

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

**PROTECTING THE NATION  
U.S. INTELLIGENCE  
From George Washington to George W. Bush**

**TABLE of CONTENTS**

**Foreword**

**Introduction**

**Chapter I Early U.S. Intelligence Efforts**

**Chapter II Intelligence and World War II The War in the Pacific**

**Chapter III Intelligence and World War II The War in Europe**

**Chapter IV William Donovan and the Office of Strategic Services (OSS)**

**Chapter V Origins and Development of the U.S. Intelligence Community**

**Chapter VI Expansion of Covert Operations: Unintended Consequences**

**Chapter VII A Revolution in Collection**

**Chapter VIII U.S. Intelligence and Vietnam: "No One Was Listening"**

**Chapter IX Espionage and Counterintelligence**

**Chapter X The Cold War and U.S. Intelligence: President's Nixon, Ford and Carter**

**Chapter XI The Cold War and U.S. Intelligence: President's Reagan and Bush**

**Chapter XII Early Congressional and Executive Branch Efforts at Oversight, Accountability, and reform of the U.S. Intelligence Community**

**Chapter XIII U.S. Intelligence Community Reform Efforts From Ford to Bush**

**Chapter XIV U.S. Intelligence Confronts a New Target: Terrorism**

**Conclusion**



1 insurmountable, and participants wary or uncooperative. Given these issues, in the main,  
2 the emerging field of U.S. intelligence as an academic discipline has been left to reports,  
3 journalists, former intelligence officers, political science theorists and international  
4 affairs experts. Fortunately, today there is a large body of historical documents and  
5 studies from the intelligence agencies themselves to help provide a clearer picture of the  
6 role of intelligence and its growing impact on policymaking in the twentieth century.  
7 This volume is meant to bring these new materials together and present an overview of  
8 U.S. intelligence from its early origins with George Washington to the beginnings of the  
9 twenty first century and the Presidency of George W. Bush. First, a few definitions are  
10 offered to allow the reader to better understand the role U.S. intelligence agencies have  
11 and continue to play in the formulation of U.S. foreign policy and various administrations  
12 actions.

13

#### 14 **What is Intelligence?**

15 Intelligence is primarily information thought to be needed by policymakers to make  
16 informed judgments concerning national security issues. It is usually secret information  
17 held by potential adversaries. The objective of gathering such information is to provide  
18 policymakers with detailed data concerning potential enemies, their intentions and  
19 capabilities. It includes political, economic, social, military, as well as environmental,  
20 health, and cultural information impacting U.S. national security concerns. It is collected  
21 to provide warning to policymakers of imminent strategic threats or technical information  
22 to battlefield commanders in war (support to military operations). All nations have some

1 sort of intelligence service to provide its leaders with key information in their decision  
2 making process.

3 Intelligence may be divided into four major activities: (1) Collection; (2) Analysis; (3)  
4 Covert action; and (4) Counterintelligence.

5

6

7

8 **Collection**

9 Without collection, intelligence is little more than guesswork. Collection includes  
10 espionage (Humint) and technical collection. It is the means of obtaining the desired  
11 information. Technical collection includes , imagery (Imint), and signals intelligence  
12 (Sigint).

13 **Humint**

14 Humint is espionage or spying. It largely involves collecting data from human sources.  
15 Diplomatic reporting is a form of Humint as is the recruitment of foreign assets to  
16 provided needed information.

17 **Imagery**

18 Imagery or Imint is primarily thought of today as intelligence derived from overhead  
19 satellites which produce pictures or images. The productin of images from space and  
20 aircraft revolutionized intelligence. Policymakers increasingly demand pictures to  
21 reinforce the intelligence. Imagery also includes manned reconnaissance flights and  
22 drones. The U-2, the SR-7 would be considered manned reconnaissance aircraft. The

1 Predator would be a drone reconnaissance system. Increasingly drones are playing a  
2 major role in collection.

3

4

5 **Sigint**

6 Signals intelligence is a twentieth century phenomenon developed to intercept  
7 communications from the technological revolution in communications, radio and  
8 telephone. It has evolved as the means of communication have changed and the ability to  
9 encrypt communications has drastically improved. It also includes Masint, Telint, and  
10 Elint, the measurement of technical data and signatures from weapons and technical data.

11 **Analysis**

12 Analysis is the refining of the raw data into useable information for the policymakers, or  
13 extracting desired intelligence from the mountain of information collected. It is the  
14 processing and exploitation of the data from the collection systems. It consists of using  
15 “all source” intelligence, that is information collected from various collection sources. It  
16 is often competitive. The CIA’s Directorate of Intelligence, the State Department’s  
17 Bureau of Intelligence and Research, and the Defense Intelligence Agency for example,  
18 all provide “finished” intelligence for policymakers.

19

20

21

22 **Covert Action**

1 As defined in the National Security Act of 1947, covert action is “an activity or activities  
2 of the United States Government to influence political, economic, or military conditions  
3 abroad, where it is intended that the role of the United States Government will not be  
4 apparent or acknowledged publicly.” Covert action operations are intended to support  
5 the foreign policy objectives of the United States and to help execute U.S. policy. Covert  
6 action operations range from propaganda programs, to political activity efforts, to  
7 economic programs, and paramilitary operations.

8

9 **Counterintelligence**

10 Counterintelligence is the efforts taken to protect one’s own information from penetration  
11 by hostile nation’s and their intelligence services. The FBI has the primary CI  
12 responsibility in the United States with the U.S. military, Department of Homeland  
13 Security and the CIA playing supporting roles.

14

15 **The Intelligence Community**

16 The term its emerged in the 1950s to describe America’s growing intelligence structure.  
17 President Reagan officially recognized the term Intelligence Community in an Executive  
18 Order in 1986. Sixteen agencies formally comprise the Intelligence Community. The  
19 Director of National Intelligence (DNI), the Central Intelligence Agency (CIA), The  
20 Federal Bureau of Investigation (FBI), the Department of Homeland Security (DHS), the  
21 department of Defense (DoD), the national security Agency (NSA), the National  
22 Reconnaissance Office (NRO), the National GeoSpatial-Intelligence Agency (NGA), the

1 Defense Intelligence Agency (DIA), the Department of State, the Treasury Department,  
2 and the Department of Energy.

3 (Insert Chart)

4 Combined, the IC had a 2010 budget of \$53.1 billion. Theoretically, the Director of  
5 National Intelligence has authority over the IC. In fact, the Pentagon dominates the  
6 Community as it controls many of the agencies within the community and a large  
7 segment of the intelligence budget.

8

### 9 **Oversight and Accountability**

10 Oversight of the Intelligence Community has always been a major problem because, by  
11 nature, intelligence is a secretive mission. In the United States, oversight responsibility is  
12 shared between the executive, legislative, and judicial branches. The core question is  
13 whether the intelligence community is properly carrying out its mission and functions.  
14 Since World War II and the passage of the National Security Act of 1947, President's  
15 have relied on subcommittees of the National Security Council (NSC) to provide  
16 oversight and policy direction for the IC and to approve covert action programs.  
17 Presidents have also relied upon the President's Foreign Intelligence Advisory Board  
18 (PFIAB) for oversight and guidance on intelligence issues.

19 Modern Congressional oversight of the intelligence community evolved from the  
20 Congressional investigations of intelligence activities in the 1970s. From 1947 to 1975, a  
21 laissez faire Congressional attitude and a general consensus regarding the Cold War  
22 dominated Congressional oversight. Sen. Leverett Saltonstall (R-MA) represented this  
23 view when he stated, "There are things that my government does that I would prefer not

1 to know.” The nature of Congressional oversight of intelligence changed dramatically in  
2 1975 and 1976 when Congress investigated alleged abuses of the intelligence community,  
3 including surveillance of domestic dissident groups, illegal wiretapping and mail  
4 openings, drug programs and assassination attempts. The creation of permanent  
5 oversight committees in the Senate and House make the Congress a major player in the  
6 intelligence business and a large consumer of the intelligence product. The Senate Select  
7 Committee on Intelligence (SSCI) and the House Permanent Select Committee on  
8 Intelligence (HPSCI) now demand to be kept informed of intelligence activities and  
9 control the intelligence budget. Few are aware that the courts also play a role in the  
10 oversight of intelligence activities. Judicial oversight and approval of wiretap requests,  
11 the creation of the Foreign Intelligence Surveillance court (FICA) and increasing  
12 willingness to take on espionage cases and security leaks have trusted the judicial into  
13 oversight responsibility as well.

14

15 This volume is an attempt to produce a readable historical overview of U.S. intelligence  
16 from its early beginnings in the Revolutionary War period to the administration of  
17 George W. Bush and the new “war on terrorism.” It is based primarily on declassified  
18 Intelligence Community documents and publications. Where this type of information  
19 remains classified, major secondary sources from historians, policymakers, and  
20 journalists are relied upon to provide the details of events and actions.

21  
22  
23



## Chapter I

### Early U.S. Intelligence Efforts

#### The Revolutionary War

Intelligence played a key role in the American war for independence. Revolutionary leaders used all aspects of intelligence in their quest to free themselves from Great Britain. The colonists were fighting for their very survival against a powerful enemy. Espionage, propaganda, sabotage, spies, covert operations, codes and ciphers, misinformation, deception, and counterintelligence were all part of the effort. George Washington was keenly aware of the advantages good intelligence offered. He wrote in 1777, "The necessity of procuring good intelligence is apparent & need not be further urged . . . All that remains for me to add is, that you keep the whole matter as secret as possible. For upon Secrecy, Success depends in Most Enterprizes of the kind, and for want of it, they are generally defeated, however well planned & promising a favourable issue."<sup>1</sup>

During the Revolutionary War, spies for both England and America sought to obtain information about troop movements, supplies, fortifications, and political maneuvers. The American revolutionaries had fewer funds and little clandestine tradition as they began the war. Gradually as they became more adept at intelligence gathering they had some success in countering British plans and intelligence efforts. They won the war, however, despite having an intelligence system that was almost always inferior to the British. With a third of the country loyal to the Crown, the British had many spies and moles, within and outside Washington's headquarters and in Paris where the U.S. representatives sought allies and aid. Clandestine activities continued to grow during the war but all but disappeared on both sides after the peace treaty went into effect.

#### Committee of Secret Correspondence and Foreign Aid

Recognizing the need for foreign intelligence and foreign alliances, the Second Continental Congress created the Committee of Correspondence (soon to be renamed the Committee of Secret Correspondence) on 29 November 1775. The Congress charged the committee with gathering intelligence and "corresponding with our friends in Great Britain and other parts of the world" to gain information that would be helpful to the American cause and to forge alliances with foreign countries. The committee employed secret agents abroad, conducted covert operations, devised codes and ciphers, funded propaganda activities, authorized the opening of private mail, acquired foreign publications, established a clandestine courier system, and developed a maritime capability apart from the American Navy. Committee members included Benjamin Franklin of Pennsylvania, Benjamin Harrison of Virginia, and Thomas Johnson of Maryland. Subsequent members included James Lovell who became the father of American cryptanalysis.

The committee met secretly in December 1775 with a French intelligence agent who visited Philadelphia under cover as a Flemish merchant to solicit French aid and also engaged in regular communications with British and Scottish sympathizers.

---

<sup>1</sup> Quoted in CIA, *Intelligence in the War of Independence*,

1  
2 The first intelligence agent enlisted by the Committee of Secret Correspondence was  
3 Arthur Lee, an American physician living in London. On 30 November, one day after its  
4 establishment, the Committee appointed Lee as its agent in England and requested that he  
5 keep the Committee informed of developments in Europe and that he find out the  
6 “disposition of foreign powers towards us.”  
7

8 While the Committee of Secret Correspondence met secretly in Philadelphia with agents  
9 of France, Arthur Lee was meeting in London with Pierre-Augustin Caron de  
10 Beaumarchais, the successful author of the “Barber of Seville” and later “Marriage of  
11 Figaro, who was a French agent. Lee won the Frenchman to the American cause.  
12 Beaumarchais repeatedly urged the French Court to give immediate assistance to the  
13 Americans. On 29 February 1776 Beaumarchais submitted a plan to Louis XVI  
14 proposing that he set up a commercial trading firm as a cover for secret French aid. He  
15 requested and was granted one million *livres* to establish a firm to be known as  
16 *Roderique Hortalez et Cie* for that purpose.” French aid was on its way to the American  
17 cause.  
18

19 On 26 September 1776, the Continental Congress appointed three commissioners to the  
20 Court of France, Benjamin Franklin, Thomas Jefferson, and Silas Deane for the purpose  
21 of obtaining a foreign alliance. Because of his wife’s illness, Jefferson could not serve,  
22 and Arthur Lee took his place. Arriving in Paris in November 1776, Lee, Deane and  
23 Franklin quickly expanded the Franco-American relationship. It was the first American  
24 effort at “quiet diplomacy.” Working with Beaumarchais and others they procured ships  
25 for supplies, commissioned privateers, recruited French officers, and purchased French  
26 military supplies declared “surplus” by the French. Under Franklin, Deane and Lee, the  
27 French mission became an intelligence and propaganda center for the Americans in  
28 Europe. It provided unofficial diplomatic representation, a coordinating facility for aid  
29 from America’s secret allies, and a recruiting station for foreign officers such as  
30 Lafayette and Kalb. Franklin ran a flotilla of Irish and French privateers from the  
31 American mission. Franklin also provided money for propaganda efforts in England. He  
32 placed false newspaper accounts of outrages committed by Britain’s Indian allies along  
33 the American frontier. Members of the opposition in Parliament used the material to  
34 attack the government.  
35

36 The British Ambassador to Paris called Franklin a “veteran of mischief.” Franklin did all  
37 he could be live up to the reputation. Franklin fabricated a letter purportedly from a  
38 German prince to the commander of his mercenaries in America. The letter disputed  
39 British casualty figures for the German troops, arguing that the actual number was much  
40 higher and that he was entitled to a greater amount of “blood Money,” the amount paid to  
41 the prince for each of his men killed or wounded. Because of American propaganda such  
42 as Franklin’s between 5,000 and 6,000 Hessian deserted from the British side during the  
43 war.<sup>2</sup>  
44  
45

---

<sup>2</sup> The Americans also offered the Hessians free land to desert.

1  
2 Of the sabotage operations conducted by the Americans, only one mission is known to  
3 have been launched in England. Silas Deane recruited a young American, James Aitken  
4 to sabotage British dockyards in England. Deane issued Aitken's a passport signed by  
5 French Foreign Minister Vergennes to allow Aitken's to pass freely to England. Once in  
6 England Aitken's set fire to the Portsmouth and Bristol dockyards causing extensive  
7 damage. On 16 January 1777, the British cabinet met in emergency session to deal with  
8 the mysterious "John the Painter" (Aitken was a house painter). With a major reward  
9 offered for his arrest Aitken was soon apprehended, with a pistol and inflammables in his  
10 possession. He would not admit to the sabotage, but eventually confided to a friendly  
11 American visitor while in prison of his activities. The "Friendly American" was a British  
12 agent. On 10 March 1777 Aitken went to the gallows.

13  
14 In October 1777 the Continental Army won a crucial victory over the British at Saratoga  
15 and on 6 February 1778 the Americans signed a treaty of alliance with the French. On 30  
16 March 1778, Franklin, Lee, and Deane became official representatives of the United  
17 States of America at the French Court.<sup>3</sup>

18  
19 Spain, at the urging of the French, also began supplying secret aid to the Patriots. Even  
20 earlier, in the summer of 1776, Luis de Unzaga y Amezaga, the Spanish governor of New  
21 Spain at New Orleans, delivered ten thousand pounds of gunpowder, out of the King's  
22 stores, to the rebels. The gunpowder moved up the Mississippi under the protection of  
23 the Spanish flag. The Spanish governor also agreed to grant protection to American ships  
24 while seizing British ships as smugglers and allowed American privateers to sell their  
25 contraband at New Orleans. Havana, too, became a focal point for dispensing secret  
26 Spanish aid to the Americans.

27  
28 The Americans also courted the Dutch looking for aid. A Dutch free port set in the midst  
29 of British, French Danish, and Spanish colonies in the West Indies, St. Eustatia (now  
30 Eustasius) became another center of secret aid to the Patriots. The British believed the  
31 port, with secret Dutch consent, was the "rendezvous of everything and everybody meant  
32 to be clandestinely conveyed to America." It became a major source of gunpowder for  
33 the rebels and the safest and quickest means of communications between American  
34 representatives abroad with the Continental Congress.

35  
36  
37  
38

---

<sup>3</sup> See CSI, *Intelligence in the Revolutionary War*, pp. 14-17. The Continental Congress sought to keep its secret allies secret even after France's declaration of war against Great Britain. French involvement prior to the declaration of war remained a state secret. When Thomas Paine, in a series of letters to the press in 1777 divulged details of the secret aid, France's Minister to the United States, Conrad Alexandre Gerard, protested to the president of Congress that Paine's indiscreet assertions, "bring into question the dignity and reputation of the King, my master, and that of the United States." Congress dismissed Paine, and by public resolution denied having received such aid, resolving that "his Most Christian Majesty, the great and generous ally of the United States, did not preface his alliance with any supplies whatever sent to America."

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**The Secret Committee and Covert Operations**

Even before setting up the Committee of Secret Correspondence, the Second Continental Congress approved a covert operation to obtain gunpowder. In July 1775, Benjamin Franklin and Robert Morris worked out a plan in collaboration with Colonel Henry Tucker, the head of a prominent Bermuda family, to raid the Royal Arsenal in Bermuda. In exchange for much-needed foodstuffs, Tucker broke into the arsenal and stole the gunpowder which was then delivered to Philadelphia and Charleston. After this success, the Congress created an official Secret Committee on 18 September 1775 to obtain military supplies for the patriots and to charter privateers. Composed of some of the most influential members of Congress including Benjamin Franklin, Robert Morris, Robert Livingston, John Dickinson, Thomas Willing, Thomas McKean, John Langdon, and Samuel Ward, the committee gathered intelligence on British munitions stores, sent missions to plunder British supplies and arranged to purchase military stores secretly so to conceal the fact that the Continental Congress was the true purchaser. It also deployed agents overseas to collect information.<sup>4</sup>

On 15 February 1776 the Continental Congress authorized another covert action plan to urge the Canadians to join the struggle against Great Britain and become a “sister colony.” The Congress appointed Franklin, Samuel Chase, and Charles Carroll to undertake the mission. The Congress also invited Father John Carroll to join the effort to prevail upon the Catholic clergy of Canada to join the insurgents. Congress empowered the mission to raise six companies in Canada and to offer sanctuary in the thirteen colonies, in the event its efforts failed. The mission financed a major propaganda effort in the press to influence opinion in Canada and to obtain recruits. The inability of the American commissioners to deliver little more than promises in exchange for Canadian defections, the hostility of the clergy, and a general dislike and distrust of the Americans doomed the project.<sup>5</sup>

**James Lovell**

The one and only cryptologic expert in the Continental Congress was James Lovell. A delegate to the Congress, Lovell was a self-trained cryptologist. Washington looked to Lovell to decipher captured British coded messages and to devise an unbreakable American code. Congress appointed him to its Committee for Foreign Affairs in May 1777 with the responsibility for deciphering captured dispatches. At times the only active member of the committee, Lovell stayed on for five years, during which time he never visited his wife and children.<sup>6</sup>

Lovell enjoyed the challenge of making and breaking cipher systems. Unfortunately, Lovell’s ciphers often caused major problems for U.S. representatives abroad. John

---

<sup>4</sup> CSI, *Intelligence in the War of Independence*, CIA, p. 16.  
<sup>5</sup> *Ibid.*  
<sup>6</sup> This section is based on Ralph Weber, “Masked Dispatches: Cryptograms and Cryptology in American History, 1775-1900.”

1 Adams complained that they were “unintelligible.” Adams often could not read Lovell’s  
2 enciphered dispatches. Benjamin Franklin was likewise often befuddled by Lovell’s  
3 ciphers. He wrote to Francis Dana enclosing a copy of Lovell’s new cipher and a  
4 paragraph of Lovell’s letter in which the cipher was used. “If you can find the key &  
5 decipher it, I shall be glad, having myself try’d in vain.”  
6

7 Lovell enjoyed greater success in breaking British ciphers. In 1780 Lovell wrote to  
8 Washington that he believed the British ciphers were quite widely used among the British  
9 generals. He urged Washington to make a copy of the cipher key captured from the  
10 British. Lovell soon discovered a weakness in the British cryptographic system and  
11 wrote Washington “the Enemy make only such changes in their Cypher, when they meet  
12 with misfortunes, as makes a difference of Position only to the same Alphabet.” Lovell  
13 meant that the same mixed cipher alphabet was merely shifted to another juxtaposition  
14 with the plain alphabet. This allowed Lovell to read the British dispatches.  
15

16 Lovell soon got his opportunity to break a key British dispatch. Sir Henry Clinton,  
17 commander of British forces in North America, sent an enciphered dispatch via special  
18 courier to Lord Cornwallis at Yorktown.. The dispatch explained that Clinton would be  
19 unable to resupply or assist Cornwallis with the British fleet. Beached near Egg Harbor,  
20 the crew and courier were captured by U.S. forces and brought to Philadelphia. After  
21 recovering the secret dispatch, it took Lovell two days to solve the British cipher and read  
22 the dispatch. The original letter was then sent on to Cornwallis. Washington used this  
23 secret intelligence to great advantage in his victory at Yorktown.  
24

### 25 **British Spies, Espionage, and Counterintelligence**

26  
27 Although the British had no permanent secret service at the time of the American  
28 Revolution they had an extensive spy network in Europe and were able to quickly  
29 establish a major espionage network in the American colonies. William Eden,  
30 undersecretary of state, oversaw the British system in Europe during the Revolution. His  
31 budget was large, 115,900 in 1775. It reached 200,000 in 1778. British spies in America  
32 and Europe, especially Paris, served the Crown well. Unfortunately King George  
33 discounted much of the intelligence he received from his clandestine agents.<sup>7</sup>  
34

### 35 **Dr. Benjamin Church**

36  
37 Born in Massachusetts around 1710, Benjamin Church became a physician graduating  
38 from Harvard and then traveling to England to study medicine. Upon returning to  
39 America with an English bride, Church befriended such patriots as John and Sam Adams  
40 and helped organize the Boston Tea Party. Elected to the Massachusetts Provincial  
41 Congress, Church was involved in war planning and the purchasing of arms and  
42 munitions for the patriots. He was also a spy in the service of British General Thomas  
43 Gage. Church supplied Gates with information about the whereabouts of Rebel  
44 munitions in the opening months of 1775. He helped identify Rebel caches in Worcester  
45 and Concord, setting the scene for the Battles of Lexington and Concord and the opening

---

7

1  
2 of the American Revolution. In fact, Church was at the Battle of Lexington, attending the  
3 wounded patriots and serving as the patriot surgeon general. Washington soon came to  
4 have complete confidence in Church and send him to Philadelphia to consult with the  
5 Continental Congress. Church's attempt to report to General Gage about the Congress  
6 was intercepted in July 1775. When informed, a stunned Washington ordered Church  
7 arrested. When questioned by Washington, Church denied any treason, but the breaking  
8 of the cipher of the letters he carried in October 1775 left no doubt as to his guilt. Church  
9 was court-martialed, convicted and sentenced to prison.<sup>8</sup> In 1780 Congress ordered  
10 Church exiled to the West Indies, never to enter the United States upon pain of death.<sup>9</sup>

### 11 12 **Ann Bates**

13  
14 There is little information about the women who spied either for the loyalists or for the  
15 patriot cause during the Revolution, although they played an important part. Considered  
16 at the time to be unable to understand complex military strategy, they moved among the  
17 major players easily and often overheard secret information. Some information has  
18 survived relating to the British spy Ann Bates. Bates was a schools teacher in  
19 Philadelphia and joined Sir Henry Clinton's espionage network sometime in 1778.  
20 Because her husband served as soldier and gun repairman in the British army, Bates  
21 could identify the weapons and report on important military statistics such as the number  
22 of cannons, fortifications, and number of men in the patriot camps. Ann Bates disguised  
23 herself as a peddler and freely traveled amongst the American soldiers and camp  
24 followers, carefully observing American strengths and weaknesses. She traveled  
25 throughout New York and Rhode Island gathering information for the British. She even  
26 went to Washington's headquarters in White Plains, New York and reported back that  
27 part of Washington's troops were deploying to Rhode Island. Given this information,  
28 Clinton send reinforcements to defend Rhode Island and forced the American and French  
29 armies to withdraw from Newport on 31 August 1778.<sup>10</sup>

### 30 31 **Counterintelligence**

32  
33 General George Washington demanded effective counterintelligence work from his  
34 subordinates. On 24 March 1776 for example, he wrote, "There is one evil I dread, and  
35 that is, their spies. I could wish, therefore, the most attentive watch be kept... I wish a  
36 dozen or more honest, sensible and diligent men, were employed... in order to question,  
37 cross question etc., all such persons as are unknown, and cannot give an account of  
38 themselves in a straight and satisfactory line.... I think it a matter of importance to  
39 prevent them from obtaining intelligence of our situation."<sup>11</sup>

<sup>8</sup> Congress had not as yet authorized the hanging of spies.

<sup>9</sup> Church never reached his destination. The schooner with Church aboard never reached the West Indies. He was never heard from again. See Katherine Bakeless, and John Bakeless, *Spies of the Revolution* (New York: Scholastic Book Services, 1962).

<sup>10</sup> This account is based primarily upon a letter written by Major Drummond to Henry Clinton

<sup>11</sup> CSI, *Intelligence in the War of Independence*, CIA.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

**The Committee on Spies**

On 5 June 1776, the Congress appointed John Adams, Thomas Jefferson, Edward Rutledge, James Wilson, and Robert Livingston “to consider what is proper to be done with persons giving intelligence to the enemy or supplying them with provisions.” The committee was also charged with revising the Articles of War with regard to espionage directed against patriot forces. Although Benjamin Church had been arrested and imprisoned as a British agent, there was no civilian espionage act. On 21 August 1776 Congress, following the committee’s recommendation, enacted the first American espionage act:

**Resolved.** That all persons not members of, nor owing allegiance to any of the United States of America, as described in a resolution of the Congress of the 29<sup>th</sup> of June last, who shall be found lurking as spies in or about the fortification or encampments of the armies of the United States, or of any of them, shall suffer death, according to the law and usage of nations, by sentence of a court martial, or such other punishment as such court martial may direct.”

On 7 November 1776 the Congress added the death penalty for espionage to the Articles of War, but it was not made retroactive. On 27 February 1778, the Continent Congress broadened the law to include “anyone aiding the enemy in capturing or killing Patriots.”

Probably the first Patriot organization created for counterintelligence purposes was the Committee (later the Commission) for Detecting and Defeating Conspiracies. Made up of special groups of Patriots in New York between June 1776 and January 1778 these New Yorkers apprehended British spies and couriers and interrogated suspected British sympathizers. In effect, they were a “secret service” for New York. They had the power to arrest, to convict, to grant bail or parole, and to jail or to deport people. A company of militia was placed under its command to implement its directives. The Committee heard over 500 cases involving disloyalty and subversion. John Jay directed the Committee’s work, becoming in effect, the first chief of American counterintelligence.

**Dr. Edward Bancroft.**

Among the many spies the British recruited and placed inside the American Commission in Paris, there was one who had access to nearly every secret move, conversation, and agreement negotiated between the American delegation and the French representatives. The spy was Edward Bancroft appointed secretary for the American Commission by Franklin. Bancroft was born in 1744 in Westfield, Massachusetts. While growing up in Hartford, he studied under Silas Deane and later became a physician. Spending time in London, Bancroft met Franklin, who was the colonial agent for several colonies. They became friends and Franklin used Bancroft as a spy to support several of Franklin’s colonial activities. When the Committee for Secret Correspondence sent Silas Deane to Paris to examine the political climate of France and the rest of Europe, Franklin provide

1 Deane with instructions to contact Bancroft. On 8 July 1776 Bancroft met Deane in Paris  
2 and quickly established a close rapport. Deane informed Bancroft soon after of his true  
3 mission in Paris, to arrange a clandestine relationship with the French to obtain military  
4 aid for the colonies. Bancroft agreed to serve as Deane's assistant and interpreter during  
5 meeting with Pierre Augustin de Beaumarchais. Deane also informed Bancroft that the  
6 American objective was to motivate a French-Prussian coalition against Great Britain on  
7 the continent to force the British to redirect their power to the continent conflict and leave  
8 the colonies alone.

9  
10 Bancroft citing business matters returned to London in July 1776. Before departing, he  
11 agreed to provide Deane with intelligence gleaned from his contacts in England. Despite  
12 his agreement to cooperate with Deane, Bancroft was troubled by his new role. He had  
13 always supported the British Empire and believed that the colonies and the Crown had to  
14 reconcile their differences through compromise. He now realized that this was now  
15 impossible and that French entry into the conflict could destroy the British Empire.  
16 Bancroft considered informing the British government of Deane's efforts because he was  
17 convinced "that the government of France would endeavor to promote an absolute  
18 separation of the then United Colonies from Britain..."

19  
20 Before Bancroft had an opportunity to contact the British, he was met by Paul  
21 Wentworth, the British spymaster in Paris. Wentworth worked for William Eden, chief  
22 of the British Secret Service, and ran a very effective espionage network in Paris  
23 targeting American-French activities. Wentworth informed Bancroft that he knew of  
24 Bancroft's meeting with Deane, and asked Bancroft to meet with himself and Eden and  
25 Lord Suffolk. At the meeting, Bancroft agreed to become a double agent for the British.  
26 He later wrote of his decision:

27  
28 I had then resided near ten years, and expected to reside the rest of my life in  
29 England; and all my views, interests, and inclinations were adverse to the  
30 independency of the colonies, though I had advocated some of their claims, from  
31 a persuasion of their being founded in justice. I therefore wished, that the  
32 government of this country, might be informed, of the danger of French  
33 interference, though I could not resolve to become the informant. But Mr. Paul  
34 Wentworth, having gained some general knowledge of my journey to France, and  
35 my intercourse with Mr. Deane, and having induced me to believe that the British  
36 Ministry were likewise informed on this subject, I at length consented to meet the  
37 then Secretaries of State Lords Weymouth and Suffolk, and give them all the  
38 information in my power, which I did with the most disinterested views.

39  
40 When Franklin arrived in Paris to take over the negotiations with the French, The British  
41 told Bancroft to move to Paris and inject himself in Franklin's circle. In return for his  
42 service, Bancroft was offered a life pension of 200 pounds per year, increasing to 500  
43 pounds per year. Bancroft left England on 26 March 1777. Upon his arrival in Paris he  
44 quickly renewed his old friendship with Franklin and soon found himself secretary for the  
45 American Commission. Wentworth too returned to Paris to become Bancroft's handler.

46



1 Bancroft, using secret ink and signing his letters "Edward" provided key information to  
2 the British concerning the negotiations and French-American relations. He  
3 also provided copies of hundreds of documents. For example, it is often said that the  
4 French-American treaty was in King George's hand 48 hours after its signing, courtesy of  
5 Bancroft. Franklin and Deane, having complete confidence in Bancroft, also often sent  
6 him off to London on secret intelligence missions. It is often said that Franklin knew of  
7 Bancroft's treason and used Bancroft to pass false information to the British.<sup>12</sup> No matter  
8 what the truth, the fact remains that the British had placed an excellent double agent  
9 within the American Commission in Paris who provided them with a wealth of  
10 information on the French-American alliance. Even with Bancroft and other British  
11 agents inside the Commission, the British were unable to take more effective action to  
12 block or destroy the negotiations or to prevent the American-French Alliance. King  
13 George discounted most of what Bancroft provided. Bancroft was never discovered.<sup>13</sup>

#### 14 15 **Benedict Arnold**

16  
17 Benedict Arnold began his career as an American Patriot. In May 1775 he and Ethan  
18 Allen led the success attack on Ft. Ticonderoga on Lake Champlain. He also  
19 distinguished himself at the Battle of Quebec and during the campaign at Saratoga in  
20 1777 even though General Horatio Gates relieved him command in the middle of the  
21 struggle for insubordination and because Gates considered him a "pompous little fellow."  
22 Washington, nevertheless, considered Arnold one of his best generals and rewarded him  
23 by appointing him commandant at Philadelphia in July 1778 after the British evacuated  
24 the city. By then Arnold was an embittered man, disdainful of his fellow officers and  
25 resentful toward Congress for not promoting him more quickly and to a higher rank. In  
26 Philadelphia, Arnold, a widower, threw himself into the social life of the city. He held  
27 grand parties and courted and married Margaret "Peggy" Shippen, a talented young  
28 woman of good family, who at nineteen was half his age." Shippen was also a strong  
29 loyalist. Arnold's life-style soon brought major debt and shaky financial deals. Congress  
30 initiated an investigation, recommending a court martial. Faced with financial ruin,  
31 uncertain of future promotion, and disgusted with Congressional politics, Arnold decided  
32 to seek fortune and fame in the service of the British. He began a year long  
33 correspondence with British General Henry Clinton through Clinton's intelligence  
34 officer, Major John Andre. In July 1780 when Arnold sought and obtained command of  
35 the fort at West Point, he offered to hand over the fort and its 3,000 defenders, to the  
36 British for 20,000 (about \$1 million today) and a brigadier's commission. Andre who  
37 referred to Arnold as "Monk," wanted Arnold to continue nominally to service the  
38 Americans, while secretly serving the British cause. Andre assured Arnold that he would  
39 be amply rewarded for acting as a double agent.<sup>14</sup>

---

<sup>12</sup> Franklin never wrote about suspecting Bancroft as a spy and Bancroft's family destroyed all of his personal papers. See CI Reader, *American Revolution Dr. Edward Bancroft*, p. 5.

<sup>13</sup> Only seventy years after his death when the British government released part of its diplomatic archives was his role discovered. See National Counterintelligence Center, *American Revolution, Dr. Edward Bancroft*. The French also spied on the Americans, especially Franklin. They tracked his every move as well as the movements of the British agents tracking him.

<sup>14</sup> *Spy Letters of the Revolution*, Clements Library, "Terms of Betrayal," May 10, 1779, John Andre to Joseph Stansbury. And "Selling West Point," letter July 15, 1780 Benedict Arnold to John Andre. In April

1  
2 West Point was valuable because of its strategic position. West Point is poised at a sharp  
3 curve in the Hudson River. At West Point, it was possible to lay defenses along the  
4 Hudson that would prevent any ships from traveling up the river. Possession of West  
5 Point would have enabled the British to gain control of the Hudson River and divide the  
6 colonies. It would also have forced Washington to retreat from his current position in  
7 New York and break off plans to unite with the French and attack Clinton in New York.<sup>15</sup>

8  
9 With Arnold promoted to commander of West Point in August 1780, the British began to  
10 take his offers seriously. All that remained were the final details. Arnold demanded a  
11 personal meeting with Andre. Reluctantly, Andre met with Arnold behind American  
12 lines on 21 September. There Arnold gave Andre papers revealing the placement of  
13 defending troops and other intelligence information. Andre attempted to make his way  
14 back to British lines but was taken captive. Arnold escaped capture and made it to  
15 British lines. Andre was hanged as a spy.<sup>16</sup>

16  
17 Arnold received a commission as a Brigadier General in the British Army and a 6,000  
18 bonus.<sup>17</sup> Arnold served the British with the same skill and daring he had the Patriot  
19 cause. In 1781 he led devastating strikes on Patriot supply depots. In Virginia he looted  
20 Richmond and destroyed munitions and grain intended for the American army opposing  
21 Lord Cornwallis. In Connecticut, he burned ships, warehouses, and much of the port of  
22 New London, a major supply area for Patriot privateers. In December 1781 Arnold was  
23 recalled to London. When the government of Lord North fell and the Whigs forced the  
24 king to make peace with the American colonies and Arnold lost favor in London. He  
25 never obtained high military command and left the army. He died in London at age 60.<sup>18</sup>

26  
27 After Benedict Arnold was identified as a traitor, Washington and the Congress  
28 authorized several operations, none successful, to capture him. In September 1780, for  
29 example, Major Henry "Light-Horse Harry" Lee presented Washington with a secret plan  
30 to capture the defector. Washington approved the plan, but insisted that Arnold not be  
31 killed or injured, even at the risk of allowing him to escape. "Public punishment," said  
32 Washington, "is the sole object in view."

33  
34 Lee's sergeant major, John Champe was assigned this special mission. On the evening  
35 of 19 October 1780, Champe "deserted" to the British. The official documents he carried  
36 and his cooperative attitude during interrogation convinced the British of his bonafides.  
37 He was soon appointed sergeant major of Arnold's American Legion, which was made  
38 up of deserters and Tories. Champe, in a British uniform, made contact with Patriot

---

1779 Clinton placed Andre in charge of British intelligence in the colonies. In this role he continued the negotiations with Arnold

<sup>15</sup> See "Selling West Point."

<sup>16</sup> "The Death of John Andre," September 29, 1780, letter Andre to Henry Clinton. The Americans wanted to trade Andre for Arnold but the British would not cooperate.

<sup>17</sup> Arnold later asked Washington to provide safe passage to England for his wife "Peggy." This Washington did. Letter Arnold to Washington George Washington Papers, Library of Congress.

<sup>18</sup> "Benadict Arnold" has remained an American expression used to describe traitors throughout the history of the United States.

1 agents in British occupied New York and laid plans to capture Arnold. Unfortunately,  
2 Arnold embarked for Virginia on the night the operation was to take place. Champe did  
3  
4 manage to accomplish his other mission which was to discover if any other American  
5 officers were collaborating with the British. He reported no evidence that any were.  
6

### 7 **American Spies**

#### 9 **Culper Spy Ring**

10  
11 Desperate for information on the British forces occupying New York, General  
12 Washington authorized a trusted member of his staff, Benjamin Tallmadge, to organize a  
13 spy network in New York City, the heart of British forces in 1778. Tallmadge recruited  
14 Robert Townsend, as the leader of the group. Townsend, code named, Culper Junior,  
15 was society reporter for an American newspaper and the owner of a small dry goods store  
16 in the city. His newspaper work gave him access to social function all over town, where  
17 he could chat with British officers and the store gave him access to numerous people  
18 passing through the city. He recruited Aaron Woodhull, Austin Roe, Anna Strong, and  
19 Caleb Brewster for the ring, with the code name Samuel Culper. Even Washington did  
20 not know who made up the members of the ring. Using elaborate message systems which  
21 included laundry codes, drop boxes, and invisible ink the group reported on British  
22 movements and plans. After the British captured several of the Culper's messages, the  
23 spy ring began using a numerical substitution code developed by Tallmadge. Tallmadge  
24 took several hundred words from a dictionary and several dozen names of people or  
25 places and assigned each a number from 1 to 763. For example, 38 meant attack, 192  
26 stood for a fort, Washington was identified as 711, New York became 727. Only  
27 Townsend, Tallmadge, and Washington had the coded dictionary and the key. Despite  
28 such precautions, it is estimated that the British intercepted and decrypted over half of  
29 America's secret correspondence during the war.<sup>19</sup>  
30

#### 31 **Nathan Hale**

32  
33 Nathan Hale is probably the best known but least successful of American spies during  
34 the War of Independence. A graduate of Yale, little more than twenty one, Hale  
35 volunteered for an espionage mission into British held New York. Washington, having  
36 been driven up the island of New York, was desperate for information of the enemy's  
37 plans. He summed Knowlton to ask for a volunteer who could find his way behind the  
38 English lines and bring back such intelligence. Knowlton's appeal was received with  
39 silence from his men. They were willing to be shot, but not to be hanged. Hale,  
40 Knowlton's youngest captain, broke the silence, volunteering to do it. Hale had no  
41 training, no real cover story, and no contacts in New York. Only his Yale diploma  
42 supported his contention that he was a "Dutch schoolmaster." Hale, nonetheless, made  
43 his way to New York City and spent nearly a week making inquiries and taking notes  
44 regarding British positions. Making his escape Hale was taken prisoner by a British  
45 frigate. Hidden in the soles of his shoes were his notes in Latin. They compromised him

<sup>19</sup> CSI, Intelligence in the Revolutionary War, pp .30-31.

1 at once. It was unfortunate for Hale that at the same time he was in New York, there  
2 were a series of fires that burned nearly a quarter of the city down. The British blamed  
3 the rebels and arrested nearly 200 suspects. Hale was taken before General Howe. There  
4 was no trial. Nathan Hale was executed on 22 September 1776 by order of General  
5 William Howe, in the City of New York. According to witnesses to the execution, his  
6 last words were, "I only regret that I have but one life to lose for my country."<sup>20</sup>

7  
8 **James Armistead**

9  
10 James Armistead was a slave who, with his master's permission, joined Marquis de  
11 Lafayette's service when the young Frenchman arrived in Williamsburg in March 1781 to  
12 aid Washington and the patriots. In the guise of an escaped slave, Armistead crossed into  
13 British lines at Yorktown. Lord Cornwallis, the British commander, recruited Armistead  
14 as a spy and sent him back into American lines. Lafayette gave Armistead a false report  
15 he had prepared which instructed Patriot General Daniel Morgan to move non-existent  
16 troop replacements into positions around Yorktown. With the purposely crumbled and  
17 dirty letter in hand, Armistead returned to the British lines, reporting to Lord Cornwallis  
18 that he had found the bogus instruction along the road. Armistead related that he thought  
19 the letter important but that he could not read it. Cornwallis believed him and reinforced  
20 his defensive position. Cornwallis did not learn of the American operation until after his  
21 surrender at Yorktown. During a courtesy visit to Lafayette, after the battle, Cornwallis  
22 spotted Armistead on Lafayette's staff. Only then did he realize that his trusted agent,  
23 had been a double agent for the Americans. Following the war, the Virginia Assembly  
24 voted Armistead his freedom and later approved a bonus and lifetime pension for his  
25 intelligence work.<sup>21</sup>

26  
27 **George Washington - Spymaster**

28  
29 George Washington was a skilled manager and user of intelligence. He utilized agents  
30 behind enemy lines, recruited both Loyalist and Patriot sources, interrogated travelers for  
31 intelligence information, and launched scores of agents on intelligence and  
32 counterintelligence missions. He developed and used deception and misinformation  
33 operations and was a skilled propagandist. He retained full and final authority over  
34 Continental Army intelligence activities but often delegated significant responsibility to  
35 trusted subordinate officers. In 1776 Washington picked Thomas Knowlton to command  
36 the Continental Army's first intelligence unit, known as "Knowlton's Rangers." Poor  
37 intelligence during the battle of Long Island convinced Washington that he needed an  
38 elite detachment dedicated to reconnaissance that reported directly to him. In the same  
39 year he proposed that General Schuyler "contrive means of opening dispatches without  
40 breaking the seals, take copies of the contents, and then let them go on." Washington  
41 wanted access to British intelligence dispatches between New York and Canada.  
42 Washington also sought and received from Congress a "secret service fund" for use in

---

<sup>20</sup> Edward Everett Hale, *Captain Nathan Hale (1755-1776)* The Connecticut Society of the Sons of the American Revolution and CSI, *Intelligence in the Revolution*, p. 40.

<sup>21</sup> CSI, *Revolutionary War*, p. 22.

1 recruiting spies and obtaining intelligence. By the time Washington became President,  
2 these "Unvouchered" funds had reached 12% of the budget. It was not to last.

3  
4  
5 In 1778 Washington selected Brigadier General Charles Scott of Virginia as his  
6 "intelligence chief." When Scott stepped down, Washington appointed Major Benjamin  
7 Tallmadge. Tallmadge combined reconnaissance with clandestine visits into British held  
8 territory to recruit agents. He obtained distinction for setting up and running the Culper  
9 Ring in New York and for capturing Major John Andre.

10  
11 Washington was also a master at deception and misinformation. Encamped at Valley  
12 Forge, Washington had under his command during that brutal winter 3,000 to 4,000  
13 troops. Creating false dispatches which he knew would be intercepted and read by the  
14 British, Washington inflated his troop strength to 12,000- to 13,000 men. Washington  
15 used his intelligence to survive. The British with 5,000 to 6,000 troops did not attack.

16  
17 Late in the war, Washington approved a plan to capture the son of King George III,  
18 Prince William Henry (later King William IV), during the young naval officer's visit to  
19 New York. The operation failed after British intelligence got wind of it and increased  
20 security around the prince. After William became King, the American ambassador told  
21 him of the wartime plan and of Washington's edict that, if the mission were successful,  
22 the young prince should suffer no "insult or indignity." Upon hearing the story, William  
23 IV responded, "I am obliged to General Washington for his humanity, but I'm damned  
24 glad I did not give him an opportunity of exercising it towards me."

25  
26 In 1779 Washington and John Jay disagreed about the effect the disclosure of some  
27 intelligence might have on sources and methods. Washington wanted to publicize certain  
28 intelligence information that would give "a certain spring to our affairs" and bolster  
29 public morale. Jay replied that the intelligence was of such a nature as to "render Secrecy  
30 necessary." Jay prevailed.<sup>22</sup>

### 31 32 **After the War**

33  
34 Despite Washington's promotion of intelligence as absolutely essential to the  
35 government, after the Revolutionary War American intelligence activities rapidly decline.  
36 There was little interest in or funds for intelligence operations by Congress. The spy  
37 networks operated by the Americans in Europe disappeared. To be sure, interest in  
38 military intelligence issues increased in times of crisis such as the War of 1812 and the  
39 Mexican-American War and Presidents from John Adams to James Buchanan used  
40 special agents to gather intelligence for them on foreign nations and current issues but  
41 there was no formal structure to coordinate intelligence efforts of the Department of State  
42 and the War Department nor an organization dedicated to gathering and analyzing  
43 intentions and capabilities of potential U.S. enemies. The republic managed to muddle  
44 through the War of 1812 and the Mexican War with improvised intelligence forces. In  
45 1812 American troops crossed into Canada without having any maps of the region in an

---

<sup>22</sup> This later became the protection of sources and methods argument.

1 abortive invasion that ended in a fiasco. General Winfield Scott employed a group of  
2 locally hired Mexican bandits and deserters, the "Mexican Spy Company" to gather  
3 specific tactical intelligence, but it had little effect. Until the outbreak of the American  
4 Civil War intelligence remained an isolated and neglected field. Only the Europeans  
5 would resort to such tactics.

### 6 7 **The Civil War**

8  
9 The American Civil War once again projected intelligence into a prominent position.  
10 Until recently little has been written about intelligence activities during the Civil War.  
11 Each side used age-old intelligence techniques, such as code breaking, deception, spies  
12 and covert operations to gain advantage just as in the Revolutionary period. Although the  
13 idea of centralized intelligence gathering was still decades away, and neither side saw the  
14 need to create such an intelligence organization, each side nevertheless sought effective  
15 ways of gathering and using intelligence. Introduced into this war were two new  
16 innovations as well, that would endure as tools of espionage and change the course of  
17 intelligence: wiretapping and overhead reconnaissance.<sup>23</sup>

### 18 19 **The Baltimore Assassination Plot and Early Union Intelligence**

20  
21 On 11 February 1861, Abraham Lincoln said his farewell to the people of his hometown  
22 of Springfield, Illinois and boarded a train that would take him to Washington, DC for his  
23 inauguration on 4 March. As he started out, rumors of assassination plots circulated in  
24 several cities along the planned route. In Washington, stories spread that assassins would  
25 kill Lincoln before or during his inauguration.<sup>24</sup>

26  
27 Charles Pomeroy Stone, a West Point graduate and former veteran of the Mexican War  
28 was in Washington. Stone became concerned over the rumors and approached his old  
29 commander, General Winfield Scott, now commander-in-chief of the U.S. Army. Scott  
30 made Stone a colonel and appointed him inspector general of the District of Columbia  
31 militia to help protect the future President. Most of the U.S. Army was stationed in  
32 Indian country and the U.S. government lacking any federal investigative agency, often  
33 used private detectives to track down counterfeiters and mail thieves. Using such  
34 detectives, Stone began receiving reports of assassination plots. Many clearly pointed to  
35 Baltimore as the likely spot.

36  
37 At the same time, Samuel Morse Felton, president of the Philadelphia, Wilmington, and  
38 Baltimore Railroad, hired another private detective, Allan Pinkerton, to protect the  
39 railroad from sabotage efforts. While investigating the sabotage rumors, Pinkerton too  
40 heard of a plot to kill Lincoln in Baltimore when his train arrived from Harrisburg on  
41 23 February. Pinkerton hoped to foil the plot by getting Lincoln to change his schedule.

---

<sup>23</sup> Chronicling Civil War intelligence activities remains difficult because of the lack of records and the questionable accuracy of many accounts. Judah P. Benjamin, the Confederate Secretary of State, for example, burned most of the intelligence records of the Confederacy as Union forces advanced on Richmond.

<sup>24</sup> This section is based primarily on "Saving Mr. Lincoln," The Center for the Study of Intelligence, CIA.

1 On 21 February, he met with Lincoln in a Chicago hotel room. Lincoln was unconvinced  
2 that there was a conspiracy to kill him. Later the same day, Fredrick Seward, son of  
3 Senator William Henry Seward, arrived at Lincoln's room and warned him of the plot,

4  
5 which had been discovered independently by detectives working for Colonel Stone and  
6 General Scott. They had sent young Seward to Lincoln. Lincoln was how convinced.  
7 The next morning, Lincoln left by train for Harrisburg, as scheduled, then boarded a  
8 special train accompanied by his bodyguard, Ward H. Lamon, a burly former law partner  
9 for Philadelphia.

10  
11 Pinkerton met the train in West Philadelphia. He had cut the telegraph line to Baltimore  
12 and held any messages about Lincoln's travels. He took Lincoln by carriage to the yard  
13 of the Philadelphia, Wilmington, and Baltimore Railroad. Arriving in Baltimore about  
14 3:30a.m. Lincoln was shifted to yet another train, which arrived in Washington around 6  
15 a.m. Later, Lincoln would write that he regretted slipping into the capital. "like a thief in  
16 the night."

17  
18 On 4 March, the morning of the inauguration, Stone stationed riflemen around the capital  
19 and sharpshooters along the inaugural route to the Capitol as Lincoln rode past in an open  
20 carriage. Soldiers lined the streets and under the platform where Lincoln stood other  
21 soldiers searched for planted bombs. After Lincoln's inauguration Stone continued to  
22 protect the capital, taking control of telegraph offices and railroad stations, and seizing  
23 boats on the Potomac to keep Confederate agents from using them.

24  
25 On 12 April Confederate cannons opened fire on Ft. Sumter in Charleston, SC. The Civil  
26 War had begun. Nine days later, Pinkerton wrote to President Lincoln, offering to start,  
27 "obtaining information on the movement of the traitors, or safely conveying your letters  
28 or dispatches." Before Lincoln responded, Major General George B. McClellan asked  
29 Pinkerton to set up a military intelligence service for McClellan's command. A former  
30 railroad executive, McClellan was a former client and friend of Pinkerton. Pinkerton  
31 agreed and assumed a military cover name, Major E.J. Allen. Union generals handled  
32 intelligence gathering as a task for their own commands. Pinkerton worked for  
33 McClellan, not the entire Union Army. When McClellan became commander of the  
34 Union's Army of the Potomac, Pinkerton moved to Washington to gather intelligence for  
35 McClellan. Even so Pinkerton later referred to himself as "Chief of the United States  
36 Secret Service." A similar claim came after the war from Lafayette C. Baker, who  
37 performed counterintelligence and oversaw security for General Winfield Scott,  
38 commander-in-chief of the U.S. Army and later for Secretary of War, Edwin M. Stanton.  
39 Baker as head of the National Detective Police, and as "special provost marshal for the  
40 War Department" tracked down not only spies but deserters and subversives, an all-  
41 inclusive label for Southerners suspected of treasonable acts, and for "Copperheads,"  
42 Northerners with Southern sympathies.

43  
44 There was no centrally directed intelligence agency in Washington. Pinkerton and Baker  
45 worked only for their superiors. They ran their organizations so independently and so  
46 competitively that, in at least two cases, the operatives of one "secret service" arrested or

1 kept under surveillance the operatives of the other. The gathering of intelligence was, in  
2 fact, so decentralized that President Lincoln even hired on his own, an agent. William A  
3 Lloyd, a publisher of railroad and steamship guides, approached Lincoln early in the war,  
4  
5 looking for a pass through Confederate lines so he could continue his business. Lincoln  
6 had a better idea, "Use the pass to go to the South and spy for me."<sup>25</sup> Lincoln presumably  
7 used Lloyd's information to weigh against that which he was receiving from his generals.  
8 Lloyd's arrangement with Lincoln resembled Pinkerton's with McClellan and Baker's  
9 with Scott and Stanton, each agent serving an individual not an agency.

### 10 11 **General McClellan and Intelligence**

12  
13 McClellan was a confident yet overly cautious general and Pinkerton provided him with  
14 "intelligence to please." In October 1861 Pinkerton reported that Robert E. Lee had  
15 98,000 men around Richmond. In actuality Lee had between 40,000 to 45,000 men.  
16 McClellan embellished Pinkerton troop strength estimates further in his report to Lincoln  
17 that the number of Confederate troops between himself and Richmond was 170,000. At  
18 one point when 80,000 Confederates faced McClellan's 100,000 troops, Pinkerton  
19 estimated that McClellan was outnumbered nearly two-to-one. This gave McClellan the  
20 opening to claim, in a dispatch to Washington, that he was opposed by "a greatly superior  
21 numbers." Here was a clear case of the politicalization of intelligence. Pinkerton's  
22 exaggerated evaluations of Confederate strength virtually paralyzed Union operations for  
23 a number of months.  
24

25 It was not Pinkerton but Union Corporal Barton W. Mitchell who gave McClellan one of  
26 the most important pieces of intelligence during the war. On 13 September 1862  
27 Corporal Mitchell, while resting in a campground near Frederick, Maryland, discovered  
28 an envelope in the grass. Inside were three cigars wrapped in a copy of Robert E. Lee's  
29 Special Order No. 191. The envelope quickly made its way up the Union chain of  
30 command to McClellan. The order revealed to McClellan Lee's plan to divide his army  
31 into four parts, three to head for Harper's Ferry and the fourth to Hagerstown, Maryland.  
32 The order was four days old when it fell into McClellan's hands. He wrote Lincoln, "I  
33 have all the plans of the rebels." Incredibly, the document was also leaked to the *New*  
34 *York Herald* which published it. Apparently, the story was not seen by Confederate  
35 officers monitoring Northern papers. Despite moving rather quickly to block Lee's  
36 advance, the intelligence did McClellan little good. Through luck and circumstance  
37 Lee's forces were not attacked until the bloody battle of Antietam and Lee was allowed  
38 to slip back into Virginia as McClellan did not pursue.<sup>26</sup> Actionable intelligence went to  
39 waste. On 7 November 1862 Lincoln relieved McClellan of command. Pinkerton

---

<sup>25</sup> Lincoln offered Lloyd \$200 a month plus expenses (about \$4000 in today's money).

<sup>26</sup> "Intelligence Collection- The North." CSI, CIA. See also Allen Pinkerton. *The Spy of the Rebellion: Being a true History of the Spy System of the United States Army During the Late Rebellion* (New York: G.W. Carleton and Co., 1883, p.588 and Stephen V. Sears. *George B. McClellan: The Young Napoleon* (New York: Ticknor and Fields, 1988), p.274. The best evaluation of Pinkerton is Edwin C. Fishel, "Pinkerton and McClellan: Who Deceived Whom?" *Civil War History*, 24 (June 1988), pp.115-142.



