

CHAPTER TWO LEGACY

Donovan himself only learned of the attack on Pearl Harbor several hours after it had taken place when James Roosevelt, the President's son, telephoned him from the White House. The attack was a lightning bolt for American intelligence. "We were betrayed by the complete failure of our intelligence services", wrote David Bruce later, "any intelligence service worthy of the name should have foretold this event."¹ His view was shared by the President, by Donovan, by Congress, by the press, and by the military. Intelligence was so far down the appreciation index that even though accurate judgements had been made, it could not effect appropriate action at the highest level. This situation was a legacy of U.S. isolation. Now there was a genuine determination that there should be an effective intelligence set up so that United States should not be caught by surprise again.

Accordingly, the outbreak of war immediately created problems for COI in that it sparked off another round of bureaucratic wrangling about intelligence. The State Department pressed for control of propaganda, while Hoover and the FBI were incensed when COI agents tried to burgle the Spanish embassy in Washington: Hoover regarded operating inside the United States as the prerogative of the FBI. So when he heard that COI agents were inside the embassy, he ordered FBI cars to sound their horns outside, thus alerting the embassy security guards and forcing the COI men to flee. The military urged Roosevelt to allocate the various components of COI between the military services. Yet it was with the military that Donovan decided to seek a tactical alliance during the war, arguing that COI should be retained as a complete organisation under the control of the newly-created Joint Chiefs of Staff. He saw in the JCS a new concentration of power seeking to enlarge its powers, and he sought to ally with it.

Donovan's decision was spot-on and had far-reaching consequences for the agency. During the war, Donovan had reasoned, intelligence would necessarily be geared towards military interests and he had no doubt that the military would come to see it as a vital part of their operations. After the war, the support of the military, strengthened politically by numbers and victory (he had no doubt that the United States would win the war), would be valuable in ensuring the post-war survival of centralised intelligence.²

Seeking an alliance with the military in order to ensure the future of the agency was due in part to Donovan's awareness that his relationship with Roosevelt had changed. Eleanor Roosevelt once said of her husband that he used those who suited his purposes; when they no longer fulfilled that purpose they were ruthlessly discarded, however close the previous relationship. Nobody was indispensable. This was the cold manipulative side of the famous Roosevelt charm.³

The first pay-off for siding with the military came in the new allocation of

1 Bruce, op cit.

2 See John Ranelagh, *The Agency: The Rise and Decline of the CIA* (New York, Touchstone, 1987), pp. 61-64.

3 Joseph F Lash, *Franklin and Eleanor* (New York, 1971), p. 666.

intelligence responsibilities. COI lost its foreign information service (collecting news from around the world) - it was a small sacrifice: it could now concentrate on intelligence - but Roosevelt made clear to Hoover and the State Department that he was against any further break-up of COI functions, and he endorsed its amalgamation with the military. On 13 June 1942 he signed a presidential military order establishing the Office of Strategic Services under the jurisdiction of the Joint Chiefs of Staff. Donovan was director with the rank of major general.

THE OFFICE OF STRATEGIC SERVICES

The functions of the OSS were the same of the COI, with the exception of the foreign information service which was transferred to the Office of War Information. Temperamentally, Donovan much preferred the excitement of commando and guerrilla operations, and being part of the military enabled him to give vent to this element. He put the emphasis on improvisation and a can-do, try-anything outlook which strongly influenced the OSS and later the CIA. And while being part of the U.S. military, with uniforms and ranks, Donovan saw to it that the OSS remained civilian-minded at all times: for him, the long-term battle was to ensure that the U.S. would have a peacetime, civilian, centralised agency. In Yugoslavia an OSS lieutenant in the American mission to Tito was asked by a U.S. army colonel in the same mission to encode a message. The lieutenant said it could wait for a day. "I'll admit it's not much fun coding," said the colonel, gently making his point, "but that's true of lots of things in the army. Orders, after all, are orders in the army." "Army?" the lieutenant asked. "Did you say army? Hell, man, we're not in the army. We're in the OSS."⁴ A constant stream of ideas poured from Donovan's hospitable imagination. Some were brilliant, some doubtful, others half-baked. For example, working on the (unproven) theory that the Japanese were terrified of bats, he and Roosevelt once concocted an elaborate scheme to parachute hundreds of bats onto the Japanese mainland. Unfortunately, the bats froze to death at high altitudes and the experiment had to be abandoned.⁵ In 1945, at the end of the war in Europe, Donovan organised Operation Paperclip which successfully brought Wernher von Braun and his team of German rocket specialists to the United States.

