is now."

"One thing this conference has demonstrated though—and I have come back to the point with which I began—is that it is now possible to be serious about a cooperative and mutually beneficial relationship between the Intelligence Community and the historical community. We are indeed much closer than I ever thought we would be to the kind of thing that Director Casey was talking about with us in that meeting in March of 1985. I think Casey was more sincere in this than many people at the time would have given him credit for, and it seems to me that the Agency itself has demonstrated its sincerity, its goodwill, and its seriousness about these efforts in helping to arrange the meeting from which we've all benefited so much over these past two days."