1 resigned in sympathy, taking with him the information he and his operatives had gathered  
2 on the Confederacy.<sup>27</sup>

3  
4 It would be Col George Sharpe who would create the first real intelligence unit in the  
5 U.S. Army during the war. For the first two years of the war, Union intelligence relied on  
6 Pinkerton and his agents. On 11 February 1863 General Ambrose Burnside, then  
7 commander of the Army of the Potomac, put Sharpe in charge of the newly created  
8 Union Intelligence Bureau. Sharpe quickly began hiring soldiers as agents and changed  
9 the name of the new organization to the Bureau of Military Information. The newly  
10 formed Bureau, under Sharpe's management, was quite different from the organization  
11 run by Pinkerton. The soldier spies or "Guides" as Sharpe referred to them, received  
12 their salaries directly from the War Department. Often dressed in Confederate uniforms  
13 and carrying doctored credentials they fanned out over much of Confederate controlled  
14 Virginia. Sharpe merged the information gathered from his "guides" with interrogation  
15 materials, cavalry reconnaissance, balloon visuals, signal corps messages, telegraph  
16 reports, and articles from southern newspapers. He then synthesized this information and  
17 prepared finished reports for senior Union commanders. These all source reports became  
18 the first time this approach was used since initially employed by George Washington  
19 during the Revolutionary War. This type of all source reporting would not appear in the  
20 U.S. Army again until the next century. The use of all source intelligence soon paid  
21 major dividends. Sharpe using the information from a variety of sources, reported that  
22 much of the Confederate infantry was seriously short of supplies and equipment,  
23 particularly shoes and rations. After the first few months of operations Sharpe's Bureau  
24 had also identified and described every unit in the Confederate Army. When General  
25 Ulysses S. Grant assumed command of the Union Armies, Sharpe found himself serving  
26 as Grant's intelligence officer. Using his all source approach, Sharpe provided Grant  
27 with detailed knowledge of the Confederate forces facing them. Sharpe's activities far out  
28 stripped Confederate efforts to understand the Union forces. Grant held the intelligence  
29 advantage, thanks in large part to Sharpe's efforts.<sup>28</sup>

### 30 31 **New Intelligence Tools**

32  
33 Thaddeus S. Lowe, a 29 year old balloon enthusiast, rose 500 feet above Washington on  
34 18 June 1861 and, via a cable linking his balloon gondola to the War Department,  
35 telegraphed a message to President Lincoln: "The city, with its girdle of encampments,  
36 presents a superb scene ...." It was the first wartime air-to-ground communication ever  
37 recorded in the United States. By linking the balloon to the telegraph, Lowe transformed  
38 a novel contraption at county fairs into a tool for a new type of intelligence gathering,  
39 real-time aerial reconnaissance.<sup>29</sup> Lincoln intrigued, nudged General Winfield Scott,  
40 commander-in-chief of the U.S. Army, to accept this new tool and Scott ordered the

---

<sup>27</sup>See the recent Ethan Rafuse, *McClellan's War* and Joseph Hersch, *Sounding the Shallows*. Pinkerton returned to Chicago and continued the Pinkerton National Detective Agency. His detectives pursued such notorious bandits as the James Brothers and Butch Cassidy and the Sundance Kid. "Pinkertons" were also used a strikebreakers against unions in the West. Pinkerton died in 1884.

<sup>28</sup>Dennis Casey, "George Sharpe: American Intelligence Pioneer." Kelly Air Force Base, Texas.

<sup>29</sup>"Intelligence's New Tools." CSI, CIA.

1 formation of the U.S. Army Balloon Corps. When General McClellan began his  
2 campaign up the Virginia peninsula toward Richmond in March 1862, Thaddeus Lowe,  
3 with the title Chief Aeronaut, went along. He had three balloons and two gas generators.  
4 Lowe made frequent flights to obtain tactical intelligence of the battlefield. The  
5 Confederates, at first reacted by attempting to shot down the balloons with artillery fire,  
6 but it was extremely difficult to turn field artillery pieces into anti-aircraft guns and the  
7 they became targets of Union artillery directed from spotters in the balloons. The  
8 confederates soon began to camouflaging encampments painting logs black and arranging  
9 them to look like cannon. They were dubbed "Quaker guns" and "wooden ordnance."  
10 The Confederates also raised balloons a few times as observation platforms, the South  
11 simply did not have the resources to produce large amounts of hydrogen gas or rubber,  
12 however. Both sides eventually gave up the use of balloons; the South because it simply  
13 lacked the resources and the North primarily because Lowe and his balloons could not  
14 find a bureaucratic niche in the U.S. Army. Lowe resigned in May 1863 and the U.S.  
15 Army Balloon Corps was disbanded soon after.

16  
17 The telegraph had a much longer life as an intelligence tool during the war. The Union  
18 particularly saw the value of the telegraph and used it as a key component in what would  
19 be the first modern military communications system. Field telegraph units linked  
20 commands and were connected to hilltop signalers who sent messages by flags in  
21 daylight and by torches at night. For most of the war, Union Army telegraphic messages  
22 were handled by the civilian-staffed Military Telegraph (USMT), which connected  
23 battlefields with far-flung generals and the War Department. The Confederacy also used  
24 the telegraph for tactical communications in the field and for messages between  
25 Richmond and military commanders. Like the Union telegraph operators, Southern  
26 operators usually encrypted the messages. The Confederates used the encryption system  
27 known as the Vigenere substitution cipher, named after Blaise de Vigenere, the 16<sup>th</sup>  
28 Century French diplomat, who developed it. The system depended upon the use of a  
29 keyword used to set up a matrix in which a letter acquired a different equivalent each  
30 time it was used in a message. Union codebreakers cracked the code mainly because the  
31 Confederates usually employed only a few keywords and encrypted only important  
32 words. The Confederate operators had to deal with strings of letters combined with  
33 plaintext. This impaired message transmission. The operators also often garbled  
34 messages so thoroughly that only fragments could be read. It was far from a perfect  
35 system.

36  
37 Both sides also began to tap telegraph lines. Federal troops tapped General Albert Sidney  
38 Johnston's headquarters in Bowling Green, Kentucky, for example. They also tapped the  
39 Confederate line between Chattanooga and Knoxville for a month before being detected.  
40 The Confederates, for their part, tapped General Grant's telegraph line to the War  
41 Department during his Richmond campaign. Most message intercepts, however, came  
42 not through taps, but by capturing enemy telegraph stations. Once in control of a station,  
43 the captors could not only intercept messages but also send false ones. Robert E. Lee  
44 found the telegraph so untrustworthy that he ordered his officers to "send no dispatches  
45 by telegraph relative to . . . movements, or they will become known." Federal operators  
46 scrambled words in prearranged patterns, making Union traffic more difficult to read.

## 1 Spies and Espionage

### 3 The South

5 Confederate and Union spies vied for supremacy in Washington, Richmond and Europe.  
6 In Washington, Governor John Letcher of Virginia laid the foundation for Confederate  
7 espionage work by recruiting Southern sympathizers. One of his earliest recruits was  
8 Rose O'Neal Greenhow, a high society widow in Washington who was openly pro-South.  
9 Entertaining much of Washington society she transferred the intelligence insights she  
10 gained via ciphered reports through the "Secret Line." "The Secret Line" was a system  
11 used to get letters, intelligence reports, and other documents across the Potomac and  
12 Rappahannock River and into the hands of Confederate officials and officers. The  
13 couriers slipped in and out of taverns, farms, and waterfront docks along the route  
14 connecting Baltimore and Washington to the Confederacy. Union Major William E.  
15 Doster, the provost marshal who provided security in the Capitol, called her  
16 "formidable," an agent with "masterly skill," who bestowed on the Confederacy "her  
17 knowledge of all the forces which reigned."  
18

19 Coming under suspicion as a spy after the battle of Bull Run, Greenhow was arrested by  
20 Allen Pinkerton and placed under house arrest. She was charged with "being a spy in the  
21 interest of the rebels and furnishing the insurgent generals with important information  
22 relative to the movement of the Union forces." Because she kept attempting to smuggle  
23 out messages, she was eventually put in the Old Capitol Prison (now the site of the  
24 United States Supreme Court Building). She was eventually released in June 1862 and  
25 sent through Federal and Confederate lines to Richmond.  
26

27 Another famous Confederate spy was Belle Boyd. Boyd served the Confederate forces in  
28 the Shenandoah Valley. Born in Martinsburg, now part of West Virginia, she operated a  
29 Confederate spy ring from her father's hotel in Front Royal. She provided General  
30 Stonewall Jackson with valuable information on Union troop movements and strength  
31 during his campaign in the Valley in 1862. After two stints in the notorious Old Capitol  
32 Prison for spying she was paroled and sent to Richmond. In early 1864 President  
33 Jefferson Davis sent her to Europe on behalf of the Confederacy. While trying to run a  
34 Union blockade, her ship was captured by a Union warship. Belle fell in love with the  
35 Union's ship captain, Sam Hardinge, who helped her proceed to England. Hardinge was  
36 dismissed from the U.S. Navy for letting a captured Confederate spy escape. He later  
37 joined Belle in England where they married.<sup>30</sup>  
38

39 The Confederates operated at least two other intelligence networks in Washington, both  
40 run by Confederate cavalymen and probably set up by the Secret Service Bureau, a  
41 clandestine unit within the Confederate Signal Corps. Part of the Confederate War  
42 Department in Richmond, it was commanded by Major William Norris, a former  
43 Baltimore lawyer. The Signals Corps ran the army's semaphore service while the Secret  
44 Service Bureau oversaw a communications network whose missions included the running

---

<sup>30</sup> Belle Boyd wrote her memoirs and, after the war, returned to the United States. When her husband died, she launched a theatrical career which she pursued until her death in 1900 in Wisconsin.

1  
2 of agents to and from Union territory and the forwarding of messages to Confederate  
3 contacts in Canada and Europe. One of the bureau's most important tasks was the  
4 obtaining of open-source material, especially newspapers from the North. Primarily  
5 using Southern sympathizers in Maryland, including postmasters, the collected  
6 newspapers provided information, and, occasionally, agents' messages hidden in personal  
7 columns. General William T. Sherman was particularly incensed by the regular delivery  
8 of northern newspapers to Richmond. Newspaper correspondents, he fumed, "should be  
9 treated as spies ... and are worth a hundred thousand men to the enemy." Yet, Sherman  
10 himself planted false information in newspapers, knowing full well the enemy would read  
11 and perhaps believe the deception.

12  
13 Although the focus of Confederate espionage was initially on Washington, as the war  
14 went on, intelligence gathering became more tactical. Distinctions blurred between  
15 "spies" and "scouts." The age old custom, however prevailed: If you were caught in  
16 uniform, you were a prisoner of war, if you were in disguise, you were a spy and could be  
17 hanged. Confederate cavalry units were usually considered soldiers although they often  
18 did reconnaissance and provided a steady stream of intelligence to their commanding  
19 officers. Lee's greatest cavalry officer, James Ewell Brown Stuart, better know as Jeb  
20 Stuart, won public fame as a dashing cavalry officer leading raids behind Union lines.  
21 Yet, when he was killed in action in 1864, Lee gave him an epitaph worthy of a great spy:  
22 "He never brought me a piece of false information." It is difficult to sort out "espionage"  
23 which is the work of spies, from "reconnaissance," which is the work of trained  
24 observers, such as cavalry scouts. Stuart's intelligence function, like that of other cavalry  
25 officers, was generally limited to reconnaissance. The cavalry served its traditional  
26 function as the eyes of the Army.

27  
28 One particular confederate espionage group known as Coleman's Scouts, were treated as  
29 spies by Union forces, however. When Union forces captured a group of riders behind  
30 Federal lines in Tennessee, they singled out one young man, Sam Davis, who had  
31 documents concealed under his saddle and in his clothing. The information pertained to  
32 Federal defense in Nashville. He also had a paper signed by E. Coleman. The Union  
33 intelligence officers who interrogated Davis knew the "Coleman" was a cover name for  
34 Captain H.B. Shaw who had also been captured. When the Union intelligence officers  
35 demanded to know who and where Coleman was, Davis refused to talk even when  
36 threatened with hanging. Davis was a courier for Shaw and knew he was in the next cell.  
37 The 21 year old Davis was hanged on 27 November 1863. He went into Confederate  
38 legend not as a courier but as a spy. The legend has him say, "I would sooner die a  
39 thousand deaths than betray a friend or be false to duty." Davis became the South's  
40 Nathan Hale. He was one many captives executed as spies by both sides during the  
41 war.<sup>31</sup>

42  
43  
44  

---

<sup>31</sup> The number of suspected spies executed by both sides is not known because of the lack of records and the secrecy that surrounded most executions. Neither side ever executed a woman as a spy.

1  
2 **The North**  
3

4 When the Civil War began the North had few agents in place in the South, especially in  
5 Richmond, the capital of the South. Pinkerton set about establishing an espionage  
6 network by sending one of his best agents, Timothy Webster, to the Confederate capital.  
7 British-Born, Webster was a former New York police officer, with great people skills.  
8 Webster entered Richmond under the cover of a secessionist acting as a courier from  
9 Baltimore using the "Secret Line." He quickly ingratiated himself with Brigadier General  
10 John Henry Winder, the provost marshal of Richmond. Webster put Winder in his debt  
11 by carrying letters to and from Winder's son, William, who was a Union Army officer in  
12 Washington. Winder provided Webster with a pass that allowed him to travel throughout  
13 the Confederacy.

14  
15 Webster also impressed Secretary of War Judah P. Benjamin, who accepted him as a  
16 courier and gave him documents to deliver to secessionists in Baltimore. Thus, Webster  
17 became a double agent and could deliver to Pinkerton not only his own observations but  
18 also Confederate documents. He provided Pinkerton with detailed descriptions of the  
19 fortifications protecting Richmond and reported on morale and living conditions in  
20 Richmond. In February 1862, Webster's reports stopped. Betrayed by other Pinkerton  
21 agents, Webster had been arrested, tried, and sentenced to death. After learning of  
22 Webster's death sentence, Pinkerton went to Lincoln, who sent Confederacy President  
23 Jefferson Davis a message threatening to hang Confederates than held as spies if Webster  
24 were executed. Despite Lincoln's message, Webster was hanged on 29 April 1862.<sup>32</sup>  
25

26 Another Union agent was Elizabeth Van Lew. Recruited in late 1863 by Major General  
27 Benjamin Butler, Van Lew was from a wealthy Richmond family. Educated in  
28 Philadelphia, she returned to Richmond as an ardent abolitionist and outspoken supporter  
29 of the Union. Butler provided her with a simple cipher system for her reports. She kept  
30 the cipher key in the case of her watch and often wrote her reports in invisible ink.  
31 Butler was so impressed with the information Van Lew provided that he reported to  
32 Secretary of War Edwin M. Stanton, that the information "from a lady in Richmond,"  
33 was invaluable. She told where new artillery batteries were being set up, reported that  
34 three cavalry regiments had been "disbanded by General Lee for want of horses" and  
35 revealed that "the Confederates intended to remove to Georgia very soon all Federal  
36 prisoners." (They were sent to the notorious Andersonville prison.) In her role as self-  
37 made spy, Van Lew was cunning, outwitting Confederate detectives, enciphering  
38 messages, and managing a clandestine operation that was both an underground, which  
39 helped Union prisoners to escape, and a spy network, which provided the Union with  
40 valuable intelligence. By June 1865 there were five "depots" in Richmond, where  
41 couriers could pick up and deliver messages from Union operatives. From her family  
42 farm just outside Richmond, Van Lew ran more than a dozen agents and couriers,  
43 including her own African-American servants. They sometimes carried messages in

---

<sup>32</sup> There is no record of immediate Union reprisal, but records of Union and Confederacy executions are sketchy.

1 hollowed out eggs hidden among real eggs or among paper patterns carried by a  
2 seamstress.<sup>33</sup>

3  
4 One of the best intelligence sources for the Union were the reports from former slaves.  
5 The reports were so valuable that they were put in a special category, "Black  
6 Dispatches." Thousands of ex-slaves fought and died for the Union in military units.  
7 Less well known was the work of other African-Americans who risked their lives  
8 gathering intelligence for the Union. Early during the war, Allen Pinkerton ordered a  
9 careful debriefing of all runaway slaves. He recruited some to go into the South as Union  
10 agents. One such black agent was John Scobell of Mississippi. Scobell posed as a servant  
11 to two other Pinkerton agents, Timothy Webster and Carrie Lawton, when they operated  
12 in Richmond. Scobell also posed as a cook and a laborer on his trips south. He signed up  
13 black couriers for the Union at many secret meetings of the Legal League, an  
14 underground slave organization. Another black spy for Pinkerton was W.H. Ringgold, a  
15 free man who had been forced to work on a Virginia riverboat that transported  
16 Confederate troops and supplies. Allowed to return to the North and debriefed by  
17 Pinkerton, Ringgold outlined what he knew of Confederate fortifications on the Virginia  
18 peninsula. When McClellan began his peninsula campaign in March 1862, the best  
19 intelligence he had came from Ringgold.

20  
21 Harriet Tubman, one of the nation's most famous African-Americans, was also one of the  
22 Union's most daring and effective spies. She is widely known for her work with the  
23 Underground Railroad, but she was also an effective clandestine operator. Early in 1863,  
24 after she had spent nearly a year caring for refugee slaves, Union officers in South  
25 Carolina recruited her for espionage and clandestine work. The Union officers needed  
26 timely intelligence on the region. Her spying and scouting evolved into a kind of special  
27 forces operation under Colonel James Montgomery. In July 1863 Tubman became  
28 Montgomery's second-in-command during a night raid up the Combahee River, near  
29 Beaufort, South Carolina. The Union gunboats, carrying some 300 black troops, slipped  
30 up the river undetected, went ashore and destroyed a Confederate supply depot, torched  
31 several homes and warehouses, and freed more than 750 rice plantation slaves.  
32 Reporting on the raid to Secretary of War Stanton, Brigadier General Rufus Saxton  
33 stated, "This is the only military command in American history wherein a woman, black  
34 or white, led the raid, and under whose inspiration it was originated and conducted."<sup>34</sup>

35  
36  
37  
38  
39  
40  
41  

---

<sup>33</sup> At the end of the war, President Grant appointed Van Lew as postmistress of Richmond, bestowing upon her one of the highest federal posts then available to a woman. The *Richmond Enquirer and Examiner* condemned the appointment "of a Federal spy" as a deliberate insult to our people." President Rutherford B. Hayes did not reappoint her.

<sup>34</sup> "Black Dispatched," CSI, CIA.

1 **Covert Action Programs**

2  
3 **Europe**

4  
5 Much like the colonists during the Revolutionary War period, both the North and South  
6 turned to Europe to aid their cause. Both sent officials and agents to Europe to sway

7  
8 British and French opinion and to conduct clandestine intelligence operations. At the  
9 beginning of the war, the Union announced a blockade of Southern ports. The  
10 Confederacy responded by withholding cotton from the textile mills in Britain and France  
11 hoping to pressure them into convincing the Union to lift the blockade. With huge  
12 stockpiles of raw cotton the British and French mills did not face an immediate shortage  
13 from the Southern embargo, however.

14 Southern strategy next turned to building a navy to break the blockade. Lacking adequate  
15 shipyards, Confederate officials sent agents to Britain and France to arrange for the  
16 shipbuilding and the arms purchases. Covert operations were needed because British law  
17 prohibited the arming of private ships in British yards. In the fall of 1861, the  
18 Confederacy sent two representatives to Europe, former U.S. Senator James M. Mason of  
19 Virginia and former Senator John Slidell of Louisiana. Officially they were empowered  
20 to negotiate treaties with Britain and France. Their clandestine mission was to obtain  
21 warships and arms for the Confederacy and to foster favorable opinion of the  
22 Confederacy in Europe. Slipping through the Union blockade at Charleston, Mason and  
23 Slidell sailed via Nassau to Havana. A Cuban newspaper published their itinerary. This  
24 bit of open source intelligence was read in another Cuban port by Captain Charles  
25 Wilkes, the commanding officer of the *U.S.S. San Jacinto*.

26  
27 Sailing from Havana aboard the British mail packet the *Trent*, Mason and Slidell were  
28 captured by Wilkes and the *San Jacinto* and taken to Boston where they were imprisoned.  
29 The British were outraged and ordered 10,000 troops to Canada. The crisis ended when  
30 Lincoln convinced the British that Wilkes acted on his own. Mason and Slidell were  
31 soon on their way across the Atlantic again.

32  
33 Once in England, Slidell began setting up illicit arms deals, aiding Confederate efforts to  
34 purchase warships and hiring propaganda agents for a campaign to counter European  
35 sentiments against slavery and the Confederacy. He found several writers who were  
36 willing to accept payoffs to "enlighten public opinion" with regard to the South. Using a  
37 \$25,000 "secret service fund, Slidell sponsored newspaper articles and paid for the  
38 publishing of 125,000 copies of a pro-slavery tract.

39  
40 The South had to invent a European intelligence network. The North possessed one in  
41 the form of U.S. ambassadors and consuls. Thomas Haines Dudley, the U.S. consul in  
42 Liverpool, ran the Union network in Britain. The chief target of Dudley's surveillance  
43 was James Dunwoody Bulloch, a former U.S. Navy officer, who acted as a Confederate  
44 agent in Britain. Bulloch launched the Confederate shipbuilding operation in June 1861  
45 when he found a Liverpool shipyard willing to build ships to Bulloch's specifications. On  
46 paper the ship was named the *Oreto* and was owned by a Liverpool agent of an Italian

1 company. Aware of Bulloch's plans, Dudley went to the British courts charging that the  
2 ship was a Confederate warship in violation of British law. The courts ruled that no law  
3 had been broken because the *Oreto* was unarmed. Sailing from Nassau, the *Oreto*  
4 rendezvoused with an arms filled ship dispatched by Bulloch. Armed and renamed the  
5 *Florida* she ravaged Union shipping for two years before she was captured.<sup>35</sup>  
6

### 7 **The *Alabama***

8  
9 Dudley was determined to keep Bulloch's next ship from going to sea. The ship, known  
10 as the "290" was nearly ready to sail. In July 1862 when Bulloch's agents realized that  
11 Dudley had enough intelligence to go to court with a legal claim against the shipyard for  
12 violating British neutrality laws, Bulloch hastily arranged to have the "290" sail. The  
13 "290" became the cruiser, *Alabama* bound for the Azores where she would take on guns,  
14 ammunition, and supplies. The *Alabama* became the South's most successful raider. She  
15 captured or destroyed more than 60 Union ships with a total value of nearly \$6 million  
16 before a Union warship ended her career off the French port of Cherbourg in June 1864  
17 thanks to intelligence provided by the U.S. minister to France.  
18

19 While the *Alabama* had escaped, Dudley worked to block the sailing of two additional  
20 warships or rams ordered by Bulloch. He warned the British that if these warships were  
21 allowed to sail, the United States would consider it an act of war by the British. In  
22 October 1863, the British government seized the rams and later bought them. By 1864  
23 there was little hope that either Britain or France would recognize the Confederacy. In  
24 February 1864, Bulloch wrote to the Confederate Secretary of the Navy. "The spies of  
25 the United States are numerous, active, and unscrupulous. They invade the privacy of  
26 families, tamper with the confidential clerks of merchants, and have succeeded in  
27 converting a portion of the police of this Kingdom into secret agents of the United  
28 States." "There is," he concluded, "no hope of getting the ships out."  
29

### 30 **Canada**

31  
32 In secret sessions in February 1864, the Confederate Congress passed a bill authorizing a  
33 campaign of sabotage against "the enemy's property, by land or sea." The bill established  
34 a secret fund, \$5 million in U.S. dollars, to finance the sabotage. One million dollars of  
35 the fund was specially earmarked for use by agents in Canada. Confederate agents had  
36 even more ambitious plans. The Canadian operations station was in Toronto under the  
37 military command of Captain Thomas Henry Hines. Earlier, in raids into Kentucky and  
38 Tennessee, Hines had made contact with leaders of pro-South underground networks in  
39 what was then called the "Northwest," part of today's Midwest. Hines' orders from the  
40 Confederate War Department stated, he was "detailed for special service" in Canada and  
41 was empowered to carry out "any hostile operation" that did not violate Canadian  
42 neutrality. As Hines envisioned his mission, it was to "create a revolution." He sought to  
43 raise an insurrection in the Northwest states that would turn them against the Union and  
44 bring an end to the war on Confederate terms. Known as the Northwest Conspiracy,  
45 Hines sought to recruit sympathizers from Ohio, Indiana, and Illinois, where an estimated

<sup>35</sup> See CSI, "Intelligence Overseas." CIA



1 40 percent of the population was southern-born. He worked with secret societies in these  
2 states such as the Knights of the Golden Circle and the Order of the Sons of Liberty.  
3 These organizations were anti-Union and anti-abolition. Since they wore on their labels  
4 the head of Liberty, cut from copper pennies, they were also known as Copperheads.  
5 Hines was not alone. Among the conspirators were military officers in civilian clothes,  
6 and politicians such as Jacob Thompson who had been Secretary of the Interior under  
7 President James Buchanan and Clement Clay, former U.S. Senator from Alabama. They  
8 were ostensibly "commissioners" sent to Canada with vague defined public roles as their  
9 covers. A former representative from Ohio, Clement L. Vallandigham, claimed he had  
10 300,000 Sons of Liberty ready to follow him in an insurrection that would produce a  
11 Northwest Confederacy.

12  
13 Little came of these efforts thanks in part to Union intelligence efforts. Much of the  
14 Canada-Richmond communications system relied on couriers, and one of these couriers  
15 was a double agent. Richard Montgomery, as a Confederate agent carried dispatches  
16 from Jefferson Davis to the Canadian station. As a Union agent, he stopped off in  
17 Washington where the dispatches, which were usually in cipher, were copied and  
18 decrypted. Union forces were able to blunt most sabotage attempts and to round up most  
19 of the Sons of Liberty leaders.

#### 21 **After Civil War**

22  
23 Following the Civil War, the United States once again disbanded its elaborate  
24 intelligence systems. The vast armies were hastily demobilized and with them the  
25 wartime intelligence apparatus. The United States Congress drastically reduced funds for  
26 intelligence activities and dismissed its agents. There seemed no longer a need for  
27 foreign intelligence and little interest in the subject. The United States was no longer  
28 threatened. Despite occasional wartime accomplishments, intelligence was once again  
29 relegated to the backwater of U.S. interests. No institutional intelligence structure was  
30 maintained. Each military commander once again served as his own intelligence officer.  
31 Expertise gained in wartime was quickly dissipated.

#### 33 **Change**

34  
35 A changing world slowly forced changes to U.S. intelligence activities as well. The  
36 U.S. Secret Service was established in the Treasury Department 1865. In addition to  
37 protecting the President, its primary mission was to pursue counterfeiters.  
38 In 1882 the U.S. Navy set up the Office of Naval Intelligence (ONI) with the primary  
39 mission of observing and reporting on new developments in maritime technology  
40 overseas. These were early beginnings of professional intelligence services.

#### 42 **Military Intelligence (MID)**

43  
44 Embarrassed that he could not answer a simple question from President Grover Cleveland  
45 about conditions in Europe in 1885, Adj. Gen R.C. Drum established, as part of the  
46 Army's Military Reservations Division, Miscellaneous Branch of the Adjutant General's

1 Office, a Division of Military Information. This step gave the Army a permanent  
2 intelligence organization. Initially, however, the Division of Military Information  
3 appears to have been seen as simply a passive repository for information regarding  
4 military-related developments at home and abroad. Initial collection requirements were  
5 simple. The adjutant general requested that the Army's geographical departments and  
6 technical services, "whenever practicable, make report on anything which it may be  
7 desirable for the Government to know in case of sudden war."<sup>36</sup>

8  
9 In 1889 the division took a first step toward a more positive role in intelligence gathering  
10 when the Army assigned military attaches to the capitals of the five major European  
11 powers, Great Britain, France, Germany, Russia, and Austria-Hungary. Since the  
12 attaches had intelligence gathering tasks in addition to their diplomatic duties and  
13 reported to the Military Information Division, the Division now had an independent  
14 collection arm. This led to the Army's first intelligence scandal. In 1892, the French  
15 expelled, Capt. Henry T. Borup, the American attaché, for attempting to purchase the  
16 plans for the fortifications of Toulon. The American minister to France, Jefferson  
17 Coolidge was furious. Not only did Borup's actions disrupt French-American relations  
18 but according to Coolidge, Borup's action was "perfectly useless," not only was  
19 "America at peace with France but the small American navy could not attack Toulon."<sup>37</sup>  
20 Despite Borup's notoriety, by 1894 five additional attaché posts were established  
21 including ones in Japan and Mexico. By the early 1890s the Military Information  
22 Division was large enough to be organized into four branches: (1) The Progress in  
23 Military Arts Branch, which collected scientific and technical intelligence from the  
24 various attaches, (2) the Northern Frontier Branch which focused on Canada, (3) the  
25 Spanish-American Branch which monitored developments in the Caribbean, especially  
26 Cuba where Cuban revolutionaries were plotting insurrection against Spain, and (4) the  
27 Militia and Volunteer Branch, which keep track of the various state National Guard  
28 units.<sup>38</sup>

### 30 **Spanish American War 1898**

31  
32 When the war with Spain began in April 1898, the Army for once entered a conflict with  
33 at least a semblance of intelligence preparation. The Military Information Division had  
34 already collected a good deal of intelligence on conditions in Cuba and soon sent  
35 additional Army officers to the region on undercover assignments to Cuba and Puerto  
36 Rico.<sup>39</sup> Lt. Ralph Van Deman played a major role in these efforts. He and Captain Willis  
37 Scherer published and distributed maps and intelligence pamphlets on Cuba, Puerto Rico,  
38 and the Philippines. Once in the Philippines, Van Deman conducted mapping operations  
39 and prepared area studies. He also collected combat intelligence on the insurgents. In  
40 one case, Van Deman used agents to undercover and foil a plot to seize the capital of  
41 Manila and kill the American commander Gen. Arthur MacArthur. After the war and the

<sup>36</sup> See Elizabeth Bethel, "The Military Information Division: Origin of the Intelligence Division," *Military Affairs*, 11(Spring 1971), pp.17-24.

<sup>37</sup> John Patrick Finnegan, *Military Intelligence*, Center for Military History, U.S. Army (1998), p. 12.

<sup>38</sup> Finnegan, *Military Intelligence*, p.5.

<sup>39</sup> Finnegan, *Military Intelligence*, p.5.

1  
2 end of the insurgency, Army intelligence once again suffered neglect. MID became part  
3 of the War College.

4  
5 ONI also played an increasingly important role. Naval attaches reported on the  
6 movement of the Spanish fleet. Using this information and intelligence from Spanish  
7 cable traffic tapped by the U.S. Navy, ONI reported the Spanish fleet's eventual arrival  
8 in the Cuban port of Santiago. Navy intelligence, however, failed to notice that the  
9 Spanish ships were in poor shape, lacked coal, and were no match for the U.S. Navy.<sup>40</sup>

10  
11 The U.S. Secret Service also expanded its counterintelligence activities during the  
12 Spanish-American War, despite a strong public fear of a federal spy service and the  
13 creation of a police state. Spain in 1898 hoped to enlist Catholic and monarchist Europe  
14 to its side, this included French speaking Canada. When war came, the Spanish set up a  
15 spy ring operating out of Montreal. Headed by the former naval attaché in Washington,  
16 Ramon de Carranza and the former army attaché Captain Juan Du Bose, plus the Spanish  
17 consulate general in Montreal, Eusebio Bonilla Martel, the group attempted to recruit  
18 pro-Spanish elements in cities like New Orleans, Mobile, Key West, and Tampa. They  
19 tried to obtain information useful to Spanish naval officers and military officers. They  
20 dispatched agents to gather information on U.S. coastal defenses and naval ships. In the  
21 spring of 1898 the Spanish naval threat seemed real. The Spanish Admiralty ordered the  
22 destruction of U.S. naval bases along the American coast.<sup>41</sup> Countering the Spanish  
23 effort was an expanded U.S. Secret Service. Secretary of the Treasury Lyman Gage set  
24 up a special counterintelligence force within the Secret Service and sought funding from  
25 President William McKinley. McKinley approved the use of unvouchered funds to  
26 finance the new unit. With the Secret Service now headed by John E. Wilkie, and  
27 working closely with British intelligence, Wilkie and his special group produced a  
28 number of counterintelligence successes against the Montreal spy ring.<sup>42</sup>

29  
30 **Early 20<sup>th</sup> Century**

31  
32 The first decade of the 20<sup>th</sup> Century provided the United States with new intelligence  
33 challenges. Formerly, U.S. officials concerned themselves with procuring information on  
34 neighboring states in the Western Hemisphere and collecting technical intelligence on  
35 military developments in Europe. With the acquisition of the Philippines and Guam and  
36 a growing American commercial and military presence in China, the United States was  
37 now a Far Eastern power. This meant that U.S. officials, especially in the military, now  
38 had to evaluate the military threat of an expanding Japanese Empire as well as ambitions  
39 of European states in the region. Moreover, U.S. policymakers now confronted a  
40 revolution in communications. In addition to the telegraph, radio, the telephone, and  
41 photography offered major challenges to the collection of intelligence information. The  
42 major powers increasingly used radio and the telephone to communicate information.  
43 They also increasingly enciphered this communication by machine.

<sup>40</sup> See Rhodri Jeffreys-Jones, *Cloak and Dollar: A History of American Secret Intelligence*, pp. 54-55.

<sup>41</sup> See Jeffreys-Jones, *Cloak and Dollar*, pp. 44-54.

<sup>42</sup> The Canadians had no separate intelligence organization.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

**Woodrow Wilson, Mexico, and Intelligence**

Paradoxically, as the Army's need for intelligence increased in the early part of the 20<sup>th</sup> Century, the Army's capacity to meet it declined. The outbreak of revolution in Mexico in 1911 did little to end this situation. There was little information available to U.S. Army commanders relating to Mexico when President Wilson ordered American troops to Vera Cruz in 1914. Sent down to investigate the situation, Captain Douglas MacArthur reported that "the Intelligence Office established for the Brigade was practically useless for my purpose. There seems to be no logical conception of just what information is needed and as a result its efforts consist largely in accumulating wild and exaggerated reports from a lot of scared and lying American refugees."<sup>43</sup>

In March 1916 the forces of Mexican bandit Pancho Villa raided the American border town of Columbus, New Mexico inflicting losses on the 13<sup>th</sup> Cavalry and causing civilian casualties. In response, President Wilson ordered Brig. Gen. John "Black Jack" Pershing to lead a punitive expedition into Mexico to hunt down Villa. Pershing's forces deployed a wide range of intelligence assets in their pursuit of Villa. Pershing augmented traditional collection methods with newly emerging technologies. For example, Pershing's intelligence officer, Maj. James A. Ryan, organized a highly effective "service of information" that gave Pershing a good working knowledge of the terrain of Northern Mexico. Ryan made use of local informants, horse cavalry, and Apache scouts. In addition, aircraft of the Army's 1<sup>st</sup> Aero Squadron, commanded by Maj. Benjamin Foulois, attempted aerial reconnaissance bringing along aerial cameras. The aerial reconnaissance effort came to little, as the planes were too underpowered to fly over the mountain ranges of Mexico and all eight of the planes initially assigned to the expedition crashed within two months. Motorize vehicles also played an intelligence role for the first time. Pershing's expedition was not only supported logistically by trucks, but a few were also used for intelligence collection. They were mobile intercept stations deployed to monitor Mexican government communications as the Mexican government became increasingly alarmed at the American probe, which at times extended 500 miles into Mexican territory. Pershing had only limited success in engaging Villa and almost caused a war with Mexico. Nevertheless, for the first time the U.S. Army used multisource intelligence.<sup>44</sup>

On 1 February 1917, the Mexican problem was suddenly eclipsed by the German decision to wage unrestricted submarine warfare against all vessels carrying supplies and material to the Allied Powers. This action threatened American export trade and defied the principles of neutral rights, which the Wilson administration had upheld since the beginning of the European conflict.

---

<sup>43</sup> Taken from Finnigan. *Military Intelligence*, p.7.

<sup>44</sup> Finnegan. *Military Intelligence*, p 9.

1

**2 World War I**

3

4 World War I erupted in July 1914, with Great Britain joining France and Russia against  
5 Germany and Austria. The British Navy quickly blocked Germany's ports and swept the  
6 German navy and merchant fleet from the high seas. Many of the German merchant  
7 ships found refuge in the harbors of neutral America. The British blockade made it  
8 impossible for the Central Powers to import war material and foodstuffs from overseas  
9 while the British, French, and Russians eagerly purchased American products. The  
10 United States soon became the arsenal for the Allies and gradually tied the nation's  
11 economy to the Allied cause.

12

**13 German View**

14

15 The Wilson administration and most Americans regarded the war as an Old World  
16 squabble best avoided and Wilson announced a policy of strict neutrality. Wilson,  
17 sympathizing with the British, ignored Count Johann von Bernstorff, the German  
18 ambassador's many protests that the British, French and Russians were purchasing  
19 armaments in the United States. After months of fruitless complaints, Germany decided  
20 to take bold action to stem the flow of America arms and supplies to its enemies. On 4  
21 February 1915, Berlin ordered its submarines to sink any vessels, even neutrals, sailing  
22 within an exclusive zone around Great Britain. At the same time, the German General  
23 Staff confirmed its prior authorization to German military attaches in the United States to  
24 mount sabotage operations against "every kind of factory for supplying munitions of  
25 war."<sup>45</sup> Despite this sweeping authority, the German military attaché in Washington,  
26 Franz von Papen, and the German naval attaché, Karl Boy-Ed, had no training in  
27 clandestine activities, and accomplished little over the next several months. They did,  
28 however, manage to establish a German spy ring and attempt to create a group of  
29 saboteurs within the United States.

30

31 Berlin sent von Papen and Boy-Ed help in April 1915. An aristocratic naval officer,  
32 Captain Franz von Rintelen, arrived in New York carrying a Swiss passport and orders to  
33 run a sabotage campaign under illegal cover. Rintelen spoke fluent English and knew  
34 New York's banking and social milieu. Within weeks he had enlisted sailors and  
35 officers from the 80-odd German ships languishing in New York harbor, turning a  
36 workshop on one of the ships into a bomb factory. He also convinced a German-born  
37 chemist in New Jersey to create firebombs and later claimed that he used Irish  
38 dockworkers to plant the devices on Allied ships in American ports.<sup>46</sup> There was soon a  
39 rash of mysterious accidents in American ports handling munitions.

40

41 The American response to these German efforts was weak and fumbling. The United  
42 States had no national intelligence service beyond its diplomats and a few military and

---

<sup>45</sup> Henry Landau, *The Enemy Within: The Inside Story of German Sabotage in America* (New York: G.P. Putnam's Sons, 1937), p.8 and Jules Witcover, *Sabotage at Black Tom: Imperial Germany's Secret War in America, 1914-1917* (Chapel Hill, NC: Algonquin, 1989).

<sup>46</sup> Michael Warner, "The Kaiser Sows Destruction," CSI, CIA.

1 naval attaches. There was no codebreaking agency and little communications security.  
2 There was no federal statute forbidding peacetime espionage and sabotage. No federal  
3 agency had either the power or the resources to follow leads that hinted at a foreign-  
4 directed conspiracy. This began to change after May 1915 when a German U-boat sank  
5 the British liner *Lusitania* with appalling loss of life including 128 Americans. The  
6 sinking turned U.S. opinion against Germany and angered President Wilson. Wilson  
7 ordered the Secret Service, which had been confined to protecting presidents and hunting  
8 counterfeiters, to begin watching German diplomats. The Secret Service soon had  
9 enough evidence to implicate the German officials in a sabotage campaign. Wilson  
10 expelled Franz von Papen in December 1915.<sup>47</sup> Captain Rintelen was ordered back to  
11 Berlin for consultation and was captured by the British. The Bomb Squad of the New  
12 York Police Department also swept up many of Rintelen's confederates in early 1916.  
13 Arrested, Egon von Blankenfeld, a suspected German secret agent, reported that von  
14 Papen had wished to hire him in order to bomb the White House or possibly the Capitol.  
15 According to Blankenfeld, "von Papen wanted to hurry Wilson heavenward, and if  
16 possible some of his Senators with him, in order that war may be prevented."<sup>48</sup>  
17

#### 18 **Black Tom Affair**

19  
20 There were still a number of German agents operating in the United States. On a  
21 summer night in New York City in July 1916, a pier laden with a thousand tons of  
22 munitions destined for Britain suddenly caught fire and exploded. The blast scarred the  
23 Statue of Liberty with shrapnel, shattered windows in Times Square, rocked the Brooklyn  
24 Bridge, and woke people as far away as Maryland. Within days, local authorities  
25 concluded that the blasts at "Black Tom" pier were the work of German saboteurs.  
26 In January 1917, a mysterious fire at a shell-packing plant in Kingsland, New Jersey  
27 rocked the city. Wilson ordered Boy-Ed recalled. Nevertheless, three months later,  
28 another unexplained fire destroyed the Hercules Powder Company plant in Eddystone,  
29 Pennsylvania, killing over a hundred workers, most of them women and children. These  
30 attacks did little damage to the American economy or to the Allied war effort, but they  
31 helped poison American public opinion against Germany. The final straw came with the  
32 German declaration of unrestricted submarine warfare and the disclosure of the  
33 Zimmermann telegram.  
34  
35

#### 36 **Zimmermann Telegram**

37  
38 In order to break the deadlock on the western front, in early January 1917, the German  
39 military leadership advocated the declaration of unrestricted submarine warfare in which  
40 German u-boats would sink any merchant vessel headed for or coming from British,  
41 French, and Italian ports. They believed that while this action might provoke the United  
42 States into a declaration of war, the Americans would be unable to intervene militarily

---

<sup>47</sup> Von Papen ultimately became German Chancellor in 1932. In 1934, under the Nazi regime he was the German envoy to Austria. From 1939-1944 he served as German ambassador to Turkey. He died in 1969.

<sup>48</sup> Quoted in Thomas Boghardt, "The Zimmermann Telegram: Diplomacy, Intelligence, and the American Entry into World War I," Working Paper, Georgetown University November 2003, p. 20.

1 before Germany defeated Britain and France. Determined to align himself with these  
2 German military leaders and convinced that unrestricted submarine warfare would draw  
3 the United States into the war, Arthur Zimmermann, the German foreign minister,  
4 proposed that German offer Mexico an alliance "to reconquer the lost territory in Texas,  
5 New Mexico, and Arizona," in an effort to tie up American forces on the U.S. southern  
6 border. On 16 January he cabled the text to Count Johann von Bernstorff, Germany's  
7 ambassador in Washington, with instructions to relay it to Heinrich von Eckardt, the  
8 German minister to Mexico. The proposal read:

9 We intend to begin unrestricted submarine warfare on the first of February. We shall  
10 endeavor in spite of this to keep the United States neutral.

11 In the event of this not succeeding, we make Mexico a proposal of alliance on the  
12 following basis: make war together, make peace together, generous financial support, and  
13 a consent on our part for Mexico to reconquer the lost territory in Texas, New Mexico,  
14 and Arizona. The settlement in detail is left to you.

15 Your Excellency will inform the president [of Mexico] of the above most secretly  
16 as soon as the outbreak of war with the United States is certain and add the suggestion  
17 that he should, on his own initiative, invite Japan to immediate adherence and at the same  
18 time mediate between Japan and ourselves. Please call the president's attention to the  
19 fact that the unrestricted employment of our submarines now offers the prospect of  
20 compelling England to make peace within a few months.

21  
22 Signed Zimmermann<sup>49</sup>

23  
24 Hans Arthur von Kemnitz, the German Foreign Office staff member who actually drafted  
25 the Mexican alliance scheme later wrote: "I foresaw two possibilities [...] firstly, that  
26 Mexico would decline because she was afraid of the United States, which would  
27 nevertheless, have strengthened the Germanophile sentiment in Mexico. or, secondly, that  
28 Mexico would accept, in which case considerable American forces would be tied up on  
29 the Mexican border and Germany would not have incurred any special obligations."<sup>50</sup>

30  
31  
32 On 1 February Ambassador Bernstorff informed Secretary of State, Robert Lansing, of  
33 Germany's resumption of unrestricted submarine warfare in the Atlantic. Germany would  
34 henceforth sink on sight and without warning any surface vessel its u-boats encountered,  
35 Allied and neutral, commercial and naval. Most of Wilson's cabinet called for a  
36 declaration of war on Germany. Although Wilson recalled the U.S. ambassador from  
37 Berlin, he held off asking Congress for a declaration of war.

49 Boghardt, "The Zimmermann Telegram," p.9. Zimmermann never contemplated a serious German  
commitment to Mexico. It was an attempt to exploit U.S.-Mexican tension and not a product of long-held  
German designs on the Western Hemisphere. To Berlin, Mexico was never as important as the Balkans or  
Italy. Even after the U.S. declaration of war in April 1917, German efforts to prop up Mexico financially  
and militarily as a potential ally were modest.

50 Boghardt, "The Zimmermann Telegram," p. 13.

1  
2  
3 **British View**  
4

5 From the outbreak of war in Europe in 1914 the government of Great Britain attempted to  
6 cultivate the United States as an ally, diplomatically, politically, economically, and  
7 culturally. As the war continued, the British increasingly sought to tie the United States  
8 to the Allied cause. They wanted not only access to U.S. markets, but massive U.S. loans,  
9 or even better, America's formal entry into the war. Early in the war the British director  
10 of the Secret Intelligence Service, Mansfield Smith-Cumming, sent Captain (later Sir)  
11 William Wiseman to establish an office in New York. As the head of the British  
12 intelligence mission in the United States, Wiseman was extensively involved in the  
13 British counter-intelligence effort against Indian secessionists but he also became the  
14 confidant of Colonial Edward House, President Wilson's closest adviser. Gaining  
15 House's confidence, Wiseman became the secret, private unofficial link between  
16 Downing Street and the White House. He developed a "special relationship" with Wilson  
17 and helped cement Anglo-American relations using quiet diplomacy with House and the  
18 President.<sup>51</sup>

19  
20 Even more effective in swaying the Americans was Room 40 and Captain Reginald  
21 "Blinker" Hall. From 1913 to 1919 "Blinker" Hall headed the Intelligence Division of  
22 the Admiralty, in charge of intercepting and deciphering German messages. Located in  
23 the Old Building of the Admiralty it was referred to as "Room 40." Hall's group  
24 intercepted and broke the Zimmermann telegram on the same day it was dispatched, 16  
25 January. Fearing that disclosure would cause the Germans to change their codes and  
26 deprive Room 40 of valuable intelligence, Hall held on to the message. He hoped that the  
27 German declaration of unrestricted submarine warfare on 1 February would provoke an  
28 immediate American declaration of war. When this failed to materialize, Hall decided to  
29 use the intercepted telegram to bring the United States into the conflict. On 19 February  
30 he met with Edward Bell, second secretary of the U.S. Embassy in London and told him  
31 orally of the content of the Zimmermann telegram. Bell, like most members of the  
32 embassy staff advocated the entry of the United States into the war. He and Hall made  
33 four major decisions regarding the telegram: (1) the telegram must be publicized in the  
34 United States; (2) Hall would have to submit the full text, and reveal the method by  
35 which the telegram had been intercepted and deciphered to make it credible to the Wilson  
36 administration; (3) the role of the British would be concealed from the American public  
37 to avoid the impression that Britain was trying to influence American public opinion and  
38 to keep the Germans from learning that their codes were compromised (the official  
39 version was to be that the telegram had been obtained on U.S. territory); and (4) the best  
40 way to achieve maximum attention in Washington was for the British Foreign Secretary,  
41 Arthur Balfour, to present it officially to U.S. Ambassador Walter Hines Page.<sup>52</sup> On 23  
42 February Balfour visited the American embassy in London, and officially handed a  
43 transcript of the intercepted Zimmermann telegram to Ambassador Page. The next day

<sup>51</sup> See W. B. Fowler, *British-American Relations 1917-1918: the Role of Sir William Wiseman* (Princeton: Princeton University Press, 1969).

<sup>52</sup> Boghardt, "The Zimmermann Telegram," p.17.



1 Page cabled the intercept to the State Department in Washington. With Secretary of State  
2 Lansing away on vacation, Deputy Secretary Frank L. Polk duly showed the message to  
3 the President on 25 February. Polk also took steps to establish whether Mexico or Japan  
4 would respond positively to Zimmermann's proposal. On 26 February the Venustiano  
5 Carranza government denied knowing of the note and two days later the Japanese  
6 ambassador "expressed great amusement and said it was too absurd to take seriously."<sup>53</sup>  
7 On 28 February the Wilson administration gave the telegram to the Associated Press. It  
8 published the telegram on 1 March. "Blinker" Hall and the British hoped that the release  
9 of the telegram would trigger an immediate U.S. declaration of war. It did not. Angered,  
10 Wilson still held off. British policymakers were perplexed. As late as 1 April, one day  
11 before President Wilson asked Congress for a Declaration of War against Germany,  
12 British Prime Minister Lloyd George still wondered when the United States would enter  
13 the war. The Zimmermann telegram did not have the impact the British would have liked  
14 on the American public or the Wilson administration. It did, however, accelerate the  
15 entry of the United States into the war as the United States declared war on Germany on  
16 6 April 1917.

### 17 **The American Intelligence Effort**

18  
19  
20 When Congress finally declared war against Germany on 6 April 1917 neither the U.S.  
21 government nor its military components had an intelligence organization. They moved  
22 blindly into the greatest foreign conflict in their history. World War I also exposed the  
23 U.S. Army to a dazzling array of new technologies including aerial photography and  
24 reconnaissance, radio intercept, and optical and acoustical sensors to detect aircraft and  
25 artillery.

26  
27 In May 1915 Major. Ralph Van Deman, considered the Father of modern U.S. military  
28 intelligence, returned to the General Staff in Washington only to discover that  
29 intelligence work was being ignored. Reports from attaches on the nine month old war  
30 in Europe were simply filed away and reports from the Punitive Expedition Force in  
31 Mexico lay on a table unread. Van Deman determined to create a more involved  
32 intelligence organization. In a series of memorandums, Van Deman argued for the  
33 reestablishment of the MID. Army Chief of Staff, Hugh Scott rejected the concept. In  
34 April 1917 Van Deman approached Scott again about establishing an intelligence service.  
35 Scott remained unmoved. He believed that the United States Army could rely on the  
36 already established British and French systems. Persistent in his demands to Scott, Scott  
37 finally ordered Van Deman to cease his efforts for a separate intelligence agency. Scott  
38 also ordered Van Deman not to approach Secretary of War Newton Baker with his ideas.

39  
40 Van Deman was not easily stopped. Finding himself escorting a well-known female  
41 author on a tour of military installations near Washington, he discovered that not only  
42 was she interested in his ideas on intelligence and its importance but that she knew  
43 Secretary Baker. She promised to bring up the idea with the Secretary. She did. On 30  
44 April, Baker had Van Deman report to his office. After Van Deman explained his

---

<sup>53</sup> Ibid, p.24.

1 concept for intelligence Baker agreed to establish a military intelligence service. The  
2 Military Information Section was formed on 2 May 1917.<sup>54</sup>

3  
4 Once created, MID's duties grew rapidly. It inherited the map and photographic files  
5 and the attaché system from the War College. Van Deman formed a cryptographic  
6 section and the Corps of Intelligence Police for counterintelligence work. Moreover,  
7 MID became responsible for collecting, managing, and disseminating intelligence.  
8 Relying on the British model, Van Deman organized his staff into two major branches:  
9 The Negative Branch included counterintelligence activities and the Positive Branch  
10 which included efforts to gain information on Germany. Van Deman's MID was the  
11 United States' first complete, national level intelligence agency. It used Humint, Sigint,  
12 and even Imint to collect information. It also had counterintelligence, mapping and  
13 security responsibilities. MID was tasked with preventing sabotage and subversion by  
14 enemy agents or German sympathizers on U.S. soil. Short of manpower, Van Deman  
15 relied on private groups which he organized into the American Protective League. MID  
16 also provided security to government offices, defense plants, seaports, and other sensitive  
17 installations. He created a field organization in eight American cities which employed  
18 mobilized civilian policemen to perform security investigations. Within a few months  
19 Van Deman created a complete intelligence organization with both domestic and foreign  
20 intelligence responsibilities.

21  
22 Recognizing that his organization needed expertise in both cryptanalysis and  
23 communication security, Van Deman engaged the services of a young code clerk in the  
24 State Department, Herbert O. Yardley. Yardley, only 28, was hastily commissioned and  
25 became the first chief of the Army's Cipher Bureau. It was the first official code breaking  
26 agency. By the end of the war, the Cipher Bureau had been redesignated as MI-8 an  
27 extremely important part of MID. Yardley went on to lead the code breaking section  
28 within the American delegation to the Peace Conference at Versailles.<sup>55</sup>

29  
30 While Van Deman created a strong intelligence agency, it concentrated on strategic  
31 concerns and was located in Washington. General John J. Pershing, the commander of  
32 the American Expeditionary Forces (AEF), saw the need for a tactical system. Using the  
33 French model, Pershing and his staff created the first G2s in the fall of 1917. There was  
34 now a G2 intelligence officer at every unit level in the Army. Knowing the enemy  
35 became more than simply recounting enemy order of battle, it sought to envision enemy  
36 operations and to predict intentions. While G2s used a variety of intelligence sources  
37 including aerial photography and radio intelligence, they relied primary on prisoners and  
38 captured documents for much of their intelligence information.

#### 39 40 **U-1**

41  
42 The State Department established U-1 in the Office of the Counselor in 1915 to take a  
43 more active role in intelligence matters. Headed by Frank Polk, the new counselor, the

---

<sup>54</sup> Finnegan, *History of Military Intelligence*.

<sup>55</sup> See David Kahn, *The Reader of Gentlemen's Mail: Herbert O. Yardley and the Birth of American Intelligence* (New Haven: CT: Yale University Press, 2004).

1 small office attempted to make some sense of the ad hoc intelligence gathering of the  
2 government. Polk sought to coordinate the activities of those agencies that gathered  
3 intelligence information abroad, primarily the U.S. military. U-1 lacked the means,  
4 however, to control military intelligence despite the dominance of U.S. diplomats abroad.  
5 He also established close liaison with the British and French in matters of intelligence  
6 sharing, especially counterintelligence matters. Here, U-1 confirmed the existence of  
7 Irish as well as Indian collaboration with the Germans. U-1 also became the American  
8 office running and helping to finance W. Somerset Maugham intelligence mission to  
9 Russia in 1917. In addition, Polk oversaw the work of domestic intelligence services  
10 such as the Secret Service in counter intelligence matters. It was the beginnings of a  
11 centralized intelligence agency. U-1 was also only one of several sources of information  
12 flowing into the White House. Robert Lansing, the Secretary of State, opposed the entire  
13 concept of espionage. It violated his professed faith in open diplomacy.<sup>56</sup> Nevertheless, it  
14 was not Lansing but Secretary of State Frank B. Kellogg, who in June 1927 ended the  
15 experiment in centralized intelligence by abolishing U-1.