Donovan was also stimulated by the intellectual problems of research and analysis and it was in this field that he was to bequeath one of his most signal achievements to the postwar CIA. His assistant, James Murphy, said that in Donovan's opinion "if you used your talents and research facilities properly, you could outsmart the enemy simply by the use of brainpower."⁶ He thought that too much emphasis on secret intelligence gathering, such as signals and code-breaking, produced lazy analysis. Collection should never be an end in itself, argued Donovan, it was less than useless without proper analysis. It was his "unique selling proposition" as they say in marketing, and was, by inference,

4 Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley, CA, University of California Press, 1972), pp. 6-7.

5 Bradley F Smith, *The Shadow Warriors* (New York, Basic Books, 1983), pp. 100-03.

6 Interview, James R Murphy, July 12, 1983.

suggesting that OSS would outdo military intelligence. This argument became an article of faith for the CIA. Thirty years later when Stansfield Turner became President Carter's DCI, he put the emphasis firmly on technical collection - using satellite and communications' intelligence -and as a result met great resistance and anger from people within the agency and outside who felt that skilled analysis - "quality" - was being replaced by volumes of facts - "quantity". Turner was saying, in effect, that everyone has pet sources and ideas, and to counter this the maximum of intelligence should be collected. His was a salutary challenge to CIA preconceptions.

The importance which Donovan attached to tying in the backroom work of research and analysis to operations was entirely justified. It proved to be one of the most successful and effective areas of OSS activity during the war, and was an American innovation in intelligence. The highly trained scholars and analysts of R&A were the first to appreciate the mass of valuable information which could be systematically extracted from ordinary academic books, journals, newspapers, magazines, and from the files of American companies on their overseas operations. Such sources enabled R&A to predict accurately that manpower and not food production would be the critical problem for the German war effort. R&A also accurately estimated German U-boat and battle casualties by scrutinising casualty lists in German newspapers. It seemed so simple and so obvious but to the military, who had not troubled to hide their scorn for the ivory-tower 'eggheads', the value of R&A's information was an eye-opener. After the war, the discovery by the strategic bombing survey team that allied bombing had actually helped to increase German military production at the expense of civilian consumption, gave far more authority to the analytical side of intelligence. It showed that accurate and powerful imagination could have a central role in determining strategy.

To Donovan, intelligence research and analysis was not just about German war production or battle statistics; it concerned political, social and cultural affairs as well. This was the core of OSS strength, and Donovan made the most of it by appealing to the imagination of American elites. The links forged with academe by the OSS were strengthened considerably by the CIA and this respect for scholarship was to give the agency a clear intellectual advantage over the KGB which persisted in regarding old-fashioned spying as the basis of intelligence. Ray Cline, who worked in R&A during the war and later became the CIA deputy director for intelligence, was in no doubt on this point:

"The most valuable OSS legacy that ensued was Donovan's belief in the value of bringing able people from all walks of life into intelligence work. He lifted intelligence out of its military rut, where it had little prestige and little dynamism, and made it a career for adventurous, broad-minded civilians. This tradition carried down to CIA, which regularly recruited some of the most able graduates from U.S. universities to learn the intelligence business."⁷

To create and enlarge the intelligence business would have been a more accurate description: the combat orientation of the OSS was not the lesson that the CIA took up.

7 Ray S Cline, *Secrets, Spies and Scholars : Blueprint of the Essential CIA* (Washington, Acropolis Books, 1976), p. 76.