### 16 17 **Wilson and The Inquiry**

18  
19 Woodrow Wilson had little knowledge or interest in intelligence or foreign policy issues  
20 when he was elected President. This rapidly changed as the United States became  
21 involved in the revolutionary crisis in Mexico and moved increasingly toward direct  
22 participation in World War I. Distrustful of the State Department and the information it  
23 provided him on Mexico, Wilson cobbled together a network of formal and informal  
24 sources to report on events in Mexico. He turned to reporters and "confidential men" to  
25 get the facts. Wilson was often frustrated by the lack of definitive information on events  
26 taking place in Mexico.<sup>57</sup>

27  
28 Wilson took a very different approach to conditions in Europe and possible peace efforts.  
29 Before the war started, Wilson dispatched his close friend, Colonel Edward House to visit  
30 Europe and make a last minute attempt to prevent war. After war broke out, Wilson sent  
31 House repeatedly to Europe in an attempt to stop the fighting and negotiate a peace. In  
32 September 1916, Wilson, at the urging of House, appointed a committee of experts and  
33 intellectuals to help formulate peace terms and draw up a charter for world peace. Known  
34 as "The Inquiry" this group became the first centralized effort to produce intelligence  
35 analysis. It was tasked to brief Wilson about options for the postwar world once Germany  
36 had been defeated. From late 1916 to December 1918 this group of scholars and experts  
37 met at the headquarters of the American Geographical Society in New York to plan the  
38 U.S. position in preparation for the peace talks following World War I. A 28 year old  
39 Harvard graduate, Walter Lippmann, recruited the scholars and managed The Inquiry's  
40 formative phase. He wrote, "We are skimming the cream of the younger and more  
41 imaginative scholars. What we are on the lookout for is genius- sheer, starling genius,

---

<sup>56</sup> There is little written on the intelligence activities of the Office of the Counselor or U-1. See Jeffreys-Jones, *Cloak and Dollar*, pp. 60-80 for a brief account.

<sup>57</sup> See Mark E. Benbow, "Intelligence in Another Era: All the Brains I can Borrow: Woodrow Wilson and Intelligence Gathering in Mexico, 1913-1915," CSI, CIA

1 and nothing else will do.”<sup>58</sup> Lippmann sought to build a program of systematic study by  
2 groups of specialists of differing ideological inclinations to provide reports and papers  
3 that would guide the policymaking of the Wilson administration. Wilson wanted a  
4 reliable source of information about conditions in Europe.  
5 Headed by the renowned geographer Isaiah Bowman, The Inquiry collected data,  
6 prepared monographs, charts, and maps covering all historical, territorial, economic, and  
7 legal subjects which would probably arise in the negotiations of a peace treaty. The  
8 group was independent of the State Department and under no obligation to the Allies. It  
9 drew its finances from the President’s special fund.<sup>59</sup> At its peak it employed nearly 150  
10 political and social scientists. Beginning its work in secret, in the end The Inquiry  
11 produced nearly 2,000 separate reports and at least 1,200 maps.<sup>60</sup>  
12

13 On 8 January 1918, Wilson delivered a speech on War Aims and Peace Terms. The  
14 President set down 14 points as a blueprint for world peace that was to be used for peace  
15 negotiations. The details of the speech were based on reports prepared by The Inquiry.  
16 Wilson called for the abolition of secret treaties, a reduction in armaments, an adjustment  
17 of colonial claims, freedom of the seas, the removal of economic barriers between  
18 nations, the promise of “self determination” for opposed minorities, and a world  
19 organization that would provide a system of collective security for all nations.  
20

21 When Wilson sailed for France on 4 December 1918 on the *USS George Washington* he  
22 took along 22 members of The Inquiry to advise him at the Paris Peace Conference.  
23 Suspicious diplomats of the Department of State saw to it that these “amateurs” in foreign  
24 policy were confined to quarters in the lower decks.<sup>61</sup> The Inquiry briefing papers in  
25 hand, Wilson found himself better informed of European conditions at the Conference  
26 than any of the European leaders, including Clemenceau and Lloyd George.  
27 Commenting on the impact of The Inquiry on the peace negotiations, Sir William  
28 Wiseman wrote, “Wilson often surprised his colleagues in Paris by his deep knowledge  
29 of the affairs of the Balkans, the bitter political struggle in Poland, or the delicate  
30 question of the Adriatic. If Wilson’s theories seemed strange and impractical to the  
31 realists of Europe, at least they could find no fault with the accuracy of his facts.”<sup>62</sup>  
32 Many of the decisions made in 1919 at the Conference shaped the political map of  
33 Europe for decades to come. Instrumental in this political decision making was a semi-  
34 secret document produced by The Inquiry known as “The Black Book.” It contained  
35 policy recommendations regarding Europe. Copies were only made available to the  
36 American Conference Commissioners although the major European powers soon had  
37 their own copies. The Inquiry also produced “the Red Book” to deal with colonial and  
38 other area questions.<sup>63</sup> Despite Wilson’s intensions, the leaders of France, Britain, and

---

<sup>58</sup> Quoted in “Continuing the Inquiry,” Council on Foreign Relations

<sup>59</sup> See Ronald Steel, *Walter Lippmann and the American Century*

<sup>60</sup> See Lawrence E. Gelfand, “*The Inquiry*” *American Preparation for Peace, 1917-1919* (Westport, CT: Greenwood Press, 1976).

<sup>61</sup> “Continuing the Inquiry,” Council of Foreign relations

<sup>62</sup> As quoted in Rhodri Jeffreys-Jones, *Cloak and Dollar: A History of American Secret Intelligence*. (New Haven, CT: Yale University Press, 2002), p. 70.

<sup>63</sup> Jeremy W. Crampton, “The Politics of Mapping,” Talk at Harvard University, International Conference for the History of Cartography, June 2003.

1 Italy scuttled most of his 14 Points. With Wilson ill and the war over, The Inquiry was  
2 soon disbanded. There would be no centralized civilian expert analysis until the creation  
3 of the CIA in 1947.

#### 4 5 **After the War**

6  
7 After World War I, the U.S. Government and the military did what they normally did  
8 after a crisis—demobilized. The Inquiry ceased to exist. Intelligence once again entered  
9 the “dark ages.” Between the wars military intelligence was looked at as a dead-end job.  
10 Good officers avoided it. General Omar Bradley, commander of the 12<sup>th</sup> Army Group,  
11 stated for example, that he “scrupulously avoided” intelligence duty. G2 officers were  
12 looked down upon by most regular officers. General of the Army, Dwight D.  
13 Eisenhower, later commented, “I think that officers of ability in all our services shied  
14 away from the intelligence branch in the fear that they would be forming dimples in their  
15 knees by holding teacups in Buenos Aires or Timbuctoo.” Intelligence seemed  
16 peripheral. Without a real perceived threat, intelligence work became marginalized.  
17 There was little interest. During the interwar years, for example, intelligence staff’s  
18 managed the Army’s public affairs programs, wrote the Army’s history, served as a  
19 reference library, and conducted psychological warfare exercises.

#### 20 21 **The Black Chamber and Herbert Yardley**

22  
23 Frank Polk, the Counselor of the Department of State, was instrumental in preserving MI-  
24 8 functions after the war. Enlisting Yardley to head a covert Black Chamber operation in  
25 New York, Polk established the first peacetime U.S. cryptanalytic organization. Funded  
26 jointly by the State Department and the Army, the Black Chamber was disguised as a  
27 New York City company that created commercial codes for private businesses. Its actual  
28 mission, however, was to break the diplomatic codes of various nations but especially  
29 those of Japan. Yardley and the staff of Black Chamber had an early success when they  
30 solved the cipher system used by the Japanese negotiators at the Washington Naval  
31 Conference in 1921-1922.<sup>64</sup> Feeding decrypts to the U.S. chief negotiator, Charles Evens  
32 Hughes, the messages contained the Japanese minimum demands at the conference.  
33 Hughes used the information provided by Yardley to extract from the Japanese a  
34 favorable ratio of naval capital ships. Yardley was awarded the Distinguished Service  
35 Medal for his accomplishments. It was downhill after the conference. Yardley’s  
36 organization was staved for money- by 1929, its budget was only one-third what it had  
37 been in 1921 and the world- wide shift to cipher machines was getting under way.  
38 Yardley had no interest in the new technology. American cryptology stagnated. In  
39 addition the Radio Communications Act of 1912 specifically prohibited the intercept of  
40 radio communications.

41  
42 Herbert Hoover’s new Secretary of State, Henry Stimson, on learning of the existence of  
43 the clandestine bureau, cut off all funds and closed it, stating allegedly, “Gentlemen do  
44 not read each other’s mail.” Two days later the Stock Market crashed taking the country

---

<sup>64</sup> The Washington Naval Conference was an attempt by the United States to head off a costly naval armaments race with Britain and Japan and to break the British-Japanese alliance.

1 into the Great Depression. Yardley, out of work, desperate for money, and resentful,  
2 decided to write a book about his experiences with MI-8. Entitled *The Black Chamber* it  
3 revealed to the world the work of MI-8. The book became a best seller, especially in  
4 Japan.<sup>65</sup> The Japanese soon changed their codes and ciphers and paid Yardley \$7,000 not  
5 to work on their systems.<sup>66</sup> Many Americans were outraged and considered Yardley a  
6 traitor. The espionage laws however, contained a loophole that prevented the  
7 government from prosecuting Yardley. Yardley argued that since the agency had been  
8 shut down there were no secrets to protect.<sup>67</sup>

9  
10 Blacklisted from government work, Yardley drifted from job to job. In 1937 Yardley  
11 went to work for Chiang Kai-shek and the Chinese working against Japanese systems.  
12 He then worked for the Canadians against the Japanese. He never returned to the  
13 American intelligence establishment. Always an avid poker player, in 1957 Yardley  
14 published, *The Education of a Poker Player*. The book soon became a best seller. It  
15 made Yardley a national celebrity to a new generation of Americans. A year later  
16 Yardley died of a stroke.<sup>68</sup> Yardley, for all his faults, was a brilliant cryptanalyst, as well  
17 as a promoter of cryptology. Yardley was among the first names to be inscribed in the  
18 Hall of Honor of the National Security Agency.

## 19 **20 Army Signals Intelligence Service (SIS)**

21  
22 Even with the demise of Yardley's Black Chamber, the United States was not without a  
23 cryptanalytic ability. When Stimson terminated Yardley cipher bureau, the Army  
24 transferred its functions to a new signal intelligence service controlled by the Signal  
25 Corps rather than MID. The U.S. Army Signal Intelligence Service (SIS) took over the  
26 Army's cryptanalytic functions. William F. Friedman headed the new group. Friedman  
27 had served as a cryptology officer with the American Expeditionary Force in France  
28 before accepting a civilian position as a code-compiler for the Signal Corps at the end of  
29 the war. Friedman was well qualified for the job. By the time the United States entered  
30 World War II, Friedman and his small group had not only devised new electromechanical  
31 cipher machines for U.S. communications, but had succeeded in breaking the PURPLE  
32 cipher system that carries the most secret Japanese diplomatic messages.<sup>69</sup>

## 33 34 35 **U.S. Navy's Comint Efforts**

36  
37 The origins of the U.S. Navy's Comint efforts prior to 1924 are unclear. The Navy did  
38 establish, however, a Code and Signal Section with some Comint interests as early as  
39 July 1916. This small group initially worked German ciphers during World War I. It  
40 also tested U.S. communications for security purposes. In 1917 it intercepted and

---

<sup>65</sup> When Yardley attempted to publish a second book, *Japanese Diplomatic Secrets*, the U.S. government suppressed it.

<sup>66</sup> There is some evidence to suggest that Yardley sold to the Japanese all he knew about their codes before he published his book. See Johnson, review of Kahn's book.

<sup>67</sup> See Thomas R. Johnson's review of Kahn's book in *Studies in Intelligence*. CSI, CIA.

<sup>68</sup> See Kahn, *The Reader of Gentlemen's Mail* and NSA, "American Black Chamber Exhibit."

<sup>69</sup> INSCOM History.

1 exploited U.S. Navy communications demonstrating their vulnerability to foreign  
2 intelligence efforts.<sup>70</sup> These initiatives ended with the end of World War I in 1918.

3  
4 In 1924 the Director of Naval Communication, Commander Ridley McClean ordered the  
5 establishment of a research desk within his Code and Signal Section. It consisted of one  
6 officer, Lt. Laurance F. Safford and one civilian Agnes Meyer Driscoll. Both were  
7 cryptanalysts/cryptophers. Their primary goal was to develop cryptographic systems for  
8 the Navy. Secretly, they were to work on Japanese systems as well. It later became OP-  
9 20-G. At the same time, McClean encouraged the Commander in Chief of the Asiatic  
10 Fleet (CINCAF) to expand his collection facilities in the region. Admiral Thomas  
11 Washington established the first Navy intercept station ashore in the U.S. Consulate in  
12 Shanghai. It copied both naval and diplomatic traffic from Britain and Japan. In 1928 the  
13 Navy also established a school for enlisted intercept operators at the Navy Department in  
14 Washington, DC. With a classroom on the roof of "Old Navy" graduates became known  
15 as the "On the Roof Gang." The first class began on 1 October. Out of 20 students, seven  
16 finished. All were sent to Guam to open an intercept station on the island. Interest in  
17 Japanese naval communications increased. Radio intelligence was becoming increasingly  
18 important.<sup>71</sup> Throughout the 1930s Japanese naval and diplomatic traffic exploded in  
19 volume (1200% growth between 1930 and 1935 alone.) By the end of 1942 the Japanese  
20 JN-25 system was generating nearly 7,000 messages a month.<sup>72</sup> Thanks to Laurence  
21 Stafford's foresight the Navy was ready to handle the crisis.

### 22 23 24 **Domestic intelligence and counterintelligence efforts**

25  
26 During the 1800s, most Americans looked to city, county, and state government for law  
27 enforcement. There was no official counterintelligence unit in the federal government. In  
28 general, there was a general distrust of creating a domestic police state or a federal spy  
29 service. With the Progressive era came a more favorable climate for the federal  
30 government to become involved in regulation, investigation, and reform. Well-  
31 disciplined, efficient "experts" were accepted to help fight corruption and crime and  
32 investigate major fraud cases and anti-trust matters.. During the Presidency of Theodore  
33 Roosevelt, Attorney General Charles Bonaparte created a corps of Special Agents  
34 (usually former detectives and Secret Service men) and a force of Examiners (trained  
35 Accounts) to carry out specific assignments for him.<sup>73</sup> Roosevelt and Bonaparte wanted  
36 an independent investigative service subject to no other department which would report  
37 directly to the Attorney General.

38  
39 Since its beginnings in 1870, the Department of Justice used funds appropriated to  
40 investigate federal crimes to hire private detectives. By 1907, the Department was

<sup>70</sup> Parker, *Pearl Harbor Revisited: United States Navy Communications Intelligence, 1924-1941* (Ft. Meade, MD, NSA, Center for Cryptologic History, 1994), p. 2

<sup>71</sup> Between 1920 and 1940, a career as a naval line officer (gunnery officer) in the fleet was the primary pathway to success for Naval Academy graduates. Tours in intelligence or radio intelligence were seen as dead-end assignments leading to poor efficiency reports. Parker, *Pearl Harbor*, p.25.

<sup>72</sup> See Parker, *Pearl Harbor*, pp. 18-19.

<sup>73</sup> See Federal Bureau of Investigation, *FBI History, Origins 1908-1910*,

1 calling upon Secret Service “operatives” to conduct such investigations. These men were  
2 well-trained and dedicated, but reported to the Chief of the Secret Service not to the  
3 Attorney General. They were not involved in counterintelligence work nor anti-trust  
4 cases.

5  
6 Bonaparte’s Special Agents reported to the Chief Examiner, Stanley W. Finch, who used  
7 them to track down national criminals and to investigate anti-trust matters, land fraud  
8 cases and violations of the Mann Act.<sup>74</sup> In 1909 Bonaparte’s successor, George W.  
9 Wickersham, named the force, the Bureau of Investigation and the title of the Chief  
10 Examiner became the Chief of the Bureau of Investigation. The new Bureau still had no  
11 counterintelligence functions.<sup>75</sup> In fact, it seemed to concentrate its efforts on  
12 investigating white slave traffic cases. After the passage of the White Slave Traffic Act  
13 (the Mann Act) in 1910 Wickersham appointed Finch the Special Commissioner for the  
14 suppression of white slave traffic. Finch set up his office in Baltimore and began to  
15 pursue prostitution cases. Most famously, Finch and the Bureau went after and got a  
16 conviction of heavyweight champion Jack Johnson, the first black heavyweight  
17 champion, for transporting his wife, who was white, across state lines for immoral  
18 proposes. The new Woodrow Wilson administration downplayed these efforts and sought  
19 more anti-trust investigations until the outbreak of the World War.

## 20 21 **Origins of FBI**

22  
23 World War I and its immediate aftermath radically changed the Bureau’s focus. At the  
24 urging of President Wilson, shortly after the United States entered the war, Congress  
25 passed the Espionage Act of 1917. The act made it a federal crime for a person to convey  
26 information with intent to interfere with the operation or success of the armed forces of  
27 the United States or to promote the success of its enemies.<sup>76</sup> Wilson and many in  
28 Congress feared any widespread dissent in time of war would constitute a real threat to  
29 American security and its victory efforts. Congress further extended the law by passing  
30 the Sedition Act of 1918 which made it illegal to speak out against the government.

## 31 32 **Palmer Raids**

33  
34 In 1919 President Wilson appointed A. Mitchell Palmer as his Attorney General. Palmer  
35 recruited a young lawyer, John Edgar Hoover as his special assistant and together they  
36 used the Espionage Act and the Sedition Act to launch a campaign against radicals and  
37 left wing organizations in the United States. The fear of communism and radical  
38 conspiracies ran high in the United States. The perceived threat of a communist menace  
39 escalated in 1919 with a series of bombings against leading officials. On 2 June 1919 a  
40 militant anarchist, named Carlo Valdinoci, blew himself up along with the front of newly

---

<sup>74</sup> Congress passed The White Slave Traffic Act (The Mann Act) in 1910 to suppress international traffic in women for immoral purposes.

<sup>75</sup> Ibid.

<sup>76</sup> A year after the passage of the act, Eugene V. Debs, the Socialist Party candidate for president was arrested, tried, and convicted under the act and sentenced to ten years in prison for making a speech “obstructing army recruiting.” Debs ran for president again in 1920 from his prison cell. President Warren G. Harding pardoned Debs after he had served three years.



1 appointed Attorney General Palmer's house in Washington, D.C. It was one of a series  
2 of coordinated attacks on judges, politicians, law enforcement officials and others across  
3 the country. Palmer, convinced that the new Soviet government in Russia was planning  
4 to overthrow the U.S. government and that these radical acts were part of a communist  
5 conspiracy, planned a counter attack. Palmer believed communism was "eating its way  
6 into the homes of the American workman." He charged that "tongues of revolutionary  
7 heat were licking the alters of the churches, leaping into the belfry of the school bell,  
8 crawling into the sacred corners of American homes, seeking to replace marriage vows  
9 with libertine laws, burning up the foundations of society."<sup>77</sup>

10  
11 Encourages by Congress, which had refused to seat the duly elected socialist from  
12 Wisconsin, Victor Berger, Palmer assembled a new General Intelligence Division (GID)  
13 within the Department of Justice to gather intelligence on the radical threat and placed the  
14 young Hoover in charge. Hoover reported that radicals posed a real threat to the U.S.  
15 government. He advised drastic action be taken against a possible revolution. In the fall  
16 of 1919, acting on information supplied by Hoover's group, the Department of Justice  
17 began arresting suspected radicals, including well-known communist leaders such as  
18 Emma Goldman and Alexander Berkman. In all, over 10,000 suspected communists and  
19 anarchists were arrested. Palmer and Hoover found no evidence of a proposed  
20 revolution. The vast majority of those arrested were eventually released but Goldman  
21 and Berkman and 247 others were deported to Russia. On 2 January 1920, another 6,000  
22 were arrested and held without trial. The raids took place in several cities and became  
23 known as the "Palmer Raids."<sup>78</sup> When Palmer announced that a communist revolution  
24 was likely to take place on 1 May 1920, mass panic took place. In New York, five  
25 members of the state legislature were expelled even though they were duly elected as  
26 socialists. When the May revolution failed to occur, attitudes toward Palmer began to  
27 change and he was criticized for disregarding people's basic civil rights.

### 28 29 **The Federal Bureau of Investigation**

30  
31 With the new administration of Warren G. Harding came a new Attorney General, Harry  
32 M. Daugherty, and a new Director of the Bureau of Investigation. On August 22, 1921,  
33 Harding appointed William J. Burns the director of the Bureau. Burns was a former  
34 Secret Service agent and had formed the Burns International Detective Agency. He held a  
35 national reputation from his published "true" crime stories. Hoover became his deputy.  
36 Under Burns, the Bureau shrank from its 1920 high of 1,127 personnel to about 600 three  
37 years later. In 1924 Attorney General Harlan Stone forced Burns to resign over Burns'  
38 role in the Teapot Dome Scandal.<sup>79</sup> Stone then made Hoover the new director  
39 Hoover immediately began to professionalize the Bureau. He hired highly qualified  
40 personnel and established new training procedures and techniques to increase its  
41 effectiveness and efficiency. During the 1930s Hoover directed investigations that led to  
42 the apprehension of numerous criminals, including bank robber John Dillinger. To

---

<sup>77</sup> See Palmer, "The Case Against the Reds."

<sup>78</sup> FBI, "A Byte Out of History, The Palmer Raids." FBI Website.

<sup>79</sup> FBI, "J. Edgar Hoover 1895-1972." The scandal involved the secret leasing of U.S. Navy oil reserve lands to private companies.

1 promote his bureau's work against organized crime, Hoover personally participated in the  
2 apprehension of several major gangsters. In 1934 Hoover became director of the new  
3 Federal Bureau of Investigation (FBI).

4  
5 **Domestic Counterintelligence and Axis Espionage**

6  
7 With the world increasingly unstable and seeing Fascism and Communism as major  
8 threats to the American way of life, President Franklin D. Roosevelt, in 1936, assigned  
9 the FBI responsibility for espionage and sabotage investigations. By 1939 Hoover and  
10 the FBI had become pre-eminent in the field of domestic intelligence. Roosevelt issued a  
11 secret presidential Directive in 1939 which further strengthened the FBI's authorities to  
12 investigate subversives in the United States and authorized the FBI to conduct  
13 warrantless electronic surveillance of persons suspected of subversion or espionage.  
14 Roosevelt also secretly gave the FBI, MID, and ONI exclusive responsibility for  
15 counterespionage. Congress reinforced these authorities by passing the Smith Act in  
16 1940, outlawing the advocacy of the violent overthrow of the U.S. government and  
17 requiring aliens to register.

18 Throughout the late 1930s and early 1940s Germany attempted to establish agents within  
19 the United States. Before the U.S. entry into World War II the FBI uncovered a major  
20 German spy ring in the United States. Using William Sebold as a double agent, the FBI  
21 carefully conducted a lengthy espionage investigation which revealed the Duquesne Spy  
22 Ring operating out of New York. A native of Germany, Sebold had served in the  
23 German army during World War I. He left Germany in 1921 and worked in industrial  
24 and aircraft plants in the United States. In 1936 he became a naturalized American  
25 citizen. Returning to Germany in 1939 to visit his mother he was recruited by the  
26 Gestapo. Sebold secretly visited the U.S. Consulate in Cologne and told U.S. officials  
27 about his future role as a German agent in the United States. He expressed his desire to  
28 cooperate with the FBI upon his return to the United States. After receiving training and  
29 instructions to contact German operatives in the United States, Sebold, using the assumed  
30 name "Harry Sawyer," sailed from Genoa, Italy for America on 8 February 1940. Under  
31 FBI guidance, Sebold established residence in New York City as Harry Sawyer. Using  
32 Sebold, the FBI set up a radio-transmitting station to establish contact with German  
33 intelligence. This radio station served as a main channel of communication between  
34 German agents in the United States and German intelligence. It operated for nearly 16  
35 months transmitting over 300 messages to Germany and receiving 200. The FBI  
36 controlled information being transmitted to Germany and learned German espionage  
37 intentions. Sebold also established contact with Fredrick Duquesne who ran the German  
38 espionage effort in New York. Using the information provided by Sebold the FBI  
39 eventually prosecuted 33 members of the Duquesne spy ring.<sup>80</sup>

40  
41 Seeking to reduce American war production, German military intelligence, the Abwehr,  
42 also promoted sabotage efforts against the United States. Shortly after midnight on the  
43 morning of 13 June 1942, four men, led by John Dasch, landed on the beach near  
44 Amagansett, Long Island, New York. They were put ashore by a German submarine.  
45 Dressed in German military uniforms and bringing ashore enough explosives, primers,

<sup>80</sup> FBI, "Famous Cases: 33 Members of the Duquesne Spy Ring."

1 and incendiaries to support as expected two-year career in the sabotage of American  
2 defense inductees, they carried \$175, 200 in U.S. currency to finance their activities. On  
3 17 June 1942, a similar group, led by Edward Kerling, landed on Ponte Vedra Beach,  
4 near Jacksonville, Florida, equipped in a similar fashion. The eight men had been born in  
5 Germany and each had lived in the United States for substantial periods  
6 Both groups landed wearing German uniforms to ensure treatment as prisoners of war  
7 rather than as spies if they were apprehended in the act of landing. The Florida group  
8 landed unobserved and quickly discarded their uniforms for civilian clothing. The  
9 saboteurs quickly dispersed to Jacksonville, Cincinnati, Chicago, and New York City.  
10 The Long Island group was less fortunate. A Coast Guardman patrolling the shore  
11 spotted them as they changed cloths. They offered him a bribe to forget he had  
12 encountered them. Being unarmed, the Coast Guardsman ostensibly accepted the bribe  
13 and promptly  
14 Reported the incident to his headquarters. By the time the search patrol reached the  
15 beach, the saboteurs had taken a train to New York City. The next day the FBI received a  
16 phone call from Dasch, who had apparently gotten cold feet. After extensive  
17 interrogation, Dasch furnished the identities of the other saboteurs. All were arrested by  
18 the end of June without having committed one act of sabotage. Tried before a Military  
19 Commission from 8 July to 4 August 1942 all were found guilty and sentenced to death.  
20 Hoover appealed to Roosevelt to commute the sentences of Dasch and Ernest Burger for  
21 their cooperation. Dasch received a 30 year sentence and Burger a life sentence. The rest  
22 were executed on 8 August 1942.<sup>81</sup>  
23 The arrest of its agents did not discourage German intelligence from sending further  
24 agents to the United States. On 29 November 1944 U Boat U-1230 succeeded in putting  
25 ashore William Curtis Colepaugh and Eric Gimpel on the coast of Maine. It was a rather  
26 desperate attempt to secure production information on the American war effort.  
27 Colepaugh was a maladjusted American who had jumped ship in Lisbon, Portugal, and  
28 offered his services to the Germans, while Gimpel had been repatriated from South  
29 America. Within a month of his arrival, Colepaugh surrendered to the FBI. As a result  
30 of his interrogation, Gimpel was identified and arrested. Both were found guilty of  
31 espionage and sentenced to death. This was the last attempt by German intelligence to  
32 send agents into the United States.<sup>82</sup>  
33 The FBI also became involved in the decision to evacuate Japanese nationals and  
34 American citizens of Japanese descent from the West Coast and send them to internment  
35 camps. Since the FBI had arrested individuals whom it considered security threats after  
36 Pearl Harbor, Hoover believed that the relocation and confinement of Japanese  
37 Americans was unnecessary. Both the FBI and military intelligence opposed the massive  
38 infringement of human rights that occurred with the establishment of Japanese internment  
39 camps in 1942. Nevertheless, the FBI became responsible for arresting evacuation  
40 violators.<sup>83</sup>

---

<sup>81</sup> FBI, George John Dasch and the Nazi Saboteurs.”

<sup>82</sup> “German Espionage and Sabotage Agents Against the United States, 1, no. 3 (January 1946), pp. 33-38.  
see also William Breuer, *Hitler's Undercover War: The Nazi Espionage Invasion of the U.S.A.* (New York:  
St. Martin's Press, 1989). President Truman subsequently commuted the sentences.

<sup>83</sup> See FBI, FBI History World War II Period and National Counterintelligence Center, *Counterintelligence  
in World War II*, pp.6-25.

1  
2  
3 **Custodial Detention Plan**  
4

5 Hoover believed that his Custodial Detention Program, established in 1940-1941 would  
6 enable the government to make individual decisions on enemy aliens and U.S. citizens  
7 who might be arrested in the event of war, was sufficient. No mass relocations would be  
8 necessary. Hoover asked Attorney General Robert Jackson in June 1940 for policy  
9 guidance "concerning a suspect list of individuals whose arrest might be considered  
10 necessary in the event the United States becomes involved in war." Secretary of War  
11 Henry L. Stimson advised Jackson in August that the War Department had emergency  
12 plans providing "for the custody of such alien enemies as may be ordered interned" as  
13 well. When the program was implemented after Pearl Harbor, it was limited to dangerous  
14 enemy aliens. The plans for internment of potentially dangerous American citizens was  
15 never carried out.

16 In an attempt to control the program, Attorney General Jackson set up a Neutrality Laws  
17 Unit in the Justice Department. This unit was later renamed the Special War Policies Unit  
18 and undertook analysis and evaluation of FBI intelligence reports and the review of  
19 names placed on the Custodial Detention List. Hoover resisted plans for Justice  
20 Department supervision, claiming the possibility of leaks of very sensitive information  
21 would become "a very definite possibility." Jackson refused to give in to the Director and  
22 from 1941 to 1943, the Justice Department had the machinery to oversee at least this  
23 aspect of FBI domestic intelligence.<sup>84</sup>

24 During the war Hoover expanded the Custodial Detention Program to include not only  
25 those groups that were on the list in 1940 but the Socialist Workers Party (Trotskyite), the  
26 proletarian Party, Lovestoneites, "or any of the other Communist organization or ... their  
27 numerous 'front' organizations," as well as persons reported as "pronouncedly pro-  
28 Japanese." Hoover wanted similar powers to those enjoyed by Britain's MI-5 to control  
29 citizens suspected of subversive activities. He wanted more legislation to give him  
30 sweeping powers in the this area. Attorney General Francis Biddle resisted these  
31 efforts. In July 1943 Biddle abolished the Special Unit. Biddle also decided that the  
32 FBI's Detention List had outlived its usefulness. He wanted the FBI to concentrate its  
33 efforts on criminal prosecutions. In his directive to Hoover abolishing the list Biddle  
34 wrote,

35 There is no statutory authorization or other present justification for keeping a  
36 "custodial detention" list of citizens. The Department fulfills its proper function  
37 by investigating the activities of persons who may have violated the law. It is not  
38 aided in this work by classifying persons as to dangerousness.

39 Apart from these general consideration, it is now clear to me that this  
40 classification system is inherently unreliable. The evidence used for the purpose  
41 of making the classifications was inadequate; the standards applied to the  
42 evidence for the purpose of making the classifications were defective; and finally,  
43 the notion that it is possible to make a valid determination as to how dangerous a  
44 person is in the abstract and without reference to time, environment, and other  
45 relevant circumstances, is impractical, unwise, and dangerous."

<sup>84</sup> National Counterintelligence Center, *Counterintelligence in World War II*, pp. 25-29.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40

Upon receipt of Biddle's order, the FBI Director did not abolish the FBI's list. Instead, Hoover changed its name from Custodial Detention List to Security Index. The new Index continued to be composed of individuals "who may be dangerous or potentially dangerous to the public safety or internal security of the United States." The Attorney General and the Justice Department were apparently not informed of Hoover's decision to continue the program to classify dangerous individuals but under a different name.<sup>85</sup>

**The FBI and Foreign Intelligence**

Roosevelt's confidential directive of 1939, established lines of responsibility for domestic counterintelligence, but failed to clearly define areas of accountability for overseas counterintelligence operations. After a meeting between FBI Director Hoover, Director of Army Intelligence Sherman Miles, Director of Naval Intelligence Rear Admiral W.S. Anderson, and Assistant Secretary of State Adolf A. Berle, Berle issued a report, which expressed the President's desire that the FBI assume responsibility for foreign intelligence matters in the Western Hemisphere, with the existing military and naval intelligence branches covering the rest of the world. With this over-all guidance, the three agencies worked out the details of an agreement. The FBI-MID-ONI agreement signed in June 1940 further enhanced the FBI's position in counterespionage intelligence work by giving the FBI responsibility for foreign intelligence matters in the Western Hemisphere, including Canada, Central and South America, except Panama which remained under the authority of the military services.<sup>86</sup> Hoover set up the Special Intelligence Service (SIS) to provide State, the Military and FBI with economic and political intelligence and information on subversive activities by the Axis powers in Latin America.<sup>87</sup> Even before the outbreak of World War II, the *Abwehr* established espionage networks in Mexico and other Latin American countries, especially Brazil, Argentina, and Chile. These networks provided German officials with information on the United States by radio and other clandestine communications, especially shipping data useful to U-boat commanders. (b) (7)(E) took steps to identify these German agents and to persuade local police authorities to arrest, intern, or depot them. In Brazil, for example, as a result of SIS efforts, the leaders of the German Brazilian rings were arrested in March 1942 and Germany was never again able to successfully establish an effective espionage service in Brazil. Likewise, in most Latin American countries, pressure from SIS and U.S. officials succeeded in eliminating the most dangerous German agents by mid 1942. This success was tempered by continued toleration of active German espionage in Argentina and Chile. Despite SIS efforts, the Germans succeeded in maintaining an espionage organization in South America throughout most of the war.<sup>88</sup>

<sup>85</sup> Ibid. pp. 28-30.

<sup>86</sup> National Counterintelligence Center, *Counterintelligence in World War II*. The agreement charged the Navy with the responsibility for intelligence coverage in the Pacific. The Army was entrusted with coverage in Europe, Africa, and the Canal Zone.

<sup>87</sup> FBI, "The FBI's Special Intelligence Service, 1940-1946." In April 1948, President Truman granted executive clemency to Dasch and Burger on condition of deportation to West Germany.

<sup>88</sup> "German Espionage and Sabotage Agents Against the United States."

1  
2 How extensive and effective were German espionage and sabotage activities against the  
3 United States during this period and how good were U.S. counterintelligence efforts?  
4 From a period before Pearl Harbor until the very end of the war, Germany engaged in  
5 intensive efforts to obtain military, economic, and political information from the United  
6 States. Germany recruited numerous agents to penetrate the United States and  
7 established extensive espionage networks in other countries of the Western Hemisphere.  
8 Germany's sabotage efforts were far less successful. As far as is known, no German  
9 inspired act of sabotage occurred within the United States during the war. On the  
10 espionage side, Germany did obtain U.S. information relating to war production,  
11 shipping, and technical advances. It was almost always too late, too inaccurate, or too  
12 generalized to be of direct military value. In short, German espionage failed to produce  
13 the type of intelligence information required by the German High Command. This failure  
14 was due to a combination of Allied counter measures, especially on the part of the FBI,  
15 and fatal weaknesses on the part of German intelligence itself.

#### 16 17 **Prior to Pearl Harbor**

18  
19 By 1940 there were no more than 1,000 people employed by organizations composing the  
20 U.S. intelligence community. Of those, most were working as radio intercept operators.  
21 They collected a good deal of raw information. Nevertheless, national efforts were  
22 generally limited in scope and capability. There was no sharing of intelligence product  
23 by agencies. Nor was there any effort to ensure coverage of all matters bearing on U.S.  
24 national security. Each agency established its own objectives and operated  
25 independently. There was no integrated intelligence network capable of in-depth  
26 analysis. It was a fragmented, decentralized system.  
27  
28  
29  
30  
31

#### 32 **Draft Bibliography Chapter I**

33  
34 Warner, Michael, "Protecting the Homeland and First Time Around: The Kaiser Sows  
35 Destruction," *Studies in Intelligence* 46, no.1 (2002).  
36 Witcover, Jules, *Sabotage at Black Tom: Imperial Germany's Secret War in America*  
37 *1914-1917* (Chapel Hill, 1989).  
38 Lockhart, John B. "Sir William Wiseman, Bart--Agent of Influence," *RUSI Journal*  
39 134(Summer 1989), pp. 63-67.  
40 Spence, Richard B., "Englishmen in New York: The SIS American Station, 1915-1921,"  
41 *Intelligence and National Security* 19 no. 3 (Autumn 2004), pp. 511-537.  
42 Spence, "K.A. Jahnke and the German Sabotage Campaign in the United States and  
43 Mexico, 1914-1918," *Historian* 59, no.1 (1996), pp. 89-112.  
44 Spence, "Sidney Reilly in America, 1914-1917," *Intelligence and National Security* 10,  
45 no. 1 (January 1995), pp. 92-121.

- 1 Troy, Thomas F. "The Gault-Wiseman Affair: British Intelligence in New York in 1915,"  
2 *International Journal of Intelligence and Counterintelligence* 16 no. 3 (Fall 2003), pp.  
3 442-461.
- 4 May, Ernest, *Knowing One's Enemies: Intelligence Assessment before the Two World*  
5 *Wars* (Princeton University Press, 1985).
- 6 Proctor, Tammy M. *Female Intelligence: Women and Espionage in the First World War*  
7 (New York University Press, 2003).
- 8 Trask, David, *The AEF and Coalition Warrnaking 1917-1918* (University of Kansas  
9 Press, 1993).
- 10 Kahn, David, *The Reader of Gentleman's Mail: Herbert O. Yardley and the Birth of*  
11 *American Intelligence* (Yale University Press, 2004).
- 12 Kahn, "Codebreaking in World War I and II: The Major Successes and Failures, Their  
13 Causes and Their Effects," *The Historical Journal* 23 (1980), pp. 617-639.
- 14 Kahn, "Edward Bell and His Zimmerman Telegram Memorandum," *Intelligence and*  
15 *National Security*, 14, no. 3(Autumn 1999), pp. 143-159.
- 16 Kahn, "Woodrow Wilson on Intelligence," *Intelligence and National Security* 9, no. 3  
17 (July 1994), pp. 534-535.
- 18 Keene, Jennifer D., "Uneasy Alliances: French Military Intelligence and the American  
19 Army During the First World War," *Intelligence and National Security* 13, no. 1 (Spring  
20 1998), pp. 18-36.
- 21 Bartlett, C.J., "The U.S. Army and Global Politics, 1917 to 1927," *Journal of American*  
22 *Studies* 14, no.2 (1980).
- 23 Budiansky, Stephen, "The Difficult Beginnings of US-British Codebreaking  
24 Cooperation," *Intelligence and National Security* 15, no. 2 (2000), pp. 49-73.
- 25 Finnegan, John P. "US Army Counterintelligence in CONUS: The World War I  
26 Experience," *Military Intelligence* 14, no. 1 (January 1988), pp19-21.
- 27 Fox, John F. Jr., "Early Days of the Intelligence Community: Bureaucratic Wrangling  
28 over Counterintelligence, 1917-1918," *Studies in Intelligence* 49, no. 1 (2005), pp.9-17.
- 29 Gilbert, James L., "U.S. Army COMSEC in World War I," *Military Intelligence*, 14, no.1  
30 (January 1988), pp. 22-25.
- 31 Schulman, Mark, "The Rise and Fall of American Naval Intelligence, 1882-1917,"  
32 *Intelligence and National Security* 8 no. 2 (1993).
- 33 Mitchell, Kell, Jr., "Frank L. Polk and Continued American Participation in the Paris  
34 Peace Conference, 1919," *North Dakota Quarterly*, 41, no. 2 (1973).
- 35 Watson, Bruce, "Crackdown," *Smithsonian* 32, no. 11 (2002), pp. 50-53.
- 36 Theoharis, Athan, *The Boss: J. Edgar Hoover and the Great American Inquisition*  
37 (Temple University Press, 1988).
- 38 Keller, William Walton, *The Liberals and J. Edgar Hoover: Rise and Fall of a Domestic*  
39 *Intelligence State* (Princeton University Press, 1993).
- 40 Hack, Richard, *Puppetmaster: The Secret Life of J. Edgar Hoover*, (2004).
- 41 Powers, Richard, *Secrecy and Power: The Life of J. Edgar Hoover*, (Free Press, 1987).
- 42 Bidwell, Bruce, *The History of the Military Intelligence Division of the Army General*  
43 *Staff, 1775-1941* (Greenwood Press, 1986).
- 44 Finnegan, John Patrick, *Shooting the Front, Allied Aerial Reconnaissance and*  
45 *Photographic Interpretation on the Western Front -- World War I* (Center for Strategic  
46 Intelligence Research, National Defense Intelligence College, 2006).

1 Warner, "Intelligence Transformation and Intelligence Liaison, *SAIS Review* 24(Winter-  
2 Spring 2004), pp. 77-89.  
3 Dorwart, Jeffrey M., *The Office of Naval Intelligence: The Birth of America's First*  
4 *Intelligence Agency, 1865-1918* (Naval Institute Press, 1979).  
5 Schmidt, Regin, *Red Scare: The FBI and the Origins of Anticommunism in the United*  
6 *States, 1919-1943* (Copenhagen, Museum Tusulanum Press, 2000).  
7 O'Toole, G.J. A., "Benjamin Franklin: American Spymaster or British Mole?" 3  
8 *International Journal of Intelligence and Counterintelligence* (Spring 1989), pp. 45-54.  
9 O'Toole, "Our Man in Havana: The Paper Trail of Some Spanish War Spies, *Intelligence*  
10 *Quarterly* 2 (July 1986).  
11 Tidwell, William A., *April 1865: Confederate Covert Action in the American Civil War*  
12 (Kent State University Press, 1995).  
13 Fishel, Edwin C., *The Secret War for the Union: The Untold Story of Military*  
14 *Intelligence in the Civil War* (Boston: Houghton Mifflin 1996).  
15 Feis, William B., *Grant's Secret Service: the Intelligence War from Belmont to*  
16 *Appomattox* (Lawrence, KS: University Press of Kansas, 2002).  
17 Auger, Helen, *The Secret War of Independence* (New York: Duell, Sloan, and Pierce,  
18 1955).  
19 Knott, Stephen F., *Secret and Sanctioned: Covert Operations and the American*  
20 *Presidency* (New York: Oxford University Press, 1996).  
21 Landau, Henry, *The Enemy Within: The Inside Story of German Sabotage in America*  
22 (New York: G.P. Putman's Sons, 1937).  
23 O'Toole, G.J. A., *Honorable Treachery: A History of U.S. Intelligence, Espionage and*  
24 *Covert Action from the American Revolution to the CIA* (New York: The Atlantic  
25 Monthly Press, 1991).  
26  
27  
28  
29  
30  
31  
32  
33



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43

**Chapter II**

**Intelligence and World War II:  
The War in the Pacific**

**The Technology Revolution Continues**

The 1930s and 1940s saw popular radio expand dramatically around the world. At the same time governments and their military services adopted radio as a major means to communicate with their representatives abroad and as a way of providing plans, orders, and directions to military units. As a part of this development, most industrialized nations turned to machine encipherment, using rotor technology, to encipher their message traffic. The German military adopted the commercial Enigma rotor machine as its major enciphering device. The Germans also used a more complex cipher machine, *Geheimschreiber* for high level command traffic. The British called the German machine FISH. The British cipher machine during World War II was the Typex. It was similar to the Enigma but it did not use a plugboard.<sup>89</sup> The Japanese developed an enciphering device not based on rotors but on telephone switching mechanisms. Less portable than the German Enigma, the Japanese machine was called “97-shiki-o-in-ji-ki or the B machine The Americans called it the “Purple Machine.” The Japanese diplomatic corp. used it for relaying messages to and from major Japanese embassies. The United States also relied on rotor technology in enciphering messages. The U.S. Army called its device SIGABA and the U.S. Navy ECM (Electronic Cipher Machine). The Germans referred to it as the “Big Machine.” All of these electronic, rotor enciphering devices were used throughout the war. Much of the intelligence story of World War II revolves around the message traffic generated by these machines and attempts to collect and decipher this information (Sigint). Complicating the problem for United States cryptoanalysts was that Congress passed a law in 1934 “The Communications Act,” which declared communications intelligence an illegal activity. The Allies, especially the United States and Great Britain, nevertheless, obtained major successes with their cryptologic efforts, collecting, deciphering, and reading key enemy communications throughout the war. The intelligence provided them a key advantage during the world wide struggle.

**The Intelligence War in the Pacific**

**Historical background**

As early as World War I, U.S. officials viewed Japanese actions in Asia as increasingly aggressive and expansionistic and a growing threat to U.S. interests in the region. Most U.S. war planners believed that war with Japan would come sooner or later. Japan was challenging traditional U.S. “Open Door” policy in the Far East. Determined to be a

---

<sup>89</sup> Unlike the Enigma the British Typex rotors were notched several times for frequent and irregular motion. It had rotors that acted as plugboard replacements thus avoiding one of the major weaknesses of the Enigma design. See “Relatives of the Enigma.”

1 modern regional power, Japan was building a first rate navy and expanding its influence  
2 throughout the area. In 1932 it invaded Manchuria, in 1933 it quit the League of Nations  
3 and attacked China. In 1938 it announced a new order for East Asia, The Greater East  
4 Asian Co-Prosperity Sphere (GEACPS), and in 1940 it joined Germany and Italy in the  
5 Tripartite Pact aimed at the United States.<sup>90</sup>  
6  
7

8 **Op-20-G Office of Naval Communications (ONC) and JN-25**  
9

10 In the early 1930s, the small OP-20-G group, led by Safford, Driscoll, and Jack  
11 Holtwick, demonstrated both the tactical and strategic value of Comint against the  
12 Japanese Fleet. Using only traffic analysis,<sup>91</sup> and following Japanese fleet maneuvers,  
13 they revealed Japanese intentions to invade Manchuria and to defend the western Pacific  
14 against any attempt by the United States to interfere, the unpleasant fact that the Japanese  
15 Navy was superior in strength to the U.S. Asiatic Fleet, and that it had the capability to  
16 wage a large-scale successful war against the U.S. Fleet and that the Japanese had a  
17 comprehensive knowledge of current U.S. war plans against the Japanese fleet. CINCAF  
18 Admiral Frank B. Upham, impressed by the work, forwarded the 1933 OP-20-G report  
19 and his endorsement to the War Department in 1934. He warned that, according to  
20 Comint, "any attack by (Japan) would be made without previous declaration of war or  
21 other intentional warning." He also reported that Japan would attempt to save as many of  
22 its merchant ships as possible by withdrawing them to Japan prior to any outbreak of war.  
23 Ironically, the U.S. Navy did detect such a movement in November 1941.  
24 Unfortunately, by this time Admiral Upham was dead and his report lay forgotten in  
25 Navy files.<sup>92</sup>  
26

27 Despite a continuing shortage of personnel, U.S. Navy cryptanalysts from 1924-1941 had  
28 a number of brilliant successes against Japanese naval codes and ciphers. The Japanese  
29 Navy's main operational code was designed Red until 1930, Blue until 1938, and Black  
30 until 1940 when the Japanese General Fleet code became JN-25, the Fleet General  
31 Purpose System. The Imperial Navy used the Red Code from 1918 to 1930. The Office of  
32 Naval Intelligence (ONI) broke into the Japanese Consulate in New York with the aid of  
33 the FBI and "borrowed" the Code Book.<sup>93</sup> Safford, Driscoll and Thomas Dyer solved the  
34 Blue Book Code in 1933 with the help of IBM "tabulating machines. This breakthrough  
35 allowed the Navy to follow the postmodernization trials of the Japanese battleship  
36 *Nagato* in 1936. Intercepted messages alarmed U.S. Navy officials. The intercepts  
37 revealed *Nagato's* new top speed in excess of twenty-six knots, more than the twenty  
38 four knot top speed currently planned for the redesigned U.S. battleships *North Carolina*  
39 and *Washington*.

---

<sup>90</sup> Committed to an Open Door Policy the United States nevertheless, recognized Japan had special rights in Asia. The Lansing-Ishii Agreement in 1917 specially recognized Japan's special position in Manchuria and on the Shantung Peninsula. Moreover, until 1941 the United States supplied Japan with war materials necessary to sustain operations against China.

<sup>91</sup> Traffic analysis is based on headers, traffic volume, and location of the communications. The analysts are unable to read the general text of the messages.

<sup>92</sup> See Parker, *Pearl Harbor*, p.10

<sup>93</sup> It is called a (b)(7)(E) See Prados, p.76 and Parker, *Pearl Harbor*, p.18.

1 Acting on this information the Navy raised the required speed of modernized U.S.  
2 battleships to twenty-seven knots and for new ships to twenty-eight knots.<sup>94</sup> With the  
3 Blue Book system reconstructed by OP-20-G, for the next five years the U.S. navy easily  
4 followed the activities of the Japanese fleet.  
5 During 1938-1939, however, U.S. successes against the naval target began to unravel.  
6 Without warning the Japanese changed their long-standing cryptographic systems. JN-25  
7 soon became the main enciphering system for the Japanese fleet.<sup>95</sup>  
8 Using new IBM card sorting machines and new analytic techniques, in 1940 Driscoll and  
9 her colleagues in OP-20-G made slow but steady progress in stripping off the daily keys  
10 and additives to get at the underlying messages. Success against JN-25 exploitation  
11 seemed only delayed by a lack of manpower.<sup>96</sup> It was not to be. In October 1940 the  
12 Navy stopped work on JN-25 to help the Army with the Japanese diplomatic system  
13 Purple. Navy cryptanalysts would not be able to read JN-25 until February 1942.  
14 U.S. Comint units at Pearl Harbor, Corregidor, and Guam continued to intercept and  
15 forward to Washington many thousands of Japanese naval messages (26,581) in the fleet  
16 general purpose system (JN-25).<sup>97</sup> Not being exploitable they were simply stored for later  
17 review.  
18 Had Navy cryptanalysts been able to read these messages U.S. policymakers would have  
19 been stunned at their content. They not only revealed the identity of the major elements  
20 of the Strike Force, but its general objective. Finally decrypted and read in 1945 and  
21 1946 the intercepts outlined a series of Japanese naval exercises against an anchored  
22 shallow water fleet using specially modified torpedoes for shallow depths. The intercepts  
23 also revealed that the objective of the Task Force was at a distant point far from shore  
24 based fuel storage areas. The carriers *Akagi*, *Soryu*, and *Hiryu* would carry extra fuel oil  
25 as deck cargo and in spare fuel tanks. Additional oilers were to accompany the fleet as  
26 well. While Pearl Harbor is not mentioned directly, it is clear from the traffic that the

---

<sup>94</sup> Parker, *Pearl Harbor*, p. 12.

<sup>95</sup> JN-25 required three books to operate: a code book, a book of random numbers called an additive book, and an instruction book. The original contained some 30,000 five-digit numbers which represented Kana particles, numbered, place-names and other phases. A key characteristic of the system was that when the digits in a group were added together, the total was always divisible by three. The book of random numbers consisted of 300 pages, each of which contained 100 numbers on a 10 x 10 matrix. These numbers were used as additives – they were added to the code groups digit by digit without the carryover used in customary addition – thus enciphering the code. The instruction book contained the rules for using the aperiod cipher. The number of each page and the number of the line on the page where the selection of additives began served as “keys” which were included in each message at the beginning and the end.

<sup>96</sup> Parker, *Pearl Harbor*, p. 20.

<sup>97</sup> Communications between Washington and its Pacific stations were primitive. U.S. operators at centers in Hawaii, Guam, and the Philippines transcribed the Japanese Morse code signals by hand, reenciphered them, bundled them up and once a week handed them over to a commercial passenger liner that plied the Pacific. The captains, all U.S. Naval reserve officers, dutifully dropped them off on the West Coast where they were then sent to Washington. A small number could be sent via the Pan American Airways “Clipper” after 1935, using a small strongbox built into the side of the plane. See Parker, *Pearl Harbor*, p. 33.

1 Japanese intended to attack the U.S. Fleet at Pearl.<sup>98</sup> Unfortunately, most the Navy's  
2 cryptanalytic effort was devoted to another Japanese cryptographic problem, Japanese  
3 diplomatic messages in Purple.

4  
5  
6  
7 **Purple and "Magic"**  
8

9 The 1930s also witnessed a resurgence of U.S. Army interest in cryptanalysis. In 1929  
10 after the demise of Yardley's Black Chamber, the Army tasked William F. Friedman with  
11 creating an Army cryptologic capability in the office of the Chief Signal Corp. Friedman  
12 and his small group (he hired three young mathematicians Frank Rowlett, Abraham  
13 Sinkov, Solomon Kullback, at \$2000 a year) became the Signals Intelligence Service  
14 (SIS). Its mission was to not only to attack foreign systems but to create a secure  
15 American enciphering system as well. It was a daunting task. In February 1939, only a  
16 few months after the Japanese introduced the Black Code and JN-25, the Japanese  
17 starting using the B machine on their high level diplomatic circuits. It would be 18  
18 months before Friedman's group could produce accurate translations of these Purple  
19 messages. Led by Frank Rowlett's efforts, the SIS reconstructed a Purple analog machine  
20 capable of deciphering the diplomatic traffic. It was a remarkable feat. SIS never had  
21 access to an actual Purple machine. SIS accomplished the breakthrough by pure  
22 mathematical analysis. Gathering together commercially available telephone switches  
23 and relays and hastily soldering the wiring in place Rowlett and his team produced a  
24 replica of the Japanese machine. All for a cost of \$684.85.<sup>99</sup> By November 1940 U.S.  
25 Army analysts delivered their first translations from Purple. This high-level intelligence  
26 was given the code name "Magic."<sup>100</sup> Once the Purple machine traffic became readable  
27 an all-out effort ensued to provide this intelligence to major U.S. policymakers on a  
28 timely bases. As the crisis between the United States and Japan worsened, Japanese  
29 diplomatic traffic dramatically increased. The War Department requested Navy  
30 assistance. Messages in Purple claimed first priority. The Navy was more that willing to  
31 help since it could not read JN-25. The Navy shifted its resources to the new mission. In  
32 a strange agreement reached in August 1940, the U.S. Navy became responsible for  
33 deciphering and translating Japanese diplomatic and consular messages on odd days of  
34 the month and the Army on even days. Army and Navy representatives then distributed  
35 the intelligence to the President, The Secretary of War, the Secretary of Navy and the

---

<sup>98</sup> Ibid., p. 43.

<sup>99</sup> See Stephen Budiansky, *Battle of Wits: the Complete Story of Codebreaking in World War II*. and Prados, p. 165. Later Purple analog machines based on Rowlett's design were made at the Navy Yard in Washington, DC, and distributed to the War and Navy Departments, SIS, OP-20-G

<sup>100</sup> General Joseph O. Mauborgne, the Army's chief signals officer, called the cryptanalysts his "magicians" and eventually called their product "Magic." See Prados, p.164. In the early days of World War II, the United States used the term "Magic" for decrypted messages from the high-level Japanese diplomatic system, Purple. The British used the term ULTRA for cryptanalysis of the high-level German system, Enigma. As U.S.-British cooperation increased during the war, the United States began marking high-level Japanese systems, including JN-25 as ULTRA. The United States continued, however, to issue a daily summary of Japanese decrypts under the MAGIC heading.

1 Secretary of State. Purple decrypts began to flow. No intelligence from "Magic" was  
2 ever sent to Hawaii or the Philippines.<sup>101</sup> Meanwhile, JN-25 was virtually neglected.  
3 A typewritten "Magic" Diplomatic Summary was first published in March 1942. The  
4 Summary remained limited to senior officials within Washington, DC, the White House  
5 and the War and Navy and State Departments. Although other intelligence sources were  
6 often included, Comint material, primarily from "Magic" dominated each issue. Access  
7 to the Summary was so limited that usually only a few copies, hand-carried to the War,  
8 Navy, State, and the White House, were compiled. Unlike Churchill, who devoured  
9 ULTRA information, President Roosevelt was not a voracious consumer of "Magic"  
10 material, although he certainly used it during the failed negotiations with the Japanese  
11 prior to Pearl Harbor. General George Marshall, who well knew the importance of Comint,  
12 became so concerned that the Army was not providing "Magic" information to the  
13 President that he created a new briefing "Black Book" for Roosevelt in 1944 which  
14 contained "Magic" decrypts.<sup>102</sup>

15  
16 **SIGABA/ ECM**

17  
18 Studying the Enigma and the Hebern commercial enciphering machines, Frank Rowlett  
19 designed a similar machine for encrypting U.S. Army messages in 1935. It employed the  
20 same principle of rotating, removable, wired rotors wheels that the other machines used.  
21 Unlike the stepping motion of the Enigma (one of its greatest flaws)<sup>103</sup> Rowlett's design  
22 used a complicated stepping motion or "Stepping Maze." Rowlett used fifteen removable  
23 rotors and any one or more could move with each key stroke making the motion appear  
24 random (It was not). Rowlett and Friedman disclosed the details of the new design to the  
25 Navy in late 1935. Neither the Army or the Navy did much with it until Lt. Joseph  
26 Wenger from OP-20-G discussed it with Commander Safford during the winter of 1936-  
27 1937. Stafford, after tinkering with the device and adding greater security measures,  
28 asked the Teletype Corporation to develop a prototype that could be easily manufactured.  
29 Neither Stafford nor anyone else in the Navy informed Friedman or the Army about  
30 continuing to develop the new enciphering machine until 1940. In February 1940, with  
31 minor changes, both the Army and Navy adopted the machine as their primary cipher  
32 machine. The joint Army-Navy cryptographic system was in place prior to Pearl Harbor in  
33 Washington but not at Hawaii. By 1943 more than 10,00 machines were in use around  
34 the world. The Army called their machines Sigaba, the Navy ECM. The Germans called  
35 it the "Big Machine" and were never able to break it. The Sigaba/ECM was a generation  
36 ahead of the systems employed by Japan and Germany, and even Great Britain.<sup>104</sup>

37  
38  
39  
40  

---

<sup>101</sup> Parker, Pearl Harbor, p. 46.

<sup>102</sup> Hanyok, , 28.

<sup>103</sup> The Enigma moved in a predictable manner. Its first rotor moved one step with each key stroke and the other rotors stepped in sequence. This proved to be one of its great flaws and was exploited by the Allies in breaking the system.

<sup>104</sup> This section is based on Rich Pekelney, *Electronic Cipher Machine (ECM) Mark II* and NSA, "Big Machine Exhibit."

1 **Pearl Harbor December 7, 1941**

2  
3 In May 1940 President Roosevelt ordered the U.S. Fleet to move its headquarters from  
4 San Pedro, California to Pearl Harbor, Hawaii. He considered the move a check on  
5 Japanese aggression in the Pacific. Admiral James O. Richardson, Commander in Chief,  
6 U.S. Fleet opposed the move. It would unnecessarily expose the fleet to Japanese naval  
7 strength. Roosevelt ordered Richardson relieved in January 1941 after Richardson  
8 continued to bitterly protest the move. Admiral Husband E. Kimmel replaced  
9 Richardson.

10  
11 Seeking some sort of accommodation with Japan, the Roosevelt administration also  
12 began long, often wandering negotiations in Washington with Japanese ambassador  
13 Kichisaburo Nomura, Minister Reijiro Wakasugi, and later Japanese Ambassador  
14 Extraordinary Saburo Kurusu in April 1941. In November, Secretary of State Cordell  
15 rejected a Japanese call for a *modus vivendi* and the resumption of trade and oil  
16 shipments from the United States. He offered a ten part American compromise instead  
17 which set out the U.S. position with regard to China and Japanese aggression, the crisis  
18 worsened. "Magic" messages as early as 1 December revealed that Japanese embassies  
19 in London, Manila, Singapore, and Hong Kong were to destroy their cipher machines.  
20 The Japanese embassy in Washington was to retain one message until further notice but  
21 to destroy all its code materials. Finally, on 6 December, Tokyo sent a long 14 part  
22 message to its embassy in Washington advising the embassy to destroy its remaining  
23 code books and enciphering machines, to meet with Hull at 1:00 P.M. and end the  
24 negotiations. The Americans intercepted this Purple message decoded it and had the  
25 "Magic" product in the hands of U.S. top officials before the Japanese embassy could  
26 finish decoding and translating the last part of the message. For Roosevelt and his  
27 advisors, this meant war, but where would the Japanese strike? The Purple intercepts did  
28 not reveal this key information.

29 On the morning of 7 December the commander of the Hawaii station, Joe Rochefort was  
30 set to go on a picnic when he got a call from his second in command Tommy Dyer from  
31 their offices at the Diamond Head end of 14<sup>th</sup> Naval District headquarters building. Pearl  
32 Harbor was under attack. Both Rochefort and Dyer would rarely leave these basement  
33 offices again for the next year.

34 The Japanese surprise attack on Pearl Harbor destroyed 8 American battleship and killed  
35 2,403 Americans with few Japanese losses. It was a major disaster for the U.S. Pacific  
36 Fleet. Fortunately for the United States, its carrier fleet was out to sea and was  
37 untouched. The Japanese also failed to destroy the fuel dumps and repair facilities at  
38 Pearl. This would back come to haunt them only a short time later.

39  
40 Could U.S. intelligence have prevented the surprise attack. Was Pearl Harbor a major  
41 intelligence failure? These are questions that historians and others have since posed  
42 about the disaster at Pearl. Official Washington made scapegoats out of the commanders  
43 at Pearl Harbor, Admiral Husband Kimmel and General Walter Short, for not taking  
44 necessary precautions regarding a possible Japanese attack. Although aware of general  
45 Japanese intentions in the Pacific theater and given several general warnings, the  
46 commanding officers were never provided "Magic" intelligence. Moreover, "Magic" did

1 not disclose the movements of the Japanese fleet nor did it tell U.S. officials where Japan  
2 would strike. Only JN-25 could have provided that information and the Navy had  
3 virtually abandoned its efforts against JN-25 after June 1940 when it combined work with  
4 the Army on Purple. The resulting failure to read the critical messages of the Japanese  
5 Strike Force targeted for Pearl Harbor was a critical intelligence lapse. Op-20-G's failure  
6 to focus its resources on the Japanese Navy cryptographic systems and its preoccupation  
7 with the Japanese diplomatic target had tragic consequences.<sup>105</sup> Only after Pearl Harbor  
8 did the Navy resume its attack on JN-25. Other intelligence was missed as well.  
9 According to, as Rear Admiral Edwin T. Layton, Admiral Kimmel's and later Admiral  
10 Nimitz's intelligence officer, a careful examination of the Japanese Consulate traffic from  
11 Honolulu would have shown a major increase in the volume for traffic leading up to the  
12 attack and alerted U.S. officials to a heightened Japanese interest in the harbor. Since the  
13 minor Japanese code the Consulate used was readable it would have also told them that  
14 Tokyo instructed the office to count and report the position of all ships in harbor.<sup>106</sup>  
15 Neither was done before the Japanese strike. None of the intelligence directly indicated  
16 that Pearl Harbor was the target of the Japanese plans.

## 17 18 SIGSALY

19  
20 On the morning of 7 December General George G. Marshall, the U.S. Army Chief of  
21 Staff, faced a difficult decision. He had just been informed that American codebreakers  
22 had deciphered a Japanese message that indicated war with the United States was  
23 imminent. Marshall, determined to warn his Pacific Commanders of the coming  
24 hostilities. The quickest way to relay this sensitive information was by secure phone. At  
25 the time, the only available secure system was the A-3 Scrambler system operated in  
26 New York by the American Telegraph and Telephone Company. Although the company  
27 considered the device state of the art, it was based on 1920 technology and Marshall was  
28 concerned that it was not secure. Marshall's suspicions proved correct. Unbeknown to  
29 him, the Deutsche Reichpost, a German intelligence organization tasked with intercepting  
30 telephone and telegraph traffic, had broken A-3.<sup>107</sup>

31  
32 Through the use of an intercept site located in a former youth hostel on the Dutch coast,  
33 The Third Reich had become adept at intercepting and breaking A-3 calls between  
34 President Franklin D. Roosevelt and other prominent political and military leaders around  
35 the world, including Prime Minister Winston Churchill. Fearing that his call could fall  
36 into Japanese hands, Marshall passed on using the A-3 and send his warning message to  
37 Hawaii by commercial coded radiotelegraph. It arrived after the attack had begun.

38  
39 Marshall's communication problem was a clear indication of U.S. communication  
40 security issues. To defeat U.S. enemies it became clear that the United States would have  
41 to develop not only the means to intercept and break its adversaries' communications but  
42 also to protect its own communications from attack. Efforts to create a secure voice

---

<sup>105</sup> For this argument see Parker, *Pearl Harbor*, pp.50-51.

<sup>106</sup> See Layton, *I Was There*, p.279.

<sup>107</sup> This section is based on Patrick D. Weadon, *The Sigsaly Story*, (Ft.Meade, MD: NSA Center for Cryptologic History).

1 system had existed since the 1920s. In the early 1940s pressures increased for a secure  
2 system. Bell Telephone Laboratories, under the direction of A.B. Clark (who later  
3 headed the research and development effort of NSA) and assisted by British  
4 mathematician Alan Turing, began work on what would become known as the "Green  
5 Hornet." Clark and Turing based the design for the system on earlier 1930s research on  
6 transforming voice signals into digital data. The device earned the nickname "Green  
7 Hornet" from the buzzing noise heard if someone attempted to intercept the conversation.  
8 The "buzz" closely resembled the theme song of the popular radio series, The Green  
9 Hornet. It later acquired the more formal name SIGSALY.<sup>108</sup>

10  
11 The United States inaugurated the SIGSALY system on 15 July 1943 in a conference call  
12 between London and the Pentagon. The original plan called for one of the terminals to be  
13 in the White House, but Roosevelt, aware of Churchill's perchance for phoning at all  
14 hours of the night, had the Washington terminal moved to the Pentagon with an  
15 extensions to the White House. In London SIGSALY was in the basement of the  
16 Selfridges Department Store, with an extension to Churchill's war room. Eventually, a  
17 dozen SIGSALY terminals were distributed around the world. Most importantly,  
18 SIGSALY provided Allied military and civilian leaders access to secure voice  
19 communications. SIGSALY was vital in protecting sensitive discussions around the  
20 globe. Over 3,00 top-secret conferences were held using SIGSALY. Neither the  
21 Germans nor the Japanese were able to break into it.

### 22 23 **The Battle of the Corral Sea and Midway "A Priceless Advantage"**

24  
25  
26 In the spring of 1942 the U.S. position in the Pacific was precarious. The U.S. fleet,  
27 except for several aircraft carriers, was in ruins following the attack on Pearl Harbor.  
28 Japanese naval superiority over the United States in the Pacific was staggering. In  
29 aircraft carriers alone it had a nearly three to one advantage (11-4). In battleships, the  
30 U.S. losses at Pearl Harbor gave the Japanese an even greater advantage (11-0).<sup>109</sup>  
31 Japanese plans for creating an empire in the Pacific seemed about to become a reality.  
32 The combination of success in battle and overwhelming superiority in ships emboldened  
33 Japanese planners. They also knew that this advantage was only temporary. The United  
34 States was building a formidable force. On 7 December the United States had under  
35 construction, 15 battleships, 11 carriers, 54 cruisers, 191 destroyers, and 73  
36 submarines.<sup>110</sup> Ordering a new offensive, Japanese Imperial Headquarters in January  
37 1942 instructed Admiral Shigeyoshi Inouye to seize Port Moresby. Almost immediately,  
38 U.S. intelligence in Hawaii, Corregidor, and Melbourne issued warning of Japanese  
39 "future operations" in the direction of "Lae, Port Moresby, and the Solomons." The

<sup>108</sup> The device's success in protecting voice communications was due to a new development known as "pulse code modulation," the predecessor of present day innovations such as digital voice, data and video transmission. It was one of the earliest applications of spread spectrum technology. The SIGSALY terminal was massive. It weighed over 50 tons and consisted of 40 racks of equipment. It featured two turntables which were synchronized on both the sending and the receiving end by an agreed timing signal for the U.S. Naval Observatory.

<sup>109</sup> Morison, Vol. III, p. 58

<sup>110</sup> Willmott, p. 116.



1 warnings led Layton and Nimitz to agree in late February that a Japanese offensive was  
2 planned for the Moresby area.

3  
4 At the same time, in early February 1942, U.S. Navy cryptanalysts made major  
5 breakthroughs against the Japanese Naval General Purpose Code (JN-25).<sup>111</sup> Within a  
6 month they were reading all Japanese intercepted traffic sent in JN-25. By mid-April  
7 Japanese messages were being intercepted, decrypted, translated, reenciphered, and  
8 disseminated by Hawaii (Hypo) within six hours of their original transmission.<sup>112</sup> One of  
9 the most prominent features the Japanese messages contained was a designator  
10 representing specific places throughout the Pacific. Digraphs beginning with A applied to  
11 American targets in the central and northern Pacific, Australian targets in the  
12 Papua/Solomons region carries an R, and those beginning with D stood for  
13 British/Australian targets in the Indian Ocean.<sup>113</sup> Designator recoveries included AF for  
14 Midway, and RZQ or RZP for Port Moresby. Commander Joseph J. Rochefort, who  
15 commanded Hypo (Combat Intelligence Unit CIU) and who was both a Japanese linguist  
16 and a cryptanalyst, trained in OP-20-G by Laurance Safford and Agnes Driscoll, was  
17 absolutely convinced that these calls were correct and that an impending Japanese  
18 offensive against Port Moresby was imminent. He had the confidence of both Layton  
19 and Nimitz.

20  
21 Other U.S. officials were not as convinced. General Douglas MacArthur, recently arrived  
22 in Australia, did not believe the navy reports about Japanese offensive operations against  
23 Moresby. He believed the build up was a greater threat to Australia and New Caledonia.  
24 In Washington, OP-20-G under a new director, Captain John R. Redman, interpreted  
25 Tokyo's intentions as moving not toward Port Moresby but in the North Pacific, perhaps  
26 the Aleutians.<sup>114</sup>

27 By April American intelligence in Hawaii had evidence that Japan intended to mount an  
28 operation into the Coral Sea. Admiral Chester Nimitz desperately trying to anticipate  
29 Japan's next move, believed his codebreakers. At the time, Nimitz had 3 aircraft carriers,  
30 45 fighting ships, and 25 submarines.<sup>115</sup> Acting on the intelligence available, Nimitz  
31 ordered the carriers *Lexington* and *Yorktown* to be ready for a fleet action in the Coral  
32 Sea in early May.<sup>116</sup>

33 The Battle of the Coral Sea began on 7 May 1942. The Japanese task force was where  
34 American intelligence had reported it. Admiral Frank Fletcher launched a combined air

---

<sup>111</sup> Breaking the Japanese code JN-25 was daunting. The code consisted of approximately 45,000 five-digit number, each number representing a word or phrase. For transmission, the five digit numbers were super-enciphered using an additive table. Breaking JN-25 meant using mathematical analysis to strip off the additive, then analyzing usage patterns. Just one in ten messages in JN-25 were being read at this time. A great deal of intelligence also came from traffic analysis of messages not broken. See Prados, p. 305.

<sup>112</sup> Frederick D. Parker, *A Priceless Advantage: U.S. Navy Communications Intelligence and the Battles of Coral Sea, Midway and the Aleutians* (Ft Meade, MD, NSA Center for Cryptologic History, 1993), pp. 20-21.

<sup>113</sup> Parker, p. 21.

<sup>114</sup> See Parker, p. 22 and Prados, pp. 301. Redman replaced Safford as head of OP-20-G in February 1942.

<sup>115</sup> Patrick D. Weadon, *The Battle of Midway: How Cryptology enabled the United States to turn the tide in the Pacific War* (Ft. Meade, MD, NSA, Center for Cryptologic History).

<sup>116</sup> Rochefort and Hypo had already made a conceptual link between the Coral Sea campaign and the later Midway operation. See Prados, p. 302.

1 strike against the Japanese at 9:26 A.M. At approximately 11:36 Fletcher received a  
2 message from Lt. Commander R. E. Dixon, a dive bomber squadron commander from the  
3 *Lexington*, "Scratch one Flattop." The Americans had attacked and sunk the Japanese  
4 carrier *Shoho*. It was the first major Japanese warship lost in the war. On the morning of  
5 8 April the Japanese counter attacked. The battle lasted a little less than an hour. An  
6 intercepted Japanese message contained ominous news. Hypo reported that the intercept  
7 said that one U.S. carrier had been sunk and another had sustained three sure direct  
8 hits.<sup>117</sup>

9 In fact, the *Yorktown* survived to play a key role in the coming battle of Midway. The  
10 *Lexington* went down later in the day. Both sides broke contact and retired from the  
11 scene. It was a stalemate but the Japanese postponed their attack on Port Moresby.  
12

13 By providing timely and accurate warnings of Japanese plans and intentions as early as  
14 January 1942, U.S. intelligence, especially at Hypo, enabled Admiral Nimitz to position  
15 his scarce carrier resources where they could interrupt and frustrate Japanese plans to  
16 invade Port Moresby. After breaking JN-25 in March 1942 U.S. intelligence provided  
17 invaluable information to U.S. commanders, especially Nimitz, concerning the Japanese  
18 timetable and order of battle for the invasion up to the very eve of the battle.<sup>118</sup>  
19

20 Despite the set back, Admiral Yamamoto, aware of the industrial might of the United  
21 States, sought to bring a quick end to the war in the Pacific by luring the American Navy  
22 into a decisive naval battle.<sup>119</sup> He believed that he had to engage the U.S. Pacific Fleet in  
23 a climatic, naval showdown in order for Japan to pursue its regional policies behind an  
24 impregnable island shield. The centerpiece of his plan was a feint toward Alaska  
25 followed by an assault on Midway. When the U.S. fleet responded to the attack on  
26 Midway, another Japanese task force, led by Yamamoto himself, would fall upon and  
27 destroy it. It would successfully eliminate the U.S. Pacific Fleet for at least a year a  
28 allow Japan to consolidate its gains in the Pacific.<sup>120</sup>  
29

30 Working 20 hour days Rochefort and his group on Hawaii continued to spearhead the  
31 attack on Japanese naval systems, especially, JN-25. With 500 to 1000 intercepts per day  
32 the small group at Hypo, in basement offices stacked with millions of IBM cards, was  
33 able work about 40 percent of the traffic. According to Admiral Layton, Nimitz's  
34 intelligence officer, it was like trying to assemble a picture of Yamamoto's plan by  
35 putting together a jigsaw puzzle with many missing pieces.<sup>121</sup> From early February  
36 Rochefort warned that the Japanese were planning to attack Midway. On 13 March when  
37 Corregidor identified AF as Midway it reinforced Rochefort conviction. He went to  
38 Layton and Nimitz. Although Rochefort convinced Layton and Nimitz, others were more  
39 skeptical. OP-20-G in Washington and the Naval War Plans Staff never fully subscribed  
40 to these views. They believed AF was a communications not a geographic designator

---

<sup>117</sup> Parker, p.29.

<sup>118</sup> See Parker, p. 30.

<sup>119</sup> Yamamoto predicted to Japanese leaders early on that he would "run wild for a year," but that he had "utterly no confidence for the second or third year." Yamamoto had traveled extensively in the United States and was well aware of America's industrial potential.

<sup>120</sup> Parker, p.40.

<sup>121</sup> Prados, P. 315.

1 and that the Japanese might begin an offensive against northeast Australia, Samoa, the  
2 Aleutians, or even Hawaii, or the U.S. West Coast.<sup>122</sup> Rochefort ridiculed these  
3 suggestions and sought to settle the identity of AF once and for all as Midway. The  
4 concept was to fake a water shortage on Midway. With Nimitz's approval, Hypo sent a  
5 secure message to Midway on 18 May that it (Midway) was to report back on 19 May, in  
6 clear text, that it was having problems with its desalination equipment and was running  
7 short of water. Midway's message was duly intercepted by the Japanese. Tokyo  
8 informed fleet units that AF was short of fresh water. On 22 May Melbourne intercepted  
9 and translated a message from Naval Intelligence Tokyo to the Japanese fleet that  
10 indicated that AF was short of water.<sup>123</sup> This message ended all controversy over the  
11 identity of AF and of the Japanese objective.

12  
13 What was still missing was the date and time of the attack. Hypo soon solved this  
14 mystery as well when it intercepted Yamamoto's operational orders for the offensive on  
15 25 May.<sup>124</sup> Reporting to Nimitz, Rochefort predicted that the Imperial Navy would begin  
16 operations in the Aleutians on 3 June and those against Midway the following day 4 June.  
17 He went on to describe Yamamoto's disposition of forces and the direction of the attack.  
18 On the bases of Rochefort's report, Nimitz's ordered his carriers, *Enterprise*, *Hornet*, and  
19 the hastily repaired *Yorktown*, to a point northeast of Midway he called Point Luck to  
20 surprise the Japanese fleet. On the morning of 4 June American planes attacked the  
21 Japanese fleet. The Japanese intercepted the first wave of torpedo planes and destroyed  
22 them without suffering any hits on their carriers. Dive bombers from the *Enterprise*,  
23 however, got through and smashed the Japanese carriers *Akagi*, *Kaga*, and *Soryu*. The  
24 only carrier to escape was the *Hiryu*, hidden in a cloud bank. The *Hiryu* launched a strike  
25 against the American forces in response and badly damaged the *Yorktown*.<sup>125</sup> Before the  
26 *Hiryu* could launch another strike American dive bombers from the *Enterprise* destroyed  
27 her.

28 Hypo followed the action from intercepts and from air to carrier exchanges largely in  
29 plain text. It quickly reported the fact that the flag of the 1<sup>st</sup> fleet had moved from the  
30 *Akagi* to the cruiser *Nagara*, that there were no new communications from any of the  
31 Japanese carriers, and that the Japanese were retiring from the area.<sup>126</sup> As a result of the  
32 Battle of Midway, the American fleet frustrated Japanese ambitions to establish a  
33 defensive perimeter anchored east of the Marshall Islands. Japanese ability to wage an  
34 offensive war in the Pacific was gone. Japan would be on the defensive the rest of the  
35 war. Communications intelligence had provided U.S. commanders "a priceless  
36 advantage" over the Japanese. Nimitz put Rochefort in for the Distinguished Service  
37 Medal. It was denied by Washington.<sup>127</sup>

<sup>122</sup> Parker, p.50. OP-20-G and ONI speculated that General Doolittle's bombing raid on Tokyo might bring a retaliatory strike against Hawaii or the West Coast of the United States.

<sup>123</sup> Parker, p. 51.

<sup>124</sup> To complicate matters, the Japanese introduced a new variation of JN-25 on 28 May. Moreover, there would be no traffic from the Japanese fleet after this date since the entire task force observed radio silence.

<sup>125</sup> The *Yorktown*, still afloat after the attacks, was sunk on 6 June by a Japanese submarine.

<sup>126</sup> Parker, p. 63.

<sup>127</sup> Rochefort received the medal posthumously in 1986. See Parker, p. 65.

1 Following the battle, on 7 June *The Chicago Tribune* (a vocal opponent of President  
 2 Roosevelt) ran a front page story about how the United States knew the details of Japan's  
 3 plan to attack Midway. It disclosed to the public the role communications intelligence  
 4 played in the Japanese defeat. At the Navy Department in Washington Admiral Ernie  
 5 King, "was in a white fury" over the disclosure. It could jeopardize the entire U.S.  
 6 signals intelligence operation against the Japanese. Japanese officials might change not  
 7 only the naval systems but the rest of their codes and ciphers. His staff frantically  
 8 attempted to discover the source of the leak. In August Attorney General Francis Biddle  
 9 announced the convening of a grand jury to study treason charges against the *Tribune*.  
 10 Since no prosecution could be successful without divulging details of U.S. codebreaking  
 11 successes, plans for prosecution were soon dropped.<sup>128</sup> Fortunately, the Japanese had  
 12 such confidence in their codes and ciphers that they did not change them after Midway or  
 13 throughout the war. Or perhaps they never read the *Chicago Tribune*.<sup>129</sup>

14

#### 15 **Shoot down of Admiral Isoroku Yamamoto**

16

17 After the Battle of Midway, Sigint continued to play a major role in the Pacific War. In  
 18 April 1943 for example, the Japanese commander in chief, Admiral Yamamoto, perhaps  
 19 responding to criticism by Japanese high command that there seemed to be an  
 20 unwillingness on the part of top commanders to visit the front, decided to congratulate his  
 21 fighter pilots on forward bases at Ballale and Buin, U.S. radio intelligence intercepted his  
 22 trip itinerary sent to the Bougainville bases on 13 April.<sup>130</sup> The message not only gave the  
 23 date and time of his flight but also related how many planes would carry Yamamoto's  
 24 staff and its fighter protection (two Betty bombers and six escorting fighters). Hawaii  
 25 alerted Nimitz to the intercept. Here was an opportunity to ambush and shoot down  
 26 Yamamoto, the architect of the Pearl Harbor attack. Nimitz discussed the problem with  
 27 his chief intelligence office Edwin Layton. Was there anyone in the Imperial Navy who  
 28 was capable of taking Yamamoto's place? Nimitz asked. Layton thought not. Nimitz  
 29 sent Yamamoto's travel plans to South Pacific Command headquarters and ordered  
 30 Admiral William "Bull" Halsey to make arrangements for the intercept if he could.<sup>131</sup>  
 31

<sup>128</sup> The Navy eventually traced the leak to Commander Morton T. Seligman, former executive officer of the *Lexington*. Seligman shared a cabin with *Tribune* reporter Stanley Johnston on the transport *Barnett* after the *Lexington* sank. Seligman allowed Johnston to see classified dispatches including Nimitz's detailed warnings about the Japanese attack on Midway. Johnston had signed nothing prohibiting him from writing about the material he saw. He was never prosecuted. Seligman was denied further promotion and left the Navy.

<sup>129</sup> See Prados, pp.341-343 and Parker, p. 67. The Japanese had no known agents in the United States. In August the Japanese did introduce a new high-grade cipher machine called Jade. American codebreakers broke into Jade rather quickly and were reading its message traffic easily by the end of the year. Jade virtually disappeared after August 1944, however.

<sup>130</sup> This section is based primarily on John Prados, *Combined Fleet Decoded: The Secret History of American Intelligence and the Japanese Navy in World War II* (New York: Random House, 1995), pp. 458-463.

<sup>131</sup> According to Prados, Nimitz alone made the decision. Washington was aware of the intercept but President Roosevelt was out of town and Navy Secretary Frank Knox would not have sent an operational order containing codebreaking information. It was strictly forbidden. Layton maintains that Nimitz made the sole decision.

1 Halsey ordered preparations for the intercept. The Army's 339<sup>th</sup> Fighter Squadron on  
2 Guadalcanal assumed the task with its P-38s. Carrying extra fuel tanks, the P-38s  
3 intercepted Yamamoto's mission at 9:35 A.M. on 18 April. In order to protect the  
4 intelligence source, the pilots who carried out the mission were told in case they were  
5 shot down and captured, that the information of Yamamoto's flight came from Allied  
6 coast watchers.<sup>132</sup> There were no survivors from Yamamoto's plane. Yamamoto was  
7 cremated on Bougainville and a state funeral followed on 5 June. U.S. intelligence knew  
8 quickly that the intercept mission had succeeded. Messages to the Combined Japanese  
9 Fleet were no longer addressed to the commander in chief but to his chief of staff. Japan  
10 had lost its best strategist.

11  
12  
13

### 12 Navajo Codetalkers

14 During World War I, the U.S. Army used Native Americans, especially Choctaw, to help  
15 secure its tactical communications. The Choctaw used common Choctaw words to  
16 replace military terms, thus becoming the first codetalkers. Following the war, Germany  
17 and Japan sent students to study Native American cultures and languages. Many in the  
18 U.S. military felt this fact plus the development of machine encipherment made using  
19 these languages as a secure means of protecting military communications obsolete.  
20 Nevertheless, the Army did continue the program and during World War II recruited  
21 Comanches, Chotaws, Kiowas, Winnebagos, Seminoles, Navajos, Hopis, Cherokees,  
22 and others for communication security purposes.<sup>133</sup>  
23 The U.S. Marines build on the Army's work using Navajos exclusively. Philip Johnston,  
24 the son of missionary parents, who was raised on the Navajo reservation and spoke their  
25 language fluently, believed the language could be used to help protect marine battlefield  
26 communications. The language was unique. It was unwritten, had no alphabet or  
27 symbols, and was spoken only on the Navajo lands of the American Southwest. The  
28 Navajo took familiar words from their language and applied them to items such as tanks  
29 (turtles) and planes (birds.) In order to protect the language code from falling into enemy  
30 hands, the system was committed to memory. Johnston convinced the Marine Corps of  
31 the value of his plan and the Marines recruited 200 Navajos for training. Navajo  
32 Codetalkers served in every assault the U.S. Marines conducted in the Pacific from 1942  
33 to 1945.<sup>134</sup> They transmitted messages by telephone and radio in their native language - -  
34 a code never broken by the Japanese. The Navajo Codetalkers provided the Marines with  
35 secure tactical communications during the war.  
36 Johnston attempted to make the program permanent at the end of the war, but his plans  
37 were rejected as out-of-date. It could be noted that while the Navajo Codetalkers helped  
38 protect critical battlefield information from the Japanese, the system was at risk if used at  
39 higher strategic levels. It was based on a language which had patterns and continuity to  
40 it. The Japanese, given time, would have easily broken it.

41  
42

---

<sup>132</sup> See Hanyok, p. 29.

<sup>133</sup> NSA, Code Talkers Exhibit.

<sup>134</sup> See Department of the Navy, Naval Historical Center, "Navajo Code Talkers: World War II Fact Sheet." Ultimately, 400 Navajo served as Codetalkers. 13 never returned.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

**End of the War in the Pacific**

By mid-1944, after considerable debate, the Joint Chiefs outlined a plan to end the war by invading and seizing the Japanese homelands. On 3 April 1945 they ordered General Douglas MacArthur, then Commander in Chief of U.S. Army Forces in the Pacific (CINCPAC) and Admiral Chester Nimitz, Commander in Chief of the Pacific Fleet and Pacific Ocean Area (CINCPOA) to begin preparations for the invasion of the Japanese home island of Kyushu. MacArthur and Nimitz scheduled Operation OLYMPIC (the codename for the Kyushu invasion) for 1 November 1945. The Joint Chiefs also assigned MacArthur the “primary responsibility for the operation.”<sup>135</sup>(Map)

With no effective agents or spy network in Japan, knowledge of Japanese defenses on the island was heavily dependent on intercepted Japanese communications. As we have seen, U.S intelligence had been intercepting and decrypting Japanese diplomatic traffic (Purple) since before Pearl Harbor. Beginning in early 1942 the U.S. Navy had also collected and broken Japanese naval communications (JN-25). It was not until April 1943, however, that U.S. Army intelligence made a major break through in deciphering Japanese army ground communications.<sup>136</sup> In mid-1944 U.S Army intelligence identified only one Japanese combat division and two depot divisions on Kyushu.<sup>137</sup>

The Joint Army/Navy Intelligence Committee projected that by the time of the invasion in November 1945, the Japanese would have increased their forces on Kyushu to six combat divisions plus the two depot divisions. The Committee also believed that once the invasion began, the Japanese might be able to add an additional six combat divisions. According to the Joint Intelligence Committee, because of serious geography and supply constraints and constant pounding by U.S. air and sea detachments, ten combat divisions was the maximum the Japanese could maintain on Kyushu.<sup>138</sup> This remained the basic U.S. projection until mid-1945.

By early 1945 U.S. Sigint already indicated that the Japanese were expecting attempts by the United States to invade the home islands and that they had identified Kyushu as a likely invasion site. Intercepts reflected preparations for an all-out defense of the home islands and large-scale Japanese troop movements from China and Manchuria to the home islands. By May 1945 the U.S. Military Intelligence Service estimated the number of Japanese troops on the island to be 246,000 and that four additional divisions might be expected by 1 November. This would add 100,000 more combat troops to the island

---

<sup>135</sup> See Douglas J. MacEachin, *The Final Months of the War With Japan: Signals Intelligence, U.S. Invasion Planning, and the A-Bomb Decision* (Washington, DC: Center for the Study of Intelligence, 1998), pp.1-3 and Grace Person Hayes, *The History of the Joint Chiefs of Staff in World War II: The War Against Japan* (Annapolis, MD: Naval Institute Press, 1982).  
<sup>136</sup> See Edward J. Drea, *MacArthur's ULTRA: Code Breaking and the War Against Japan, 1942-1945* (Lawrence, KS: University Press of Kansas, 1992).  
<sup>137</sup> A combat division was the principle ground combat unit of the Japanese Army. It consisted of 16,000 men. A Depot division generally consisted of a manpower pool and training staff.  
<sup>138</sup> MacEachin, p. 5.

1 force.<sup>139</sup> As a result of these new figures, the U.S. War Department increased its estimate  
2 of Japanese forces on Kyushu to 300,000. This was just before President Truman was to  
3 meet Minster Churchill and Joseph Stalin at Potsdam to not only to settle postwar  
4 arrangements in Europe but to coordinate joint military operations against Japan.<sup>140</sup>  
5 Truman had earlier declared his intention to base any decision on an invasion of Japan on  
6 casualty calculations. He wanted to avoid another Okinawa.<sup>141</sup> While at Potsdam,  
7 Truman asked Chief of the general Staff George Marshall about casualties incurred if the  
8 United States carried out its planned invasion of Japan. According to Truman Marshall  
9 told him it would cost "at a minimum one quarter of a million casualties and might cost  
10 as much as a million."<sup>142</sup> Although troubled by these figures, nevertheless, Truman gave  
11 the go-ahead to continue preparations for the Kyushu invasion.

12  
13 By 2 August, as Truman began his voyage back to the United States from the Potsdam  
14 Conference, the Military Intelligence Service estimated that Japanese manpower on  
15 Kyushu had reached 534,000. Soon the figure was increased to 600,000. This shattered  
16 the long-held U.S. projections of a maximum of 300,000 Japanese troops on Kyushu. The  
17 intelligence mandated a fundamental re-examination of U.S. invasion plans.<sup>143</sup> The Joint  
18 Chiefs asked MacArthur and Nimitz to consider alternative plans. MacArthur was  
19 dismissive of the reported buildup. He discredited the intelligence reporting heavy  
20 Japanese troop strengthens on the island. MacArthur recommended that "there should  
21 not, repeat, not be the slightest thought of changing the OLYMPIC operation."<sup>144</sup>  
22 MacArthur was wrong. Post-war Japanese documents confirmed that there had been 14  
23 Japanese combat divisions on Kyushu. U.S. intercepted communications had identified  
24 all of them. These documents also showed that U.S. intelligence had underestimated  
25 Japanese strength on the island. U.S. Military intelligence estimated 600,000 Japanese  
26 troops on Kyushu when, in fact, there were 900,000 Japanese troops assigned to its  
27 defense.<sup>145</sup> The dropping of the Atomic bomb on Hiroshima and Nagasaki ended the war  
28 and all preparations for the invasion of the Japanese home islands.

29  
30 Successful Sigint operations played a key role in the Pacific War. U.S. successes against  
31 Japanese diplomatic, navy, army and merchant shipping codes and ciphers helped shorten  
32 the war. While these achievements were never in and of themselves decisive in the battle  
33 with Japan, they gave the Allies a clear advantage.

139 MacEachin, p. 8.

140 Germany surrendered on 8 May 1945.

141 For a discussion of Truman's concern over casualties see *FRUS*, Vol. I, p. 908. The combined casualty figure for U.S. campaigns in the Philippines, Okinawa, and Iwo Jima was 133,000

142 See Wesley Frank Craven and James L. Cate, eds., *The Air Force in World War II*, vol. 5, pp. 712-713.

143 MacEachin, pp.22-23.

144 Drea, pp.222-223.

145 Drea, p.222.

1



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

**Chapter III  
U.S. Intelligence and World War II:**

**The War in Europe**

**The Enigma Machine**

The 1930s saw a reinvigorated Germany begin to rearm under Adolf Hitler and his Nazi Party in direct violation of the Versailles Treaty. This included efforts to create secure communications. Determined to correct the weaknesses revealed in their World War I communications, the Germans looked to rotor enciphering machines.

The world wide shift from hand written codes to “unbreakable” cipher machines continued in the 1920s with German inventor/engineer Arthur Serbius’ rotary electro-mechanical enciphering machine, which he called Enigma. Developed for the commercial market and seemingly unbreakable, the German government adopted the machine for all its military including the Army, Navy, Luftwaffe, Abwehr, and SS in 1928. The Germans had complete confidence in the new device. They boasted of its impenetrability. “Enigma was a riddle within a puzzle, cloaked by a mystery that neither man nor machine would ever solve”<sup>146</sup> Modified and improved, the possible number of configurations for a three rotor Enigma was  $1 \times 10^{23}$  or stated another way about one hundred thousand billion billion.<sup>147</sup> It soon became the standard method of encrypting messages prior to their radio transmission.

Fearful of Germany’s growing military power, the Poles, the French and the British began attacks on the new Enigma machine. In 1932 , Poland’s Biuro Szyfrow (Cipher Bureau) concentrated its efforts on the German machine. In 1933 Marian Rejewski, a Polish mathematician, deduced the internal wiring of the Enigma’s rotors. This led to Polish successes against the Enigma in 1933. The Poles devised two rotary electro-mechanical machines, the cyclometer and the bomba, to assist in their work. It was a major breakthrough.

In 1939, however, the Germans increased the sophistication of Enigma which made the Polish breakthroughs obsolete. The Poles could no longer read Enigma traffic. Fearful of a German attack on Poland, in July 1939, the Biuro Szyfrow gave the secrets of its research to the British and the French. At the time of the German invasion of Poland in September 1939, Rejewski and his colleagues could still read some German Army and Air Force messages but they were forced to flee as the Polish Army was quickly overrun by the Germans. They escaped to France were they continued their work on the Enigma. When France was defeated in June 1940 they fled once again. This time they moved o

---

<sup>146</sup> Jerome M. O’Connor, *How the Secret of the Century Saved Britain from Defeat in World War II.*

<sup>147</sup> The Enigma originally consisted of a keyboard, a display panel of letters that would light up and a series of rotors through which electric current would pass. Depressing one of the keys on the keyboard would cause the electric current to pass through the rotors which would rotate in a predetermined fashion and would also cause one of the letters on the display panel to light up. The lit letter would be the cipher value for the letter whose key had originally been pressed. The German military made the Enigma more challenging by adding a keyboard and by increasing the number of rotors. There were usually three rotors in most machines, but the German navy machines used four rotors. See “ How Mathematicians Helped Win WWII” (NSA). See also Ray Miller, “The Cryptographic Mathematics of Enigma” (NSA). The four rotor naval Enigma was even more complex. Its numbers were  $2 \times 10^{145}$ .

1 Great Britain where they served out the war working on German message traffic.<sup>148</sup>  
2 While the French made little progress, the British made great use of the Polish  
3 information. Led by the brilliant mathematician, Alan Turing, the Government Code and  
4 Cipher School (GC & CS) at Bletchley Park (Often referred to as the "Golf, Cheese, and  
5 Chess Society,") in Buckinghamshire, built a new "bombe." Initially broken by hand  
6 methods, the new British "bombe" allowed the British to exploit German traffic by  
7 machine. In August 1940, the first of some 200 British bombes, manufactured under the  
8 Cantab tradename by the British Tabulating Machine Company in Letchworth,  
9 Hertfordshire were delivered to Bletchley Park. Success was neither total nor assured, but  
10 the British began reading on a timely bases German messages. It was a major  
11 intelligence breakthrough. Enigma could be broken by a machine. Naval WRENS  
12 operated the noisy, large, and cumbersome bombes. Throughout the war, women on staff  
13 at Bletchley outnumbered men eight to one.<sup>149</sup>  
14  
15

#### 16 **Bletchley Park and ULTRA**

17  
18 Also known as Station X, Bletchley Park was an estate located about 40 miles from  
19 London, between Oxford and Cambridge. Sir Herbert Samuel Leon a financier and  
20 Liberal Minister, purchased the estate in 1877. He expanded the estate and the mansion.  
21 When his wife died in 1937 the site was sold to a developer, who was about to demolish  
22 the mansion. Admiral Sir Hugh Sinclair, Director of Naval Intelligence and head of MI-6  
23 and founder of the British Government Code and Cipher School, bought the site with his  
24 own money (7,500) having failed to persuade the government to pay for it. During  
25 World War II, Bletchley Park became the location for the Allies main codebreaking  
26 efforts. In 1938 thirty code breakers, linguists, mathematicians, and other academic  
27 experts formed the first class of the new government cipher school at Bletchley. By the  
28 outbreak of the war in 1939 there were over 500 people at Bletchley working on German  
29 intercepts. They successfully decoded over 50 messages a week. As German traffic  
30 increased so too did the staff at Bletchley. By 1942 the now 1200 member staff, working  
31 eight hour shifts could not keep up with the intercepted traffic. Most messages were not  
32 processed quickly enough to provide near real time intelligence. The high-level  
33 intelligence produced at Bletchley was codenamed ULTRA. While ULTRA initially was  
34 the cryptonym for the project to break the Enigma machine, the code name came to  
35 represent all British and American efforts to break high-level German radio codes and  
36 ciphers during the war. ULTRA played a limited role in the Battle of Britain and could  
37 not spare London the full force of the Blitz. It did help tip the scales in the Battle of  
38 Britain by providing information on German intentions and capabilities. Prime Minister  
39 Winston Churchill knew from ULTRA for example, that Hitler would not invade Britain  
40 until Goering had destroyed the RAF. The Battle of Britain began in the summer of  
41 1940 after the collapse of France. It lasted through the end of October when Hitler called  
42 off "Operation Sea Lion," The German invasion of Britain. Bletchley Park had a direct  
43 link to British Fighter Command Headquarters and helped Air Marshall Dowling use his

<sup>148</sup> "How Mathematicians Helped Win WWII." NSA.

<sup>149</sup> See Hinsley and Alan Stripp, eds. *Codebreakers: the Inside Story of Bletchley Park* (Oxford: Oxford University Press, 2001).

1 limited resources in pilots and fighter aircraft to advantage against the German attacks.  
2 ULTRA also alerted British officials to a German radio based navigation system used by  
3 the Luftwaffe for night bombing raids, *Knickelien*.<sup>150</sup> In addition, ULTRA confirmed to  
4 Churchill on 12 October that Hitler had abandoned his invasion plan because the  
5 Luftwaffe had failed to defeat the British RAF.<sup>151</sup> ULTRA however, did not play a key  
6 role in the battle.  
7  
8

9 **FISH, "Tunny" and COLOSSUS**

10  
11 In the 1930s, the Germans, in addition to adopting the Enigma machine for its military  
12 message traffic, also commissioned the Seimans Company to create a cipher machine  
13 teleprinter that could produce, send and receive plain and coded text. Under contract,  
14 Seimans developed the first cipher teleprinter, the *Geheimschreiber*. The British called it  
15 FISH. The Germans used it for high-level message traffic. Code breakers in Sweden had  
16 some success against the *Geheimschreiber* machine in the early 1940s but the work was  
17 done primarily by hand. The British also managed to intercept and break German non-  
18 Morse teleprinter traffic, FISH, early in the war but decoding by hand took weeks. The  
19 intelligence gathered could not be used to its fullest potential. By 1941 the highest levels  
20 of German command had begun to use a newer even more complex Lorenz cipher  
21 teleprinter machine. On 30 August 1941 British intelligence intercepted a long Lorenz  
22 cipher message and mathematicians John Tiltman and Bill Tutte worked out the logical  
23 structure of the German cipher. Max Newman of Bletchley used their ideas to design a  
24 machine to speed up the deciphering process. At first called the "Robinson" after Heath  
25 Robinson, the British cartoonist and designer of fantastic machines, it soon became  
26 known as the "Tunny." The start position settings of each message, however, still had to  
27 be discovered by hand.

28 In 1943 Max Newman and British engineer, Tommy Flowers, designed and build  
29 COLOSSUS. COLOSSUS reduced the time it took to break Lorenz messages from  
30 weeks to hours. Occupying a large room, COLOSSUS machines counted through the  
31 length of an intercepted message many times, effectively trying out billions of  
32 combinations to find the initial wheel settings of the Lorenz machine. The COLOSSUS  
33 at first did not provide the decoded message, but rather the initial settings. By 1944  
34 COLOSSUS could transcribe the messages in the original German directly on a  
35 typewriter. COLOSSUS proved so efficient that by mid 1944 Allied intelligence could  
36 decipher German Lorenz messages more quickly than could the German recipients. It  
37 showed that Turing's concept of a universal computer could be used to create a practical  
38 machine. By the end of the war there were ten COLOSSUS machines at Bletchley.<sup>152</sup>  
39 Breaking the Lorenz cipher provide the Allies with critical information from German  
40 high command on German military operations. It became a key part of Allied battle  
41 strategy and was used at the battle of Kursk and the D-Day landings. COLOSSUS  
42 provided information that Hitler had swallowed the deception campaign, Patton's  
43 phantom army in South of England and that the attack would come at Pas de Calais not

---

<sup>150</sup>

<sup>151</sup> Ken McConnel Interview, Imperial War Museum.

<sup>152</sup> See Tony Sale, *The Colossus: Its Purpose and Operation and Sale, Lorenz Ciphers and the Colossus.*

1 Normandy. FISH traffic became increasingly important as the Germans retreated across  
2 Europe. It replaced landline message traffic.<sup>153</sup> The existence of COLOSSUS was kept  
3 secret for many years, however. The U.S. Army in 1946 developed what it claimed was  
4 the world's first computer, the American Electronic Numerical Integrator and Computer  
5 (ENIAC). Not until the 1970s was information on COLOSSUS finally declassified and it  
6 took its place as the world's first computer.<sup>154</sup>

7  
8 **The Battle for the Atlantic 1939-1944**

9  
10 **The German B-Dienst Organization**

11  
12 Keeping the Allied lifeline open to Great Britain was perhaps the greatest challenge faced  
13 by British and U.S. policymakers throughout World War II. The German U-boat's in the  
14 Atlantic threatened not only the supply convoys to Great Britain but also the planning for  
15 a second front and the invasion of Europe. The long drawn out battle for control of the  
16 Atlantic evolved, at least in part, into a major Sigint war. It became a race to break the  
17 other side's codes and ciphers. It was often "nip and tuck" who had the upper hand. The  
18 German *Beobachtung Dienst* (B-Dienst) organization created to break and read British  
19 naval codes in the 1930s was the most successful German Sigint effort during the war.  
20 Formed in 1933 in response to the British successes during the First World War against  
21 German naval codes, B-Dienst had penetrated the British navy's most widely used  
22 codes by 1935. By the outbreak of the war in September 1939, B-Dienst knew the  
23 positions of all ships in the British fleet.<sup>155</sup> The British were slow to respond to the threat  
24 only changing the majority of their naval codes after August 1940. Even then they did  
25 not change the British Allied Merchant Ships (BAMS) code. This allowed Admiral Karl  
26 Donitz, the German commander of the U-boats to find and sink numerous Allied  
27 convoys. The Germans read these Allied codes on and off from the fall of 1940 until  
28 1943. It took U.S. and British officials years to catch on to the fact that their convoys  
29 were being attacked as a direct result of the insecurity of their convoy codes.<sup>156</sup> B-Dienst  
30 broke the main British naval code again in September 1941 and cracked the code used by  
31 many Allied convoys again in February 1942. The Allies continue to resist the notion that  
32 its codes were vulnerable. Only in 1943 did the British change naval cipher systems that  
33 B-Dienst could not read and only in 1943 did the Allies develop a secure merchant  
34 convoy cipher.

35  
36  
37 **ULTRA and the German U-Boats**

38  
39 On the Allied side, through the spring of 1941, Bletchley Park had little luck in solving  
40 the German naval Enigma. As more and more U-boats came on line in the Atlantic, they  
41

---

<sup>153</sup> See Hinsley, "The Influence of ULTRA in the Second World War." October 19, 1993.  
<sup>154</sup> See Adrienne Wilmoth Lerner, "FISH (German Geheimschreiber Cipher Machine)."  
<sup>155</sup> Joseph Sramek, "Too Close for Comfort: Britain, Ultra, and the Battle of the Atlantic, 1941-1943,"  
<sup>156</sup> See Stephen Budiansky, "German vs. Allied Codebreakers in the Battle of the Atlantic," *International Journal of Naval History*

1  
2 began to have a major impact on the trade routes upon which British survival depended.  
3 The impact of the sinkings was clear.

4	5 <b>Date</b>	6 <b>Number of Ships Sunk</b>	7 <b>Tonnage Sunk</b>
8	9 November 1940	12	146,613
10	11 December 1940	37	212,590
12	13 January 1941	21	126,782
14	15 February 1941	39	196,783
16	17 March 1941	41	243,020
18	19 April 1941	43	249,375
20	21 May 1941	58	325,492

21 Up until June 1941 British successes in decrypting Enigma traffic were confined to the  
22 German Luftwaffe and some army traffic. Sloppy in their use of Enigma, the German air  
23 force and army would often send the same or virtually the same pro-forma reports day  
24 after day. For example, a German army unit at a remote outpost in North Africa every  
25 day would send the same message at the same time reading, "Situation Unchanged."  
26 This allowed the codebreakers a "crib" into German Enigma traffic. This crib one day  
27 abruptly ceased. The codebreakers were dismayed to learn a few days later that the British  
28 army had attacked and captured this German outpost. Gordon Welchman, one of the  
29 leading mathematicians working on Enigma, wrote a memorandum to British Army  
30 command asking that it please check with him before taking any more German  
31 prisoners.<sup>157</sup>

32  
33 Concentrating on the German navy Enigma, in mid-May the British captured not only a  
34 German weather trawler with considerable material detailing the settings for the German  
35 naval Enigma but the German submarine, the U-110, with a cipher machine. These  
36 events allowed Bletchley to break the U-boat cipher Hydra, by the end of May. With  
37 Donitz closely controlling all U-boats from shore and coordinating the movement of the  
38 wolf boat packs, there was a massive amount of traffic. The British gained valuable  
39 insight from this traffic and the Enigma breakthrough to gather information on the  
40 number of U-boats on patrol, their dispositions, and patrol lines. The British continued to  
41 break and read u-boat traffic for the next five months. Most messages were deciphered  
42 within 48 hours of intercept. The impact that this intelligence had on the Battle of the  
43 Atlantic was almost immediate.

44  
45  

---

<sup>157</sup> Ibid.

	Date	Number of Ships Sunk	Tonnage Sunk
1			
2			
3			
4	June 1941	61	310,143
5			
6	July 1941	22	94,209
7			
8	August 1941	23	80,310
9			
10	September 1941	53	202,820
11			
12	October 1941	32	156,534
13			
14	November 1941	13	62,196 <sup>158</sup>

15  
16  
17 ULTRA saved the Allies about one and half million tons in this five month period.<sup>159</sup>  
18 With the ULTRA information Allied convoy commanders were able to steer their  
19 convoys away from the concentrations of German submarines and maneuver the convoys  
20 around the U-boat peril. "ULTRA allowed the British Admiralty to 'play hide-and-seek'  
21 in the Atlantic with its eyes open," according to one naval historian. The average  
22 tonnage sunk by German U-boats declined by 57% in the latter part of 1941.

23  
24 Donitz became very puzzled over the repeated failure of his U-boats to find and destroy  
25 Allied convoys during this time period. He wrote in his diary, "Accident does not fall on  
26 the same side every time." He did not believe it was a coincidence that the Allies always  
27 seemed to choose a course that steered clear of his wolf packs. Donitz speculated that  
28 perhaps the British had a new secret radar or were locating the U-boats with direction  
29 finding equipment. None of this seemed quite right to Donitz.

30  
31 The one theory that could offer an explanation was, for Donitz, inconceivable. The  
32 British could not possibly have broken the German Navy's Enigma system. "It was out  
33 of the question." The Enigma was too complex. When informed of the codebreaking  
34 triumphs of the Allies in World War II, Heinz Bonatz, director of the German navy's  
35 wartime code unit, the B-Dienst, declared it all nonsense. The British were simply  
36 incapable of *die geistige arbeit*, the "mental work." Donitz nevertheless, felt in his  
37 bones that somehow the Allies were getting inside information.<sup>160</sup>

38  
39 Within two months of the United States entering the war, however, the Germans  
40 introduced a new four rotor cipher, Triton. For the remainder of 1942 Bletchley was

<sup>158</sup> See William Murray, "ULTRA: Some Thoughts on its Impact on the Second World War," *Air University Review* (July-August 1984).

<sup>159</sup> Harry Hinsley, "The Influence of ULTA in the Second World War"

<sup>160</sup> Budiansky, "German vs. Allied Codebreakers." Interestingly, the director of the British Admiralty's codebreaking unit during the First World War, Sir Alfred Ewing, remarked in a speech in 1927 that one thing which had greatly aided their effort was what he called the "British reputation for stupidity," which had prevented the Germans from ever suspecting that the British might have broken their codes.

1 unable to read the new cipher. ULTRA information on German submarine activities  
2 ceased. The German naval staff in March 1942 conducted another security investigation.  
3 Its report emphasized that there was nothing in Allied signals indicating the British or the  
4 Americans were reading German Enigma traffic. Ironically, this was true. The German  
5 report also concluded that since the British and Americans were using a very simple code  
6 for their shipping that was easy to break, it showed how unsophisticated they were about  
7 codes in general. The Allies were obviously incapable of the cryptologic logic required  
8 to break the complex Enigma machine.<sup>161</sup>

9  
10 Allied shipping was once again at risk. The Battle for the Atlantic hung in the balance.  
11 Admiral Donitz had nearly 100 U-boats in the Atlantic and the vulnerable east coast of  
12 the United States opened up to German submarine operations. These were "Happy  
13 Times" for Donitz and his U-boats.<sup>162</sup> During these dark days, the British Admiralty's  
14 Operational Intelligence Center politely suggested to the codebreakers at Bletchley Park  
15 that perhaps they might pay "a little more attention" to the new German naval Enigma  
16 used by the German submarines then decimating the Allied convoys in the Atlantic.<sup>163</sup>  
17 Aided by the dramatic capture of new German weather codes and an Enigma machine  
18 from the U-559 in the Mediterranean in late October 1942, Bletchley Park was once  
19 again reading German U-boat traffic by December 1942. The Allies were once again  
20 diverting their convoys around the wolf packs.<sup>164</sup> Convoy losses declined 72% over the  
21 next two months. Once again Donitz sounded a security alarm. He wrote in his log that  
22 there could now be only two possibilities: either the Allies were somehow reading  
23 Enigma, "they had done the unthinkable," or there was treason in the German ranks. A  
24 B-Dienst decrypt further alarmed Donitz. Breaking into the Allied Convoy code and now  
25 able to read snippets of the Allied traffic, the intercepted message warned of two U-boats  
26 at a precise latitude and longitude. The only trouble was the U-boats were not there yet.  
27 They had been ordered there for a rendezvous but were still in route at the time of the  
28 Allied warning. Direction finding could hardly explain the warning. Donitz ordered yet  
29 another investigation. German Naval Communications concluded in a strange twist of  
30 logic, that if the Allies were reading German signals, they surely would know from the  
31 traffic that the Germans were reading Allied signals, and if they knew that, they surely  
32 would have immediately tightened up their own codes. Since the Allies had not done so,  
33 they were not reading Enigma.<sup>165</sup>

34  
35 The climax of the Battle of the Atlantic came in 1943. In addition to ULTRA, the Allies  
36 now had new weapons to help deal with the German U-boats. There were additional  
37 escort vessels now available, including escort carriers. There was the hedgehog depth  
38 charge thrower, new long range aircraft from Newfoundland, Iceland, and Northern  
39 Ireland reached further out into the Atlantic, and new centimeter wave radar and sonar.  
40 In March the Allies also changed strategy. They would no longer attempt to avoid the U-

---

<sup>161</sup> Budiansky

<sup>162</sup> The U.S. Navy initially refused to implement convoys along the coastal United States and most U.S. cities along the coast remained fully lit at night giving the German submarines illuminated targets.