AT WAR

The operational functions of the OSS, as defined by the joint chiefs, were primarily sabotage, espionage, counterespionage, covert action and subversion. By the end of the war the OSS employed some 25,000 people. To many outside the organisation, the OSS was undisciplined and badly organised - a bohemian quality that was one of its defining characteristics, and also of the CIA down to the late 1960s. There was a working hierarchy which was often different from the formal one, a fact which offended military critics when they found a non-commissioned OSS man in charge of a commissioned officer, or junior officers in charge of senior ones.

Donovan enlisted an enormously cosmopolitan and disparate group of recruits who cemented the ranging nature of OSS activity. The strong Ivy League/Wall Street ethos established by him, with OSS officers coming from most of the great American families like Morgan, Mellon, Bruce and Vanderbilt, prompted the nickname "Oh So Social". But this was not the whole story. "I'd put Stalin on the OSS payroll if I thought it would help us to defeat Hitler," said Donovan. He recruited communists and members of the Abraham Lincoln Brigade (Americans, most of them communist or socialist, who had fought against Franco during the Spanish civil war), prompting another nickname, "Oh So Socialist". An OSS Labor branch established contacts with trade unions in occupied Europe, contacts which were of inestimable value after the war.

Many of America's most distinguished public servants had their first government service in COI and the OSS. Four future directors of the CIA were OSS officers: Allen Dulles; Richard Helms, who served in England, France and Germany; William Colby who took part in parachute and guerrilla operations in France and Norway, and William Casey who served in London. David Bruce, OSS station chief in London, later served as ambassador to France, West Germany, Britain and NATO. Presidential advisers Walt Rostow, Arthur Schlesinger, Jr., Douglass Cater, Arthur Goldberg, and Carl Kaysen were also former OSS men.

THE BRITISH CONNECTION

The connection with the British, first developed with COI, remained strong with the OSS throughout the war. The British thought they were introducing practical ideas and methods into the U.S. government. Donovan took the pragmatic view that since the British had much more knowledge and experience of intelligence and the work of special forces, and since they were allies, it made sense to accept their help. FDR thought that the U.S. was getting the best of the exchange; others thought the British were. British help began with training. Richard Helms later described his experience of a famous British instructor, Colonel Fairbairn (credited with being the inventor of a killing-knife with serrated edges along one side that enabled more damage to be done), who was lent to OSS to conduct initial training courses in Maryland:

"Col. Fairbairn, once of the Shanghai police, later trainer of the famed British commandos, taught us the deadly arts, mostly in hand-to-hand combat. Within

fifteen seconds I came to realise that my private parts were in constant jeopardy ... the good colonel's theory was that gentlemanly combatants tended to end up dead ... if some of us brought a tough outlook into the CIA a few years later, it is hardly surprising."⁸

In other areas, however, the relationship between the OSS and British SIS proved awkward. SIS regarded itself as the senior partner in intelligence and did not consider that OSS had much to offer either in terms of intelligence or operations. But OSS was not beholden to the British for long and this imbalance had begun to change by D-Day. For one thing, the British simply did not have the necessary resources to cover all the theatres of war and by 1945 the OSS had effectively taken over in the Far East, the Middle East and the Adriatic. The central theme of British intelligence was the cultivation of people without ideological conscience over the long term, so its sources, though not necessarily numerous, represented great investment. The United States had phenomenally greater resources and effortlessly could do so much more than the British.

Despite the many strains and tensions, good working relations with the British were maintained but an ideological sea-change had also taken place now that the shape of the post-war world was coming increasingly into focus. It was a world in which the United States would be the leading player and many American policy-makers were contemptuous of the old imperial powers which had failed to stand up to the dictators. They were also profoundly disturbed when Churchill made die-hard speeches opposing Indian independence and there were mutterings about imperial leopards not changing their spots.

THE FAR EAST

The Far East became the largest OSS operation of World War II. There were bases in India, Burma and Ceylon and reconnaissance units also operated from locations on the Chinese mainland. An OSS unit had also penetrated Thailand, the main Japanese stronghold in the Far East, where the prime minister of the Japanese puppet government was an OSS agent.