<sup>163</sup> Budiansky, *Battle of Wits: The Complete Story of Codebreaking in World War II* (New York, The Free Press, 2000).

<sup>164</sup> Budiansky, *Battle of Wits*

<sup>165</sup> Budiansky, *Battle of Wits*

1 boats but seek them out and destroy them. In May the Allies sank 47 U-boats. At the  
2 same time, U.S. Navy codebreakers began to take over the U-boat Enigma problem with  
3 the new U.S. bombes coming on line that summer. In June, July and August, 96 convoys  
4 containing 3,757 ships sailed from the United States to Britain. Only three were lost.  
5  
6  
7  
8

### 9 **Adam and Eve**

10  
11 In Building 26 of the National Cash Register Company in Dayton, Ohio, in May 1943  
12 *Adam* and *Eve* slowly took shape. Standing seven feet high, ten feet long, and two feet  
13 wide, and holding nearly 400 vacuum tubes, 64 individually wired bakelite rotors, and  
14 thousands of feet of wire, *Adam* and *Eve* were the first of their kind, the U.S. Navy's  
15 Cryptanalytic Bombes. Despite the \$50,000 per machine price tag, the new machines  
16 more than paid for themselves. Shipped to the Navy's Communications Annex on  
17 Nebraska Avenue in Washington, DC, the bombes were soon put to work against the  
18 German Enigma traffic, especially the German submarine messages. One of the first  
19 decrypted messages provided the location of a German refueling submarine, a "milk  
20 cow." This allowed the U.S. Navy to target and sink the U-tanker and three submarines  
21 trying to refuel.<sup>166</sup> This was the first of a series of devastating attacks on U-boat refueling  
22 locations. Within a year ULTRA information allowed the Allies to sink 16 of the 17  
23 tankers in the German fleet.  
24

25 In May 1943 U.S. Naval codebreakers also intercepted Enigma messages that revealed  
26 that the Germans had precise, very accurate, knowledge of Allied convoy movements,  
27 including location in latitude and longitude and the speed of the ships. They matched this  
28 information with Allied signals and found they matched perfectly. The Germans were  
29 reading Allied merchant marine traffic. The Allies, upon the urging of the United States  
30 Naval Command then instituted a new convoy code Cypher No. 5. The Germans never  
31 broke into it during the remainder of the war. The Allies now had a crushing advantage  
32 in the Atlantic battle. By 1944 the U-boats were fighting a losing battle. Over 99% of all  
33 Allied shipping reached its destination. Donitz was forced to withdraw his U-boats from  
34 the Atlantic. In all Germany lost 713 U-boats and 28,000 men out of 40,000  
35 submariners. ULTRA had allowed the Allies to gain a decisive advantage in this critical  
36 struggle.  
37

### 38 **U.S.-British Cooperation**

39  
40 With the collapse of France in the summer of 1940 and the pounding of Great Britain by  
41 the German Luftwaffe in August 1940 Britain's position was precarious. Prime Minister  
42 Winston Churchill directed the British ambassador to the United States, Lord Lothian, to  
43 approach President Franklin Roosevelt with a sensitive offer. The British would reveal  
44 highly secret technical information regarding the latest developments in radar and other  
45 scientific fields if the Americans would reciprocate. The British especially desired to

<sup>166</sup> "The Secret of Adam and Eve," NSA.



1 open technical discussions with U.S. army and navy experts. Roosevelt, over the  
2 objections of many of his top military aides, including General George Marshall,  
3 approved the mission and in late August 1940 Sir Henry Tizard, adviser to Britain's  
4 Ministry of Aircraft Production arrived in Washington. He carried with him details on  
5 advanced British projects on radar, radar countermeasures, sonar, proximity fuses, and  
6 radio interception. Missing was any information on British work on German ciphers and  
7 enciphering machines. Churchill saw no need to include cryptologic information in the  
8 Tizard exchange since he assumed the Americans had little to offer in exchange.<sup>167</sup> By  
9 October Churchill had changed his mind about American achievements in cryptology and  
10 now pressed for a full exchange on all cryptographic systems. Britain and the United  
11 States (still technically neutral) signed a highly secret agreement in November 1940  
12 which called for a full exchange of cryptographic information pertaining to the  
13 diplomatic and military services of Germany, Japan, and Italy. The two countries also  
14 agreed to exchange technical missions.  
15

16 Picked to head the American mission to Bletchley Park was William Freidman.  
17 Unfortunately, Freidman suffered a nervous breakdown before his departure.  
18 In January 1941 Dr. Abraham Sinkov one of Freidman's key assistants, took his place as  
19 head of the U.S. delegation to the United Kingdom. This was nearly a year before the  
20 United States officially entered the war. The delegation was to share U.S. cryptologic  
21 information with the British and learn about British intelligence breakthroughs. Sinkov  
22 and his colleagues toured Bletchley Park and exchanged information on German and  
23 Japanese systems. While the Americans provided the British with two Purple Analog  
24 machines, the British were less forthcoming about their success against the German  
25 Enigma machine. Sinkov later recalled that the U.S. delegation was told about Enigma  
26 successes only a short time before the delegation was to leave and that details were very  
27 sketchy. It appeared that the United States had "given up a swordfish to catch a herring."  
28 The British Foreign Office vetoed any discussions of the Enigma with the Americans on  
29 the grounds that it was against British policy to divulge high-level cryptologic secrets  
30 with anyone, regardless of the reason. Nevertheless, the mission to the UK helped  
31 promote U.S.- U.K. cryptologic relations and paved the way for even greater  
32 cooperation.<sup>168</sup>  
33

34 Alan Turing, the brilliant British mathematician, also played a key role in the growing  
35 cooperative effort between the United States and Great Britain in the Wizard War. His  
36 visit to America between November 1942 and March 1943 was a landmark in  
37 intelligence collaboration. British industry could not cope with making enough high-  
38 speed bombes to deal with the four rotor Enigma problem. American industry could.  
39 Turing wanted a working agreement with the United States on the construction of  
40 additional bombes and access to the speech encryption system, Sigsaly. In return, Turing  
41 would share everything he knew about Enigma.  
42

---

<sup>167</sup> This section is based primarily on James Bamford, *The Puzzle Palace: A Report on America's Most Secret Agency* (New York: Penguin Books, 1983).

<sup>168</sup> See Dr. Abraham Sinkov, NSA Hall of Honor, NSA.

1 The growing alliance was far from complete. Turing arrived in New York on 12  
2 November 1942, probably on the *Queen Elizabeth*. He had been told not to carry any  
3 identifying papers, and as a result was nearly refused entry into the United States. He was  
4 also not to reveal anything about the growing British success against the German Lorenz  
5 machine. In Washington, Turing was not impressed with the U.S. Navy cryptanalytic  
6 department or effort. He thought it relied too much on machinery instead of thought.  
7 Turing was more impressed with the National Cash Register works in Dayton, Ohio and  
8 its manufacturing of American bombes, despite the fact that during his visit he had to  
9 sleep on the floor at the home of the Dayton chief, J.R. Desch. No one had informed  
10 Desch of Turing's visit.<sup>169</sup> Turing's visit to Bell Laboratories in New York touched off a  
11 furor in U.S. cryptographic circles. Many did not want to share the high-level voice  
12 encryption system with their "British Cousins."  
13 At the same time, Stanley Kullback from SIS toured Bletchley Park and recommended  
14 full cooperation with the British. Cooperation continued to grow. In April 1943 Col.  
15 Alfred McCormack of the Special Branch, accompanied by Col. Telford Taylor of  
16 Military Intelligence and a fully recovered William Friedman, left for England for a  
17 highly sensitive two month survey of British Comint operations. On this visit, the British  
18 detailed their successes against German military traffic and even their attacks on the Fish  
19 machines at Bletchley. They even invited the Americans to participate fully in the  
20 activities at Bletchley. In August 1942, the first contingent of Americans left Washington  
21 to serve at Bletchley Park. They were fully integrated into all aspects of Bletchley's  
22 work, including helping to break and read the Lorenza ciphers. By the end of the war the  
23 Americans were out producing their British counterparts on solutions to German Enigma  
24 keys.<sup>170</sup>

25  
26 Turing's trials in gaining access to Sigaly and the U.S. team success at Bletchley paved  
27 the way for the much more comprehensive BRUSA agreement of 1943 which effectively  
28 created the Anglo-American alliance in intelligence.<sup>171</sup> Signed on 17 May 1943, between  
29 the British and the U.S. War Department, the BRUSA Agreement established for the first  
30 time full cooperation on Comint between the two countries.<sup>172</sup> The two Allies formally  
31 agreed to the exchange of finished intelligence. There was no exchange of "raw"  
32 (undecrypted) intercepts, except for U-boat messages. The agreement also provided for  
33 the exchange of personnel, joint regulations for the handling of supersensitive material,  
34 and methods for its distribution. The Americans took the responsibility for Japanese  
35 service communications, while the British oversaw German and Italian services. Both  
36 countries continued individually to decrypt and exchange diplomatic translations. A letter  
37 agreement also provided for GC&CS and Arlington Hall to target the diplomatic traffic  
38 of every Axis power, minor Axis ally, minor Axis power, and significant neutral  
39 countries. As for Axis intelligence messages, another division of effort was arranged.  
40 The British collected and analyzed German intelligence and security-related messages in

---

<sup>169</sup> Alan Turing Scrapbook

<sup>170</sup> The National Museum of Computing, The Birth of UK-US Intelligence Cooperation.

<sup>171</sup> Bradley E. Smith, *The Ultra-Magic Deals* (1993).

<sup>172</sup> The U.S. Navy signed a more limited agreement with the British in 1942, the Holden Agreement and another exchange agreement in 1943. See Robert J. Hanyok, "Eavesdropping on Hell," (Ft. Meade, Maryland, NSA, 2005), p. 16.

1 occupied Europe and the United States, principally the U.S. Coast Guard, collected and  
2 processed Axis covert espionage radio traffic, notably *Abwehr* messages to and from  
3 Latin America, Africa, and the Far East.<sup>173</sup> It was a landmark agreement. The success of  
4 the BRUSA Agreement soon led to a series of conferences involving not only Britain and  
5 the United States, but the codebreaking agencies of Canada and Australia.

6  
7  
8  
9 **Operation “Overlord” The Invasion of Normandy**

10  
11 On 6 June 1944, the Allies attacked along the German occupied French coast of  
12 Normandy. Operation Overlord and the Normandy landing marked the beginning of the  
13 liberation of occupied Western Europe. Allied intelligence efforts played a significant  
14 role in the success of D-Day. Not only did ULTRA keep British and American planners  
15 informed of German defenses and troop deployment but it also alerted them to the extent  
16 of success of their deception operations. The Allies used deception in support of  
17 Overlord. The primary goal was to gain surprise for offensive operations and to mask  
18 Allied objectives, preparations, and operations.

19  
20 **Doublecross**

21  
22 During the war, British intelligence, MI-5 (roughly similar to U.S. FBI) engaged in a  
23 huge operation to feed false information to the Germans, especially the German Army  
24 intelligence service, the *Abwehr*, through the use of double agents. In 1941 the British  
25 organized the London Control Section (LCS) to provide centralized and high level  
26 deception planning. In 1942 it integrated its deception planning unit with MI-5 to include  
27 its ~~XX~~ Committee which controlled double agents and with MI-6 which directed ULTRA  
28 operations. The deception plans were organized in support of strategic and operational  
29 objectives. Encouraged by the British, the Americans established a Joint Security Control  
30 Committee to coordinate U.S. deception planning.<sup>174</sup> U.S. officials were slow to embrace  
31 deception planning but were full partners in the effort.  
32 The Doublecross system found and turned every single German agent in Britain and used  
33 them to feed false information to the German High Command. In December 1941, the  
34 British broke the *Abwehr* Enigma cipher and read it until the end of the war. According  
35 to John Cecil. Masterman, Chairman of the Double Cross Committee, “The Doublecross  
36 System was one of the greatest intelligence coups of the Second World War.”<sup>175</sup> With a  
37 combination of good counter-intelligence work, Sigint, and luck, MI-5 was able to  
38 monitor and pick up German agents as they attempted to penetrate Great Britain.  
39 ULTRA enabled MI-5 to know when and where German spies were to be inserted and to  
40 arrest them when they arrived. MI-5 apprehended every active German agent in Britain  
41 (nearly 120). Most of these agents were turned and began working for British authorities.

---

<sup>173</sup> Ibid..

<sup>174</sup> Michael Howard, *British Intelligence in the Second World War*, vol. 5, *Strategic Deception* (New York: Cambridge University Press, 1990).

<sup>175</sup> The Doublecross Committee was known as the Twenty Committee because the Roman numerals, XX, formed a double cross. See Masterman

1 These double agents became the *Abwehr's* and, by extension, Hitler's primary source of  
2 intelligence on Allied strategic plans and military preparations. ULTRA provided  
3 important feedback on the deception operations. Were they working? Initially, MI-5  
4 used the DoubleCross system for counter-intelligence purposes, but soon British  
5 intelligence officials realized they could use it to help deceive the Germans.

6  
7  
8  
9  
10 **GARBO**

11  
12 One of the most successful British double agents was GARBO. His real name was Juan  
13 Pujol. Born in Barcelona in 1912, Pujol loathed Nazism and offered to spy for Britain at  
14 the onset of the war in 1939. British intelligence rejected his offer. Undeterred, Pujol  
15 offered his services to the Germans, who accepted. Pujol became an *Abwehr* agent,  
16 *Arabel*. He told the Germans he would travel to England and establish a network of spies  
17 there which would be capable of providing the Germans with key intelligence on the  
18 British war effort. Instead of traveling to England, Pujol moved to Lisbon and created a  
19 whole network of imaginary German agents. He also continued to attempt to make  
20 contact with British intelligence. Finally, a U.S. Navy attaché in Lisbon recognized  
21 Pujol's value and contacted his British counterparts. MI-6 vetted him and recruited him  
22 It brought him to London where he became GARBO and part of the extensive double-  
23 cross system. Spanish speaking Tomas Harris of MI-5 became his case officer. By 1944,  
24 Pujol and Harris had invented a whole network of sub-agents with detailed case histories.  
25 Almost all of the networks information was passed to the Germans via radio  
26 communications. Thus, the British could control not only the information but the exact  
27 wording of all message traffic. It was an extraordinarily complex system. By 1944 MI-5  
28 had put in place a group of "German agents" who were trusted by the Germans. It proved  
29 to be an enormously valuable asset in the deception operation that led up to the  
30 Normandy invasion.<sup>176</sup>

31  
32  
33 **FORTITUDE**

34  
35 GARBO became part of the deception planning for Operation Overlord.<sup>177</sup> Prepared by  
36 Supreme Headquarters Allied Expeditionary Force (SHAEP) the invasion plan included  
37 Operation FORTITUDE and other diversionary efforts.<sup>178</sup> FORTITUDE, was the  
38 enormous, elaborate deception campaign used by the Allies to keep the Germans from  
39 learning the true time and place of the invasion of Europe. It focused on the Pas de  
40 Calais area of France, the closest French region to England across the English Channel.

---

<sup>176</sup> See MI-5 Security Service "History: Agent Garbo." And Tomas Harris, *Summary of the GARBO Case* (London: Public Record Office, 2000). The British released the minutes of the XX Committee in 1999.

<sup>177</sup> GARBO was not the only D-Day double agent. Others included "Brutus," "Freak", "Tricycle," "Treasure," and "Tate." See David C. Isby, "Double Agent's D-Day Victory."

<sup>178</sup> FORTITUDE North threatened an invasion in Norway by a nonexistent British Fourth Army in Scotland.e

1 Although U.S. officials were a part of FORTITUDE planning and were kept informed of  
2 all aspects of the program, they remained skeptical of its value.  
3 The first phase of FORTITUDE was to induce the Germans into thinking the main attack  
4 would occur in the Pas de Calais region and not Normandy and that the invasion would  
5 begin in late July. The second phase had the goal of convincing the Germans that the  
6 Normandy invasion was a feint to draw the German reserves to Normandy as the main  
7 invasion force attacked in the Pas de Calais region.  
8 In January 1944 the Germans told Pujol that they believed the Allies were preparing for a  
9 large scale invasion of Europe and that they looked to him to keep them informed of  
10 developments. Between January 1944 and D-Day GARBO sent over 500 messages to the  
11 German High Command on Overlord preparations, stressing the Pas de Calais region as a  
12 point of Allied concentration. This was done in snippets, and bits and pieces, much like a  
13 jig saw puzzle for the Germans to solve. At the heart of the deception plan, was the  
14 creation of an entire "ghost" army, the First U.S. Army Group (FUSAG) under the  
15 command of General George S. Patton. The Germans believed Patton would head the  
16 invasion force since he was the Allies best general. FUSAG consisted of 150,000  
17 "simulated" troops, including nine U.S. and two Canadian divisions and was located in  
18 Kent and Essex, the logical staging area for an attack on Calais. Patton made numerous  
19 public appearances in the region to support the ruse. The Allies also set up an extensive  
20 army radio network with lots of chatter, and, with the help of Hollywood, build false  
21 rubber tanks, landing craft, and artillery pieces easily seen by German reconnaissance  
22 aircraft. In addition, the Allies made sure that the Calais region received numerous  
23 bombing raids. The double agents and Sigint were often the only source of intelligence  
24 available to the Germans. Other reasons, of course also worked to convince the German  
25 that the invasion target was Calais. Lying next to Belgium on the Straits of Dover, the  
26 narrowest part of the English Channel, it was the shortest distance (only twenty one  
27 miles) from Britain. Its beaches could support tanks and heavy vehicles, and it was a  
28 straight line from Britain to the heart of Germany's heavy industry in the Ruhr. The  
29 Germans also believed that the Allies would need a major seaport and Antwerp was near  
30 Pas de Calais.<sup>179</sup> Another intelligence advantage came from the Americans who were  
31 sharing Magic messages from Purple with their British counterparts. Messages from the  
32 Japanese Ambassador in Berlin, Hiroshi Oshima, to Tokyo were extremely useful.  
33 Oshima often confided with Hitler and inspected German defenses in Europe. He sent  
34 detailed messages back to Tokyo about his conversations and travels to the front.  
35  
36 FORTITUDE was a major success. Hitler, Field Marshal Gerd von Rundstedt, and  
37 General Alfred Jodl, chief of the OKW operations staff, all believed that Calais was the  
38 Allied objective. Commander of the Army Group B, Erwin Rommel, who had  
39 experienced numerous Allied deception operations in North Africa, was suspicious. He  
40 noticed that the Luftwaffe had an easy time flying reconnaissance missions over the  
41 FUSA area, whereas the Allied air defenses over southern England were nearly  
42 impenetrable.<sup>180</sup> Despite Rommel's concerns, most of the German High Command was

<sup>179</sup> Thomas Hatfield, "The Crucial Deception," *Discovery Magazine*, UT. Allied planners understood that the best deception is obtained by playing on what the opponent already believes.

<sup>180</sup> See William B. Breuer, *Hoodwinking Hitler: The Normandy Invasion* (Westport, Conn: Prager Publishers, 1993), p. 183.

1 convinced of the existence of FUSAG and that it would play a key role in any invasion.  
2 On 5 June the German Situation report concluded that "Invasion not imminent."  
3

4 Even after the Allies landed at Normandy on 6 June, the German High Command was not  
5 certain that this was the major Allied effort. On 9 June, D-Day +3, Hitler ordered the  
6 Fifteenth Army in the Calais region to deploy to Normandy to attack the Allied  
7 beachhead. GARBO pointed out in a message to the German High Command on the  
8 same day D-Day plus 3, that the U.S. First Army Group, under Patton, had not yet moved  
9 from South East England. GARBO asserted that the purpose of the "diversionary"  
10 Normandy landings was to help ensure the success of the forthcoming assault on the Pas  
11 de Calais. ULTRA picked up Hitler's counter order on 11 June to keep the Fifteenth  
12 Army at Calais. On 22 June Oshima reported to Tokyo that the German High Command  
13 had rejected a proposal for a quick counterattack in Normandy in the belief that :the main  
14 task was to meet the main body which the Allies (Have) not yet landed." It remained in  
15 the Calais until 25 July awaiting the FUAG attack.<sup>181</sup> According to the official history of  
16 *British Intelligence in World War II*, its intervention in the Normandy Battle might have  
17 tipped the balance.<sup>182</sup>

18 On the level of tactical intelligence during Operation Overlord, ULTRA was also able to  
19 provide useful information. For example, intercepts revealed that the Allied air campaign  
20 was causing the Germans major logical headaches. An intercept from Field Marshal  
21 Gerd von Rundstedt (Commander in Chief, Panzer Group West), warned that the Allies  
22 were aiming at the systematic destruction of the railway system and that the attacks were  
23 gravely damaging supply and troop movements.<sup>183</sup> ULTRA also made clear to Allied  
24 "tactical" commanders how effective their attacks on the bridge network in the invasion  
25 area was. According to ULTRA intercepts, the Germans were having great difficulty  
26 getting their mechanized units over the rivers at night.<sup>184</sup> Armed with ULTRA  
27 information, the Allies also intensified their attacks on German air bases near the English  
28 Channel, forcing the Germans to abandon these bases closest to the invasion beaches.  
29

### 30 **General George G. Patton and the Tactical Use of ULTRA**

31  
32 Patton, one of major Allied commanders during World War II, became an astute tactical  
33 user of ULTRA intelligence in his drive across Western Europe after D-Day. ULTRA  
34 information was disseminated to "Special Liaison Units" (SLUs) in the field for use by  
35 tactical commanders. In mid-August 1944 Major Warrack Wallace became the SLU to  
36 Patton's Third Army.<sup>185</sup> The general routine was for Patton to hold a regular briefing  
37 session every morning at 0900. At the conclusion of this meeting all but seven officers  
38 would be excused. The seven would remain for a "special briefing." Here Wallace  
39 would spread the ULTRA map over the regular war map and brief Patton and his senior

---

<sup>181</sup> Donald J. Bacon, *Second World War Deception* (Alabama: Maxwell Air Force Base, December 1998).

<sup>182</sup> Howard, *British Intelligence in the Second World War*, vol. 5. *Strategic Deception*. Garbo received the German Iron Cross for his "extraordinary services" to Germany.

<sup>183</sup> Williamson Murray, "ULTRA: Some Thoughts on its Impact on the Second World War", *Air University Review* July-August 1984.

<sup>184</sup> Ibid.

<sup>185</sup> This section is based primarily on NSA, "George Patton and Comint"

1 officers on the enemy situation as seen in ULTRA. ULTRA material was held no longer  
2 than twenty four hours and then Wallace returned it to SLU Bletchley.

3 ULTRA began to prove its value for the Third Army and Patton when ULTRA and  
4 ULTRA alone correctly predicted a drive by five German Panzer divisions against  
5 Patton's forces at Avaranches. When Third Army headquarters moved near the French  
6 city of Chalons, an ULTRA intercept arrived at 0100 showing the German order for an  
7 attack at 0300. Patton had described the U.S. troops in the attack area as "spread out as  
8 thin as the skin on an egg." Patton, using the ULTRA information alerted the defending  
9 divisions and the German attack was successfully repulsed.

10 Moreover, ULTRA provided Patton with extremely accurate order of battle information,  
11 often having exact figures down to the number of men and guns each German had  
12 available. On two occasions where the regular G-2 staff placed German divisions on the  
13 line in front of Patton, ULTRA placed them in Italy. Within a week, the G-2 corrected  
14 its estimate, noting that the information it had come from POWs who had strayed into  
15 France from their former units in Italy. At the time, many commanders believed ULTRA  
16 was applicable primarily in strategic operations and could be used tactically only in a  
17 static situation. Wallace believed this was ridiculous. He later wrote, "An army has  
18 never moved as fast and as far as the Third Army in its drive across France, and ULTRA  
19 was invaluable every mile of the way."  
20

### 21 **Intelligence Sharing with the Soviets**

22  
23 Neither the British nor the Americans worked on Soviet message traffic after the German  
24 invasion of Russia. Cooperation with the Soviets in the Sigint arena however, was never  
25 that close. The British and the Americans tried to keep secret from the Soviets the fact  
26 that they were breaking German systems, despite the fact that the Soviets were war time  
27 allies. Churchill did send ULTRA summaries to the Soviets within days after the  
28 German attack in 1941. German battle plans and troops positions were disguised as  
29 intelligence coming from Resistance groups in France and Sweden. The Russians were  
30 not, of course, told everything. The British and the Americans never informed Stalin  
31 officially of the joint Anglo-American project, Manhattan, to develop the atomic bomb,  
32 until the Potsdam Conference in 1945. The Russians did not in any way reciprocate.  
33 Anthony Blunt and John Cairncross, members of the Cambridge Five, were at Bletchley.  
34 They knew of ULTRA and they provided the Soviet Union with key information from  
35 ULTRA intercepts.<sup>186</sup>  
36

### 37 **The End of the War**

38  
39 By the end of the Second World War, the Americans and the British had built major  
40 Comint bureaucracies that employed thousands of codebreakers, translators, intercept  
41 operators, analysts, and technicians, build and operated dozens of intercept collection  
42 stations around the world, and created an intelligence revolution based on technology.  
43 They mobilized huge technical, financial, and organizational resources and forged  
44 wartime intelligence collaboration for the war effort. Yet, it was all soon forgotten or  
45 marginalized as the Allies rushed to disengage and demobilize.

---

<sup>186</sup> See the later discussion in Chapter

1 For all their successes, Sigint intelligence was only one ingredient in the overall success  
2 of the Allied forces. Comint coverage was never comprehensive. There were always  
3 blank areas. The high grade cipher of the German foreign ministry was not readable until  
4 February 1945. No significant Japanese Army communications were readable until the  
5 spring of 1943. Only a small proportion of the specific codes used by Germany and Japan  
6 yielded successes. Allied cryptanalyst did not march relentlessly from success to success.  
7 Nevertheless, ULTRA was decisive in helping to shorten the war.  
8 Ironically, machine encipherment proved less not more effective in protecting vital  
9 information during the war. For example, the Italians adopted a cousin of the Enigma  
10 called Hagelin or C-38, to encipher much of there military message traffic. The Italians  
11 began using it at the beginning of 1941 and the British broke it by June 1941. Except for  
12 that one cipher, however, the Italians used book ciphers for their army, navy, and air  
13 force. The Allies could never break them nor read them. The same was true of the  
14 Vatican hand codes. They proved to be invulnerable when the machine enciphering  
15 devices proved vulnerable to attack.<sup>187</sup> Moreover, while each of the major powers  
16 accepted the fact that their cryptanalysts could read at least some of their enemy's  
17 ciphers, they seemed blind to the fact that they themselves were subjected to exactly the  
18 same form of attack. Above all, the Germans seem to have overly impressed with their  
19 presumed superiority in technology. They refused to believe that their enemies might  
20 have the technology and intelligence capabilities to break their systems.<sup>188</sup> It is also  
21 obvious from this review that the most valuable intelligence produced during World War  
22 II derived from Sigint not spies, despite the major success of the British Doublecross  
23 operation.  
24 With the war over, Churchill ordered the destruction of all codebreaking machines into  
25 "pieces no larger than a man's hand." Bletchley Park was shuttered, the staff discharged,  
26 and the huts emptied and boarded up. The Government Codes and Cipher School became  
27 a shadow of its former self. The same happened on the American side as after the war  
28 budgetary concerns drastically reduced U.S. Sigint efforts. Codebreaking became, once  
29 again a secondary field, to be avoided by career military officers. The civilian effort was  
30 a shell of its former self.  
31  
32  
33

---

<sup>187</sup> Harry Hinsley, "The Influence of ULTRA in the Second World War," Bletchley Park Museum Website, 26 November 1996

<sup>188</sup> Murray, ULTRA: *Some Thoughts on its Impact on the Second World War.*



1

1 **Chapter IV**  
2 **U.S. Intelligence and World War II:**  
3 **William Donovan and the Office of Strategic Services (OSS)**

4  
5 **William Donovan and the OSS**

6  
7 During World War II, encouraged and aided by the British, the United States developed a  
8 major world-wide intelligence agency, with analytical and clandestine capabilities.  
9 Headed by the energetic William "Wild Bill" Donovan, the new intelligence agency, the  
10 Office of Strategic Services (OSS), became the first centralized U.S. intelligence agency.  
11 It created much of the operations doctrine and tradecraft practiced in modern intelligence  
12 agencies.

13  
14 **Coordinator of Information**

15  
16 Prior to World War II, the U.S. government left intelligence to the principal departments  
17 who dealt with foreign policy, the Department of State and the military services.  
18 Diplomats and military attaches collected most of the intelligence on foreign countries.  
19 None of the departments attempted to sort, collate, and assess the collected material.  
20 State and the military also developed their own security and counterintelligence  
21 procedures. As we have seen, the Army and Navy also created separate offices to collect  
22 and decipher foreign communications information. Except for the Sigint successes, the  
23 U.S. intelligence organization was primitive and inadequate up until 1941. Agency  
24 efforts were usually small and poorly funded. The information collected was rarely  
25 shared with other departments. There was not only a lack of coordination between the  
26 departments but no central point for intelligence analysis.<sup>189</sup> The American intelligence  
27 effort was fragmented and inter-agency cooperation virtually non-existent. Little  
28 changed during the war.

29 As another European war loomed in the late 1930s, President Franklin D. Roosevelt  
30 sought greater coordination among the departmental intelligence groups. There was little  
31 response. In the spring of 1941 he tried again. He wanted the traditional intelligence  
32 services to take a strategic approach and to cooperate closer so he did not have to  
33 arbitrate their squabbles. He feared that that fascist and communist "Fifth Columns" in  
34 America could gravely damage U.S. security interests. Frustrated by the continued non-  
35 response and prompted by British intelligence officers, Admiral John H. Godfrey and  
36 William Stephenson (Intrepid), Roosevelt created a new intelligence organization to  
37 duplicate some of the functions of the existing intelligence agencies. On 11 July 1941 the  
38 President appointed William J. Donovan of New York to head the new intelligence  
39 agency attached to the White House, the Office of the Coordinator of Information (COI).  
40 The new office constituted the nation's first peacetime non-departmental intelligence  
41 organization. Roosevelt authorized the new agency to:

42  
43 **Collect and analyze all information and data, which may bear upon national**  
44 **security to correlate such information and data, and to make such information and**  
45 **data available to the President and to such departments and officials of the**

<sup>189</sup> Adam Krambauer, "The OSS in Europe"

1 Government as the President may determine; and to carry out, when requested by  
2 the President by the President, such supplementary activities as may facilitate the  
3 securing of information important for national security not now available to the  
4 Government.<sup>190</sup>

5  
6 The COI was a novel attempt to organize research, intelligence collection, propaganda,  
7 subversion and espionage operations as a unified and essential feature of modern  
8 warfare.<sup>191</sup> It was also a recognition by many U.S. policymakers of the necessity of a  
9 peacetime intelligence organization. The United States technically now had a central  
10 intelligence organization, coordinating and exchanging intelligence information with the  
11 other intelligence services. In practice, this well intended plan fell far short of its goal.

### 12 **William J. Donovan**

13  
14  
15 In selecting William J. Donovan as his new Coordinator of Information, Roosevelt chose  
16 an energetic civilian who shared his desire to do whatever it took to resist Nazism and the  
17 danger it posed to the United States. "Wild Bill" Donovan owned a sterling resume, with  
18 a distinguished military career (he earned the Medal of Honor during World War I),  
19 executive and legal experience, an abiding interest in foreign affairs and a growing vision  
20 of the importance of "strategic" intelligence. A Republican who had lost his bid for  
21 governor of New York, Donovan had, nevertheless, made wide contacts in financial and  
22 legal circles in New York and Washington.

23 When Frank Knox became FDR's Secretary of the Navy in 1940, he brought Donovan to  
24 Roosevelt's attention. Although Roosevelt and Donovan had been classmates at  
25 Columbia Law School, they were not close. Knox lobbied hard to get Donovan  
26 appointed the new Secretary of War. FDR did not appoint Donovan to his cabinet  
27 Instead, in the summer of 1940, Roosevelt asked Donovan to undertake a fact finding  
28 tour of Britain and to report on British resolve and its ability to hold out against Hitler.  
29 The British encouraged the mission. Prime Minister Winston Churchill, hoping to win  
30 U.S. support for Britain's desperate war effort, ensured that Donovan saw nearly  
31 everything he wanted to see. Churchill granted Donovan extraordinary access to British  
32 defense and intelligence secrets. Donovan also toured the Balkans and British outposts in  
33 the Mediterranean in early 1941. His reports to Roosevelt were full of confidence that  
34 the British could prevail with United States aid Roosevelt was also impressed with  
35 Donovan's ideas on intelligence and its place in modern war.<sup>192</sup> When the President  
36 decided to force greater cooperation among the military and civilian services on  
37 intelligence matters in the summer of 1941 he selected Donovan to perform the task.  
38 Donovan quickly created and expanded the new agency by gathering together a number  
39 of hand-me-down units and staffs orphaned in their own departments. One such hand-me-  
40 down unit brought to COI a mission unforeseen even by Donovan - - espionage.  
41 Donovan did not want to duplicate the foreign intelligence missions of the armed  
42 services. The Army and Navy, however, uncomfortable with the peacetime espionage

---

<sup>190</sup> See Michael Warner, *The Office of Strategic Services: America's First Intelligence Agency*, p. 2. Much of this section is based on Warner's account.

<sup>191</sup> Thomas F. Troy, *History of OSS*.

<sup>192</sup> Troy, p. 23.

1 mission, persuaded Donovan in September 1941 to incorporate the small "undercover"  
2 intelligence branches of ONI and G-2 into the COI. Along with the units came the  
3 authority to utilize "unvouchered" funds from the President's emergency fund.  
4 Unvouchered funds were the lifeblood of clandestine operations. Granted by Congress,  
5 the funds could be spent by the President or one of his officers on his personal  
6 responsibility. They were not audited in detail. Donovan's signature on a memorandum  
7 attesting to their proper use sufficed for accounting purposes. This authority along with  
8 the espionage units planted the seed for the modern CIA's National Clandestine Service.  
9 To serve its analytical and propaganda functions, Donovan recruited Americans who had  
10 traveled abroad and studied world affairs. These individuals primarily came from the  
11 East Coast universities, businesses, and law firms. (COI's successor, OSS, eventually  
12 drew such a high proportion of socially prominent men and women from the East Coast  
13 that OSS became known as the "Oh So Social Club.")  
14 Donovan also envisioned making research a cornerstone of his new intelligence agency.  
15 He believed that the answer to many intelligence issues could be located in libraries,  
16 newspapers and government and business working documents:

17  
18 We have, scattered throughout the various departments of our government,  
19 documents and memoranda concerning military and naval and air and economic  
20 potentials of the Axis which, if gathered together and studied in detail by carefully  
21 selected trained minds, with a knowledge both of the related languages and  
22 technique, would yield valuable and often decisive results.

23  
24 Accordingly, Donovan established a Research and Analysis Branch (R & A) to research  
25 and analyze Axis strengths and vulnerabilities. Convincing the Librarian of Congress  
26 ( the poet Archibald MacLeish) of the potential benefits of his plan, Donovan set up an  
27 entire staff at the Library of Congress to provide detailed studies of a variety of issues.

### 28 29 **The Office of Strategic Services (OSS)**

30  
31 When the United States entered World War II in December 1941 Donovan seized the  
32 opportunity to further promote the value of the COI and pushed for an expanded role for  
33 his growing intelligence service. The COI now had a budget of \$10 million and a staff of  
34 600. Donovan's actions provoked hostility from the FBI and the various war agencies.  
35 Initially, the newly created Joint Chiefs of Staff also opposed the idea and considered  
36 Donovan, a civilian, as an interloper in sensitive military affairs., Realizing they might be  
37 able to control Donovan and utilize the new agency, the JCS soon changed its mind.  
38 Donovan, surprisingly agreed. Working with Secretary of the JCS, Brig. Gen. Walter B.  
39 Smith, a later Director of Central Intelligence, Donovan devised a plan to bring COI  
40 under the JCS in such a way as to preserve its basic autonomy while gaining access to  
41 military resources and support.  
42 Roosevelt endorsed the idea of moving COI under the JCS. He wanted to keep COI's  
43 Foreign Broadcast Information Service (FIS) out of military hands, however. To do this,  
44 he split the "black" and "white" propaganda missions. He sent FIS, the open and  
45 attributable side of the business, to the newly created Office of War Information. "Black"

1 propaganda remained with COI which officially became the Office of Strategic Services  
2 (OSS) under the JCS on 13 June 1942.<sup>193</sup>  
3 Fierce competition continued with the other intelligence agencies nevertheless. The  
4 Department of State and the military services persuaded President Roosevelt to issue a  
5 directive that effectively banned OSS from acquiring or deciphering Axis  
6 communications. Donovan protested but to no avail. The result left OSS with no access  
7 to intercepted Japan messages (Magic and JN-25) and only select Enigma traffic from the  
8 Germans. The FBI, G-2, and ONI also protected their monopoly on domestic  
9 counterintelligence. Nevertheless, the OSS eventually developed a capable  
10 counterintelligence apparatus of its own overseas – the X-2 Branch, but it operated  
11 strictly abroad. The OSS was also prohibited from operating in the Western Hemisphere  
12 which was reserved for the FBI and Nelson Rockefeller’s Office of the Coordinator of  
13 Inter-American Affairs. Neither General Douglas MacArthur in the South Pacific nor  
14 Admiral Chester Nimitz in the Central Pacific saw much use for the OSS and strictly  
15 limited any role for the OSS in their campaign theaters.  
16 Undaunted, Donovan sent the OSS into every region that would allow it to operate. The  
17 OSS operated primarily in Europe and the Middle East with some operations in Asia.  
18 OSS soon expanded into a full fledged world-wide intelligence service. At its peak in late  
19 1944, the OSS employed nearly 13,000 men and women. U.S. Army personnel  
20 comprised about two-thirds of its strength, with civilians from all walks of life making up  
21 another quarter and the remainder coming from the Navy, Marines, or Coast Guard.  
22 About 7,500 OSS employees served overseas and about 4,500 were women (with 900 of  
23 them serving overseas.<sup>194</sup> The OSS budget for 1945 was \$43 million. Over its four year  
24 life its total spending was around \$135 million (almost \$1.1 billion in today’s dollars).  
25 The main branches of OSS included Research and Analysis (R & A), Special Operations,  
26 Secret Intelligence (SI), and Counterintelligence (X-2).

27  
28

29 **Research & Analysis (R&A)**

30

31 Although the espionage-based branches of the OSS often gained greater notoriety, the  
32 agency’s R&A branch was one of America’s few contributions to modern intelligence,  
33 strategic intelligence analysis. Headed by Harvard historian, William Langer, R&A was  
34 comprised of leading academics, scientists, engineers, and diplomats, nearly 900 in all.<sup>195</sup>  
35 The R&A roster contained such scholars as Arthur Schlesinger, Walt W. Rostow, Edward  
36 Shils, Herbert Marcus, H. Stuart Hughes, Gordon Craig, Crane Brinton, John King  
37 Fairbank, Sherman Kent, and Ralph Bunche. These professors welcomed the chance to  
38 serve the war effort with their academic skills. It was a formidable intelligence source.  
39 Drawing on Donovan’s vision of a service that could compile and collate data from not  
40 only open sources but from all departments of the government, R&A experts developed

---

<sup>193</sup> The change of the name to OSS marked the loss of the “white” propaganda mission but also reflected Donovan’s wish for a title that incorporated his sense of the “strategic” importance of intelligence.

<sup>194</sup> See Warner, OSS, p. 9.

<sup>195</sup> Because of its prodromant backup of academics, R & A was often referred to as the campus - - a name that stuck to its organizational offspring, the CIA and to the Agency’s headquarters at Langley, Virginia. See Doug Henwood, “Spooks in Blue,” CIA at Yale, p. 1.

1 over 2,000 reports for use during the war. Unfortunately, most were never read by Allied  
2 planners or commanders in the field.. The R&A had trouble finding customers for its  
3 product.  
4 R&A did make a major contribution in its support to the Allied bombing campaign in  
5 Europe. Its Enemy Objectives Unit (EOU), a team of economists posted to the U.S.  
6 Embassy in London, helped identify and gather information on possible German targets.  
7 It helped determine the shape of the air war in Europe.  
8 Housed at 40 Berkley Square in London, EOU was the brainchild of an Army Air Corps  
9 colonel, Richard D' Oyly Hughes. In 1942 Hughes found himself in London, wholly  
10 dependent on British sources of intelligence, without an independent staff capable of  
11 evaluating that intelligence for U.S. air objectives.<sup>196</sup> The Army Air Force had  
12 committed itself to a massive daylight precision bombing program without developing  
13 the doctrine and techniques of target selection or the intelligence required to support the  
14 exercise.<sup>197</sup> To help correct the problem, Hughes induced Ambassador John G. Winant  
15 and General Dwight D. Eisenhower to request trained civilians be sent to London to  
16 work for him. Among the new recruits was Walt Rostow, a Harvard trained economist.  
17 The objective of the new group was to develop and apply criteria for the selection of  
18 bombing targets. According to Rostow, "We sought target systems where the destruction  
19 of the minimum number of targets would have the greatest, most prompt, and most long-  
20 lasting direct military effect on the battlefield."<sup>198</sup> It was serious, rigorous intellectual  
21 business.  
22 After suffering heavy losses, Allied commanders were desperate to break the back of the  
23 *Luftwaffe*. They needed complete air supremacy on D-Day. Doubts also began to emerge  
24 about using a bombing offensive to bring victory, especially the British plan of area  
25 bombing of German cities. The EOU urged attacks on German fighter production, oil  
26 facilities, and bridges, especially the Seine-Lore Rivers complex. General Eisenhower  
27 and his deputy, Air Marshal Arthur Tedder, opted for concentrated attacks on western  
28 European rail marshalling yards as the best way to support D-Day operations.  
29 By luck and circumstance EOU finally won out. Allied commanders sent bombers over  
30 the German fighter aircraft factories in 1943 and 1944. The raids dramatically weakened  
31 the German interceptor force. During the week of February 1944, the entire U.S.  
32 bombing force, was dispatched to attack German aircraft production from one end of  
33 Europe to the other. The German fighter force never recovered from the raids.<sup>199</sup>  
34 With bad weather over Germany on 7 May 1944 Eisenhower also agreed to experimental  
35 attacks on six Seine bridges. Three of the bridges were badly damaged and a fourth (at  
36 Vernon) completely destroyed. The post-attack reconnaissance photograph of the  
37 submerged Vernon bridge was on every general officers desk the next morning.  
38 Eisenhower approved further attacks and German efforts to reinforce its armies in  
39 Normandy from the Calais were significantly impeded.

---

<sup>196</sup> Britain, out of necessity, had pioneered this field, creating an inter-service intelligence center in late 1940. The British taught their newly acquired skills to the Americans. See Warner, "Collapse of Intelligence Support for Air Power."

<sup>197</sup> See Walt W. Rostow, "recollection of the Bombing," *UT Discovery Magazine*, 1997.

<sup>198</sup> *Ibid.*

<sup>199</sup> "Role of the OSS Economists in Devising Allied Bombing Strategy of Germany."

1 The EOU identification of German oil production as the choke-point in the German war  
2 effort also paid off. Waves of Allied bombers began hitting German synthetic fuel plants.  
3 Air Chief Marshall, Sir Arthur Harris, Commander of the RAF bomber force, opposed  
4 the oil offensive and referred to its advocates, including EOU, as “the oily boys.”<sup>200</sup>  
5 After the bombing strikes, ULTRA intercepts soon revealed that the strikes had nearly  
6 panicked the German high command. After the Normandy invasion, in the fall of 1944,  
7 Allied planes resumed the “oil offensive.” The resulting scarcity of aviation fuel all but  
8 grounded Goring’s *Luftwaffe* and, by the end of the year, diesel and gasoline production  
9 plummeted to such an extent that thousands of German war vehicles and tanks were  
10 immobilized.<sup>201</sup> German overall oil supplies were reduced by late 1944 from 981,000 to  
11 281,000 tons.<sup>202</sup> German Gen. Adolf Galland, chief of the German fighter force, stated at  
12 the end of the war:

13  
14 The raids of the allied air fleets on the German petrol supply installations were the  
15 most important of the combined factors which brought about the collapse of  
16 Germany.

17  
18  
19  
20  
21  
22  
23 Harris was also forced to admit that the campaign had been effective. He stated grudging  
24 after the war,

25  
26 ...I still do not think it was reasonable at the time, to expect that the (oil)  
27 campaign would succeed: what the Allied strategists did was to bet on an outsider,  
28 and it happened to win the race.<sup>203</sup>

29  
30 The EOU unit continued to provide vital information on German targets such as factories,  
31 railroads, communication lines, and storage facilities throughout the war, helping to  
32 cripple the German war effort. The bombing offensive, fusing all source intelligence with  
33 operations became quiet efficient and effective. Indeed, by the end of the war, imagery  
34 processed by photo interpretation centers at Medmenham, England, were providing large  
35 portions of the tactical and strategic intelligence that Allied commanders employed  
36 against the Axis, and was a key to the bombers’ success in crippling the German  
37 economy.<sup>204</sup> The technique would soon be forgotten after the war, however.

---

<sup>200</sup> See “Role of the OSS Economists in Devising Allied Bombing Strategy of Germany,” *Studies in Intelligence*, CSI

<sup>201</sup> See Warner, OSS, p. 12.

<sup>202</sup> “Role of the OSS Economists.”

<sup>203</sup> Quoted in “Role of OSS Economists.”

<sup>204</sup> See Warner, “The Collapse of Intelligence Support for Air Power, 1944-1952,” Center for the Study of Intelligence, CIA. In the Pacific, the Joint Intelligence Center Pacific Ocean Area, a Navy and Marine Corps-staff that collated imagery, signals intelligence, and human source reporting, supported Admiral Nimitz’s island hopping campaign. In the last year of the war, the Army Air Force’s intelligence staff also

1  
2 **Secret Operations (SO)**  
3

4 The Special Operations Branch (SO) also made important contributions to the war effort  
5 throughout Europe and in some parts of Asia. As with much of OSS's work, the British  
6 guided much of the organization and mission of the branch, especially in the early years.  
7 In the year after the fall of France in June 1940 and the German invasion of the Soviet  
8 Union in 1941, British strategists sought ways to weaken Germany and ultimately defeat  
9 Hitler by using "psychological warfare." Unable to mount an invasion of the continent,  
10 the British put together a three- part strategy which included a naval blockade, sustained  
11 aerial bombing, and "subversion" of Nazi rule in occupied nations. Churchill, desiring to  
12 "set Europe ablaze" approved the establishment of the Special Operations Executive unit  
13 (SOE) to carry out the mission. The focus was on guerrilla warfare and sabotage. It fit  
14 Donovan's vision of an intelligence operation in depth with saboteurs, guerillas,  
15 commandos, and special agents behind enemy lines supporting the Allied army's  
16 advance. When the Anglo-American Combined Chiefs of Staff decided in 1942 that the  
17 United States would join Britain in the business of "subversion," the OSS Special  
18 Operations Branch became SOE's American partner. Together SO and SOE created the  
19 famous "Jedburgh" team parachuted into France in the summer of 1944 to support the  
20 Normandy invasion by hindering the ability of the Germans to reinforce their defenses.  
21 Recognizing the value of the resistance movement in France, especially the FFI (*Force*  
22 *Francise d'Interior*, or *Maquis*), the Jedburghs were to help turn the resistance into a  
23 fighting arm of the Allies. There were 93 three man teams in all, each with two officers  
24 and a radioman. Typically, an OSS officer would serve with a British officer or a Free  
25 French officer and an enlisted radio operator.<sup>205</sup> Trained as commandos at the SOE/OSS  
26 training site Milton Hall in the English countryside and at OSS facilities near  
27 Washington, DC, including Area F (The Congressional Country Club and Area B near to  
28 the Presidential retreat Shangri-La (present day Camp David), the Jedburgh teams joined  
29 up with the *Marquis* once inside France and coordinated airdrops of arms and supplies,  
30 guided partisans on hit-and-run raids and sabotaged the German war effort. After the  
31 Allied landing at Normandy, the Jedburghs and the *Marquis* continued to harass and  
32 bedevil the Germans by capturing key bridges and highway intersections and actually, as  
33 they became stronger engaging German military units.  
34

35 **Virginia Hall**  
36

37 The story of SO officer, Virginia Hall, is special. She was one of only a few women who  
38 served the OSS in occupied France. Virginia Hall grew up in comfortable circumstances  
39 in Baltimore, Maryland. She attended top schools and wanted to finish her studies in  
40 Europe. She could speak five languages. She traveled in Europe and studied in France,  
41 Germany, and Austria. In 1931 she landed an appointment as a U.S. Consular clerk in

---

established a Joint Target Group to analyze objectives in Japan and evaluate the progress of the nascent bombing campaign, under the direction of General "Hap" Arnold.

<sup>205</sup> Contrary to most accounts, the name Jedburgh" was a random code name not a village in the English countryside. It had no other significance and was assigned to the project by a security officer in 1942. See *The Jedburghs: The Secret History of the Allied Special Forces, France 1944*.



1 the American embassy in Warsaw. She wanted to join the Foreign Service, but suffered a  
2 major setback in 1933 when on a hunting trip in Turkey she lost her lower left leg. With  
3 such an injury, it was now impossible for a Foreign Service appointment. She resigned  
4 from the Department of State in 1939. The war found her in Paris and she joined the  
5 French Ambulance Service. With the fall of France in June 1940 Virginia Hall was in  
6 Vichy-controlled territory. She made her way to London and volunteered for the newly  
7 formed SOE, which sent her back to Vichy in August 1941. After spending more than a  
8 year working for British intelligence SOE, in Vichy France, she was identified by  
9 German intelligence and hunted by the Gestapo when the Germans seized all of France in  
10 August 1942. She escaped by walking over the Perrannes mountains only to be  
11 imprisoned by Franco's government in Spain. Rescued by British intelligence she found  
12 herself in London once again. Hall asked to join the SO Branch in 1944 and to return to  
13 occupied France. Disguising her as a old peasant farm woman with a limp, the OSS  
14 landed her from a British PT boat in Brittany. As "Diane," she eluded the Gestapo and  
15 made her way to Lyon where she joined up with the French resistance. She established  
16 rat lines to get downed Allied pilots out of France, mapped drop zones for supply drops,  
17 set up safe houses and linked up with a Jedburgh team after Normandy to wage guerrilla  
18 warfare against the Germans.<sup>206</sup> She had little good to say about American pilots who  
19 often missed scheduled drops or simply dropped the supplies in the wrong location. She  
20 also took exception to London's insistence that a German priest was vetted and could be  
21 trusted. Hall never allowed the man to gain acceptance in the resistance and banded  
22 members from cooperating with him. Virginia's suspicions proved correct. The man  
23 was an agent for the *Abwehr*. For her efforts in France, General Donovan personally  
24 awarded Virginia Hall the Distinguished Service Cross in September 1945. It was the  
25 only one award to a civilian woman in the entire war.

## 27 Detachment 101

28  
29 In the China-Burma-India theater Donovan's vision of "strategic" support to regular  
30 combat operations came closest to realization. Considered a sideshow by most Allied  
31 leaders, the opportunities for a large special operations program appeared evident in this  
32 remote region. Reluctant to commit large conventional forces to the area, the Allies,  
33 nevertheless, needed to secure northern Burma to ensure the flow of supplies to the  
34 embattled Chinese Nationalists.<sup>207</sup> With the U.S. Army slow to approve such operations,  
35 the field was largely left to the British and the fledgling Office of Strategic Services. In  
36 early 1942 Donovan searched for an opportunity to establish his untested agency in the  
37 China-Burma-India Theater. Donovan personally conferred with Lt. General Joseph W.  
38 Stilwell, the acerbic theater commander about using the OSS, but he found Stilwell  
39 noncommittal. Donovan, nevertheless, interpreted Stilwell's response as approval and  
40 proceeded to organize a special detachment under Capt. Carl W. Eifler, a 250 pound  
41 mountain of a man who seldom spoke more softly than a loud roar and who had served  
42 under Stilwell, to begin operations in the region. In the beginning, neither Eifler nor

---

<sup>206</sup> See Haines, Virginia Hall, *Prologue*. She met and later married a member of the French resistance Paul Goillot. Virginia Hall became one of the first female CIA officers in 1947.

<sup>207</sup> This section is based primarily on U.S. Army, Center for Military History, *Special Operations in the China-Burma-India Theater* chapter

1 Donovan had any clear idea of the detachment's mission or capabilities once it arrived in  
2 the theater.<sup>208</sup>  
3 After submitting an outline of a plan for sabotage by agents behind Japanese lines, Eifler  
4 rushed to deploy a unit before Stilwell changed his mind. He sought recruits with  
5 "intelligence, good health, and a serious disposition" as well as skills in such areas as  
6 demolition, communications, medicine, and Asia cultures."  
7 The recruits of "Detachment 101" trained at an SOE school in Canada and at a OSS  
8 training site in the Catoctin Mountains of Maryland. At Camp X near Lake Ontario,  
9 Eifler and his recruits received instruction in guerrilla tactics, studied demolition  
10 techniques, and trained in hand-to-hand combat.<sup>209</sup> In late May 1942, Eifler and his  
11 detachment left for the field. Upon his arrival Eifler found Stilwell had little inclination  
12 to use the detachment at all. Stilwell disparaged guerrilla warfare as "illegal action" and  
13 "shadow boxing." Moreover, at the same time, Navy Captain Milton E. Miles, head of  
14 the U.S. Naval Group in China, had reached an agreement with the Chinese Nationalists  
15 to train 50,000 Chinese guerillas. Determined to preserve his control of guerrilla  
16 operations, Miles complained to Stilwell about Detachment 101. Feeling "squeezed" by  
17 Washington, Stilwell informed Eifler upon his arrival that "I didn't send for you and I  
18 don't want you."<sup>210</sup> In the end, Stilwell relented enough to allow detachment 101 to  
19 gather intelligence and conduct guerrilla operations in Burma. The Japanese occupation  
20 of the country had cut the Burma Road, the main supply line to China. Japanese control  
21 of the north Burmese city of Myitkyina and the surrounding region blocked completion  
22 of a new route, from the India-Burma border and enemy aircraft from the area continually  
23 harassed American transport planes flying supplies to China. Given the limited resources  
24 available, Stilwell needed any help he could get to drive the enemy out of the region.  
25 Lacking men, equipment, funds, current intelligence on Burma, and a clear directive from  
26 Washington, Eifler faced an immense task in attempting to build a clandestine  
27 organization. Funds were so tight, Eifler paid for many of the detachments initial  
28 expenses with his own money.  
29 At a tea plantation in India, the detachment established a base camp under the cover of a  
30 center for malarial research. It recruited Burmese refugees and military personnel  
31 anxious to fight the Japanese. They received instruction in demolition, weapons,  
32 communications, ambushes, and unarmed combat. Eifler stressed sabotage, intelligence  
33 collection and the establishment of agent nets initially while laying the foundation for  
34 guerrilla activities. Detachment 101 sought to secretly establish a base at Sumprabum  
35 near the Allied front lines and send eight agents in early December 1942 into  
36 Sumprabum. Unfortunately, their arrival with baggage and porters, was about as  
37 clandestine as that of a circus entering a town.<sup>211</sup> The Japanese blocked every attempt to  
38 infiltrate the area. Complicating matters further, the British local commander demanded  
39 control over all operations in his area.<sup>212</sup>

---

<sup>208</sup> William R. Peers, "Guerilla Operations in Northern Burma," *Military Review* 28(June 1948), p. 11.

<sup>209</sup> Unfortunately, much of the instruction was derived from British Commando operations in Europe and had limited applicability to Asia.

<sup>210</sup> Quoted from Dunlop, *Behind Japanese Lines*, p. 109. See also Milton E. Miles, *A Different Kind of War*, ed. Daniel Hawthorne (Garden City, New Jersey, Doubleday, 1967).

<sup>211</sup> Dunlop, *Behind Enemy Lines*, pp. 142-143.

<sup>212</sup> Ibid.

1 Frustrated, Eifler negotiated a deal with Brig. Gen. Edward H. Alexander, the air  
2 commander attempting to fly supplies over northern Burma and the Himalayas to China.  
3 Suffering heavy losses, Alexander was willing to cooperate with any unit that might help  
4 save his pilots. Eifler pointed out that Detachment 101 could reach the area and contact  
5 friendly Kachins to help airmen escape back to Allied territory. Alexander offered to  
6 provide planes and parachute the detachment into the region immediately. Although the  
7 operation had limited success, it was enough to impress Stilwell and he approved an  
8 expansion of Detachment 101's strength and activities. Stilwell directed Eifler to expand  
9 his contacts with the Kachins, to gather more intelligence on Japanese movements, and to  
10 ultimately provide the Kachins with arms and equipment for guerrilla operations against  
11 the Japanese. The focus of Detachment 101's activities began to change from sabotage to  
12 guerrilla warfare.

13 With barely 120 Americans at any one time, Detachment 101 eventually recruited almost  
14 11,000 Kachins to fight the Japanese. When Allied troops invaded Burma in 1944,  
15 Detachment 101 teams, working 50 to 150 miles behind enemy lines, gathered  
16 intelligence, sabotaged key installations, rescued downed Allied pilots and harassed  
17 Japanese units. The Americans found the Kachins to be natural guerrilla fighters. They  
18 conducted ambushes and protected the flanks of the Allied forces. In some cases, the  
19 guerrillas even attacked fixed positions. With only .8 percent of the fighting Allied force  
20 in the north, the Kachins inflicted 29 percent of the Japanese casualties in the course of  
21 the campaign.<sup>213</sup> They were also keen observers. By late 1944 the Tenth Air Force was  
22 acquiring 80 percent of its bombing targets from detachment reports. In all, Detachment  
23 101 also rescued about 400 Allied flyers. With the opening of the Burma Road in late  
24 spring 1945, detachment 101 was deactivated on 12 July 1945 and the Kachins returned  
25 home. The remaining Americans joined the growing OSS presence in China. For its  
26 efforts, Detachment 101 received the Presidential Distinguished Unit Citation for its  
27 service in the offensive that liberated Rangoon.<sup>214</sup>

28

### 29 **OSS in China and Southeast Asia**

30

31 From 1942 to 1945 the OSS made little progress in the China theater. This was due to a  
32 lack of resources, bureaucratic infighting, and the complexities of Chinese politics.  
33 Chiang Kai-shek's Nationalist government, suspicious of any clandestine agency outside  
34 of its direct control, limited its support to the Joint Sino-American Cooperative  
35 Organization (SACO) dominated by Chiang's director of internal security Tai Li with  
36 Milton Miles as its deputy director. To gain entry into the theater, Donovan initially  
37 placed OSS activities in Asia under Miles, but the partnership never worked well. Miles  
38 was determined to be independent of the OSS, which he perceived as staffed with "old  
39 China hands" who were unable to deal with the Chinese as equals. Donovan and his  
40 staff, in turn, regarded Miles as a tool of Tai Li, who repeatedly blocked OSS efforts to  
41 establish an American intelligence presence in China independent of the Nationalists  
42 regime. Donovan, in late 1943, personally told Tai Li that the OSS would operate in  
43 China whether he liked it or not. The OSS operatives in China finally freed themselves  
44 from Miles when they founded a patron in Maj. Gen. Claire L. Chennault of the U.S.

<sup>213</sup> Dunlop, *Behind Enemy Lines*, pp.326, 412-423.

<sup>214</sup> Warner, OSS, p. 18.

1 Fourteenth Air Force (creator of the famous "Flying Tigers"). With Chennault's support  
2 and approval, they established the Air-Ground Forces Resources technical Staff  
3 (AGFRTS) to collect intelligence for accurate target information and help downed pilots  
4 escape from behind Japanese lines. An OSS mission even investigated the possibility of  
5 supplying arms to Mao Tse-tung's communists, who were conducting operations against  
6 the Japanese from Yenan.<sup>215</sup>  
7 The establishment of a semi independent OSS branch in China and the end of the war in  
8 Europe in early 1945 greatly facilitated the expansion of OSS operations in Asia. When  
9 Maj. Gen. Albert C. Wedemeyer assumed command of the new China theater in October  
10 1944, he pushed hard for control over all U.S. clandestine operations in China.  
11 Wedemeyer's arguments before the Joint Chiefs of Staff and Donovan's constant  
12 complaints to Roosevelt of Chinese obstructionism resulted in the creation of an OSS  
13 agency independent of SACO and under Wedemeyer's control. By the summer of 1945  
14 OSS teams were training and leading Chinese partisan operations against the Japanese in  
15 southern China.<sup>216</sup> The Nationalist government only grudgingly aided the effort.  
16 Nevertheless, by the end of the war in August 1945 Chinese commando units, trained and  
17 lead by the OSS, had become an effective fighting force, despite Chiang's reluctant  
18 support.  
19 In Southeast Asia, as in China, OSS plans to organize guerilla were just reaching fruition  
20 when the war ended. The OSS faced formidable obstacles in the region including British  
21 and French interest in reestablishing their colonial rule. These allies viewed with great  
22 suspicion all OSS efforts to form an independent intelligence service in the area.  
23 Nevertheless, the OSS reached Ho Chi Minh in Tonkin in May 1945 and began sending  
24 arms and training officers to help train the Viet Minh. General Vo Nguyen Giap, unlike  
25 the Nationalist Chinese, supplied 200 of his best troops for service against the Japanese.  
26 An OSS medic even cured Ho Chi Minh of malaria and dysentery. At the time of the  
27 Japanese surrender, the Viet Minh were just beginning to establish control of much of  
28 what later became Vietnam.  
29 The true potential of OSS trained guerrilla groups in China and in Southeast Asia was  
30 never realized. Nevertheless, special operation, particularly those of Detachment 101  
31 played an important role in the successes achieved in the China-Burma-India Theater and  
32 set a precedent for later operations during the Cold War.

### 34 **Morale Operations Branch (MO)**

35  
36 The Morale Operations Branch (MO) split from Special Operations in 1943 to perform  
37 the "black" propaganda mission left behind in OSS when the Office of War Information  
38 (OWI) took over "white" or overt propaganda programs. MO, unlike the U.S. Army or  
39 the OWI, ran campaigns based on deception and subversion. Its output was unofficial  
40 and disclaimed by federal authorities. It was designed to appear as if it came from  
41 German or Japanese sources. Operating primarily in Europe, it closely resembled Nazi  
42 fifth-column activities of the 1930s and early 1940s. It was to aid the U.S. Army war  
43 effort by demoralizing the *Wehrmacht* and undermining the German's belief in Hitler and  
44 Nazism. It was to lower the morale of Axis troops and increase civilian resistance to the

---

<sup>215</sup> Smith, OSS, pp. 250-257.

<sup>216</sup> Center for Military History, Special Operations.

1 regimes in Berlin and Tokyo. In yet another example of the ways in which OSS  
2 organized itself to mirror the British, MO paralleled and worked closely with the British  
3 Foreign Office's Political Warfare Executive.<sup>217</sup>  
4 In July 1944 Gen. Robert A. McClure of the PWD instructed OSS's David Bruce that  
5 MO was to create the impression in Germany "that internal rot has set in ... that effective  
6 controls are breaking down.... That others ... accept defeat as the best interests of the  
7 nation." MO was to use all means available to encourage desertion, dereliction of duty,  
8 and surrender within the *Wehrmacht* and to create divisions, frictions, and suspicion  
9 within the German administration and population.<sup>218</sup>  
10 The MO developed a variety of propaganda materials including rumors, fake newspapers,  
11 posters, leaflets, and radio programs to get its message across. All were purported to be  
12 to originate from enemy sources. After D-Day MO rumors stressed tensions between the  
13 SS and the army and between Nazi Germany and its allies. The rumors included stories  
14 claiming that Nazi leaders were making plans to flee to South America, were enjoying  
15 foods and luxuries ordinary Germans could not obtain. Teams of MO agents spread  
16 leaflets behind enemy lines designed to foment disobedience and suspicion among  
17 enlisted men, encourage mutiny, and lower morale. One fake newspaper, *Der*  
18 *Oesterreicher*, purported to represent a resistance group determined to split Austria from  
19 Germany. The paper was produced in Washington, printed in Rome, and delivered after  
20 October 1944 by agents and air drops. Special issues of *Time* and *Life* were also printed  
21 just for Axis forces. These magazines contained feature stories by fictitious POWs  
22 describing the luxuries of American captivity and encouraging others to quit the war and  
23 join them in Canada or the United States.<sup>219</sup>  
24 Distribution problems continually troubled MO operations. Two operations in Italy, code  
25 named *Sauerkraut* and *Ravioli*, used uniformed and armed German and Italian POWs ,  
26 provided with fake identity papers, to infiltrate enemy lines and distribute propaganda.  
27 These missions exemplified the willingness of the OSS leadership to use whatever means  
28 it thought necessary to defeat the Nazi. These missions were in direct violation of the  
29 1929 Geneva Convention and the U.S. Army Rules of Land Warfare. They were using  
30 expendable POWs for MO work.  
31 MO even used the German postal system to spread its propaganda. Using replicas of  
32 German mail bags complete with official markings, the MO stuffed them with  
33 propaganda: poison pen letters, black newspapers, leaflets, and posters bearing forged  
34 and canceled postage stamps and actual addresses gleaned from prewar German  
35 telephone directories. Allied aircraft then dropped the bags during actual bombing runs.  
36 MO reasoned that Germans finding the bags after the raid would assume, they were  
37 destroyed mail cars and return them to postal authorities, who would distribute the pieces  
38 with the daily mail, thus solving MOs distribution problems. The operation was  
39 described as a stunning success.<sup>220</sup>

---

<sup>217</sup> Warner, p.18.

<sup>218</sup> Clayton D. Laurie, "The OSS Morale Operations Branch in Action, 1943-1945," in Laurie, *The Propaganda Warriors: America's Crusade Against Nazi Germany* (Kansas: University of Kansas Press, 1996).

<sup>219</sup> *Ibid.*

<sup>220</sup> *Ibid.*

1 MO also realized early on the value of radio. It became a primary medium for  
2 disseminating black propaganda. MO recruited Hollywood writers, musicians, and actors  
3 and actresses'. It even opened a music department in New York City, using the services of  
4 the J. Walter Thompson advertising agency, to recruit song writers. A typical twelve-  
5 hour broadcast day included news from the front, air-raid warnings and bomb damage  
6 reports, POW political commentaries, German domestic news, music and messages from  
7 a totally fabricated resistance group inside Germany. After the 20 July 1944 attempt on  
8 Hitler's life, MO broadcast the names of hundreds of Germans supposedly involved in  
9 the plot, seeking to implicate both the guilty and the innocent to help eliminate top  
10 German leadership and intelligentsia. Radio was one of the most effective means of  
11 distributing Allied materials. In addition to numerous agent and POW reports, OSS  
12 learned after the war that in 1945 Joseph Goebbels had noted in his diary, that "the  
13 Americans were trying to play the same game with the German people as we played with  
14 the French during our western offensive in the summer of 1940. Almost hourly they put  
15 out false reports of the captured towns and villages, thus creating the greatest confusion  
16 among the German public."<sup>221</sup>  
17 MOs over-all role in the war was rather insignificant. By the war's end MO efforts,  
18 however, had convinced Washington policymakers that modern wars required  
19 "psychological" efforts as well as conventional military and economic ones. "Fighting  
20 fire with fire" became another tool in modern warfare.

21  
22  
23  
24

### 25 **Secret Intelligence Branch (SI)**

26

27 Donovan had not intended that his new intelligence service become a "spy" agency,  
28 running espionage operations in foreign countries. He wanted OSS to support military  
29 operations in the field by providing research, propaganda, and commando support. He  
30 quickly became convinced, however, of the value of clandestine operations and human  
31 reporting (Humint). In 1942, with the establishment of the OSS, Donovan included a  
32 Secret Intelligence Branch (SI). The OSS opened field stations, trained case officers, and  
33 ran agent operations abroad. Headed by international lawyer Whitney H. Shepardson, SI  
34 became a full-fledged foreign intelligence service by the end of the war. It had stations in  
35 Europe, Asia, and the Middle East. It established liaison contacts with other foreign  
36 services and creating a body of operational doctrine.<sup>222</sup>  
37 In November 1942, the most famous SI station chief, Allen W. Dulles, set up shop on  
38 "Hitler's doorstep" in the American legation in Bern, Switzerland. Dulles had been the  
39 head of COI's New York office in the fall of 1941. There he worked with William  
40 Stephenson ("Intrepid") of British Security Coordination and gathered data on the Axis  
41 from refugees and American businessmen and journalists who traveled to Europe. His  
42 long institutional experience and wide contacts superbly equipped him to run wartime

---

<sup>221</sup> Joseph Goebbels, *The Diaries of Joseph Goebbels*, ed. Hugh Trevor Roper, (New York: G. Putman's Sons, 1978), p. 223.

<sup>222</sup> See Warner, *OSS*, p.22

1 intelligence operations out of neutral Switzerland. Dulles made the most of his many  
2 opportunities in Bern.<sup>223</sup>  
3 Soon after his arrival Dulles adopted a remnant of the fine prewar French military  
4 intelligence service, which provided him with reports on German deployments and  
5 activities in France. Allied invasion planners prized this information. Dulles also found  
6 that it was nearly impossible to run agents into Germany itself. They had little hope of  
7 evading the Gestapo. Since travel between Germany and Switzerland was relatively free,  
8 however, Dulles discovered that a variety of German émigrés, resistance figures, and  
9 anti-Nazi intelligence officers came to him. Through Hans Bernd Gisevius, a member of  
10 the *Abwehr*, Dulles knew, for example, of the tiny but daring opposition to Hitler in  
11 Germany itself. He also became aware of the 20 July 1944 plot to assassinate Hitler.<sup>224</sup>  
12 Washington forbid Dulles from making any firm commitments to the conspirators, but  
13 they nevertheless, provided Dulles with reports on developments and conditions within  
14 Germany including vague warnings of plans by Hitler to build and use the V-1 and V-2  
15 rockets. In addition, Fritz Kolbe, a German Foreign Ministry official, after being  
16 rebuffed by the British, contacted Dulles and volunteered to report from Berlin for the  
17 Americans. Codenamed George Wood, Kolbe's periodic intelligence packets outlined  
18 German foreign policy objectives and provided information on German military moves.  
19 He provided details on German expectations regarding the Allied landing site on D-Day,  
20 the V-1 and V-2 rocket programs, the German Me 262 jet fighter, and on Japanese plans  
21 in Southeast Asia. Kolbe also helped expose the German spy "Cicero" who was working  
22 in the household of the British ambassador to Turkey.<sup>225</sup> Kolbe became Allen Dulles'  
23 best source in Bern during 1944 and 1945. Although Kolbe was perhaps the most  
24 valuable American spy of the war, many of the documents provided by him were sent to  
25 President Roosevelt and other top officials, much of the information he provided was  
26 distrusted for fears that he might be a double agent.<sup>226</sup>  
27 By 1945 Donovan wanted more. He desired the actual penetration of Nazi Germany by  
28 OSS agents. Donovan wanted to replicate the successes that the SI mission in Algiers  
29 had in running the "Penny-Farthing" network in Southern France. "Penny Farthing" had  
30 helped pave the way for the Allied landings in France by recruiting agents and  
31 establishing secret radio links with the resistance. Unlike Vichy France, however,  
32 Germany had no organized resistance. It was a much tougher objective. William Casey,  
33 the SI mission chief in London and future DCI, took on the problem. He found a solution  
34 by adopting the methods of a successful MO project in Italy. Casey, knowing that no  
35 Americans could survive in Hitler's Germany, found "volunteers" among the thousands  
36 of German prisoner of war in England. London SI trained the agents, provided them with  
37 carefully prepared clothing, documentation, and equipment, and dropped nearly 200 of  
38 them into the Third Reich to gather intelligence in the last months of the war. Agent

---

<sup>223</sup> Dulles had served as a junior diplomat in Bern, Switzerland during the First World War. In Bern in 1917, Dulles kept a tennis date with a young lady one Sunday morning rather than meet with an obscure Russian revolutionary named Lenin. Ever after Dulles insisted that anyone who knocked on a case officer's door deserved at least a hearing. See Warner, *OSS*, p.23.

<sup>224</sup> Gisevius fled to Switzerland in 1945. He was one of the few conspirators to survive the war. He served as a key witness for the prosecution at the Nuremberg Trials.

<sup>225</sup> *Ibid.*, p. 22

<sup>226</sup> See Lucas Delattre, *A Spy at the Heart of the Third Reich: The Extraordinary Life of Fritz Kolbe, America's Most Important Spy in World War II* (Atlantic Monthly Press, 2005).

1 teams established themselves in Bremen, Munich, Mainz, Dusseldorf, Essen, Stuttgart,  
2 and Vienna, and even in Berlin. They paid a heavy price. 36 were killed, captured, or  
3 missing at the end of the war. The information they collected, however, on industrial and  
4 military targets significantly aided the final Allied assault on Germany.<sup>227</sup>  
5

#### 6 Counterintelligence Branch (X-2)

7  
8 Donovan created the X-2 Branch in early 1943 to provide the British intelligence services  
9 with a liaison office in OSS for sharing ULTRA information, especially with regard to  
10 Operation Doublecross. In the espionage game, counterintelligence attempts to undo the  
11 enemy by analyzing his intentions, neutralizing his agents, scrutinizing the *bona fides* of  
12 defectors, and tracking down internal traitors. Headed by attorney James Murphy, X-2  
13 swiftly became an elite within an elite. Its officers had access to key Sigint intelligence  
14 and could veto operations proposed by SO and SI without having to explain their reasons  
15 for doing so.<sup>228</sup> Thus, X-2 soon earned a reputation for aloofness that the other OSS  
16 branches resented.<sup>229</sup> It had its own overseas stations and communication channels and  
17 operated in partnership with the British foreign and domestic intelligence services. In the  
18 Spring of 1944, X-2 began circulating a digest of the more interesting decrypts of  
19 German intelligence communications. These summaries offered an unprecedented  
20 inside-look at the working of the Nazi espionage system. They painted a portrait of the  
21 German intelligence community in decline and denial. By the end of the war X-2 had  
22 established itself as a formidable practitioner of clandestine operations and  
23 counterintelligence work. Because of British insistence, the Americans closely followed  
24 British security practices to protect the vital ULTRA secret from unauthorized  
25 disclosures.

26 James Jesus Angleton became the model of an innovative, activist counterintelligence  
27 officer during World War II. The X-2 station chief in Rome during the last year of the  
28 war, Angleton cultivated Italian liaison contacts (many shunned as former enemies by the  
29 other Allied agencies), reported on the political situation in Italy, and devised ways to  
30 make ULTRA information usable by U.S. Army counterintelligence officers who were  
31 not cleared to see the actual intercepts. Angleton, a withdrawn and secretive man, was  
32 ideally suited for CI work. He doubted everything and suspected everyone.

33 Despite X-2's successful efforts with regard to ULTRA information, OSS had a dismal  
34 security reputation. X-2 hunted the agents of the Axis intelligence services not the Allies.  
35 The OSS Washington headquarters was riddled with Soviet spies and sympathizers.  
36 Donovan hired some precisely because they were communists, he wanted their help in  
37 dealing with partisan groups in Nazi-occupied Europe. Others such as Donovan's own  
38 aide Duncan Lee, R&A economist Donald Wheeler, MO Indonesia expert Jane Foster  
39 Zlatowski, and Latin American specialist Maurice Halperin readily passed information to  
40 Moscow. OSS operations in Burma/China were also badly penetrated by communist  
41 agents.<sup>230</sup>

---

<sup>227</sup> Ibid.

<sup>228</sup> The U.S. Army and Navy refused to give Donovan and his OSS a role in procuring or analyzing enemy signals intelligence. X-2 was an exception to this ban.

<sup>229</sup> See Warner, *OSS*, p. 29.

<sup>230</sup> See Warner, *OSS*, p.29.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

**Cooperation with the British**

The OSS maintained close contacts with the British intelligence services, especially the British Special Operations Executive, during the war. The British, with their long experience in the field had much to teach the Americans. Both sides, however, gained from the partnership. The OSS needed information, training, and experience, all of which the British could and did provide. The British, on the other hand, sought to share in the wealth of resources the Americans seemed to command, to expand their own operations against the Axis powers. Despite a desire to cooperate, however, harmony between the OSS and its British counterparts was often difficult, if not impossible to achieve. British intelligence services had their own operations and plans to protect. They feared that working too closely with the inexperienced Americans might jeopardize their operatives in occupied Europe and elsewhere. They desired to keep the Americans in a "junior partnership status." For its part, the OSS was wary of becoming too dependent on even a friendly foreign intelligence service and sought to plan and run its programs independently of the British. Conflicting views regarding over-all foreign policy objectives also hampered liaison, especially in Asia. The Americans frowned on British imperialism and efforts to maintain British colonies. OSS officers often opposed British plans they viewed as efforts to expand the empire. Despite these obstacles, the liaison relationship grew during the war.

**Quiet Diplomacy**

During the course of World War II OSS officers often found themselves functioning as diplomats. Without official U.S. representation in many parts of the world, the OSS officers became de facto representatives of the United States. They conducted secret negotiation aimed at creating pro-Allied factions in either enemy or neutral countries, maintained links with disaffected enemy officers, and provided intelligence on pro-Allied sentiment. This was not a role envisioned for the OSS by Donovan but, in fact, it became a key part of OSS operations and remains today as an unofficial informal channel of communication and negotiation.

**North Africa 1942 Operation "Torch"**

On 8 November 1942 90,000 Allied troops, mostly American, landed in Vichy French-controlled Morocco and Algeria to begin the first U.S. offensive action of World War II, Operation "Torch." OSS's role in the planning and execution of Operation "Torch" was extensive. OSS agents in the field not only collected military information detailing possible landing sites for Allied troops and the strength and disposition of French forces, but organized guerrilla support units to assist the invading forces. The OSS also maintained links with disaffected officers of the Vichy French army of North Africa. OSS attempted to recruit French General Henri Giraud to the Allied side in the hope that he

1 could persuade the French forces in Africa not to resist the American landings.<sup>231</sup> OSS  
2 agents also claimed that the resistance of the Vichy French to the American invasion of  
3 North Africa would be minimal. The R&A Branch concurred in this optimistic view. In  
4 the event of an invasion by U.S. forces, it believed that Vichy French would not resist.  
5 They predicted the swift occupation of French North Africa.

6 In fact, OSS's assessment of Vichy French motivation was poor. The day of Operation  
7 "Torch" the French put up a fierce resistance to the American forces.<sup>232</sup> While the OSS  
8 was correct in assessing that the French were fundamentally pro-Allied, it did not  
9 understand that the French were also prepared to defend their own national interests. OSS  
10 might have looked at the Syrian campaign of May 1941 for guidance. There Vichy  
11 French forces strongly resisted an invasion force of British and Free French troops. OSS  
12 officials also ignored Marshal Petain's own words when asked by U.S. Ambassador  
13 William Leahy what his reaction would be to an American invasion of North Africa.  
14 Petain relied that he would order French forces to resist any invasion strongly and that he  
15 expected his orders to be carried out. OSS's diplomatic efforts to break the links between  
16 the Petain government and the Vichy French army in North Africa in retrospect appear  
17 misguided and naïve. OSS's venture into political intelligence and diplomacy proved a  
18 failure. Nevertheless, OSS's high quality military intelligence work for "Torch" and the  
19 operations general success put "OSS into the big time as far as American military leaders  
20 in Europe were concerned and insured Donovan the continuing support of both Roosevelt  
21 and Eisenhower."<sup>233</sup>

#### 22 23 24 **"Operation Sunrise"** 25

26 In the spring of 1945 Allen Dulles and SI made one of the OSS's greatest contributions to  
27 the war effort. German generals and officials as high ranking as SS chief Heinrich  
28 Himmler began to float secret peace proposals to the British and the Americans. While  
29 some of these offers might have been genuine, the Allied "unconditional surrender"  
30 policy and fear of provoking the suspicions of the Russian and Joseph Stalin, constrained  
31 American diplomats and army officers from encouraging these peace feelers.  
32 Washington made one important exception. The Roosevelt administration allowed Allen  
33 Dulles to meet with SS General Karl Wolff, who secretly offered to broker a separate  
34 surrender of German forces in Italy.<sup>234</sup> The result of this meeting became Operation  
35 SUNRISE, a complicated plan to bring an early end to the Italian campaign. Dulles,  
36 managing the contacts and negotiations from Bern, managed to pull it off, despite near

---

<sup>231</sup> Giraud proved uncooperative. See David A. Walker, "OSS and Operation Torch, *Journal of Contemporary History*, vol. 22, no.4 (October 1987), pp. 667-679.

<sup>232</sup> Hitler's decision to invade the unoccupied zone of France, ironically participated a French cease fire with the Americans. See Walker, p. 672.

<sup>233</sup> See Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington, 1976), p. 70 and William L. Langer, *Our Vichy Gamble* (New York, 1947).

<sup>234</sup> Karl Wolff was formerly Himmler's liaison to Hitler. Himmler appointed him Highest SS and Police Leader for Italy. He arrived in Rome in September 1943 with the German occupation of the city. Recently declassified SS Security Service (SD) and Police decrypts between Rome and Berlin suggest that Wolff was an essential participant in the German decisions to deport Italian Jews to Auschwitz. See Richard Breitman and Timothy Naftali, *Report to the IWG on Previously Classified OSS Records*, June 2000

1 disasters and threatened breakdowns. In April 1945 the Germans surrendered in Italy, six  
2 days before V-E Day, thus saving thousands of lives.<sup>235</sup> This was yet another example of  
3 “Quiet Diplomacy” carried out by the OSS during the war.

4  
5 **Thailand**

6  
7 Thailand had actually declared war on the United States and Great Britain after Pearl  
8 Harbor and became a host for Japanese bases. Washington ignored Bangkok’s  
9 declaration, however, when it became clear that a portion of the Thai ruling class opposed  
10 Japan and sought to keep Thailand out of the conflict as much as possible. OSS officers  
11 attempted to work with this opposition in the hopes that they would rise up against the  
12 Japanese. Since the United States had no embassy in Thailand, the OSS found itself  
13 functioning as diplomats. The OSS effort bore little fruit until 1944. By April 1944 OSS  
14 leaders were frantic to reach the Thai resistance ahead of the British. They suspected that  
15 the British would attempt to establish a protectorate in Thailand after the war. An OSS  
16 agent reached the Thai underground in October 1944 and found a substantial network of  
17 agents already in place. In response to a Thai request for U.S. assistance in training Thai  
18 forces, the OSS in early 1945 parachuted personnel into the country and laid plans to  
19 train 10,000 guerillas. The war ended before the Thai guerillas saw action.<sup>236</sup>

20  
21  
22 **Holocaust Intelligence**

23  
24 One of the grimmest parts of the Second World War was the Holocaust. This entailed the  
25 systematic destruction of European Jews and other groups which the Nazis deemed  
26 “inferior.” One of the major war aims of Nazi Germany was the extermination of global  
27 Jewry. By the end of the war the Jewish population had been reduced by a third to a  
28 quarter of its 1939 level.<sup>237</sup> In late July 1941 Reich Marshall Herman Goering signed the  
29 order calling for a “final solution” to the Jewish presence in German-occupied Europe.  
30 During the final phases of the planning for the invasion of the Soviet Union, the SS and  
31 the German General Staff also approved plans for killing Jews as part of the policy to  
32 liquidate all “undesirables” from countries they had overrun during the war.  
33 Allied communications intelligence discovered nothing of the prewar and early wartime  
34 high-level planning for the general campaign against Europe’s Jews and other groups  
35 targeted for elimination. This situation was also true for most of the large-scale wartime  
36 plans, such as the massacres in the western Soviet Union or the establishment of death  
37 camps. Usually, Nazi planning, preparations, and orders to carry out these operations  
38 were not communicated in a means such as radio that could be intercepted by Allied  
39 monitoring stations. Plans and orders were delivered by courier or were communicated  
40 orally at meetings denied to Allied monitoring. Immediately after the conquest of Poland  
41 in September 1939, for example, German security elements moved to target segments of  
42 the Polish population and Jews in general. A limited number of German Police messages

---

<sup>235</sup> Warner, p. 24.

<sup>236</sup> Nicol Smith, *Into Siam* (Indianapolis: Bobbs-Merrill, 1945) and Smith, *OSS*, pp. 296-314.

<sup>237</sup> This section relies primarily upon the detailed report of Robert Hanyok, NSA historian, “Eavesdropping on Hell.”

1 reported such events as the mass arrest of Polish officers near Warsaw and the transfer of  
2 2,000 Jews from the town of Nasielesk to Novydvor. Yet, information about anti-Jewish  
3 actions in Poland remained sparse. There were no further decrypts of police messages  
4 from Poland in 1940 and 1941.  
5 The first indications from Comint sources of large-scale efforts to annihilate Jews and  
6 others came shortly after the German invasion of the Soviet Union in June 1941. A radio  
7 message from the Police Regiment Center reported the execution of 1,153 Jewish  
8 "plunderers near the town of Slonim in Belorussia. In late 1941 the Nazis began  
9 implementing some of the legal and administrative machinery to carry out their plans for  
10 exterminating Europe's Jews, including those in occupied countries. German police  
11 decrypts carried information about rail transport of German Jews from cities such as  
12 Berlin and Bremen, to ghettos in occupied territories to the east.<sup>238</sup>  
13 At the same time, another critical part of the Nazi extermination planning began to  
14 operate – the death camps. From early 1942 until the end of the war, the SS organized  
15 and oversaw a system in which Jews from occupied Europe and from Axis-aligned  
16 countries, were transported to the various labor and death camps in Eastern Europe. The  
17 camps communicated periodic reports to SS and Police headquarters in Berlin by radio.  
18 The SS had its own version of the Enigma cipher machine, which it used to encrypt  
19 messages that reported the conditions and population counts of the various camps.  
20 GC&CS broke this SS enigma cipher in late 1940 under the cover name ORANGE.<sup>239</sup>  
21 Each camp sent a daily or monthly report listing the tally of laborers from various ethnic  
22 and national groups. An example of a typical report, sent on 3 October 1942, detailed the  
23 totals and subtotals of the slave population from Auschwitz, which was identified by the  
24 single letter "F" (derived from the last letter of the camps radio callsign, "OMF." There  
25 were eight columns of numbers that broke down as follows: "Total at the beginning of  
26 the day," "Increase," "Decrease," Total at the end of the Day," "Jews," "Poles,"  
27 "Unknown," and "Russians." These reports tallied only the slave labor population and  
28 not those being executed. The reports also usually reported significant changes to a  
29 camp's population. A report from Auschwitz, for example, for September 1942 showed a  
30 loss at the end of the month of around 32% of the total labor population. A report from  
31 Dachau for November 1942 showed an increase in the labor force of around 2.5%.<sup>240</sup>  
32 The SS also radioed information to Berlin regarding the extermination totals of Jews in  
33 the death camps. For example, a report from Lublin to Berlin on 11 January 1943  
34 enumerated the number of Jews eliminated as part of Operation Reinhard at four death  
35 camps, Lublin, Belzec, Sobibor, and Treblinka, for both the last two weeks of December  
36 1942 and for the entire year of 1942. The total number of Jews eliminated for 1942 was  
37 1,274,166. It appears that British analysts who decrypted the message missed the  
38 significance of it because the message itself contained only the identifying letters of the  
39 death camps followed by the numerical totals. The only clue would have been the  
40 reference to Operation Reinhard, the meaning of which, the plan to eliminate Polish

---

<sup>238</sup> Hanyok, p. 48.

<sup>239</sup> A few machine cipher systems, such as the German Gestapo Enigma, known as TGD, defied Allied cryptanalysis completely during the war. See Hinsley, vol. 2 Appendix 4, pp656-668.

<sup>240</sup> Hanyok, p.49.

1 Jewry, was named after the assassinated SS General Reinhard Heydrich, was probably  
2 unknown to the codebreakers at Bletchley at the time.<sup>241</sup>

3 From February 1942 to February 1943, these radio messages continued to be sent from  
4 the camps to SS headquarters. There were limitations to what could be learned from  
5 these decrypts however. Not all camps reported by radio nor did camps set up by minor  
6 Axis partners and Vichy France that were used to hold Jews for transport to the Nazi  
7 death camps report by radio. By early 1943, these SS reports completely ceased to be  
8 sent by radio. This was likely because of increasing SS concern about security and new  
9 hard line communications such as telephone and telegraph lines to the camps.  
10 Nevertheless, communications intelligence from the German Police messages and the SS  
11 concentration camp radio reports suggests that this intelligence source could have warned  
12 the Allied leadership of what would eventually befall Europe's Jews. Despite this  
13 possibility, according to Robert Hanyok, a leading author on the issue, there were several  
14 constraining factors which prevented Comint from being the "single warning factor:"

- 15 (1) These messages were intercepted after the programs of massacres and death  
16 camps had begun.
- 17 (2) The Comint could be subject to widely different interpretations that could be  
18 ambiguous to the analyst.
- 19 (3) The Nazis were doing something outside the historical experience and  
20 imagination of most people.
- 21 (4) Much of the world, including many in the major Allied nations, held anti-Semitic  
22 sentiments.
- 23 (5) Comint priorities weighed most heavily, not surprisingly, on military  
24 communications. German Police and SS communications were collected as a  
25 supplement to intelligence on the military and domestic situation in Germany.
- 26 (6) These Police and SS intercepts were not the highest Allied priority
- 27 (7) The Nazis adopted policies to tightly control the spread of information about the  
28 plans and operations to carry out their goal of eliminating all Jews and other  
29 undesirables from Europe.
- 30 (8) As much as 85 to 90 percent of all messages collected by the Allied Comint  
31 agencies were not processed to the point of formal dissemination.
- 32 (9) Information from Comint about Nazi efforts to eliminate the Jews was  
33 fragmentary or episodic at best.<sup>242</sup>

34  
35  
36 As for what the Americans knew about German efforts against the Jews, The United  
37 States came into the European war only after December 7, 1941. The Americans  
38 collaborated with the British on many European Axis military cryptologic efforts, but  
39 generally in a subsidiary or complementary way. The SIS did not establish a Comint  
40 mission for Europe that was fully separate from the British. It did not receive any German  
41 Police decrypts or SS messages until after the BRUSA Agreement. At that point in the  
42 war, the intelligence about the Holocaust was meager. What information the Americans  
43 did have about the Holocaust from its own intercepts mostly derived from messages from  
44 diplomatic missions. The Japanese ambassador to Nazi Germany, Oshima Hiroshi,

---

<sup>241</sup> Ibid.

<sup>242</sup> See Hanyok, pp.80-86.

1 however, reported nothing on the concentration camps or Nazi efforts in the western  
2 Soviet Union to destroy the Jews. American efforts reflect the U.S. focus, at least in the  
3 Comint arena, on the Pacific campaign, and except for the U-boat campaign and  
4 worldwide diplomatic intercepts, are bereft of most German military and SS translations.  
5 Finally, it must be remembered that the primary purpose of the Allied intelligence  
6 agencies, including the Comint organizations, was the collection, processing, and  
7 dissemination of information supporting the prosecution of the war against the Axis  
8 powers. London and Washington never made gathering intelligence about the fate of  
9 Europe's Jews and other groups targeted by the Nazis a major requirement for their  
10 intelligence agencies. The information collected was a byproduct, even incidental, to the  
11 coverage of Axis military and diplomatic communications nets. The knowledge of Nazi  
12 atrocities was of little use to the Allied prosecution of the war, except in a limited  
13 propaganda way. There was really little the Allies could have done to stop the Nazi  
14 slaughter of the Jews except to totally defeat the Axis as soon as possible.

#### 16 **The American Joint Intelligence Committee (JIC)**

17  
18 Donovan's OSS was not the only American agency to produce intelligence reports for  
19 U.S. senior policymakers. Originally proposed by Gen. Raymond E. Lee, the U.S.  
20 Military Attaché in London, in early 1941, the Joint Intelligence Committee was  
21 patterned after the British JIC. The War Department was not enthusiastic about the idea  
22 until President Roosevelt created the COI under Donovan. The military used Lee's plan  
23 for a JIC to "head off" the intrusions of Donovan into the affairs of military intelligence  
24 by creating a joint interdepartmental organization based on the British model.<sup>243</sup> The new  
25 agency consisted of the Assistant Chief of Staff, G-2, The Director of Naval Intelligence,  
26 an Assistant Secretary of State, a representative of the Board of Economic Warfare (later  
27 the Foreign Economic Administration), and the COI (later the Director of the OSS).  
28 There were serious concerns about allowing the COI and other civilians to be represented  
29 on the JIC; the military feared that the civilians would ultimately seek, "membership in  
30 the Joint Planning Committee and at the Joint Chiefs of Staff level.  
31 In the end, there would be no FBI, Army Air Corps, or direct signals intelligence services  
32 representation on the early JIC. Although an Army Air Corps representative would be  
33 added later, J. Edgar Hoover and the FBI were never permitted to sit at the big  
34 intelligence table.<sup>244</sup> After a Hoover request to join the JIC, the heads of the military  
35 intelligence services reached a general consensus not to allow Hoover to take part.  
36 Domestic counterintelligence was thus excluded from this high level committee.<sup>245</sup>  
37 Gen. Raymond Lee, who later became Assistant Chief of Staff G-2, seemed to express  
38 the views of JIC members with regard to Hoover and the FBI when he wrote on 8 August  
39 1940:

<sup>243</sup> See Larry A. Valero, *The American Joint Intelligence Committee and Estimates of the Soviet Union, 1945-1947*, CSI, *Studies in Intelligence, CIA*, pp. 2-3. The British JIC function since 1936 under the British Chiefs of Staff. It was responsible for the preparation of intelligence "appreciations" (estimates) and the coordination of administrative matters affecting the various intelligence services represented on the JIC.

<sup>244</sup> *Ibid.*, p.3.

<sup>245</sup> The exclusion of domestic counterintelligence was in sharp contrast to the British system which included membership of MI-5 (the equivalent of the FBI) on their committee.

1           The papers here had a big piece yesterday about counter-espionage, which is  
2           apparently going to be done by the FBI. I don't think they are the people to do it .  
3           . . I suppose it (counter-espionage will now be linked up with the pursuit of  
4           counterfeiters, gunmen, and kidnapers.<sup>246</sup>  
5

6           The JIC's original charter called for it to furnish current intelligence (not estimates) for  
7           use by the JCS and to provide American representation on the Combined Intelligence  
8           Committee with Great Britain.<sup>247</sup> The U.S. Army and Navy were at odds over this issue.  
9           The Army wanted the JIC to "collate, analyze, and interpret information with its  
10          implications, and to estimate hostile capabilities and probable intentions." The Navy  
11          wished JIC to present such factual evidence as might be available, but to make no  
12          "estimate or other form of prediction." The Navy did not believe it was the function of  
13          intelligence to estimate the meaning of facts. It was just to report them.<sup>248</sup> The Army's  
14          view finally prevailed when the ranking Army officer on the JIC ordered the committee  
15          to produce the first interdepartmental intelligence estimate in American history. The  
16          Navy might have protested vigorously, except the estimate on the strategic consequences  
17          of Japanese control of the Netherlands East Indies, supported its views.  
18          It was not the Army that put the JIC in the business of intelligence estimating, but British  
19          Prime Minister Winston Churchill. When Churchill arrived in Washington for the  
20          Arcadia Conference in December 1941, one of his primary objectives was to place the  
21          Combined Chiefs of Staff organization, including the Combined Intelligence Committee,  
22          on a solid foundation. As a result of the Arcadia Conference, the American JIC was  
23          tasked to work closely with its British equivalent to produce combined "appreciations"  
24          (estimates) as a basis for war planning. The Anglo-American intelligence relationship  
25          forced the JIC to produce estimates on a regular basis. It was a significant development  
26          in Anglo-American intelligence cooperation.<sup>249</sup>  
27  
28

### 29           **Importance of intelligence to the war effort?**

30  
31           Intelligence contributed a useful piece to an enormous mosaic of the Allied war effort.  
32           To lose the advantage that ULTRA and "Magic" conferred on the Allies, what Churchill  
33           called his "golden eggs," could have been critical to the prosecution of the war. This was  
34           especially true in the early years of the conflict when ULTRA was just about the only

---

<sup>246</sup> As quoted in Valero, "American Joint Committee," p. 4. Despite the FBI's failure to join JIC, the Bureau worked closely with various intelligence units of the armed services. See the later discussion of Venona.

<sup>247</sup> The Combined Intelligence Committee (American and British) had a similar structure. Allied operational requirements demanded close collaboration on intelligence matters.

<sup>248</sup> See Ludwell Lee Montague, "The Origins of National Intelligence Estimating," *Studies in Intelligence*, vol. 16, No. 2, (Spring 1972), p. 68.

<sup>249</sup> Montague, "The Origins of National Intelligence Estimating," p. 70 The British Chiefs of Staff urged their American counterparts to set up a joint intelligence organization for the coordination of U.S. intelligence. They were prepared to ask Churchill to speak directly to President Roosevelt should the JCS refuse to establish an effective American JIC. According to the official British history of intelligence, the United States and Britain entered into a series of intelligence arrangements after Pearl Harbor, which essentially established "...a single Anglo-US intelligence organization." See F.H. Hinsley, *British Intelligence in the Second World War*, abridged ed. (London: HMSO), p. 115.

1 edge that a beleaguered Great Britain had against the force of Germany and Italy. Of  
2 course, the British and the Americans utilized many other sources of intelligence beside  
3 Sigint during the war. These included classic espionage agent sources, aerial  
4 photography, technical collection of signals, captured equipment, documents, and reports,  
5 the debriefing of prisoners, defectors, and refugees, and the monitoring of foreign radio  
6 broadcasts. The Allies used intelligence from all these sources to help formulate  
7 campaign plans, strategies, and objectives. Yet, intelligence derived from Sigint sources  
8 remained "the golden egg" of the Allied war effort.  
9 Following the war there was a drastic reduction in the American and British intelligence  
10 establishment. With victory came the demobilization of the whole system.  
11  
12  
13



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

**Chapter V  
Origins and Development of the U.S. Intelligence Community**

**Emergence of the Cold War**

The emergence of the post World War II struggle between the United States and the Union of Socialist Republics (USSR) dominated international politics for nearly 50 years after the conclusion of the war. The intense rivalry between these former allies hardened into mutual distrust and suspicion. U.S. policymakers increasingly viewed the Soviet Union as aggressive, expansionist, and bent on world domination. With the advent of the Berlin Blockade, the development of the Soviet atomic bomb, the fall of China to communism, and the onset of the Korean War, U.S. officials believed they were in an all-out struggle between the democratic capitalist West led by the United States and the communist East, controlled by the Soviet Union. They saw the Soviet Union as the central driver of the unrest around the world and determined to contain this threatening menace. As the two super powers vied for support in various regions of the world, the CIA came to play an increasingly important role as a tool of U.S. foreign policy, especially in third world areas.

Determined to confront the Soviets throughout the world, U.S. officials turned to the CIA to support friendly governments and to help destabilize others. As anti-colonialism gained momentum in the late 1940s and 1950s, the United States utilized the CIA to augment U.S. policies. U.S. officials authorized the CIA to overthrow the government of (b)(1), (b)(3) Guatemala's President Jacobo Arbenz Guzman in 1954, (b)(1), (b)(3) and Fidel Castro in Cuba in 1961.

By the end of the Second World War, the United States had a massive intelligence structure that provided key information to military and civilian leaders. In the rush to demobilize at the end of the war much of this expertise was lost or forgotten. During the long Cold War, U.S. policymakers had to relearn and redevelop intelligence tools to help them deal with the perceived or real Soviet threat.

**OSS Abolished**

Before World War II, the United States government neither centralized its strategic warning systems nor its clandestine activities. Intelligence was fragmented and decentralized. The war persuaded Washington to build a formidable intelligence structure. Despite resentment from such established services as the FBI, State, and the Military Intelligence Division of the War Department, Roosevelt created America's first nondepartmental intelligence agency, the OSS, under Maj. Gen. William J. Donovan. Near the end of the war Donovan advocated the creation of a limited civilian foreign intelligence service that reported directly to the President after final victory. Donovan brought up the idea with President Roosevelt on several occasions but Roosevelt made no promises.<sup>250</sup>

In 1945, a few months before he died, Roosevelt asked one of his aides, Col. Richard Park Jr., to conduct an informal investigation of the OSS and General Donovan. Col.

<sup>250</sup> Donovan, "Memorandum for the President, 18 November 1944," reprinted in Troy, *Donovan and the CIA*, p. 267.

CIA

1 Park completed his report in March, but apparently Roosevelt never saw it. The day after  
2 Roosevelt's death, Park attended a meeting in the Oral Office with the new President  
3 Harry S Truman. Although no minutes of this discussion survive, Park probably briefed  
4 the President on his findings. In any event, Park sent Truman a copy of his report on the  
5 OSS. The report castigated the OSS for bumbling and lax security. It further complained  
6 that Donovan's proposals for a peacetime civilian intelligence operation had "all the  
7 earmarks of a Gestapo system." Park recommended abolishing the OSS all together.  
8 Park's did concede that some of the OSS's personnel and operations were worth  
9 preserving in other agencies. OSS's Research and Analysis Branch, in particular, could  
10 be "savaged," according to Park, by giving it to the State Department.<sup>251</sup> FBI Director  
11 Hoover also pressed an attack on Donovan and his plans. Hoover not only opposed  
12 Donovan's organizational proposals but also advised the White House of accounts of  
13 highly placed communists in the OSS.<sup>252</sup>  
14 President Truman felt no compulsion to keep OSS alive. He disliked Donovan  
15 personally. He also knew that much of America's wartime intelligence success had been  
16 built on cryptologic successes, in which the OSS had played only a minor role. Signals  
17 intelligence was the province of the Army and Navy, two jealous rivals that barely  
18 cooperated. They would never share information with a new civilian agency. Moreover,  
19 the nation and Congress wanted quick demobilization. The OSS was already marked for  
20 huge reductions. Congress regarded the OSS as a temporary "war agency."  
21 Although many of Truman's senior advisers and Truman himself believed that the nation  
22 needed some sort of permanent intelligence establishment, the problem was how to create  
23 a new peacetime intelligence organization without Donovan or the OSS. When the  
24 Bureau of the Budget drafted immediate liquidation plans for the OSS and other war  
25 agencies, Truman endorsed its recommendations in September 1945. The Bureau's plans  
26 called for giving the Research and Analysis Branch (R&A) to the State Department and  
27 the remainder of OSS "for salvage and liquidation" to the War Department.<sup>253</sup>  
28 Donovan predictably exploded when he learned of the plan, but Truman ignored  
29 Donovan's protests. He told Bureau of the Budget Director, Harold Smith, on 13  
30 September to "recommend the dissolution of Donovan's outfit even if Donovan did not  
31 like it."<sup>254</sup> Within a week Truman signed Executive Order 9621 which dissolved the OSS  
32 as of 1 October 1945. The order sent R&A to State and everything else to the War  
33 Department. The Order also directed the Secretary of War to liquidate OSS activities  
34 "whenever he deemed it compatible with the national interest."<sup>255</sup>

---

<sup>251</sup> Michael Warner, "The Creation of the Central Intelligence Group," CSI, *Studies in Intelligence*, pp.112-113.

<sup>252</sup> David F. Rudgers, *Creating The Secret State: The Origins of the Central Intelligence Agency, 1943-1947* (Lawrence, Kansas, University Press of Kansas, 2000), p. 37.

<sup>253</sup> *Ibid.*, p.113. The Bureau of the Budget had warned Donovan in September 1944 that OSS would be treated as a war agency to be liquidated after the war. See Thomas F. Troy, *Donovan and the CIA*, pp. 219-220.

<sup>254</sup> Presidential aide Clark Clifford later complained that "Truman prematurely, abruptly, and unwisely disbanded the OSS." See Clifford, *Counsel to the President: A Memoir* (New York: Random House, 1991), p. 165.

<sup>255</sup> Executive Order 9621, 20 September 1945, *FRUS*, pp. 44-46. That same day, Truman sent a letter of appreciation to General Donovan for his wartime contributions.

1 Donovan fumed about Truman's decision, complaining bitterly to Budget Bureau staffers  
2 who met with him on 22 September to arrange the details of the OSS's dissolution.  
3 Donovan now had less than two weeks to dismantle his sprawling agency. The Budget  
4 Bureau subsequently suggested that the War Department might ease the transition by  
5 keeping its portion of OSS functioning "for the time being," perhaps even with Donovan  
6 in charge. Bureau of the Budget administrator Donald Stone preferred someone other  
7 than Donovan for the job but promised to discuss the idea with Assistant Secretary of  
8 War John J. McCloy on 24 September.  
9 McCloy, a friend of Donovan's, and a long time advocate of an improved national  
10 intelligence capability, jumped at the opportunity to save OSS components as a nucleus  
11 of a peacetime intelligence service. He interpreted the President's order as broadly as  
12 possible by ordering OSS's Deputy Director for Intelligence, Brig. Gen. John Magruder,  
13 to preserve the Secret Intelligence (SI) and Counterintelligence (X-2) Branches "as a  
14 going operation" in a new office that McCloy called the "Strategic Services Unit  
15 (SSU).<sup>256</sup> The new SSU preserved OSS's foreign intelligence assets for eventual transfer  
16 to whatever agency received this responsibility. In contrast, on 1 October 1945, R&A  
17 moved to the State Department, which soon dismantled it. Most of its analysts returned  
18 to their universities and pre-war occupations.<sup>257</sup>

#### 19 20 **Creation of the Central Intelligence Group (CIG)**

21  
22 The problem for the Truman administration in the fall of 1945 was that no one, including  
23 the president, knew just what he wanted in the way of a centralized, peacetime foreign  
24 intelligence agency. Truman himself shared the wide-spread feeling that the government  
25 needed better intelligence, although he provided little guidance on the matter. He told  
26 Budget Director Harold Smith in September 1945 that he had in mind "a different kind of  
27 intelligence service from what this country has had in the past," a "broad intelligence  
28 service attached to the President's office." He also suggested that strategic warning  
29 would be the primary mission of his new intelligence establishment and that it had to be  
30 handled centrally. He viewed intelligence analysis as largely a matter of collation. The  
31 facts simply had to be gathered in one place. They could speak for themselves.<sup>258</sup>  
32 Within the government in the fall of 1945, numerous plans explored the options for a  
33 future intelligence organization. None advocated giving a central independent group sole  
34 responsibility for collection, analysis, or clandestine activities. All favored making the  
35 central intelligence body responsible to the Departments themselves rather than the  
36 President. Each lobbied for an arrangement that would give itself an advantage in  
37 intelligence coordination.<sup>259</sup>

38 The State Department, led by Alfred McCormack, Special Assistant to Secretary of States  
39 James Byrnes, and supported by the Bureau of the Budget, advocated State dominance in  
40 the production of national intelligence. Encouraged by President Truman to take the lead

<sup>256</sup> Warner, "Creation of the Central Intelligence Group," p. 115.

<sup>257</sup> See Dean Acheson, *Present at the Creation: My Years in the State Department* (New York, New York: W.W. Norton, 1969), pp.157-163.

<sup>258</sup> Warner, *Creation of the Central Intelligence Group*, p. 114.

<sup>259</sup> Anne Karalekas, *History of the Central Intelligence Agency*, as republished in William M. Leary, ed., *The Central Intelligence Agency, History and Documents*, (Tuscaloosa, Alabama: University of Alabama Press, 1992), pp. 19-20.

1 in organizing an intelligence coordination mechanism, McCormack and Bureau staffers  
2 pressed for primacy of the State Department in intelligence matters. They encountered  
3 outright opposition from the Army and Navy and even some internal Foreign Service  
4 officials who objected to the establishment of a separate office for intelligence and  
5 research within the State Department.

6 The Army and Navy soon settled on a Joint Chief of Staff proposal outlined by JCS  
7 Chairman William Leahy (JCS1181/5). The proposal called for a new "Central  
8 Intelligence Agency," outside the cabinet departments, by placing it under a proposed  
9 National Intelligence Authority (NIA) dominated by the U.S. military. The report further  
10 stated that each Department had its independent needs which required the maintenance of  
11 independent capabilities. The plan recommended only a coordination role for the new  
12 agency.<sup>260</sup>

13 In December 1945, an impatient President Truman asked to see both the State and JCS  
14 proposals. He decided that the JCS plan was simpler and more workable. On 22 January  
15 1946 Truman created the Central Intelligence Group (CIG) along the lines recommended  
16 in the JCS Plan.<sup>261</sup> Under the President's directive the Departments retained autonomy  
17 over their intelligence services, and the CIG's budget and staff were to be drawn from the  
18 separate agencies. The CIG was responsible for coordination, planning, evaluation, and  
19 dissemination of intelligence. It also had overt and clandestine collection responsibilities.  
20 Truman persuaded Rear Admiral Sidney Souers, the Assistant Chief of Naval Intelligence  
21 and a friend of Secretary Forrestal, to serve as the first Director of Central Intelligence.  
22 The new National Intelligence Authority (NIA), a group composed of the Secretary of  
23 State, the Secretary of War, the Secretary of the Navy, and the President's chief military  
24 adviser, Admiral William Leahy, served as the CIG's supervisory board.<sup>262</sup>

25 President Truman would later take credit for assigning CIG the task of providing timely  
26 strategic warning and guarding against another Pearl Harbor. Thanks to the foresight of  
27 Donald Stone, John Mc Cloy, and John Magruder, the CIG also would soon have a  
28 seasoned clandestine service to carry out the management of clandestine activities.  
29 OSS's most valuable components were preserved to become the nucleus of the nation's  
30 foreign intelligence capability.<sup>263</sup> Through budget, personnel, and oversight, however,  
31 the Departments had also assured themselves control over the CIG. The Group was a  
32 creature of the departments. There would be no centralized intelligence function. At  
33 most, the CIG would have a coordination and advisory mission.<sup>264</sup> In early 1946 the  
34 White House authorized CIG to evaluate intelligence from all parts of the government,

---

<sup>260</sup> Warner, *CIG*, p.117 and Karalekis, *CIA*, p. 20. see also the Eberstadt report, directed by Ferdinand Eberstadt, a friend of Navy Secretary James V. Forrestal, which closely linked a new separate central intelligence agency with the entire reorganization of the military issue, and called for the new agency to "supply authoritative information on conditions and developments in the outside world" to a National Security Council.

<sup>261</sup> During the major effort to define the role of a central intelligence agency, only one individual advocated the creation of an independent agency which would centralize the intelligence functions in the government. Gen. John Magruder, Chief of SSU, openly questioned the willingness of the agencies to cooperate in intelligence production. He proved correct. See Karalekis, *CIA*, p. 20.

<sup>262</sup> Karalekis, *CIA*, pp. 20-21.

<sup>263</sup> Warner, *CIG*, p. 118.