OSS activities in Indochina were a milestone in the development of unconventional warfare where politics, intelligence and new technology converged. The first use of the back-pack radio took place in the OSS in Burma, revolutionising uncoventional warfare. As the war progressed, there was more and more co-operation between the OSS and resistance leaders in the Japanese occupied countries of the region. In Vietnam, by the end of the war, OSS officers there were recommending that the United States should back Ho Chi Minh's attempt to create an independent republic, and not help the French to re-establish their colonial rule.

ALLEN DULLES

Allen Dulles, who later became the fifth and longest serving director of the CIA, was one of the first people recruited by Donovan in COI. Donovan offered to make him head of secret intelligence in western Europe under David Bruce but Dulles declined, preferring to work on his own. Donovan then created a post for

⁸ Richard Helms, "Remarks at Donovan Award Dinner", 24 May, 1983.

him in Switzerland as head of covert operations in Europe. In 1943 Dulles arrived in Bern with a \$1 million letter of credit, a suitcase and two suits.

The Bern post made Dulles one of the best placed OSS operatives and he paid special attention to establishing contacts in Germany, especially with disaffected members of the German army, military intelligence and Foreign Ministry. There was Fritz Molden, son of a professor at the University of Vienna, who through his father's friends and colleagues, had built up a network of informants in Austria, Hungary, Czechoslovakia and Yugoslavia. It was through Molden that Dulles first heard about the German V-1 and V-2 rocket project at Peenemunde (although the British had the first intelligence on the subject).

Hans Bernd Gisevius, a German who worked with Dulles, was a friend of Admiral Wilhelm Canaris, head of the Abwehr, German military intelligence. Gisevius told Dulles that not only had the Abwehr broken some OSS and State Department codes but also that there was a German agent, codenamed Cicero, in the British Embassy in Turkey. Gisevius gave Dulles much valuable information about the strength of the anti-Hitler opposition within the Germany army. After the ignominious failure of the 20 July 1944 plot to kill Hitler, most of this opposition was arrested and liquidated, including Canaris. With Dulles's help Gisevius escaped and after the war was an important witness at the Nuremberg trials.

Dulles's most important contact was Fritz Kolbe, a senior German Foreign Ministry official who, like Gisevius, was a member of the anti-Hitler opposition operating at the very heart of the German government. Kolbe's job entailed frequent visits to Switzerland where he had first approached the British but had been rejected by them as a possible double agent. Washington also thought that Kolbe was suspect but Dulles believed in him. Until July 1944 when Kolbe became frightened that his visits to Switzerland would attract suspicion because of the anti-Hitler plot, he provided Dulles with hundreds of copies of telegrams and letters between Berlin and German embassies abroad. Kolbe's documents suggested that the Soviet Union planned to impose communist rule in central and eastern Europe after the war, but since this was in line with German propaganda, it only increased the suspicion of him in Washington.

No one was more suspicious than the British. Kolbe's material, in the opinion of Sir Claude Dansey, deputy head of SIS, was obviously "a plant" and Dulles, he said contemptuously, "had fallen for it like a ton of bricks."⁹ Someone else in SIS had a vested interest in rubbishing Kolbe: Kim Philby, then chief of SIS's Iberian section and a Soviet spy inside SIS. The last thing the Russians wanted was a strong German underground opposition, in league with the Americans, that might provide a basis for democratic resistance to communist rule after the war.

Despite doubts in Washington and London, Molden, Gisevius and Kolbe were good informants. In the opinion of one of Dulles's officers they were, "absolutely priceless agents... A real criticism of British intelligence during the war was that they were overtly suspicious of the motives of the people with whom they had to deal, and the consequence was that as far as I was concerned, the three best agents that Allen Dulles had were rejected by the British... The British had

⁹ Cave Brown, op cit, pp 271-3; Kim Philby My Silent War (London, MacGibbon & Kee, 1968), pp. 61-2.

turned them all down, and it was Allen Dulles' wit that picked them up."¹⁰ The brutal reality was that Dulles was desperate for sources having come late (1943) to the table. If the British had been in his shoes, they would probably have picked up the same people.