<sup>264</sup> Karalekis, *CIA*, p. 21.

1 and to absorb the remnants from the former OSS. The United States now had an agency  
2 responsible both for strategic warning and clandestine activities abroad.

#### 3 4 **Early DCIs**

5  
6 The three early DCI's, Admiral Sidney Souers, Lt. General Hoyt Vandenberg, and  
7 Admiral Roscoe H. Hillenkoetter, were all military men. Their appointments reflected  
8 the degree of control the military services managed to retain over the CIG and  
9 intelligence activities and the acceptance of the primary role the military had in the  
10 intelligence process. Nevertheless, all were reluctant to serve and the latter two saw their  
11 military career services as the major way to advancement not directing intelligence  
12 efforts. Nevertheless, the CIG soon acquired new missions and capabilities. By 1947  
13 CIG was truly a national intelligence service (albeit fledging) performing strategic  
14 analysis and conducting clandestine activities abroad.

15 The CIG was established to help rectify the duplication of effort among the military and  
16 civilian intelligence services and to compensate for their biased analysis. The concept  
17 was that a small staff would assemble and review the raw data collected by the  
18 departments and produce objective estimates for the use of senior policymakers.  
19 Institutional resistance made implementation of this idea virtually impossible. The  
20 military intelligence services and State and the FBI all jealous guarded both their  
21 information and what they believed were their prerogatives in providing policy guidance  
22 to the President.<sup>265</sup>

23 The military, in particular, resented providing a civilian agency with military intelligence  
24 data. The services regarded that a breach of their professionalism and more importantly,  
25 believed strongly that civilians could not understand, let alone analyze military  
26 intelligence data. They refused CIG access to even information on the capabilities and  
27 intentions of U.S. armed forces.

28 Limited in the execution of its coordinating responsibility, the CIG gradually emerged as  
29 an intelligence producer, generating current intelligence summaries and thereby  
30 competing with the Departments in the dissemination of intelligence.<sup>266</sup>

31  
32 **Sydney Souers**, the first DCI, was a friend of Secretary Forrestal and had participated in  
33 the drafting of the CIG directive. He was the only non-career military officers to serve in  
34 this early period. He shared Forrestal's conviction about the potential threat of the Soviet  
35 Union and while a believer in centralized intelligence production, did not challenge the  
36 position of the departmental intelligence services, especially the military. Agreeing to  
37 stay only a short time, Souers returned to Missouri to manage his business interests in  
38 June 1946.<sup>267</sup> Before he left, however, Souers established a Central Reports Staff as a  
39 home for the analysts in the CIG.

---

<sup>265</sup> Karalekis, *CIA*, p 24.

<sup>266</sup> *Ibid.*

<sup>267</sup> *Ibid.* Souers, a fellow Missourian, developed a close relationship with President Truman and returned to Washington as the Executive Secretary of the National Security Council in 1947. He held that position from 1947 to 1950. It was possibly in this position rather than as DCI that Souers exerted the most influence over the central intelligence.

1 When it began operations, the Central Reports Staff consisted of 17 people - 5 assigned  
2 to it by State, 8 by the War Department, and 4 by the Navy - all of whom immediately  
3 became preoccupied with preparing the *Daily Summaries* for President Truman.<sup>268</sup>  
4 Truman wanted a daily intelligence summary that would relieve him of the chore of  
5 reading the mounds of cables, reports, and other documents that constantly cascaded onto  
6 his desk. He desired a daily publication that would contain all information of immediate  
7 interest to him. Souers directed his Central Reports Staff to produce a *Daily Summary*  
8 and a *Weekly Summary* of "current intelligence" for the President, despite the fact that  
9 CIG's principal responsibility was the production of strategic and national policy  
10 intelligence.<sup>269</sup> The production of current intelligence came to dominate the Staff and its  
11 culture. National estimative intelligence was reduced to also-ran status. Moreover, the  
12 *Daily* and *Weekly Summaries* were not coordinated products nor were they based on all  
13 information available to the U.S. Government. They did not contain information derived  
14 from communications intelligence (Comint) and most of the information was derived  
15 from State Department materials. They also avoided interpretative commentary.<sup>270</sup>  
16 Nevertheless, almost immediately, Secretary of State Byrnes objected. He claimed it was  
17 his responsibility as Secretary of State to furnish the President with information on  
18 foreign affairs. As a result, the Department of State prepared its own digest of "current  
19 intelligence." The President now had two summaries on his desk. This issue of  
20 duplication would continue to plague the CIG and later the CIA.  
21 On Souers advise, President Truman appointed **Lt. Gen. Hoyt Vandenberg** as the new  
22 DCI on 10 June 1946. Vandenberg's aggressive, assertive personality (he soon acquired  
23 the nickname "Sparkplug") helped CIG's gradual development as an independent  
24 intelligence producer. His actions during his one year term were directed toward  
25 enhancing CIG's stature.<sup>271</sup> Vandenberg quickly submitted a sweeping proposal giving  
26 the DCI expanded authorities.<sup>272</sup>  
27 National Intelligence Authority Directive 5, issued by the NIA on 8 July 1946, in general,  
28 reflected Vandenberg's thinking. It provided the new DCI with new authorities. It  
29 allowed CIG to "centralize" research and analysis in "fields of national security  
30 intelligence that are not presently performed or are not being adequately performed." It  
31 also directed Vandenberg to coordinate all U.S. foreign intelligence activities and ordered  
32 the DCI to conduct "all organized Federal espionage and counter-espionage operations  
33 outside of the United States and its possessions for the collection of foreign intelligence  
34 information required for the national security."<sup>273</sup> This, in effect, elevated CIG to the

---

<sup>268</sup> Kuhns p.12.

<sup>269</sup> See Woodrow J. Kuhns, ed., *Assessing the Soviet Threat, The Early Cold War Years* (Center for the Study Of Intelligence (CIA, 1997), pp. 3-4. Current intelligence was defined in National Security Council Directive No.3, "Coordination of Intelligence Production," 13 January 1948, as "that spot information or intelligence of all types and forms of immediate interest and value to operating or policy staff, which is used by them usually without the delays incident to complete evaluation or interpretation." See United States Department of State, *Foreign Relations of the United States 1945-1950, Emergence of the Intelligence Establishment* (Washington, DC: U.S. Government Printing Office, 1996), 1 and 110.:

<sup>270</sup> Kuhns, *Assessing the Soviet Threat*, pp. 5-6.

<sup>271</sup> A graduate of West Point, Vandenberg had served as head of the Army's intelligence division G-2 on the Intelligence Advisory Board. He was also the nephew of Arthur Vandenberg, ranking Republican on the Senate Foreign Relations Committee. See Karalekis, *CIA*, p. 22.

<sup>272</sup> See Rudgers, *Creating the Secret State*, pp. 114-115.

<sup>273</sup> *FRUS*

1 status of being the primary foreign intelligence arm of the U.S. government. It did not,  
2 however, give CIG the controlling role in intelligence analysis that Vandenberg sought.  
3 The NIA carefully phased the directive to allay fears that the DCI would control  
4 departmental intelligence officers. The other departments were not about to subordinate  
5 their own analytical capabilities to this upstart organization. In addition, NIAD-5 did not  
6 force a consolidation of clandestine activities under CIG control. The Army, for  
7 example, defended its Intelligence Division's collection operations by arguing that  
8 NIAD-5 gave the CIG control only over "organized" foreign intelligence  
9 organizations.<sup>274</sup>

10 Since CIG was not an independent agency, it could not lobby Congress for  
11 appropriations. Vandenberg pressed the departments to provide CIG with a specific  
12 allotment over which the DCI would have dispersal authority. Over the objections of  
13 both Secretary of War Patterson and Secretary of State Byrnes, the White House provided  
14 the support Vandenberg needed. The DCI could now pay personnel and purchase  
15 supplies.<sup>275</sup>

16 Thanks to Souer's careful preparatory work with regard to the transfer of the SSU from  
17 the military to the CIG, Vandenberg, quickly issued a new directive establishing the  
18 Office of Special Operations (OSO) to carry out the secret intelligence activities  
19 mandated by NIA Directive 5. He declared OSO's mission was to secretly conduct all  
20 organized Federal espionage and counterespionage operations outside the United States  
21 and its possessions. He boasted to President Truman "The clandestine intelligence  
22 operations of the Central Intelligence Group are being carefully established in the most  
23 critical areas outside the United States and are proceeding satisfactorily. These  
24 operations are already productive of results which are of considerable value to many  
25 government agencies."<sup>276</sup>

26 The assumption of the clandestine intelligence mission by CIG soon  
27 brought Vandenberg into conflict with J. Edgar Hoover and Hoover's wartime  
28 intelligence network in Latin America. Hoover originally wanted to expand the FBI's  
29 Latin American operations into a worldwide intelligence service. FBI officials were  
30 quick to note that if Vandenberg were successful in setting up complete foreign coverage,  
31 the Bureau would be pushed into a "second class" position. Hoover seemed resigned to  
32 giving up FBI authorities in foreign intelligence matters but zealously guarded FBI  
33 domestic authorities.<sup>277</sup> Hoover seemingly reconciled to the inevitable, especially since  
34 Truman was insistent that the CIG assume the U.S. foreign intelligence role. Hoover,  
35 nevertheless, resented turning over his intelligence assets and files on Latin America to  
36 what he considered a new and untried organization with possibly unreliable personnel. In  
37 August 1945 he began withdrawing his agents from Latin America faster than the CIG  
38 could replace them, alarming U.S. diplomats in the region. Reflecting the concerns of his  
39 ambassadors, Acting Secretary of State Dean Acheson warned the NIA of the "grave  
40 danger" that "the excellent FBI organization in Latin America may disintegrate before it  
41 can be taken over by the new personnel from the CIG. This would be a major blow to the

<sup>274</sup> Warner, "Central Intelligence: Origin and Evolution" Center for the Study of Intelligence (CIA, 2001), p. 4.

<sup>275</sup> Karalekis, *CIA*, p. 23.

<sup>276</sup> Rudgers, *Creating the Secret State*, p. 119.

<sup>277</sup> Rudgers, *Creating the Secret State*, p. 120.

CIA

1 effectiveness of our security intelligence in the Latin American field.” Acheson urged  
2 that the transfer of responsibility be done in an orderly fashion to prevent disruption and  
3 that no FBI agents depart until a CIG replacement had arrived and become familiar with  
4 operational matters. The NIA agreed and after extensive negotiations between Hoover  
5 and Vandenberg they worked out transfer arrangements.

6 Vandenberg wrote the FBI director that CIG would start replacing FBI agents in the  
7 coming year (b)(1), (b)(3)

8 [REDACTED] Vandenberg concluded his letter to Hoover with, “It is anticipated  
9 that FBI representatives will remain at their posts for a sufficient period of time after the  
10 arrival of CIG personnel in order to insure orderly transfer of records, valuable  
11 assistance, and thorough guidance.” Such would not be the case. As Richard Helms, the  
12 future DCI later wrote, “Hoover pursued a scorched earth policy. He cleaned out all files,  
13 wouldn’t allow his agents to talk to the new CIA (sic) people about sources. We got  
14 nothing worth having. He just cleaned the place out and went home in a sulk.”<sup>278</sup>

15  
16 In the analysis arena, Vandenberg retained the President’s *Daily Summary*, because  
17 Truman was happy with it. Truman’s Naval Aide Rear Admiral James H. Foskett related  
18 in 1947 that, “the President considers that he personally originated the *Daily*, that it is  
19 prepared in accordance with his own specifications, that it is well done, and that in its  
20 present form it satisfies his requirements.”<sup>279</sup>

21 Other policymakers were less impressed with the current intelligence publications.  
22 Secretary of State George Marshall stopped reading the *Daily Summary* after two weeks  
23 and thereafter he had his aide flag only the most important items for him to read. The aide  
24 did this only two or three times a week, telling a CIG official that “most of the  
25 information in the *Dailies* is taken from State Department sources and is furnished the  
26 Secretary through State Department channels.” Marshall also stopped reading the *Weekly*  
27 after the first issue. The Secretary of the Navy, James Forrestal, considered both  
28 *Summaries* “valuable but not ... indispensable,” according to one of his aides. In contrast,  
29 an aide to Secretary of War Robert Patterson reported that the Secretary read both the  
30 *Daily* and *Weekly Summaries* “avidly and regularly.”<sup>280</sup>

31 Vandenberg also moved to expand CIG’s intelligence reporting. He successfully lobbied  
32 that CIG be responsible for intelligence in the field of atomic energy and acquired the  
33 Foreign Broadcast Intelligence Service (FBIS) from the Federal Communications  
34 Commission and the War Department.<sup>281</sup> With the support of General Leslie Groves, the  
35 former director of the Manhattan Project, Vandenberg got NIA Directive No.9 on 16  
36 April 1947 which authorized the DCI to coordinate all intelligence information related to  
37 foreign atomic energy developments.<sup>282</sup>

38 Established in 1941 within the Federal Broadcast Commission, to monitor, translate, and  
39 analyze foreign broadcasts and publications, the FBIS was turned over to the War  
40 Department in May 1945. Unwanted by the military, when Vandenberg suggested that  
41 CIG take over the orphaned agency, no one objected. Vandenberg was fully cognizant of

<sup>278</sup> Ibid., pp. 120-122.

<sup>279</sup> See Warner, ed., *The CIA Under Harry Truman*, p. 123.

<sup>280</sup> Kuhns, *Assessing the Soviet Threat*, p. 10.

<sup>281</sup> See Rudgers, *Creating the Secret State*, pp. 122-127.

<sup>282</sup> See Rudgers, *Creating the Secret State*, pp. 122-124.



1 the importance of "open source" intelligence. Later named the Foreign Broadcast  
2 Information Service, it became an important collector of foreign intelligence.<sup>283</sup>  
3 In the spring of 1946, at the request of DCI Vandenberg, the NIA also authorized CIG to  
4 carry out independent research and analysis "not being presently performed" by the other  
5 Departments. This authorization led to a rapid increase in the size and functions of CIG's  
6 intelligence staff. It made CIG an independent intelligence producer. In August 1946,  
7 Vandenberg established the Office of Research and Evaluation (ORE) to replace the  
8 Central Reports Staff. CIG's principle responsibility was the production of strategic and  
9 national policy intelligence. Its primary function was to prepare estimates of the  
10 capabilities and intentions of foreign countries as they affected the national security of  
11 the United States. Yet, despite Vandenberg's best efforts, the production of current  
12 intelligence continued to dominate. National intelligence was reduced to also-ran  
13 status.<sup>284</sup> The President liked his *Daily Summary*. In addition, much of the intelligence  
14 produced by ORE was not coordinated with other agencies, nor was it based on all  
15 information available. The military send signals intelligence separately to the White  
16 House until 1951 and the other intelligence agencies jealously guarded their own  
17 information. Moreover, the military resented having to provide military data to a civilian  
18 agency and felt that "civilians could not understand, let alone analyze military  
19 intelligence data." Although the War and Navy Departments assigned officers to CIG,  
20 they never granted CIG access to U.S. military data.<sup>285</sup> The result was that CIG "drifted  
21 from its original purpose of producing coordinated national estimates to becoming  
22 primarily a current intelligence producer."<sup>286</sup> According to Ray Cline, later Deputy  
23 Director for Intelligence and R. Jack Smith, who edited the *Daily Summary*, the DCI  
24 lacked clout. The military and diplomatic people simply ignored CIG's statutory  
25 authority and the DCI lacked the power to compel compliance.<sup>287</sup> Vandenberg's attempts  
26 to boost himself and CIG into a dominant position in the Intelligence Community fell  
27 short. Nevertheless, during his short tenure Vandenberg managed to grow CIG into a  
28 central intelligence organization.

29 Vandenberg never concealed his desire to return to military service or his ambition to  
30 head a new independent air force. On 30 April 1947 Vandenberg left the CIG to head the  
31 Army Air Force and Air Staff. President Truman appointed **Admiral Roscoe**  
32 **Hillenkoetter** as his replacement. Hillenkoetter, primarily a line naval officer, would see  
33 the CIG replaced by a new Central Intelligence Agency (CIA). Hillenkoetter would  
34 remain DCI until 1950 and oversee the creation of the new agency and its halting  
35 beginning before returning to naval duty. Under Hillenkotter, the Agency never fulfilled  
36 its coordination function, but slowly developed as a competing intelligence producer.  
37 The Agency also acquired its covert operational mission. Hillenkoetter's part in these  
38 changes was more passive than active. Having only recently been promoted to Rear

---

<sup>283</sup> Ibid., p. 124.

<sup>284</sup> Kuhns, pp. 6-7.

<sup>285</sup> Donald P. Steury, "Origins of CIA's Analysis of the Soviet Union," in Gerald K. Haines and Robert Leggett, eds., *Watching the Bear*, (CSI)

<sup>286</sup> Steury, "Origins of CIA's Analysis of the Soviet Union"

<sup>287</sup> See Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington, DC: Acropolis Books, 1976), pp. 91-92 and R. Jack Smith, *The Unknown CIA* (Washington: Pergamon-Brassey, 1989), p.42.

1 Admiral, he lacked the cloak Vandenberg had to deal effectively with the military or  
2 senior policymakers at State and the FBI.

#### 3 4 **National Security Act of 1947, The Creation of CIA**

5  
6 Despite Vandenberg's efforts, the Central Intelligence Group remained a small  
7 transitional organization. Created by Executive Order it had no legislative authorities.  
8 Congress was largely bypassed in its establishment. Congress initially paid little  
9 attention to the new agency. Both Congress and the White House were convinced,  
10 however, that the United States needed a better intelligence system to prevent another  
11 Pearl Harbor. Indeed, many in Congress and the President himself, believed that the  
12 surprise attack at Pearl Harbor could have been blunted if the various commanders and  
13 departments had coordinated their actions and shared their intelligence. President Truman  
14 wanted the intelligence reforms to be part of his unification plans for the armed forces.  
15 CIG was an interim solution. A consensus emerged in Congress that any postwar  
16 military reform would not be complete without a simultaneous modernization of  
17 American intelligence capabilities. Meanwhile, the military "unification" issue  
18 overshadowed intelligence reform. In mid-1946 Truman called on Congress to unify the  
19 armed forces. In April 1946, the Senate Military Affairs Committee approved a  
20 unification bill that provided for a central intelligence agency. The draft legislative never  
21 made it out of the Naval Affairs Committee. Secretary of War Robert Patterson and  
22 Secretary of the Navy James Forrestal then agreed among themselves that a defense  
23 reorganization bill should also provide for a central intelligence agency. Truman send the  
24 results of the Secretaries' accord to Congress repeating his call for a unification bill. The  
25 White House believed that the CIG should form the basis of this new intelligence agency.  
26 The White House team that drafted the bill deliberately kept the intelligence section as  
27 brief as possible in order to ensure that none of its details hampered the prospects for  
28 unification reform. They feared that a detailed intelligence section would prompt  
29 Congress to seek similar levels of detail in the armed services sections of the bill.<sup>288</sup> The  
30 tactic backfired. The brevity of the bill's intelligence provisions had the effect of  
31 attracting – not deflecting – Congressional scrutiny. Congress debated almost every  
32 word of the intelligence section. Congress wanted the new agency to provide the  
33 proposed National Security Council, the organization that would coordinate and guide  
34 American foreign and defense policies, with the best possible information on  
35 developments abroad. It wanted no more Pearl Harbors. Congress desired an  
36 independent CIA in order to give it the best chance to produce authoritative information  
37 for policymakers. It was to stand outside the policy making departments to better  
38 "correlate and evaluate intelligence relating to the national security." Congress kept in  
39 tact, however, the other department's ability to produce intelligence but the CIA was the  
40 only agency specifically charged with the duty of producing intelligence of national  
41 importance. Moreover, Congress members wanted no internal Gestapo. They would  
42 provide the new agency with no internal security function. Those would be retained by  
43 the FBI and J. Edgar Hoover. Finally, the agency was to provide such "services of  
44 common concern" that the NSC would determine what could more efficiently be

---

<sup>288</sup> Michael Warner, ed., *Central Intelligence: Origin and Evolution* (Washington, DC: Center for the Study of Intelligence, CIA, 2001), p.4.

1 conducted "centrally." In practice, this meant espionage and other clandestine activities  
2 as well as the collection of open source materials.<sup>289</sup>  
3 Congress also implicitly assumed that the executive branch would manage CIA and the  
4 Intelligence Community.<sup>290</sup>  
5 Congress passed the National Security Act on 26 July 1947 and President Truman  
6 immediately signed it into law.<sup>291</sup> The United States had a new intelligence  
7 establishment. The creators of the CIA, both in Congress and the White House, believed  
8 that the reforms accomplished by the National Security Act of 1947 would minimize  
9 problems that had plagued U.S. intelligence before Pearl Harbor. The centralization  
10 implied in the National Security Act never fully occurred, however, mainly because of  
11 the limits on the powers of the DCI. CIA would be an independent, central agency, but  
12 not a controlling one. It would both rival and complement the efforts of the departmental  
13 intelligence organizations. This prescription of coordination without control guaranteed  
14 continued friction and duplication of the U.S. intelligence effort as the CIA vided with  
15 the other departmental agencies over influence and budget allocations. The DCI could  
16 coordinate intelligence but not control it. His authorities were limited. The new DCI and  
17 the new CIA were one among equals providing advice to the President and the NSC.  
18 Essentially, the Act did not alter the functions of the CIG. Clandestine collection, overt  
19 collection, production of national current intelligence, and interagency coordination for  
20 national estimates continued, and the personnel and internal structure remained the  
21 same.<sup>292</sup> The new agency had only limited influence in the late 1940s and early 1950s.  
22 U.S. intelligence remained fragmented. The fundamental issue remained one of control  
23 and jurisdiction. The DCI had no designated authority over the departmental intelligence  
24 chiefs or over the departmental intelligence components. As the CIA evolved between  
25 1947 and 1950, it never fulfilled its estimates function, but continued to expand its  
26 independent intelligence production and soon became a separate intelligence producer.  
27 The problems that had developed with the CIG continued.

### 28 29 **Assessing the Soviet Threat**

30  
31 During the early Cold War President Truman and his advisors struggled to understand the  
32 menacing behavior of the Soviet Union and its leader Joseph Stalin. Much of the  
33 analytical work of the emerging U.S. intelligence community revolved around assessing  
34 the intentions and capabilities of the Soviet Union. An accurate appraisal of the full

---

<sup>289</sup> Warner, *Central Intelligence*, pp. 5-6. The original pages of the intelligence section of the National Security Act of 1947 are reproduced in Warner, *The CIA Under Harry Truman* (Washington: Central Intelligence Agency, 1994), pp.131-135.

<sup>290</sup> At the time of the National Security Act of 1947, the intelligence agencies of the U.S. Government comprised the CIA, the FBI, the Office of Intelligence Research (State), the Intelligence Division (Army), the Office of Naval Intelligence, the Directorate of Intelligence (Air Force), and associated military signals intelligence offices, principally the Army Security Agency and the Navy's OP-20-G.

<sup>291</sup> The National Security Act of 1947 established an independent Air Force, provided for coordination of the services by creating a Joint Chiefs of Staff (JCS), created a Secretary of Defense, and established the National Security Council (NSC). The CIG became an independent department and was renamed the Central Intelligence Agency.

<sup>292</sup> See Karalekes, *History of the CIA*, p. 27.

1 military and economic potential of the Soviet Union came to be viewed as an essential  
2 component of U.S. assessments.  
3 As early as 1945 the War Department's Joint Intelligence Committee (JIC) began  
4 applying its expertise in analyzing the German military-industrial base to estimates of  
5 Soviet war potential and to projections of likely postwar Soviet behavior. In its JIC 250  
6 series, the JIC combined statements of grave concern with elements of guarded optimism  
7 for the future of Soviet-U.S. relations. It claimed that Soviet ideology assumed an  
8 essential conflict between Communist and non-communist states, and support for world-  
9 wide revolution but suggested there was a possibility of compromise with the Soviet  
10 Union in the short term. The JIC argued the Soviets were anxious to postpone open  
11 conflict with the West for as long as possible in order to pursue economic reconstruction.  
12 According to the JIC, the Soviets would avoid war with the United States at least until  
13 1952, the projected date of Soviet economic recovery. The first JIC 250 estimate also  
14 predicted that the Soviet Union would not sit idly by internationally but would cause  
15 numerous problems for the United States, especially in Eastern Europe and the third  
16 world by using "repugnant and aggressive" tactics such as local communist parties,  
17 espionage and sabotage.<sup>293</sup> It also managed to estimate the Soviet possession of atomic  
18 weapons with surprising accuracy, given that it was not privy to the existence of the  
19 Manhattan Project or suspected the Soviets had long been conducting espionage against  
20 the United States to obtain atomic secrets.<sup>294</sup>  
21 According to JIC/4 produced in October 1945:

22  
23       If the US does not give the secret of atomic energy to the Soviets, they are  
24       probably capable of developing and utilizing this form of power within the next  
25       five years. It is known that other countries were well on their way to the  
26       solution...of atomic energy and five years would allow the Russian scientists  
27       adequate time to complete their research upon which they are known to be  
28       working. The release of the secret of atomic energy would only put the Soviets  
29       on an equal footing with the US and would possibly save them several years of  
30       research.<sup>295</sup>

31  
32 Other early JIC estimates warned of a growing Soviet strategic long-range bombing force  
33 and an over-whelming advantage in conventional forces. To counter this threat, JIC 329  
34 identified 20 Soviet cities for atomic destruction in an effort to blunt a Soviet offensive in  
35 Europe or Asia. JIC 329 was likely the first known U.S. plan for nuclear war against the  
36 Soviet Union.<sup>296</sup> At the same time, the JIC determined that the Soviet economy would be  
37 incapable of sustaining a major war from 1946 to 1951. It believed that the USSR would  
38 risk war during this period only in defense of its vital national interests. For the JIC, the  
39 Soviets lacked many of the essential ingredients to wage a protracted global war against  
40 the West.

---

<sup>293</sup> Larry A. Valero, "The American Joint Intelligence Committee and Estimates of the Soviet Union, 1945-1947," pp.6-7.

<sup>294</sup> See the later discussion of Soviet espionage against the United States in Chapter IV.

<sup>295</sup> As quoted by Valero, "The American Joint Intelligence Committee," p. 7. The Soviets exploded an atomic bomb in September 1949.

<sup>296</sup> *Ibid.*, p. 8.

1 Following Winston Churchill's famous "Iron Curtain" speech at Fulton, Missouri, on 5  
2 March 1946, Stalin's saber rattling address the month before in which he declared that  
3 Communism and capitalism could not peacefully coexist, and U.S. diplomat George F.  
4 Kennan's "Long Telegram" from Moscow, which analyzed Soviet intentions and urged a  
5 "containment" policy, President Truman demanded more information regarding Soviet  
6 intentions. Even before the end of World War II, Truman had been receiving conflicting,  
7 uncoordinated, and unsolicited intelligence reports on the Soviet Union from nearly every  
8 segment of the U.S. intelligence community, including the FBI and the OSS. A frustrated  
9 Truman finally exploded. "I want someone to tell me what's going on around the world!  
10 Damn it, there are people coming in from all over the place, different agencies, different  
11 interests, telling me different things."<sup>297</sup> The President was still annoyed about the state  
12 of U.S. intelligence even after he created the CIG in January 1946. He pressed his chief  
13 of staff, Adm. William Leahy, his aide, Clark Clifford, and DCI Sidney Souers for more  
14 information regarding the intentions of the Soviet Union. The result was three separate  
15 reports written during the summer and fall of 1946; the JIC responded with JCS 1696, the  
16 CIG with its first national estimate, ORE-1, and the White House staff with the Clifford-  
17 Elsey report.<sup>298</sup>

18 JCS 1696 warned that the Soviets were building an extensive war machine and using  
19 every means at their disposal, short of war, to bring the nations along the USSR's  
20 periphery under complete domination. The most ominous aspect of JCS 1696 was its  
21 alarming vision of a future war between the United States and the Soviet Union. The JCS  
22 estimate warned of total hostilities "unrestricted in any way on the Soviet part." The  
23 United States had to prepare for "total war" with the Soviets.<sup>299</sup>

24 Unfortunately for the JIC, most of its best work during the early Cold War years was  
25 effectively compartmentalized within the JCS bureaucratic structure and kept hidden  
26 from the rest of the national security and intelligence establishment. JIC never came to  
27 "guide" or lead the postwar U.S. intelligence community as the British JIC did in the  
28 United Kingdom.<sup>300</sup> Most members of the U.S. Intelligence Community perceived the  
29 JIC to be a major part of the problem with U.S. intelligence. The main problem facing  
30 the JIC was that it suffered from the same interservice rivalries that plague the larger U.S.  
31 intelligence system. Former JIC Secretary, Ludwell Lee Montague, observed that  
32 civilian members were often excluded from deliberations on JIC estimates out of fear that  
33 military plans could be compromised. Montague further considered the assessments  
34 made by JIC as being "derived from little more than... preconceptions."<sup>301</sup>

35

---

<sup>297</sup> Quoted in Mark Riebling, *Wedge: the Secret War Between the FBI and CIA* (New York: Alfred A. Knopf, 994), p. 70.

<sup>298</sup> See Clark Clifford and Richard Holbrooke, *Counsel to the President: A Memoir* (New York: Random House, 1991), pp. 124-129; Melvyn Leffer, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992), pp.130-138, and Michael J. Hogan, *A Cross of Iron: Harry S Truman and the Origins of the National Security State, 1945-1954* (Cambridge: Cambridge University Press), pp12-16. See also FRUS, *1945-1950: Emergence of the Intelligence Establishment*, p.345.

<sup>299</sup> Valero, "The American Joint Intelligence Committee", pp. 11-12. Distribution of this estimate was very limited and it is doubtful President Truman ever saw it.

<sup>300</sup> Valero, p. 15.

<sup>301</sup> *Ibid.*

1 Now a CIG officer Montague, wrote ORE-1 over a single weekend in the summer of  
2 1946. It was CIG's first national estimate. Entitled "Soviet Foreign and Military Policy"  
3 it did not basically contradict JCS 1696. It stated that "The USSR is determined to  
4 increase its power relative to its adversaries and anticipates an evitable conflict with  
5 them, but it is also intent on avoiding a conflict for some time to come." It asserted that  
6 world domination "may be" an ultimate Soviet objective but should be viewed as "a  
7 remote and largely theoretical" aim.<sup>302</sup> Although Montague called JCS 1696 a "hodge-  
8 podge" compiled of "impromptu thoughts" on Soviet postwar intentions and capabilities  
9 and questioned its alarmist conclusion, he did not contest it.<sup>303</sup> JCS 1696 had a major  
10 influence on Clifford and Elsey as they drafted their report to the President. They  
11 basically edited and expanded on its central themes. They presented their report to the  
12 President in September 1946. The President reacted with grave concern, "This is so  
13 hot... he confided to Clifford, "...it could have an exceedingly unfortunate impact on our  
14 efforts to try to develop some relationship with the Soviet Union."  
15 While ORE-1 was perhaps more concise and more balanced in its analysis of Soviet  
16 intentions, it did not offer much that was not in JCS 1696 or the Clifford-Elsey report and  
17 was generally ignored. CIG still had a lot to prove. The military still dominated  
18 intelligence.  
19 Perhaps more importantly, all three reports were made not only in terms of the best, or  
20 "most likely," estimate but instead on the basis of "worst case" judgments of Soviet  
21 intentions and military capabilities. This was a natural basis, an underestimate of the  
22 most threatening behavior could spell disaster and defeat, while an overestimate would, it  
23 was believed, only bring additional insurance. There was also a tendency on the part of  
24 U.S. intelligence components to see Soviet objectives, intentions and capabilities as  
25 principally, if not exclusively, offensive. With rare exception U.S. analysts and  
26 policymakers failed to see that Soviet actions might be significantly affected by U.S.  
27 policies and actions.  
28 Moreover, by mid-1946, there was a full consensus among U.S. policymakers and  
29 intelligence officers that Stalin and other Soviet leaders operated on the basic belief of a  
30 historically destined conflict between the Soviet Union and the United States and other  
31 Western countries.<sup>304</sup>

### 32 33 **The Berlin Crisis of 1948**

34  
35 The Berlin Crisis, which began in March 1948, was an important test for U.S. intelligence  
36 analysis. When Soviet premier Joseph Stalin took steps designed to push the Western  
37 Allies out of Berlin, U.S. intelligence had to judge whether his actions were a prelude to  
38 war or just a calculated bluff.  
39 On 5 March 1948, Gen. Lucius D. Clay, the American Military Governor in Berlin, sent  
40 in alarming cable to Washington. He described a "subtle change in Soviet attitude,"  
41 which convinced him that war might soon come "with dramatic suddenness." Together  
42 with other war warning from Berlin, Clay's telegram, "fell with the force of a

---

<sup>302</sup> Douglas F. Garthoff, "Analyzing Soviet Politics and Foreign Policy,"

<sup>303</sup> Ibid., p. 12.

<sup>304</sup> Raymond L. Garthoff, "Estimating Soviet Military Intentions and Capabilities," in Gerald K. Haines and Robert Leggett, eds., *Watching the Soviet Bear*, pp.

CIA

1 blockbuster Bomb” on the Pentagon.<sup>305</sup> G-2 formed a task force under Col. Riley F.  
 2 Ennis to begin a crash estimate of Soviet intentions. Secretary of the Army Kenneth C.  
 3 Royall wanted to know how long it would take to get a number of atomic bombs to the  
 4 Mediterranean, ready for use against the Soviets.<sup>306</sup>  
 5 Oddly, although the Pentagon seemed alarmed by Clay’s cable, the Army was in no hurry  
 6 to inform anyone outside the Department of Defense. Not until three days later, on 8  
 7 March, did Secretary of Defense Forrestal brief the Senate Armed Services Committee on  
 8 the crisis. On 11 March, Gen Chamberlin, head of G-2 phoned DCI Hillenkoetter to  
 9 request a meeting of the inter-departmental Intelligence Advisory Committee the next  
 10 day. Only at that meeting did representatives of Naval Intelligence, Air Force  
 11 Intelligence, or the Department of State see Clay’s cable. Upon reading the cable,  
 12 Director of Naval Intelligence, Thomas Inglis noted that, this was the very function for  
 13 which CIA had been established.” He proposed that Hillenkoetter appoint a CIA  
 14 representative to chair an ad hoc committee to study the situation and prepare an estimate  
 15 on Soviet intentions. Inglis, thus transformed what up to that moment had been “an  
 16 Army matter” into a national intelligence problem.<sup>307</sup>  
 17 As Washington mobilized to deal with the crisis, U.S. intelligence officers in Europe  
 18 were polled for any supporting data. This was the first that the CIA’s Berlin station had  
 19 heard about Clay’s cable. Dana Durand and (b)(3) of CIA made arrangements to  
 20 discuss the matter with Clay’s intelligence chief. All agreed that further Soviet measures  
 21 short of war were likely, but that war itself was unlikely. This opinion was shared by  
 22 most intelligence officers in Europe. This consensus took the edge off Clay’s “war  
 23 warning.”  
 24 On Saturday 13 March, the ad hoc committee met for the first time under the  
 25 chairmanship of CIA’s DeForrest Van Slyck, an analyst from ORE. Hillenkoetter left  
 26 Van Slyck to run the meeting, but bustled in and out with trays of coffee and sandwiches.  
 27 The meeting proved contentious.  
 28 The Army’s G-2 representative Col Ennis, supported by Air Force Intelligence, painted a  
 29 grave picture of the situation and seized on Clay’s cable as a means of justifying  
 30 increased U.S. military budgets, including a call for universal military training and  
 31 demanded the estimate include the request. Van Slyck angrily refused, saying he was  
 32 “running an intelligence estimates committee, not an appropriations committee.” Army  
 33 G-2 and Air Force Intelligence refused to accept a direct statement that war was unlikely.  
 34 On Sunday they finally reached a compromise. “war was improbable for at least sixty  
 35 days.” Slyck gave the draft estimate to the IAC the next day. The service chiefs  
 36 supported by Air Force Intelligence and the Army G-2 rejected Van Slyck’s draft. Only  
 37 Admiral Inglis, the Director of Naval Intelligence, stood behind the draft estimate.  
 38 Hillenkoetter, however, had already been to see the President. Truman wanted answers  
 39 to three questions:

- 40
- 41 (1) Will the Soviets deliberately provoke war in the next 30 days?
- 42 (2) In the next 60 days?

---

<sup>305</sup> Steury, “Origins of CIA’s Analysis of the Soviet Union,” p. 5. Although Clay later denied that he intended the cable as a war warning it was interpreted as such inside the Pentagon.

<sup>306</sup> Steury, “Origins,” p.6.

<sup>307</sup> Ibid.

1 (3) In 1948?  
2

3 After some debate, the IAC drafted the following response:

- 4 I. An examination of all pertinent available information has produced no reliable  
5 evidence that the USSR intends to resort to military action within the next 60  
6 days.  
7 II. It is not believed that the USSR will resort to military action within the next  
8 60 days.  
9

10 CIA officer Theodore Babbitt, hand carried the answers to the White House the next day  
11 as debate within IAC continued. On 16 March IAC issued a fuller statement allowing for  
12 the possibility that "some miscalculation or incident" might result in war.<sup>308</sup>  
13 Escalating Soviet provocations, culminating in the blockade of Berlin and the Allied  
14 airlift, kept the ad hoc committee alive until the end of 1948. It produced a series of  
15 estimates with the basic premise that the Soviet Union was unlikely to deliberately  
16 initiate war in the foreseeable future, despite its military preponderance in Europe. Thus,  
17 President Truman could be reasonably certain the city could be resupplied by airlift  
18 without deliberate interference from Soviet forces.<sup>309</sup> The ad hoc committee had done its  
19 job. While it began as a short-term projection of Soviet intentions, it soon evolved into  
20 an effort to place Soviet actions into a much broader context of the strengths and  
21 weaknesses of their over-all strategic posture. Despite its success, CIA and Hillenkoetter  
22 came under increasing criticism.  
23

#### 24 **The Eberstadt Report and the Dulles, Jackson, Correa Survey** 25

26 In early 1948 Congress established the Commission on Organization of the Executive  
27 Branch of the Government to look into the structure of the Federal Government. Chaired  
28 by former President Herbert Hoover, the Commission formed a sub-task force to look at  
29 national security organization, including the CIA. The Task Force was headed by New  
30 York businessman Ferdinand Eberstadt, who had been instrumental in drafting the  
31 National Security Act of 1947 and was a strong advocate of a centralized intelligence  
32 capability. Know as the Eberstadt report, the task force found that the basic organization  
33 for national security was sound but there were problems in carrying out the function of  
34 intelligence. It specifically criticized the CIA for not being properly organized to  
35 assimilate all information concerning scientific developments abroad, to estimate the  
36 significance of these developments, and to give direction to the collection of scientific  
37 intelligence. Moreover, according to the report, CIA was not being given access to all  
38 available information even within the U.S. government. It pictured an adversarial  
39 relationship and lack of coordination between the CIA, the military, and the State

---

<sup>308</sup> Steury, p.7.

<sup>309</sup> It is now known that Stalin, after consulting East German leaders, had decided to initiate actions designed to push the Western Allies out of Berlin over the course of 1948. The results were nothing like what he expected. Indeed, had Stalin deliberately set out to increase U.S. military spending he could not have chosen a more propitious time. The U.S. Army was advocating a general expansion. The Navy looked to fund its postwar aircraft carrier force. The Air Force wanted 70 combat groups. See Steury, p. 7.



1 Department. It suggested that this resulted in unnecessary duplication and the issuance of  
2 departmental estimates that “have often been subjective and biased.”  
3 With regard to covert operations and clandestine intelligence gathering, the Eberstadt  
4 Report supported the integration of all clandestine operations into one office within CIA,  
5 under NSC supervision. To alleviate the military’s concern that this proposal encroached  
6 upon its prerogatives, the report stated that clandestine operations should be the  
7 responsibility of the Joint Chiefs of Staff in time of war.  
8 The Eberstadt Report’s main fear was that other countries (The Soviet Union) might  
9 develop nuclear weapons without the United States knowing about them. It called for a  
10 “vigorous effort” to improve CIA’s internal structure and the quality of its product,  
11 especially in the scientific area.<sup>310</sup> On the heels of the Eberstadt Report came the Dulles-  
12 Jackson-Correa study.<sup>311</sup>  
13 In January 1948, less than a year after Congress created the CIA, President Truman and  
14 the NSC and its Executive Secretary Sidney Souers called upon three private citizens to  
15 examine CIA’s “structure, administration, activities, and interagency relations” and  
16 NSC’s oversight of the new agency. No one, it seemed, was happy with the new agency  
17 or the state of U.S. intelligence.  
18 The men submitted their highly critical report in 1 January 1949. The study claimed that  
19 the CIA was not coordinating intelligence activities in the government, the correlation  
20 and evaluation functions were poorly organized, other members of the Intelligence  
21 Community were not fully included in the estimate process. The report blamed CIA and  
22 ORE for not asserting themselves in the estimates process and for failing to fulfill their  
23 mission as a coordinating intelligence body. According to the report, “The principle of  
24 the authoritative National Intelligence Estimate (NIE) does not yet have established  
25 acceptance in the government. Each department still depends more or less on its own  
26 intelligence estimates and establishes its plans and policies accordingly.”<sup>312</sup>  
27 It recommended creating an Estimates Division to produce National Intelligence  
28 Estimates and to include all intelligence agencies in the process. The report singled out  
29 the actions of the ad hoc committee as “the most significant exception to a rather general  
30 failure... in national estimates.... For the Study Group, the committee illustrated that,  
31 when properly used, the existing interdepartmental arrangement can, under the leadership  
32 of the Central Intelligence Agency, provide the President and top policy-makers with an  
33 authoritative intelligence estimate.  
34 The report was likewise unimpressed with CIA’s efforts in the field of current  
35 intelligence. Since “approximately ninety per cent of the contents of the *Daily Summary*

<sup>310</sup> Richard A. Best Jr., “Proposals for Intelligence Reorganization 1949-2004,” *CRS Report for Congress*, 24 September 2004, Library of Congress, pp. 4-5. See also The Commission on Organization of the Executive Branch of the Government, *Task Force Report on National Security Organization, Appendix G*, January 1949; hereinafter cited as the Eberstadt Report.

<sup>311</sup> The three members were Allen Dulles, the former OSS officer during the Second World War, William H. Jackson, a future Deputy Director of CIA, and Mathias Correa, a New York lawyer and a wartime friend and assistant to Secretary of War Forrestal. Correa was not an active participant in the survey.

<sup>312</sup> Steury, “Origins of CIA’s Analysis of the Soviet Union,” p. 3. Ludwell Montague later recalled that while the Survey’s charge was largely correct, it failed to take into account “the recalcitrance and incompetence of the departmental intelligence agencies.” Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence October 1950-February 1953* (University Park, PA: Pennsylvania State University Press, 1992), p. 43.

1 is derived from State Department sources..." It recommended that the *Daily* and possibly  
2 the *Weekly Summary* be discontinued.<sup>313</sup>

3 It also stated that the DCI lacked sufficient day-to-day contact with work in CIA. It  
4 called on the DCI to exert "forthright leadership" and to actively use existing  
5 coordination bodies such as the Intelligence Advisory Committee (IAC) to better effect.  
6 It recommended that the CIA be reorganized and that it would benefit from civilian  
7 leadership. It basically accused Hillenkoetter of not effectively coordinating intelligence  
8 efforts among agencies and departments with national security interests. It concluded  
9 disapprovingly that "the Central Intelligence Agency has tended to become just one more  
10 intelligence agency producing intelligence in competition with older established agencies  
11 of the government departments."<sup>314</sup>

12 Echoing the Eberstadt report it also called for the incorporation of covert and clandestine  
13 intelligence into a single office within CIA. In particular, the report recommended that  
14 the Office of Special Operations (OSO) responsible for the clandestine collection of  
15 intelligence, and the Office of Policy Coordination (OPC), responsible for covert actions,  
16 be integrated into a single division within CIA.<sup>315</sup> Although the NSC found the criticism  
17 of DCI Hillenkoetter and the CIA "too sweeping," it nevertheless accepted the reports  
18 basic findings and ordered Hillenkoetter to begin to implement them. Following the  
19 CIA's failure to accurately predict the first Soviet atomic bomb test, the fall of China to  
20 the communists, or to foresee North Korea's invasion of South Korea in June 1950,  
21 Hillenkoetter resigned as DCI and returned to naval command.<sup>316</sup> President Truman  
22 appointed Lt. General Walter Bedell Smith "Beetle Smith" as the new DCI in October  
23 1950.

#### 24 25 **Walter Bedell Smith as DCI**

26  
27 Truman selected General Walter Bedell Smith as his new DCI precisely because of  
28 Hillenkoetter's perceived weaknesses. Winston Churchill had nicknamed Smith the  
29 "American Bulldog." Smith was a tough-minded, hard driving, often intimidating military  
30 man. During World War II he had served as Eisenhower's chief of staff and after the  
31 war was the U.S. ambassador to the Soviet Union. Smith easily outranked the service  
32 intelligence chiefs with whom he had to deal. As DCI, Smith initiated sweeping  
33 administrative changes which created much of the basic structure of the CIA which

---

<sup>313</sup> Kuhns, *Assessing the Soviet Threat*, p. 11.

<sup>314</sup> The summary of the report is reprinted in *Emergence of the Intelligence Establishment*, pp. 903-911. The entire report is available at the National Archives and Records Administration, Records of the Department of State, RG 59, Records of the Executive Secretariat, NSC Files, Lot 66D 148, Box 1555.

<sup>315</sup> A version of the Dulles-Jackson-Correa Report may be found in William M. Leary, ed., *The Central Intelligence Agency: History and Documents* (University of Alabama, AL: University of Alabama Press, 1984).

<sup>316</sup> The CIA predicted that the Soviet Union would not have the atomic bomb until 1951 at the earliest. The Soviets successfully tested an atomic bomb in September 1949. The Agency did not see Mao's victory over Chiang Kai-shek's forces in the fall of 1949. It felt that the Soviet Union would not abandon its "correct attitude" toward the Nationalist government in favor of open aid to the communist. Stalin did provide aid. In January 1950 ORE stated that "an invasion of South Korea is unlikely unless North Korean forces can develop a clear-cut superiority over the increasing efficient South Korean Army." North Korean attacked the South on 25 June 1950. See Kuhns, *Assessing the Soviet Threat*, pp. 16-28.

1 remains today. His stature and personality made him one of the strongest and most  
2 influential Directors in the Agency's history.

#### 3 4 **Reforms and Changes**

5  
6 In the wake of the failure to predict the outbreak of the Korean War in 1950 and with the  
7 Soviet threat looming larger, DCI Smith lost no time in acting on the criticism that CIA  
8 was poorly organized. He immediately appointed a Deputy Director for Plans (DDP),  
9 later the Directorate for Operations (DO) for the clandestine side of the house and a  
10 Deputy Director for Administration (DDA) to consolidate support functions. The  
11 production of finished intelligence continued under a number of disparate offices until  
12 January 1952 when Smith formed a third directorate the Directorate of Intelligence (DI)  
13 charged with formulating strategic intelligence for U.S. policymakers. This remained the  
14 essential structure of the CIA for the next forty years.

#### 15 16 **Office of National Estimates (ONE)**

17  
18 The outbreak of the Korean War and the influence of William H. Jackson, who became  
19 Smith's Deputy, convinced Smith of the necessity of change, especially in the analytic  
20 mission.. After his appointment as DCI in October 1950, Smith discovered that the  
21 Agency had no current coordinated estimate of the situation in Korea. Smith adopted the  
22 prototype of the ad hoc committee for estimates. He abolished ORE and replaced it with  
23 the Office of National Estimates (ONE), whose sole task was the production of  
24 coordinated "national estimates." To run the new office Smith called upon William  
25 Langer, the Harvard historian, who had directed the Research and Analysis Branch of  
26 OSS during the war. Langer brought in Yale historian Sherman Kent as his deputy. As  
27 organized in 1950, ONE had two components, a group of staff members who actually  
28 drafted the estimates and a senior Board, who reviewed the estimates and coordinated the  
29 intelligence judgments of the other intelligence organizations. Jackson and Smith also set  
30 up a panel of outside experts to advise on the estimates. They came to be called the  
31 "Princeton consultants." They included George F. Kennan, Hamilton Fish Armstrong,  
32 the editor of *Foreign Affairs* and Vannevar Bush, the atomic scientist.<sup>317</sup> ONE was to be  
33 entirely dependent on other intelligence departments for research support. The estimates  
34 were to be coordinated and "national estimates." The new process allowed for dissent in  
35 the form of footnotes to the finished product. CIA, however, gradually developed its own  
36 independent research capabilities. Over time, the estimates became more CIA product  
37 than an interdepartmental product.<sup>318</sup>  
38 Almost immediately, the military challenged ONE on the nature of the estimates. It  
39 demanded that the estimates be factual and descriptive. Jackson, Langer, and Smith  
40 insisted that they be problem-oriented in order to satisfy the needs of the NSC, providing

---

<sup>317</sup> This practice of using an outside group of senior consultants for key estimates continued into the 1960s, although their contribution became less substantial as the ONE analysts developed more in-depth understanding of their target. See Karalekas, p. 31.

<sup>318</sup> Douglas Garthoff, "Analyzing Soviet Politics and Foreign Policy," p. 4. and Karalekas, pp. 30-31.

1 it with essential information on existing problems. Smith regularly attended NSC  
2 meetings and made sure the Agency was at least listened to at the briefings.<sup>319</sup>  
3 Between 1950 and 1952 ONE's major effort involved the production of estimates related  
4 to the Korean War, particularly those relating to analyses of Soviet intentions. Early in  
5 the conflict, ONE offered the opinion that the Soviets were not seeking a global conflict  
6 although they might exploit other areas of the world. It warned that the Soviets might use  
7 Chinese troops in Korea if hostilities were prolonged, but probably not Soviet forces. By  
8 December 1950 ONE speculated that Moscow might now want general war. This  
9 coupled with a JIC estimate that believed the Soviets would be "relentlessly aggressive"  
10 because of their immutable and dynamic objective of world domination, became the  
11 general feeling in the intelligence agencies.<sup>320</sup> The Soviets would not be satisfied in  
12 Korea short of ousting UN forces completely. With the Korean War locked in stalemate  
13 in 1952 CIA's judgment shifted to a less dire view. It predicted that the Soviets mindful  
14 of U.S. power and concerned about risks to their own system would not undertake a  
15 frontal military attack.<sup>321</sup> Despite improvements in the estimative process, the CIA was  
16 still not a major player in intelligence and broad difficulties remained in intelligence  
17 production.  
18  
19  
20

#### 21 **Office of Research and Reports (ORR)**

22  
23 The issue of who had responsibility for political research had been a source of contention  
24 between State and CIA since CIA's founding. State objected to the Agency's use of its  
25 data to publish "Agency" summaries. State believed that political intelligence was its  
26 proper province. Smith and Jackson agreed. They conceded political research to the  
27 State Department. In return, they set up the Office of Research and Reports (ORR) to do  
28 economic research on the "Soviet Bloc." State accepted the agreement. Under MIT  
29 economist Max Millikan, ORR developed a comprehensive picture of Soviet war  
30 potential that provided a constant, reliable check upon analysis prepared in the military or  
31 at State. Millikan later noted, "The distinction between economic and military or  
32 political, or scientific intelligence is wholly arbitrary." For Millikan, the degree to which  
33 a country was able to mobilize its economy for military purposes was a profound  
34 indicator of likely intentions. "A potential enemy can undertake successfully only those  
35 military operations which its economy is capable of sustaining."<sup>322</sup>  
36

#### 37 **Office of Scientific Intelligence (OSI)**

38  
39 The Office of Scientific Intelligence (OSI) also became an important part of the  
40 intelligence process under Smith. Although created in 1949 by Hillenkötter, under

<sup>319</sup> Whether the NIE's were used is unclear. See Karalekas, p. 32.

<sup>320</sup> JIC analyses encompassed the political, economic, and ideological dimensions of Soviet power as well as the more traditional military aspects of weapons development and war planning. See Valero, "The American Joint Intelligence Committee," *Studies in Intelligence* (Summer 2000), pp. 5-9.

<sup>321</sup> Douglas Garthoff, "Analyzing Soviet Politics and Foreign Policy," p. 5.

<sup>322</sup> *Ibid.*, p.9. Despite CIA's agreement with State, there remained in 1951 twenty four government departments and agencies producing economic intelligence. See Karelekas, p. 33.

1 prompting by the Dulles-Jackson-Correa Survey, OSI began to produce intelligence  
2 under Smith's direction in the science-technology area which challenged the U.S.  
3 military. When the CIA was established, there had been a general understanding that the  
4 Army, Navy and Air Force would exercise primary responsibility for military intelligence  
5 in their respective fields. Both Hillenkoetter and Smith accepted this division, but under  
6 Smith the CIA expanded its scientific and technical research capabilities. The military  
7 resisted OSI's intrusion and wished to restrict OSI to research in the basic sciences. In  
8 August 1952, the military succeeded in getting an agreement which stipulated that the  
9 services would have primary responsibility for the production of intelligence on all  
10 weapons, weapons systems, military equipment and techniques in addition to intelligence  
11 on research and development leading to new military material and techniques. OSI  
12 assumed primary responsibility for research in the basic sciences, scientific resources,  
13 and medicine. Ultimately, the agreement imposed few restrictions on OSI. OSI  
14 developed its own capabilities with regard to weapons systems technology and continued  
15 to challenge the military on the issue of basic science-technology research. The  
16 distinctions the military had drawn were rather artificial since they did not take into  
17 account the inextricable links between basic scientific research and weapons systems  
18 research.<sup>323</sup>

### 20 **Bomber Gap**

21  
22 There were a number of errors in estimated Soviet military force projections in the 1950s.  
23 Most were introduced by the military services. One of the most serious was the  
24 overestimation of Soviet heavy bomber production. *Aviation Week* published an article on  
25 15 February 1954 describing a new Soviet bomber capable of carrying nuclear bombs to  
26 the United States. The aircraft, according to the article, was the *Myasishchev M-4 Bison*.  
27 The article touched off a debate in the press and in Congress regarding U.S. air defenses.  
28 In May 1955, at a Soviet May Day parade in Moscow, Western observers, especially the  
29 American Air Force attaché, seemed to confirm the reports. They reported seeing at least  
30 60 *Bison* bombers in the flyby. Extrapolated, the American Air Force officer believed the  
31 Soviet were mass producing the *Bison* and would soon have nearly 600. The CIA was  
32 skeptical. It did not believe the Soviets had the industrial capacity to produce the number  
33 reported. We now know from the release of Soviet records that they were flying the  
34 same group of bombers around Moscow to deceive the Western analysts. They would fly  
35 over, land, change tail numbers and fly over the reviewing stand again with the same  
36 aircraft. With no hard evidence, the CIA could not prove its case. The USAF began  
37 pressing for additional funds for its own B-52 production. Only with the U-2  
38 reconnaissance flights over the Soviet Union beginning in 1956 did the CIA and U.S.  
39 intelligence gather enough hard data that the Soviets were not mass producing the *Bison*.  
40 Instead of the 700-800 heavy bombers projected from 1955 to 1957, the Soviets never  
41 fielded more than 150.<sup>324</sup>

---

<sup>323</sup> Karalekas, p. 34-35.