COLD WAR

In the spring of 1944, the shape of Soviet intentions in eastern and central Europe was still unclear and at such a critical time in the war, it was generally considered impolitic to rock the boat with Stalin. In addition, FDR was convinced that he would be able to reach a satisfactory postwar settlement with "Uncle Joe", and so refused to sanction any intelligence operations designed to discover Soviet war aims. But Dulles, and as it happened Donovan, distrusted their Soviet ally and his motives. Tired out powers tend to trust allies; fresh and energetic powers do not.

After the German invasion of Russia in June 1941, when Stalin finally joined the allies, Donovan made several attempts to establish some sort of intelligence cooperation with the Soviets. In December 1943 he visited Moscow and suggested joint sabotage missions behind enemy lines but, perhaps not surprisingly, the plan never materialised. If there were suspicions of the Russians in Washington, which there were in plenty, they paled beside the paranoia about the west rampaging in Moscow. Stalin was at best always a reluctant ally. Ignoring his own Nazi-Soviet Pact in 1939 that enabled Hitler to go to war and saw Poland occupied and divided between Germany and Russia, he complained bitterly to Roosevelt and Churchill that Russia was suffering grievous losses and even accused them of wanting to sign a separate peace so that Germany and Russia could fight each other to a standstill.

The reports reaching Donovan in 1944 led him to suggest to Roosevelt that OSS should target the activities of the Red Army in occupied territory. Although Roosevelt refused, Donovan continued to keep an eye on the Russians and the OSS was to take some of the first tentative steps in the cold war. It was obvious that if Germany was to be broken as a power, then the question of Soviet power in central Europe would automatically emerge. However, on the eve of the second front - the allied invasion of Europe on D-Day, 6 June 1944 - neither Roosevelt nor Churchill wanted trouble with Stalin, and they both acted to allay Stalin's suspicions that they would sign a separate peace with Hitler or the 20 July 1944 plotters. Stalin took advantage of this. There was an escalation of communist activity in eastern Europe and the Balkans, with attempts to control the various resistance movements in readiness for when the Germans moved out. In Bucharest in September, 1944 an OSS agent, Robert Bishop, established contact with a top-secret unit of Rumanian intelligence which had penetrated the Rumanian communist party. For the next six months Bishop was kept informed about Soviet plans for Rumania and the rest of eastern Europe. He reported the intelligence to Donovan. Soviet plans were to create Soviet slave states which would be a buffer between Russia and western Europe after the war. The operation was blown in March, 1945 when the Rumanian intelligence unit was captured by the Russians as they occupied Rumania. They were never seen again.

Further corroboration of Soviet plans came in November 1944 when

10 Interview, Gerhard van Arkel, 11 November, 1983.

Finnish intelligence presented the OSS with a huge book of Soviet codes, including some of their intelligence codes, that they had captured. The Russians never realised their codes had been captured and continued to use them. When Roosevelt heard that the OSS had these codes, he ordered Donovan to return them, uncopied, to the Russians. Donovan did return them - but he also copied them secretly. Ironically, these codes later enabled the FBI to get on the trail of the Rosenberg spy ring and the British double-agent Donald Maclean.

GEHLEN

Within weeks of the end of the war in Europe, a German general, Reinhard Gehlen, head of the Germany army's Soviet intelligence section, was taken up by U.S. army intelligence. Gehlen was to have a long and profitable relationship with the CIA and was subsequently head of the West German Federal Intelligence Service, the Bundesnachrichtendienst (BND). Gehlen impressed his debriefers with his forecasts of Soviet policy in postwar Europe. According to Gehlen, Stalin was determined to keep Poland effectively occupied, with Czechoslovakia, Hungary, Rumania, and Bulgaria all becoming Soviet satellite states. And unless the western allies made clear to Stalin that they were prepared to defend their zones of occupation in Germany, the Soviets intended to occupy the whole of Germany too. Gehlen also presented the U.S. army with a cache of documents, his "Kremlin secrets" as he called them, which he had buried in the Bavarian Alps days before Germany's surrender. They included the names of OSS men whom Gehlen claimed were members of the communist party, and the Soviet order of battle at the time of the German surrender.

Donovan and Allen Dulles (now head of OSS, Germany) were told about Gehlen and his information, and they recommended that he be taken on by the army. When an attempt was made on Gehlen's life - the car he was in was hit by a bullet - it was decided to spirit him away to Washington. He arrived there on 20 September, 1945: the day that President Truman signed an executive order which gave Donovan just ten days to disband the OSS.

OSS INTO CIA

Donovan was in Paris on 12 April when the news of Roosevelt's sudden death was announced. "What will happen now to OSS?" asked his deputy, Ned Buxton. "I'm afraid it's the end", said Donovan gloomily.

With the end of the war in sight Donovan had stepped up the pressure for the survival of the OSS as a peacetime civilian intelligence agency, but this was also the signal for opponents of the idea to checkmate him. Many Americans simply wanted to go home at the end of the war, and not be involved in the world's troubles. The isolationist instinct was very strong, and was a political reality. In many quarters Donovan's intelligence agency was seen as being the thin end of a wedge that would force the United States to remain involved with the rest of the world.

In particular, Donovan and OSS were portrayed as being British puppets. An anti-OSS campaign, connected at the time to J Edgar Hoover, was raging in

sections of the press. Newspaper headlines provided a flavour of the hostility: "OSS is branded British Agency to Legislators" and "British Control of OSS Bared in Congress Probe". The origins of the OSS, which owed so much to British intelligence, were now catching up with Donovan and bringing out a virulent strain of anglophobia. The gossip columns rehashed gibes about "Oh So Social", "Oh So Secret" and "The Glamour Set". Truman received a secret report which accused the OSS of corruption, inefficiency, neglect and orgies. This report had actually been commissioned by Roosevelt: another example of FDR's method of playing people off against each other.

In presenting the case for the postwar survival of the OSS, Donovan was hamstrung. Who was the enemy? In the euphoric atmosphere of victory and with the sufferings of the Russians during the war still vivid in people's minds, public opinion would not take kindly to suggestions that one of America's wartime allies would soon be a peacetime enemy. So Donovan, although personally convinced of the cold war intentions of the Soviets, had to fall back on historical and bureaucratic arguments for a postwar agency, and these were particularly unpersuasive at a time when there was a longing to return to peacetime normality and to be free of the fetters of war.

There were other reasons for the disbandment of the OSS. Truman was a direct, straightforward midwesterner. He disliked secret organisations and he particularly disliked the aura of secrecy which hung over the OSS. It was also a fact that he and Donovan were poles apart temperamentally. "Donovan was a Catholic Republican. Truman was a Democratic Baptist. They never saw eye to eye on anything", observed James Murphy.

Yet exactly four months later, on 22 January 1946, Truman issued a directive creating a Central Intelligence Group. The military had sought to maintain a central intelligence service by forming the Strategic Services' Unit, drawn from the OSS. This now became the nucleus of the CIG which was jointly funded and staffed by the Departments of State, War and Navy. He also ordered a thorough reappraisal of national security and this was to lead directly to the National Security Act of 1947 which established a unified Department of Defense and the civilian Central Intelligence Agency. His attitude toward intelligence was changed by his experience of Soviet expansionism in Europe (where Stalin was making clear he had no intention of withdrawing from Poland, Hungary or Czechoslovakia, and had advanced claims to Libya and parts of Turkey) and the activity of the Red army and security forces: arresting and deporting to the Gulag non-communist politicians, academics, and journalists; refusing to hold democratic elections.

The birth of the CIA was accompanied by the same bitter wrangling which had accompanied those of the COI and the OSS: what it should be, who should have it and who should control it. In the end, the vitriolic feuding between the departments of State, War and Navy did more than anything else to strengthen the case for a new independent civilian agency under presidential control. "Central" in its title indicated that the CIA was to be the hub of the wheel of U.S. intelligence, drawing information not only from its own sources, but also from all the other intelligence agencies in the government.

It was the combination of the developing cold war in Europe and Truman's own changing perceptions of the Soviet Union which finally decided the future of

central intelligence. In the face of flagrant breaches of the Yalta and Potsdam agreements of 1945 (which had, for example, included Soviet acceptance of free elections in the countries of central and eastern Europe: elections which did not take place), U.S. public hostility towards the Soviets, as reflected in opinion polls, increased dramatically and Truman warned grimly: "Unless Russia is faced with an iron fist and strong language another war is in the making". The CIA was part of Truman's iron fist.

Because the CIA was a response to the cold war, this was to create problems for the agency's development. The cold war was neither war nor peace; no one thought it would last decades, and because it followed hard on the heels of the world war, there was a natural tendency to regard it as an extension of war. When the terms of the National Security Bill were being drafted in 1946-47, the legal operating position of the new agency came under close scrutiny. In wartime the President enjoyed extraordinary legal powers but in peacetime the position was different. What would be the position if the CIA killed someone? That question would not arise in war, but in peace it certainly would. What would be the role of the Congress in overseeing intelligence? These thorny problems were the backdrop to the new legislation.

NATIONAL SECURITY ACT

The National Security Bill was sent to Congress on 27 February 1947. It proposed unified control of the armed services (including, for the first time, a completely separate air force) in a new National Military Establishment, and a Central Intelligence Agency under the supervision of a National Security Council. The FBI, which was going to lose its control of intelligence activities in Latin America, organised a last ditch stand, but this time to no avail. Giving evidence to the Senate Armed Services Committee, Lieutenant General Hoyt S Vandenberg, director of the Central Intelligence Group, declared: "I feel that the people of this country, having experienced the disaster of Pearl Harbor and the appalling consequences of a global war, are now sufficiently informed in their approach to intelligence to understand that an organisation such as [the CIA] or the intelligence divisions of the armed services, or the FBI, cannot expose certain of their activities to public gaze ... All intelligence is not sinister, not is it an invidious type of work".

The National Security Act came into force on 26 July 1947. The CIA was headed by a director who was a presidential appointee. The agency was responsible directly to the President through the National Security Council (NSC) which advised the President who was its head. Initially, the primary purpose of the new agency was intelligence and not operations, and it was only later that it was to acquire a covert action capacity.

The functions of the CIA were to make recommendations about intelligence coordination; to correlate and evaluate intelligence, and to perform such services of common concern to the government's intelligence organisations as the NSC might determine.

DIRECTOR OF CENTRAL INTELLIGENCE

The act also dealt with the position of the director of Central Intelligence, a post

first established by Truman when he created the CIG in 1946. Now the DCI's position, formally, was that he had three hats: he was overall head of all U.S. intelligence; the President's principal intelligence officer, and head of the CIA. By making him head of the CIA, the centrality of the agency was expected to be enhanced.

It was - and is - a position strong on paper and weak to the point of ineffectiveness in practice. No DCI has ever been able to control the different intelligence agencies. The director of the FBI, for example, is also a Presidential appointee with the status to fight the DCI if necessary; the State Department's intelligence outfit could always appeal to the secretary of State in a conflict with the DCI; the various military intelligence units could always look to the secretary of Defense, and so on. There is a close parallel between the DCI and the role of ambassadors. In U.S. missions around the world, every so often it is announced that the ambassador is truly the head of the embassy and that everyone will be reporting to him. But everyone knows that within five years, the termites will have eaten this away. With the growth of technical intelligence, the techint agencies, above all the National Security Agency (responsible for communications' intelligence), are impatient with the alleged agency preeminence, and the DCI is regarded as roughly the same as Elizabeth II as Head of the Commonwealth.

The DCI was also specifically charged with the protection of sources and methods of intelligence, a provision motivated by the army's distrust of a civilian agency. In 1947 this clause seemed no more than academic, but for Richard Helms thirty years later, when faced with the choice of protecting his source or telling Congress, it was not.