<sup>324</sup> Ray Garthoff, "Estimating Soviet Military Intentions and Capabilities," p. 4. The *Bison* was never able to meet its design specifications and could only reach 8,000 km. The Soviets shut down the assembly line in 1963. Ironically, one of the first U-2 flights Mission 2020, on 4 July 1956 flew over Engels airfield near Saratov and photographed 20 *Bison* bombers on the airfield. This led to some speculation that the Soviets

1  
2 **Office of Current Intelligence (OCI)**  
3

4 Contrary to its intended function both CIG and the early CIA became current intelligence  
5 producers. Smith and Jackson, once in office, determined to completely abandon CIA  
6 current political intelligence function. Nevertheless, they established an Office of  
7 Current Intelligence (OCI). Its only function was to be collating data for the daily CIA  
8 publication, the *Daily Summary*. Drawing on State Department information and Army  
9 Communication Intelligence (Comint) data, OCI replaced the *Daily* with the *Current*  
10 *Intelligence Bulletin*.

11 Internal CIA demands, primarily from the Agency's clandestine components soon had the  
12 Agency back in the political intelligence business. The clandestine components of the  
13 Agency insisted on CIA-originated research support. They feared that the security of  
14 their operations would be jeopardized by having to rely on the State Department. As a  
15 result, OCI became an independent political research organization and producer. Thus,  
16 the organization that both Smith and Jackson never intended to exist, survived and  
17 reacquired its previous function.<sup>325</sup>  
18  
19  
20  
21

22 **Creation of the National Security Agency (NSA)**  
23

24 In a manner similar to the movement to create the CIA, pressures mounted after the  
25 Second World War to centralize and bring greater efficiency to the nation's cryptanalytic  
26 process. Despite major successes during the war, Army (Army Security Group) and  
27 Navy (Op-20- G) organizations responsible for Comint were fiercely independent and  
28 basically isolated from each other. With no national intelligence structure, the Joint  
29 Chiefs of Staff served as the primary mechanism to govern U.S. intelligence activities  
30 during the war. When discussing Comint activities, various JCS committees always  
31 stressed the need for much greater cooperation by the Comint producers. Both Army and  
32 Navy officials were reluctant to act. Recurring proposals for centralization and  
33 consolidation, the effect of demobilization and reduced budgets, and the fear that the  
34 Comint experience following World War I would be repeated (Comint units were  
35 drastically reduced or dismantled) forced the services to reconsider.  
36

37 **The Army-Navy Coordinating Committee**  
38

39 In 1944 they set up a Army-Navy Radio Intelligence Coordinating Committee to plan and  
40 coordinate on technical matters. Following its first meeting, it changed its name to the  
41 Army-Navy Communications Intelligence Coordinating Committee (ANCICC) to reflect

---

were already mass producing the *Bison*. The U-2 flight had actually photographed the entire *Bison* fleet. Further U-2 flights could not find a single Soviet airfield with another *Bison* bomber. DCI Allen Dulles would later call the photograph "his million dollar photo" for its intelligence value. See the later discussion of the U-2.

<sup>325</sup> Karalekas, p. 34.

1 the increased usage of the term "communications intelligence" in place of radio  
2 intelligence. There now existed a forum with a limited charter to consider a broad range  
3 of Comint problems. It had little power or authority however. Admiral Ernest J. King,  
4 Chief of Naval Operations and General George C. Marshall, Chief of Staff U.S. Army, in  
5 1945 agreed to further strength cooperation by establishing the Army-Navy  
6 Communications Intelligence Board (ANCIB) to discuss Comint issues independently of  
7 other forms of intelligence. With the establishment of the board the services created their  
8 own self-governing mechanism to administer their Comint effort. ANCIB was to avoid  
9 duplication of effort and to ensure a full exchange of technical information and  
10 intelligence between the services.<sup>326</sup> The creation of ANCIB did not diminish the  
11 competition between the Army and Navy Comint organizations, however. Despite the  
12 new board, the services were more determined than ever to preserve their separate  
13 Comint organizations and independence.

#### 14 15 **The State-Army-Navy Communications Intelligence Board**

16  
17 When the Department of State unilaterally established its own unit to exploit Comint in  
18 1945, ANCIB officials agreed to expand ANCIB to include State. State accepted  
19 membership on ANCIB effective 20 December 1945. ANCIB became the State-Army-  
20 Navy Communications Intelligence Board (STANCIB). A civilian agency was now an  
21 official part of the U.S. Comint structure. They all still basically functioned as  
22 independent units in the Comint arena. STANCIB did, however, signal the beginning of  
23 the end of the exclusive military domination of Comint.  
24 Immediately following World War II, U.S. policymakers sought ways to achieve major  
25 reductions in the military budget. Despite the successes achieved by the Army and Navy  
26 Comint organizations during the war, they quickly became prime candidates for  
27 reorganization and for major reductions in their resources. Seeking to shelter their vital  
28 Comint functions from such budget cuts, military authorities intensified their efforts to  
29 achieve closer cooperation and coordination between their Comint organizations. They  
30 also adjusted their Comint coverage to focus on the new Soviet target. In general, Army  
31 authorities generally supported the proposals for merger, while naval officers were  
32 unanimously opposed. The Navy's persistent opposition to the centralization of Comint  
33 resources stemmed from its perception of its fundamental missions as contrasted with  
34 those of the Army. The Navy considered its intelligence needs as strategic in nature and  
35 of national level interest. In contrast, the Navy perceived the Army's intelligence  
36 requirements as reflecting needs of a more limited nature, which were in the field of  
37 tactical, field intelligence. Nevertheless, pressures continued to mount to reorganize and  
38 consolidate the U.S. Comint effort.

#### 39 40 **Joint Operating Plan**

41  
42 Seeking to develop an organization that would be responsive to military needs, especially  
43 with regard to the Soviet Union, in May 1946 the services developed a Joint Operating  
44 Plan. The Plan brought about a voluntary collocation of Army and Navy processing

<sup>326</sup> This section is based on Thomas L. Burns excellent and recently declassified study *The Origins of the National Security Agency 1940-1952* (Ft Meade, Maryland: Center for Cryptologic History, NSA, 1990).

1 activities in the United States but the services retained their separate identities and  
2 organizations. The Plan also called for the creation of a Coordinator of Joint Operations.  
3 The position was literally that -- a coordinator, not a director of operations. This was in  
4 accordance with the Navy's insistence on "joint" but "separate" Comint activities. It was  
5 a partnership not a marriage.<sup>327</sup> The JOP was a joint operating agreement not a merger.  
6 The services continued to handle their requirements basically on a service-to-service  
7 basis. Operationally, the JOP facilitated the realignment of U.S. Comint targets for  
8 coverage of the Soviet Union and paved the way for the ratification of the BRUSA  
9 Agreement.

### 10 **United States Communication Intelligence Board**

11  
12  
13 After the establishment of the JOP in April 1946, additional organizational changes  
14 occurred affecting the STANCIB structure. J. Edgar Hoover requested membership for  
15 the FBI after seeing the draft BRUSA Agreement. The FBI was added on 13 June 1946  
16 and STANCIB became the United States Communication Intelligence Board (USCIB).  
17 When Lt. General Hoyt Vandenberg became DCI in June 1946, USCIB agreed to expand  
18 its membership once again by including the DCI as the representative of the newly  
19 established Central Intelligence Group. Because of the dual representation accorded each  
20 service, the Army and navy dominated the activities of the board. When the National  
21 Security Act of 1947 created a separate Air Force, the Air Force obtained its own  
22 separate representation on USCIB.<sup>328</sup> In late 1947, a major struggle between the military  
23 and civilian members of USCIB took place. The civilian agencies had come to realize  
24 that they had little voice in setting intelligence priorities for Comint.<sup>329</sup> Military interests  
25 dominated the process. DCI Roscoe Hillenkoetter became the primary catalyst for the  
26 issuance of a new charter for USCIB. Hillenkoetter wanted to give the civilian agencies a  
27 greater voice on policy matters relating to Comint. He also sought to bring Comint under  
28 the direct control of the DCI.

### 29 **National Security Council Intelligence Directive No. 9**

30  
31  
32 After several months of negotiation, the members of USCIB (Army, Navy, Air Force,  
33 State, and CIA) could not agree on which organization should control the Comint  
34 community. The Armed Services took the position the USCIB should report to the Joint  
35 Chiefs of Staff. State and CIA believed that the board should report to the National  
36 Security Council. On 1 July 1948 the NSC broke the deadlock by issuing National  
37 Security Council Intelligence Directive No. 9 (NSCID 9), "communications  
38 Intelligence." With the strong support of Secretary of Defense James Forrestal, who  
39 believed Comint activities were a national function, which required a national authority,  
40 the new directive represented a major victory for the civilian members of USCIB. Under  
41 NSCID 9 USCIB reported to the NSC as its parent body rather than to the individual

---

<sup>327</sup> The JOP became known as the "Corderman-Wenger Agreement" named after the principal Army and navy negotiators, Col. W. Preston Corderman, and Capt. JOSEPH n. Wenger.

<sup>328</sup> After its establishment, the Air Force set up the Air Force Security Group (AFSG) as a unit to handle Comint matters. In 1949 it created the Air Force Security Service (AFSS)..

<sup>329</sup> The FBI left the Board in 1947.



1 military services. In addition, USCIB now had an official charter issued at the national  
2 level. The rule of unanimity continued to govern USCIB's decision making process.  
3 Hillenhoetter achieved a major victory but he failed in his attempt to place the Comint  
4 functions directly under the DCI. State sided with the military services in objecting to the  
5 DCI becoming the national authority and coordinator for Comint activities. State  
6 officials were alarmed about CIA ambitions to control all intelligence. While NSCID 9  
7 dealt the JCS a blow in its efforts to control U.S. Comint activities, it did not result in any  
8 immediate changes in the day-to-day functions of USCIB. In fact, the military services  
9 still maintained a majority on the board and they continued to dominate the process.

### 10 **Armed Forces Security Agency (AFSA)**

11  
12  
13 Ten months after the issuance of NSCID 9, Defense Secretary Louis Johnson staged a  
14 counter coup.<sup>330</sup> On 20 May 1949 he ordered a physical merger of the central processing  
15 activities of the three cryptologic services by established the Armed Forces Security  
16 Agency (AFSA). He placed the new agency under the control and direction of the Joint  
17 Chiefs of Staff. With AFSA Johnson hoped to achieve a degree of unification of the  
18 services as well as "efficiency and economy" in the management of the Comint structure.  
19 He also sought to minimize the expanding resource requests of the new Air Force  
20 Security Service and to blunt civilian intrusions into Comint activities. He wanted to  
21 maintain the military's dominant position on Comint matters. The Army supported the  
22 general concept while the Navy and Air Force opposed it. The AFSA charter retained the  
23 separate military branches dealing with Comint. Although the establishment of AFSA  
24 seemed to represent a consolidation of the U.S. Comint effort and a more efficient  
25 approach to Comint activities, the services never seriously envisioned a true merger.  
26 AFSA was the creation of Louis Johnson. While a form of merger took place, no  
27 fundamental changes occurred as each service continued to conduct its own operations.  
28 The services were united in their belief that the Director of AFSA should have no  
29 authority over them. They viewed him as solely as "Coordinator," not "Director." The  
30 services took full advantage of loopholes in the charter to preserve their independent  
31 status. For example, the Air Force used the "exclusion clause" in the charter (it withheld  
32 AFSA authority for the tasking of mobile collection sites) to exclude AFSA from any role  
33 in controlling Air Forces collection sites. In fact, by 1952, AFSA had no authority over  
34 any Air Force collection sites. All had been declared mobile facilities by the Air Force.  
35 From the perspective of the civilian agencies, the creation of AFSA meant a renewal of  
36 the military-civilian struggle for control of Comint resources. The CIA and State  
37 maintained that AFSA was in direct conflict with the new USCIB charter. They further  
38 argued that AFSA was established without their participation and over their protests.  
39 They feared that the nonmilitary consumer would lose any ability to influence the  
40 military Comint structure. Secretary Johnson not only refused to discuss the matter with  
41 them, but refused to make any changes in the AFSA charter. He did, however, cancel the  
42 proposed Armed Forces Communications Intelligence Board, which would have become  
43 a policy board running parallel to USCIB.  
44

---

<sup>330</sup> Louis A. Johnson became Secretary of Defense on 28 march 1949 following the death of James Forestal.

**1 Consolidated Special Information Dissemination Office (CONSIDO)**

2  
3 From its inception, AFSA faced pressures to restructure it, to weaken its authorities, or to  
4 abolish it. Soon after AFSA was created, the Army proposed an additional military  
5 intelligence agency to be known as the Consolidated Special Information Dissemination  
6 Office (ConsidO). It would control U.S. Comint requirements and the dissemination of  
7 all Comint. It in effect, proposed exclusive military control over the U.S. Comint effort.  
8 The new office would control requirements, dissemination, estimates, and evaluation of  
9 Comint materials. The proposal drastically limited civilian input on Comint matters.  
10 CONSIDO was to provide integrated intelligence estimates on all available Comint and  
11 was to reflect the joint view of all intelligence agencies. The proposal shocked the  
12 civilian members of USCIB. State insisted that "the civilian agencies retain their position  
13 of equality with regard to their authority and responsibilities in the Comint field". DCI  
14 Hillenkoetter stressed that many of the CONSIDO functions were national in nature and  
15 could not arbitrarily be assigned to a structure totally under military control. He further  
16 stated that intelligence requirements and priorities were a clear-cut legal responsibility of  
17 the CIA. Even the Director of AFSA opposed the CONSIDO plan. He felt that AFSA  
18 had to be responsive to the needs of State and CIA as well as the military. Because of  
19 this major opposition the CONSIDO plan died in USCIB in December 1950. The Korean  
20 War proved to be a major turning point in the history of the U.S. Comint structure.

**21  
22 Brownell Committee**

23  
24 The Korean War and growing criticism of the "AFSA problems" provide State and CIA  
25 officials the opportunity to press for fundamental changes in the intelligence structure.  
26 They saw their influence in the Comint area as continually eroding. With increasingly  
27 tensions over the ownership and control of Comint, DCI Walter Bedell Smith  
28 recommended to the NSC a complete review of the Comint structure. The NSC  
29 forwarded Smith's proposal to President Truman. Truman in turn, directed Secretary of  
30 State Dean Acheson and Secretary of Defense Robert Lovett, assisted by the DCI, to  
31 review the communications intelligence activities of the United States government.  
32 Acheson, Lovett and Smith created a high-level committee, the Brownell Committee, to  
33 conduct the review. Headed by New York lawyer George A. Brownell, the committee  
34 consisted of Charles E. "Chip" Bohlen, Counselor, State Department, William H.  
35 Jackson, Special Assistant to the DCI, and Brigadier General John Magruder, Special  
36 Assistant to the Secretary of Defense. The CIA and State provided the staff and the space  
37 at CIA headquarters. The U.S. military, who had dominated the U.S. Comint structure to  
38 this point, was not included in the review process. Acheson, Lovett and Smith directed  
39 the committee to look at centralization and placement of the entire U.S. Comint effort in  
40 the U.S. intelligence community. From the outset, the CIA and State Department  
41 dominated the Brownell Committee.  
42 The establishment of the Brownell Committee provoked immediate outcries from the  
43 U.S. military. The service chiefs complained that they had not been consulted about the  
44 concept of the investigation nor did they have representation on the committee. They  
45 feared the JCS would lose control of AFSA. Their feared proved to be justified. Within  
46 six months the committee completed its report and submitted it to Acheson and Lovett on

1 13 June 1952. The committee concluded that the present structure of U.S. Comint  
2 activities did not reflect unification under single control, but rather a structure of four  
3 associated agencies, one of which, AFSA, performed limited function in ways acceptable  
4 to those who controlled the other three. In short, according to the committee, it was a  
5 military organization controlled by the military. It also concluded that the director of  
6 AFSA had insufficient authority or control over the Comint activities of the three  
7 services. It also criticized the USCIB as an ineffective organization. The committee  
8 recommended that the Comint function be centralized in a neutral governmental agency  
9 and that agency be directly subordinated to the Department of Defense. The committee  
10 also supported the services' traditional position that they must control the close and direct  
11 tactical support to the forces in the field. Truman accepted the report and issued two  
12 directives that led to the establishment of the National Security Agency with dual  
13 responsibilities for communications intelligence and communications security activities.  
14 He affirmed that Comint was a national responsibility and designated the Department of  
15 defense as the executive agent of the government for the production of Comint  
16 information. The creation of NSA in 1952 theoretically removed the Comint structure  
17 from exclusive control of the military and gave all intelligence agencies an equal voice in  
18 the Comint process. The director, NSA, was no longer under the control of the Joint  
19 Chiefs of Staff. For the first time, the director of NSA would have the authority to issue  
20 instructions directly to military units without going through military command channels.  
21 Although the Service Cryptologic Agencies were incorporated into the central  
22 organization, they retained their own authorities and responsibilities within their own  
23 military departments. There were built-in limitations in the NSA charter. With a major  
24 restructuring USCIB would also play a new role in directing the scope of NSA's  
25 operations. Despite the reorganization and the creation of NSA, the same number of  
26 agencies remained engaged in cryptologic activities as before, NSA, CIA, State, Army,  
27 Navy, and Air Force. NSA had, in many respects simply replaced AFSA. The services  
28 retained a significant degree of independence. The struggle over who would control U.S.  
29 Comint resources would continue. NSA did, however, become the "model" for later  
30 "national agencies" such as the National Reconnaissance Office (NRO), the National  
31 Photographic Interpretation Center (NPIC), and the Defense Intelligence Agency (DIA).

32  
33

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43

**Chapter VI**

**Expansion of Covert Operations:  
Unintended Consequences**

**Covert Operations Expanded - Unintended Consequences**

The concept of a central intelligence agency evolved from concern over the quality of intelligence analysis available to policymakers. The discussion around both the creation of CIG and CIA focused on the problem of intelligence coordination. Yet, within a year of the passage of the National Security Act in 1947, the CIA took on the conduct of covert psychological, political, paramilitary, and economic activities. The acquisition of this mission had a profound impact on the Agency and its role within the government.

**What is Covert Action?**

Covert action is an attempt to influence another government's position, activities, or objectives with U.S. government deniability. It is a tool used in support of U.S. policy abroad short of war. It includes propaganda, political activities, economic policy, and paramilitary efforts. NSC 10/2 in 1948 defined covert operations as all activities:

Which are conducted or sponsored by this Government against hostile foreign states or groups or in support of friendly foreign states or groups but which are so planned and executed that any U.S. Government responsibility for them is not evident to unauthorized persons and that if uncovered, the U.S. Government can plausibly disclaim any responsibility for them. Specially, such operations shall include any covert activities related to: propaganda; economic warfare; preventive direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberations (sic) groups, and support of indigenous anti-Communist elements in threatened countries of the free world. Such operations shall not include armed conflict be recognized military forces, espionage, counter-espionage, and cover and deception for military operations.<sup>331</sup>

The precedent for U.S. covert activities existed in the OSS. The clandestine collection capability of OSS had been preserved in CIG when it took responsibility for the SSU. That responsibility transferred to the CIA and contributed to the Agency's ultimate assumption of a major covert operational role.<sup>332</sup>

By late 1946 U.S. officials were increasingly concerned with the Soviet threat. In March 1946, the Soviets had refused to withdraw from Iran; two months later civil war erupted in Greece between communist forces and the government. By 1947 communist governments had assumed power in Poland, Hungary, and Rumania and threatened Western Europe. In the Philippines, the government was under attack from the

---

<sup>331</sup> Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park, PA: Pennsylvania State University Press, 1990), pp253-262.

<sup>332</sup> Karalekes, p. 38.

1 Hukbalahaps, a communist guerrilla group. For U.S. policymakers, these actions were all  
2 Soviet inspired. They demanded new modes of U.S. foreign policy. Massive U.S.  
3 economic aid was one approach to promote U.S. foreign policy objectives. In 1947 the  
4 United States embarked on an unprecedented economic assistance program for Europe  
5 with the Truman Doctrine and the Marshall Plan. They were designed to ensure  
6 economic stability in the region and to frustrate Soviet ambitions. Covert action  
7 programs represented another alternative method.

8  
9 **Responsibility for Covert Action Programs**

10  
11 The suggestion for the initiation of covert action programs did not  
12 originate within CIG. Secretary of War Robert Patterson suggested U.S. officials  
13 consider conducting psychological operations against the Soviets in 1946.<sup>333</sup> The State-  
14 War-Navy Coordinating Committee (SWNCC) took up the issue in December 1946.  
15 There was considerable debate at the highest government levels over the issue. While  
16 everyone agreed that the United States needed to counter Soviet psychological warfare  
17 with a program of its own, they could not agree on who should have responsibility for it.  
18 DCI Hillenkoetter believed such activities were military rather than intelligence  
19 functions. Hillenkoetter also believed Congressional authorization would be required for  
20 the initiation of such programs and the expenditure of funds for that propose. The  
21 military held that propaganda of all kinds was a function of the State Department and that  
22 an Assistant Secretary of State in consultation with the DCI and a military representative  
23 should be responsible for the operations. In late November Truman accepted the  
24 military's proposal for State control. Within three weeks he reversed his decision.  
25 Secretary of State George Marshall opposed State responsibility for covert action  
26 programs. He believed that such activities, if exposed as State sponsored, would  
27 embarrass the Department and discredit American foreign policy both short term and  
28 long term. Marshall favored placing covert activities outside State but still subject to  
29 guidance from the Secretary of State. Marshall's concept prevailed. On 14 December  
30 1947 the National Security Council adopted NSC 4/A, a directive which made the DCI  
31 responsible for covert psychological operations.<sup>334</sup> The CIA seemed the best place to  
32 place this capability since it already had a worldwide net of trained operatives (OSS  
33 veterans) and because it controlled unvouchered funds, by which operations could be  
34 funded with minimal risk of exposure in Washington.<sup>335</sup> State and the military wanted to  
35 maintain control over covert psychological operations but they did not want to assume  
36 operational responsibility. DCI Hillenkoetter's use of his covert action mandate over the  
37 next few months pleased neither State nor the Defense departments. CIA initiated  
38 psychological operations in Central and Eastern Europe. The activities were limited and  
39 amateurish. They consisted of unattributed publications, radio broadcasts and  
40 blackmail.<sup>336</sup>

<sup>333</sup> Psychological operations were primarily media-related activities, including unattributed publications, forgeries, and subsidized articles.

<sup>334</sup> Karalekas, p. 40.

<sup>335</sup> Darling, *The Central Intelligence Agency*, pp. 263-268.

<sup>336</sup> Michael Warner, "The CIA's Office of Policy Coordination: From NSC 10/2 to NSC 68," *Intelligence and Counterintelligence*, vol. 11, Number 2 (1999), pp. 212-213 and Karalekas, p. 41.

1 In May 1948, George F. Kennan, Director of the State Department's Policy Planning  
2 Staff, concerned with growing Soviet activities in Western Europe, advocated the  
3 development of a far more sweeping covert action program, including a political action  
4 capability. The distinction was an important and real one. Political action meant direct  
5 intervention in the electoral processes of foreign governments, not just attempts to  
6 influence public opinion through media activities. Believing this role too important to be  
7 left to the CIA and worried that the military might create its own covert action office  
8 outside CIA and State, Kennan proposed that State, specifically his Policy Planning Staff,  
9 control overt and covert political warfare. Following Kennan's suggestion, in June 1948  
10 the NSC adopted NSC 10/2. It authorized a sweeping expansion in the range of covert  
11 actions directed against the Soviet Union, including political warfare, economic warfare,  
12 and paramilitary activities. It also established a new office located in CIA but taking its  
13 guidance in peacetime from State and from the military in wartime. It soon became  
14 known as the Office of Policy Coordination (OPC). Frank G. Wisner, an OSS veteran  
15 and at the time the deputy to Charles E. Saltzman, the Assistant Secretary of State for the  
16 Occupied Areas, became its new director.<sup>337</sup>

17  
18 **Frank Wisner and the Office of Policy Coordination (OPC)**  
19

20 NSC 10-2 outlined a very convoluted chain of command for the new office which  
21 essentially made it a quasi-independent entity. Kennan had argued, and all parties  
22 agreed, that political warfare was essentially an instrument of foreign policy and that any  
23 office conducting it should function as an agent of the State Department and the military.  
24 DCI Hillenkoetter agreed and added the hope that State would take the political  
25 responsibility for covert action and provide CIA with specific guidance on each  
26 operation.<sup>338</sup> Wisner, accordingly, looked mainly to Kennan and State's Policy Planning  
27 Staff, for policy guidance. With minimal supervision from State or the military OPC  
28 took the initiative in conceiving and implementing projects without proceeding through  
29 CIA's administrative hierarchy. Using unvouchered funds, OPC's main mission was to  
30 combat Soviet programs abroad. In the beginning, OPC worked four principal  
31 operational areas: refugee programs, labor activities, media development, and political  
32 action. Western Europe was the area of concentration, since it was deemed the most  
33 vulnerable to Communist encroachment. Until the outbreak of the Korean War, General  
34 Douglas MacArthur refused to allow OPC or CIA (OSO) into the Pacific theater, just as  
35 he had done with OSS during the war.<sup>339</sup>

36 Concentrating on Eastern and Central Europe Eastern Europe OPC emphasized refugee  
37 operations. OPC representatives contacted thousands of Soviet refugees and émigrés in  
38 an effort to influence their political leadership, to create through "quiet diplomacy" a  
39 solid democrat cord of leaders in the region. Wisner, according to Harry Rositzke, a  
40 former CIA officer who served in Europe, was willing to use anyone "as long as he was  
41 anti-communist." J. Edgar Hoover, distrusted Wisner and his recruits, calling them  
42 "Wisner's gang of weirdoes." Hoover began security checks on many of Wisner's group.  
43

---

<sup>337</sup> Warner, "Office of Policy Coordination," p. 213.

<sup>338</sup> Warner, "The CIA's Office of Policy Coordination," p. 213.

<sup>339</sup> Karalekas, p. 47.

1 **Radio Free Europe and Radio Liberty**

2  
3 As communist governments took over in Eastern Europe, Wisner and OPC realized that  
4 these emirges represented a powerful force against their communist-controlled  
5 homelands. OPC was soon recruiting them as writers, speakers, and staff to facilitate the  
6 return of democratic governments. OPC and Wisner wanted to return democracy to  
7 Eastern Europe using the talents of the refugees. Funded primarily by Congress through  
8 OPC, Wisner helped establish the National Committee for Free Europe (NCFE) in New  
9 York City in June 1949. Its objectives included finding work for democratic émigrés  
10 from Eastern Europe; putting émigré voices on the air in their own languages; and  
11 carrying émigré articles and statements back to their homelands through the printed word.  
12 NCFE established a publishing division, Free Europe Press and a broadcasting division.  
13 Radio Free Europe (RFE). RFE initiated broadcasting with a 7.5 kilowatt shortwave  
14 transmitter, nicknamed *Barbara*, formerly used by the OSS during the war. Installed in  
15 West Germany at Lampertheim, near Frankfurt, it began broadcasting on 4 July 1950. the  
16 first 30 minutes of news, information, and political analysis to Czechoslovakia to be  
17 followed later that year by programs to Romania, Hungary, Poland, and Bulgaria.<sup>340</sup> In  
18 May 1950 RFE completed a larger transmission facility at Holzkirchen, near Munich and  
19 celebrated 11.5 hours of daily broadcasting to Czechoslovakia. The purpose of RFE was  
20 to act as uncensored national media, offering an alternative to the highly censored Radio  
21 Warsaw and Radio Moscow of the communist world.

22 RFE's broadcasts were produced in New York, sent to Europe, and transmitted from  
23 Lamperheim and Holzkirchen in West Germany. As RFE developed a growing listener  
24 base in Eastern Europe, Wisner and OPC became interested in broadcasting to the Soviet  
25 Union. Setting up a new organization, the American Committee for the Liberation of the  
26 Peoples of Russia, OPC created Radio Liberation, later Radio Liberty. It began  
27 broadcasting on 1 March 1953. It was no sooner on the air than it was presented with a  
28 major news story- the death of Stalin. The communist governments responded to the  
29 unwelcome radio broadcasts by attempting jam their signals.<sup>341</sup>

30 At the same time, the publishing arm of NCFE was also busy. OPC had inherited a  
31 stockpile of weather balloons from World War II. Wisner imagined a flotilla of balloons  
32 dropping millions of leaflets produced by the Free Europe Press, over occupied Europe.  
33 The first hydrogen-inflated balloons sailed over Czechoslovakia and dropped 11 million  
34 leaflets in 1951. In a coordinated radio/balloon campaign named *Prosero* in 1953,  
35 following Stalin's death, nearly 7,000 balloons and 12 million leaflets fell on Prague and  
36 the Czech country side as Radio Free Europe broadcast to the region. The Prague regime  
37 ordered jet fighters to shoot down the balloons. (They hit only three). The message  
38 carried by the leaflets declared a new wind blowing from West to East, "Winds of  
39 Freedom."

40 On the back were listed the wavelengths of Radio Free Europe.<sup>342</sup>

41  
42 **Congress for Cultural Freedom**

---

<sup>340</sup> Cissie Dore Hill, "Voices of Hope: The Story of Radio free Europe and Radio Liberty," *Hoover Digest*,  
no. 4, (Hoover Institution, 2001), pp. 1-2.

<sup>341</sup> *Ibid.*, 2-3.

<sup>342</sup> *Ibid.* p. 3.

1  
2 The Congress for Cultural Freedom, supported covertly by OPC, was designed to help  
3 negate Communism's appeal to artists, writers, and intellectuals. In a series of cultural  
4 conferences beginning in 1948, the Soviet Union sought to portray the United States and  
5 its Western allies as warmongers preparing for global conflagration. The Soviet  
6 Information Bureau (Cominform) sponsored such a conference in March 1949 at New  
7 York's Waldorf-Astoria Hotel. 800 prominent literary and artistic figures, including  
8 Americans Lillian Hellman, Aaron Copland, Arthur Miller and Norman Mailer, gathered  
9 to denounce the United States and the Truman administration and call for world peace at  
10 any price. A handful of liberal writers and socialists, led by New York University  
11 philosophy professor Sydney Hook, decided to harass the peace conference. Hook, an  
12 ex-communist himself, who attacked both Communism and Nazism, founded a new  
13 group called the Americans for Intellectual Freedom. The Group received favorable  
14 world-wide press coverage.<sup>343</sup>  
15 In Washington, Wisner and OPC officials wondered how to use a group like the  
16 Americans for Intellectual Freedom to challenge the communists at their own game. The  
17 day after the Waldorf congress closed, Wisner's aide, Carmel Offie, asked the  
18 Department of State what it intended to do about the next Soviet peace conference,  
19 scheduled for Paris in late April. Offie was Wisner's special assistant for labor and  
20 emigrant affairs, personally overseeing two of OPC's important operations; the National  
21 Committee for Free Europe, and passing OPC money to anti-communist labor unions in  
22 Europe. Offie wanted a response to the Soviet peace offensive. He got it. When the  
23 French leftist newspaper *Franc-Tireur* organized a meeting in Paris called the  
24 International Day of Resistance to Dictatorship and War and invited Sidney Hook and  
25 other prominent anti-communists, OPC covertly paid the travel costs of the American,  
26 German, and Italian delegations including expenses for Hook and novelist James T.  
27 Farrell. Both Hook and Farrell were unwitting of OPC's involvement. Wisner and Offie  
28 were disappointed in the result. The event was, for them, too radical and too anti-  
29 American. Wisner opined that such events might result in the degeneration of the  
30 entire idea into "a nuts folly of miscellaneous goats and monkeys whose antics would  
31 completely discredit the work and statements of the serious and responsible liberals. We  
32 would have serious misgivings about supporting such a show."<sup>344</sup>  
33 Wisner and OPC had better luck with a new plan put forward in August 1949 by  
34 American journalist Melvin J. Lasky and ex-communists Franz Borckenau and Ruth  
35 Fischer. They wanted a big anti-Waldorf-Astoria Congress in Berlin in 1950. It would  
36 be a gathering of all ex-communists, plus anti-Stalinist American, English, and European  
37 intellectuals. They would "give the Politburo hell right at the gate of their own hell." It  
38 would be called the Congress for Cultural Freedom. Wisner and OPC officers liked the  
39 plan. OPC produced a formal project proposal envisioning a budget of \$50,000 to  
40 covertly fund the congress. It could seize the initiative from the communists by

---

<sup>343</sup> The Group included critics Dwight MacDonald, Mary McCarthy, composer Nicolas Nabokov, and commentator Max Eastman. Arnold Beichman, a labor reporter friendly with anti-communist union leaders, later recalled that "the only paper that was against us in this reporting was *The New York Times*." It turned out later that the *Times* reporter was a member of the Communist party. See Warner, "Origins of the Congress for Cultural Freedom, 1949-1959," *Studies in Intelligence*, CSI.

<sup>344</sup> Warner, "Origins of the Congress for Cultural Freedom," p. 4.



1 reaffirming "the fundamental ideals governing cultural (and Political) action in the  
 2 Western world and the repudiation of all totalitarian challenges."<sup>345</sup>  
 3 The Congress for Cultural Freedom convened in Berlin on 26 June 1950. The American  
 4 delegation included Hook, Farrell, playwright Tennessee Williams, historian Arthur  
 5 Schlesinger Jr., actor Robert Montgomery, and chairman of the Atomic Energy  
 6 Commission David Lilienthal. Ironically, the congress opened the day after North  
 7 Korean forces invaded South Korea giving it a major boost in combating communist  
 8 propaganda about social and political reforms. Washington was pleased with the results.  
 9 Wisner offered his "heartiest congratulations" to all involved. Defense department  
 10 representative gen. John Magruder deemed it "unconventional warfare at its best" and  
 11 President Truman was reported to be "very well pleased."<sup>346</sup> The Congress's steering  
 12 committee established the organization as a permanent entity in November 1950 and CIA  
 13 approved covert backing for the Congress on a permanent basis.<sup>347</sup>

14  
 15 **Italian Elections 1948**

16  
 17 One of the earliest covert operations was to ensure a stable democratic Italy. Approved  
 18 by the National Security Council in December 1947, the operation was to prevent a  
 19 communist takeover of the Italian government through elections and to reduce or  
 20 eliminate the appeal and electoral strength of the Italian Communist Party (Partito  
 21 Comunisti Italiano) (PCI). U.S. officials considered the election of April 1948 crucial to  
 22 preventing the pro-Soviet left from gaining control in a key Western European state.  
 23 Working closely with the main anti-communist parties, (b)(1), (b)(3)

24  
 25  
 26 Wisner and OPC promoted a whole arrange of programs short of open warfare.<sup>348</sup> In  
 27 addition to providing covert monies to these parties, OPC unleashed a major propaganda  
 28 program in Italy. It labeled the Communist Party "extremist" and "undemocratic." It  
 29 skillfully manipulated the alleged Soviet threat (b)(1), (b)(3)

30  
 31 The Vatican announced that anyone who voted for the  
 32 communists in the 1948 election would be denied sacraments, and backed the Chritian  
 33 Democrata slogan "O con Cristo o contro Cristo" ("Either with Christ or against Christ."  
 34 A year later, Pope Pius excommunicated all Italian communist. Working with the  
 35 American Federation of Labor, OPC helped finance the catholic-dominated  
 36 anticommunist labor movement and weaken communist influence with labor. The  
 37 United States , in addition, closely tied aid and military contacts to anticommunist  
 38 behavior. It threatened to cut off loans and equipment for rebuilding Italy if the  
 39 communists won. It was an all-out integrated government-wide program. Anti-  
 40 communism became the main, even the only, mission of U.S. programs in Italy.  
 41 According to American policymakers, Italy was to assume a key role in the  
 anticommunist struggle. (b)(1), (b)(3) the Christian Democrats won the

<sup>345</sup> Ibid., p. 5.

<sup>346</sup> Ibid., p. 8.

<sup>347</sup> This support was not revealed until 1967 by *Ramparts* magazine..

<sup>348</sup> See James E. Miller, "Taking Off the Gloves: The United States and the Italian Elections of 1948,"  
*Diplomatic History*, 7 (Winter 1983), pp. 46-47,

CIA

CIA

1 election and formed a center-right government led by Alcide De Gasperi.<sup>349</sup> (b)(1), (b)(3)  
 2 (b)(1), (b)(3) the Italian government also reorganized its  
 3 intelligence service and cooperated closely with its new ally. The election victory by the  
 4 Christian Democrats generated an optimistic view of covert programs in the Truman  
 5 White House to eliminate or reduce the communist presence in other countries.  
 6 Covert support for the anti-communist parties in Italy did not stop with the elections of  
 7 1948. Increasingly, however, U.S. officials became concerned with the inability or the  
 8 unwillingness of the Christian Democrats to eliminate the communists. They simply  
 9 weren't aggressive enough. U.S. ambassador Clare-Boothe Luce in 1953 called for  
 10 increased covert action activities in Italy. "If vigorous political action is not taken," she  
 11 warned, "within two years Italy will be the first western democratic nation, by legal  
 12 democratic procedures, to get a communist government."<sup>350</sup> The CIA stepped up its  
 13 efforts to eliminate the communists by pumping money into the centralist parties, the  
 14 non-communist labor movement (b)(1), (b)(3)  
 15 (b)(1), (b)(3) At least one CIA officials, Robert Amory, DDI, felt the menace had been  
 16 over exaggerated by Clare Booth-Luce, OPC, and the State Department. U.S. officials  
 17 overestimated the American ability to influence Italian domestic affairs, however.<sup>352</sup> The  
 18 Communist party continued to play a relevant role in Italian political life. Indeed,  
 19 communist presence in the country guaranteed U.S. economic support, external security,  
 20 and the perpetuation of the Christian Democrats' hold on political power.<sup>353</sup>

21  
22 **Stay Behind Operations**

23  
24 One of the major components of OPC's paramilitary efforts was planning for the not  
 25 unlikely possibility of a Soviet invasion of Western Europe. In the event that the Soviet  
 26 Union succeeded in taking over most of Europe, Wisner wanted to be in a position to  
 27 activate well-armed and well-organized partisan groups against the Russians. During  
 28 World War II, the OSS had supplied anti-Nazi resistance movements through such  
 29 methods as air drops and other risky measures. OPC sought to provide these "stay  
 30 behind" networks by stockpiling weapons in secret caches ahead of time and by  
 31 recruiting volunteers who would form the core of the resistance movements ahead of  
 32 time. Thus, Wisner and OPC undertook a major program of building throughout those  
 33 Western European countries that seemed likely targets for Soviet invasion "stay behind"  
 34 networks. According to William Colby, a future DCI and former Jedburgh team member,  
 35 the Western governments were full partners in the effort. The idea was to create units  
 36 like the French wartime *Maquis* and have them in place before any Soviet takeover. It  
 37 also sought to "stiffen the spines" of Western European governments by showing them  
 38 that the United States was resolved to defend and assist them, according to Ray Cline,

<sup>349</sup> The National Security Council secretly called for U.S. military support for underground operations in Italy "in the event the Communists obtain domination of the Italian government by legal means." FRUS, 1948, vol. III, p.775.

<sup>350</sup> Barnes, "The Secret Cold War," p. 663.

<sup>351</sup> Ibid., p. 663.

<sup>352</sup> Mario Del Pero, "The United States and Psychological Warfare in Italy, 1948-1955," *The Journal of American History*, vol. 87, No.4 (March 2001), pp. 1304-1334.

<sup>353</sup> Ibid., p. 1332.

CIA

1 later (b)(1), (b)(3) and DDI. OPC initiated "stay behind" networks in  
2 Scandinavia, France, West Germany, Luxemburg, the Netherlands, Belgium, and Italy.<sup>354</sup>

3  
4 **Red Sox Operations**

5  
6 OPC also developed a covert action plan to use émigrés and refugees from Albania,  
7 Hungary, Poland, Czechoslovakia, and Rumania in paramilitary operations. This  
8 included the insertion of agents and small sabotage groups into these Eastern European  
9 countries to destabilize the governments and to prepare resistance groups for action. It  
10 included parachuting agents into the satellite countries. In Albania, for example, OPC  
11 believed that landing émigrés on the coast of Albania would stimulate the overthrow of  
12 Enver Hoxha. The Office of research and estimates however stated in December 1949  
13 that a successful internal revolt aided by OPC and SIS was most unlikely.<sup>355</sup>  
14 Unfortunately, most of these operations failed as Kim Philby, the highly placed Soviet  
15 spy informed the Soviets of the date, time and place of these efforts. Philby was the MI-6  
16 liaison officer in Washington with the FBI and the CIA. Most agents were killed or  
17 captured soon after being sent into these countries.<sup>356</sup> The limits of covert action  
18 programs were made painfully clear at least in Europe.  
19

20 **Merger of OPC and OSO 1952**

21  
22 The creation of OPC and its ambiguous relationship to the Agency created two major  
23 administrative problems for DCI Smith. As OPC continued to grow, Smith's  
24 predecessor, Admiral Hillenkoetter increasingly resented the fact that he had no  
25 management authority over OPC, although its budget and personnel were allocated  
26 through CIA. Hillenkoetter clashed repeatedly with State, Defense, and Wisner over  
27 programs and authorities. When Smith became DCI he announced that he would assume  
28 administrative control of OPC and Wisner would report directly to him. State and  
29 Defense would channel their policy guidance through the DCI. Because of Smith's  
30 senior rank and position, State, Defense, and the Joint Chiefs of Staff formally accepted  
31 the new arrangement.<sup>357</sup> Perhaps the more difficult problem facing Smith was just how  
32 to merge the two organizations within CIA, OPC, the covert action group and the OSO,  
33 the clandestine collection group. Organizational rivalry dominated the relationship  
34 between the two components. They often competed for the same assets and agents  
35 abroad. OPC's favored position with State and Defense, its generous budget, and its  
36 visible accomplishments all contrasted sharply with OSO's silent, long-term objectives in  
37 espionage and counterespionage. Between 1951 and 1952 Smith made several attempts  
38 to foster better coordination between OSO and OPC, including bringing in Allen Dulles

<sup>354</sup> See William Colby, *Honorable Men*, (1978) and David Binder, "Evolution in Europe: Agents Explain Why CIA Planned for a Resistance in Europe," *New York Times*, 17 November, 1990. Ray Cline later claimed that when he was station chief in Bonn in the mid 1960s he recommended that the program be phased out because by then "men to old to fight" were on the lists.

<sup>355</sup> Trevor Barnes, "The Secret Cold War: The CIA and American Foreign Policy in Europe, 1946-1956, *The Historical Journal*, vol. 25, No. 3 (September 1982), p. 657.

<sup>356</sup> The CIA records relating to these operations remain classified and there is little documentation available.

<sup>357</sup> See Karalekes, pp. 48-49.

1 as DDP to supervise both OPC and OSO. Although all seemed to favor some sort of  
2 integration, OSO official feared that OPC would simply engulf them in operations and  
3 personnel. Smith, committed to an integrated structure moved in August 1952 to merge  
4 the two components. OPC and OSO became the Directorate of Plans. Smith named  
5 Wisner Deputy Director of Plans and appointed Richard Helms from OSO as Chief of  
6 Operations. It was to be a fusion of the two organizations and Dulles was to knock  
7 heads, according to Smith, to make it work. The merger, however, resulted in the  
8 continued expansion and development of covert operations over clandestine collection.<sup>358</sup>  
9 General Jimmy Doolittle in a report to President Eisenhower in 1954 would term it a  
10 "shotgun marriage," and warned that the Cold War functions of DDP had come to  
11 overshadow its clandestine role.<sup>359</sup>

### 12 **Korean War 1950-1953**

#### 13 **Background**

14  
15  
16  
17 With Japan's surrender in mid-August 1945 U.S. policymakers began to make  
18 arrangements to take over peripheral areas occupied by Japan during the war. One of the  
19 thorniest problems was the status of Korea. Korea had been an independent nation for  
20 centuries before the Japanese occupied it and took it as a colony in 1910. In August  
21 1945, Soviet forces appeared ready to occupy all of Korea as they fought the Japanese on  
22 the China-Korea border. U.S. officials desired to prevent such an occupation and  
23 proposed to temporarily divide the country with the United States taking the Japanese  
24 surrender in the South and the Soviets in the North. The Soviets agreed and the country  
25 was divided at the 38<sup>th</sup> parallel. North and South Korea soon became pawns in the Cold  
26 War struggle.

27 The United Nations mandated elections to unify the country in 1948. UN sponsored  
28 elections led to the formation of the Republic of Korea (ROK) on 15 August 1948, under  
29 President Syngman Rhee with its capital in Seoul. North Korea declined to participate in  
30 UN elections and formed its own government, the Democratic People's Republic of  
31 Korea (DPRK), with Kim Il-song as its leader and its capital in Pyongyang. U.S.  
32 policymakers deliberately excluded South Korea from their planning for a defensive  
33 perimeter in the Pacific area. In the early morning hours of 25 June 1950, the Korean  
34 People's Army (KPA) invaded the South and pushed toward Seoul. The ROK Army  
35 collapsed. President Truman and his advisers assumed the Soviet Union was behind the  
36 attack and that this was the opening move in a wider war.<sup>360</sup> Truman, at this point,  
37 reversed policy and ordered U.S. troops to support South Korea and called on the UN for  
38 assistance in repelling North Korean aggression. After suffering a series of defeats and  
39 retreating south, the U.S. Eighth Army, under General Walton Walker stabilized the lines  
40 along the Naktong River. It became known as the "Pusan Perimeter." Using key tactical  
41 intelligence, General Walker astutely blunted repeated North Korean attacks on his  
42 position. On 15 September 1950 General Douglas MacArthur executed a brilliant

---

<sup>358</sup> Ibid., p. 50.

<sup>359</sup> Prados, p. 110.

<sup>360</sup> Actually Kim Il-song continually pressured both the Soviet Union and China to allow him to invade the South. Stalin and Mao eventually gave in to Kim's request for aid in the invasion.

1 amphibious landing behind North Korean lines at the port of Inchon. This operation,  
 2 combined with a breakout from the "Pusan Perimeter" smashed the North Korean army.  
 3 UN Force, consisting primarily of American and South Korean troops, crossed into North  
 4 Korean territory in pursuit of their retreating enemy, despite repeated warnings from  
 5 Communist China to remain below the 38<sup>th</sup> parallel. In November 1950, as U.S. and  
 6 South Korean forces approached the Chinese-Korea boarder, the People's Liberation  
 7 Army (PLA) struck, sending the UN army reeling southward. In the spring of 1951, UN  
 8 force reestablished a stable line of resistance at roughly the 38<sup>th</sup> parallel. The war  
 9 continued for two more years with little change. It ended in August 1953, after more than  
 10 three years of combat, with the signing of a truce agreement and the exchange of  
 11 prisoners.

12  
 13  
 14 **Covert Operations**

15  
 16 The outbreak of the Korean War altered the nature of OPC's activities as well as its size  
 17 and capabilities. Between fiscal year 1950 and fiscal year 1951, OPC's personnel  
 18 jumped (b)(1), (b)(3) Most of the grow took place in paramilitary operations in the  
 19 Far East. Following the North Korean invasion of South Korea in the summer of 1950,  
 20 the State Department requested the initiation of paramilitary and psychological operations  
 21 on the Chinese mainland. In response, OPC began training Nationalist Chinese teams in  
 22 Taiwan. Despite Mac Arthur's objections, the JCS wanted covert support activities in the  
 23 Korean campaign. OPC organized South Korean raiding parties on the North and  
 24 inserted agents into North Korea to gather intelligence. Again, because Kim Philby had  
 25 knowledge of most of these operations, they did not go well. Philby informed the Soviets  
 26 who then told the North Koreans of the attempts. Nevertheless, the Korean War  
 27 established OPC's and CIA's jurisdiction in the region and created the basic paramilitary  
 28 capability that the Agency employed for the next twenty years. CIA covert activities  
 29 would be one of the major tools used during the Cold War.<sup>361</sup>

30  
 31 **Sigint and the War**

32  
 33 The Monthly Intelligence Requirements issues by the U. S. Communications Intelligence  
 34 Board (USCIB) reflected the generally low level of interest in Korea by the Truman  
 35 administration. The country was outside the U.S. defense perimeter in the Pacific region.  
 36 USCIB maintained two requirements lists. The first consisted of subjects of "greatest  
 37 concern to U.S. policy or security," such as "Soviet intentions to launch an armed attack."  
 38 On the second list were items of "high importance." Prior to the outbreak of the Korean  
 39 War, Japan and Korea were item number 15 on the second list. Even then U.S. Comint  
 40 did not focus on Korea itself. The specific requirements were "Soviet activities in North  
 41 Korea," and "North Korean-Chinese Communist Relations," and "North Korean-South  
 42 Korean relations, including activities of armed units in border areas."<sup>362</sup> Because of the  
 43 absence of consumer intelligence on Korea, AFSA had established no Comint effort of  
 44 any kind on North Korean communications. There was no effort on the North Korean

<sup>361</sup> Karalekas, p. 48.

<sup>362</sup> David A. Hatch and Robert Louis Benson, "The Korean War: The Sigint Background," NSA, p.4.

CIA

1 problem even on a "caretaker" basis. AFSA concentrated its scarce resources in the  
 2 region on the USSR and PRC. It did monitor some communications from some North  
 3 Korean naval bases prior to 1950, but only because these were occupied by the Soviet  
 4 navy. Nevertheless, U.S. Comint did pick up hints of more than usual interest in the  
 5 Korean peninsula by communist bloc nations. Nothing was sufficient to provide warning  
 6 of the June invasion. In the spring of 1950, a Soviet network in the Vladivosok region  
 7 greatly increased its targeting of communications in South Korea. Soviet targeting of  
 8 South Korea was quite low until early February 1950 and then rose dramatically. U.S.  
 9 intercepts also revealed large shipments of bandages and medicines from Russia to North  
 10 Korea and Manchuria starting in February 1950. There were also a number of VIP visits  
 11 and communications changes in the Soviet Far East and in the PRC, but none was  
 12 suspicious in itself to provide clear evidence that a significant event was imminent, much  
 13 less a North Korean invasion of the South. In June 1950, prior to the beginning of the  
 14 war, AFSA had two persons working North Korea.<sup>363</sup>  
 15 With the outbreak of the war Comint resources available for Korea increased  
 16 dramatically. Despite the increases, however, Comint production continued to be  
 17 hampered by supply shortages, outmoded gear, a lack of linguists, no Korean  
 18 dictionaries, no Korean typewriters, no books on the Korean language, and existing  
 19 equipment ill-suited for frequent movement over rough terrain. For example, the U.S.  
 20 Marines had deployed tactical Comint units in the Pacific campaigns of World War II,  
 21 but these were demobilized or greatly "downsized" after the war. The Marines who  
 22 fought in the Pusan Perimeter and landed at Inchon did not have their own tactical  
 23 Comint support. There were only two Korean linguists available to the U.S. Army at the  
 24 beginning of the conflict. Despite these short coming, U.S. Comint was able to provide  
 25 General Walker with timely warnings of KPA movements, allowing Walker to move his  
 26 troops to counter these threats.

27  
28 **Chinese Intervention**

29  
30 U.S. cryptologic service began enhancing coverage of mainland Chinese targets  
 31 following the establishment of the PRC in October 1949. In 1950 a team of Chinese  
 32 linguists and analysts at AFSA, under the leadership of Milton Zaslow, exploited Chinese  
 33 communications, primarily general cable traffic and unencrypted official messages. They  
 34 began to notice a large number (b)(1), (b)(3)

CIA

35  
36 [REDACTED] Tracking the movements of four army divisions of these  
 37 forces toward the Sino-Korean border, Zaslow warned that the Chinese were about to  
 38 enter the war. U.S. policymakers and General MacArthur believed the Chinese were  
 39 bluffing. The PLA forces attacked across the border on 25 October 1950, then  
 40 unaccountability broke off contact for a month. Many U.S. officials believed this was a  
 41 warning for the UN forces to pull back. U.S. Comint in the month between the first  
 42 Chinese attack and their all-out offensive in late November showed a number of war  
 43 warnings. Beijing remained on a state of emergency, additional Chinese troops were  
 44 moving toward Manchuria, and the PRC had ordered 30,000 maps of Korea be sent from  
 45 Shanghai to the forces in Manchuria. U.S. Army Military Intelligence calculated that

<sup>363</sup> Ibid., p. 5.

1 many maps would supply thirty divisions. In late November, the PLA attacked U.S. and  
2 UN forces with thirty divisions.<sup>364</sup>  
3 The entrance of the Chinese in the war resulted in a new war in 1951. Chinese armies in  
4 Korea renewed the language problem for AFSA. It simply did not have enough Chinese  
5 linguists. In addition, the Soviet Union began supplying Soviet pilots for combat  
6 missions over North Korea. This created the need for Russian linguists with the ability to  
7 intercept tactical communications. These individuals were also in short supply. As the  
8 battle lines stabilized in mid-1951 Comint support became more institutionalized.  
9 Advanced warnings of impending attacks increased. These were often derived through  
10 analysis of communications associated with PLA artillery preparations, and order of  
11 battle information. In late 1951, in conditions reminiscent of the battlefields of France in  
12 1917, ASA personnel inadvertently rediscovered an intercept technique used extensively  
13 in World War I. UN forces in Korea planted sound detecting devices forward of their  
14 bunkers to give warning of pending attacks; they found that these devices also picked up  
15 telephone conversations. The "ground-return intercept" used the principle of induction. It  
16 enabled collection of some tactical Chinese and North Korean telephone traffic. This  
17 information gave UN forces access to information on Chinese and North Korean patrols,  
18 casualty reports, supply problems, and evaluations of UN artillery strikes.<sup>365</sup>  
19 Another innovation in Comint collection which became one of the major producers of  
20 tactical intelligence for the U.S. military in Korea was low-level intercept (LLI).  
21 Stationed near the main lines these teams collected and disseminates intelligence directly  
22 to combat units, usually at regiment level. The LLI teams dealt with perishable and  
23 current intelligence. They played a key role in such battles as White Horse Mountain  
24 (Hill 395), Old Baldy, and Pork Chop Hill. In march 1953, for example, LLI intercepts  
25 revealed Chinese planning for offensives against Old baldy and Pork Chop Hill. Comint  
26 revealed Chinese troop movements and buildups. On "D-Day" LLI intercept gave the  
27 defenders warning that the attack would commence in five minutes.<sup>366</sup>  
28 Despite such excellent Comint support to combat units, senior commanders, particularly  
29 those who had enjoyed access to Comint in World War II, were dissatisfied. General  
30 James Van Fleet, commander of the U.S. Eighth Army, one of the principal ground units  
31 in the war, declared:

32  
33           It has become apparent, that during the between-wars interim we have lost,  
34           through neglect, disinterest and possibly jealousy, much of the effectiveness in  
35           intelligence work that we acquired so painfully in World War II. Today, our  
36           intelligence operations in Korea have not yet approached the standards that we  
37           reached in the final year of the last war.<sup>367</sup>

38  
39 During the Korean War the cryptologic agencies had to relearn the techniques and skills  
40 developed during World War II. They also had to adapt to new conditions and doctrines  
41 of the needs of limited war. They scrambled to provide the fighting man the intelligence  
42 he needed to fight the war.

---

<sup>364</sup> Ibid., p8.

<sup>365</sup> Ibid., p. 10.

<sup>366</sup> Ibid., p.11.

<sup>367</sup> Ibid., p.12.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**Results**

The Korean War exposed major weaknesses in U.S. military and CIA intelligence. Analysts were unable to foresee the North Korean invasion of the South. The military down graded JIG but failed to put anything in its place. Few predicted the Chinese intervention. Covert operations disappointed U.S. officials. AFSA failed to assert a dominant position in the Comint field as the services reserved for themselves the right of conducting all of their intelligence operations as they deemed necessary or desirable. U.S. Comint contributions to the war were far below the achievements of Comint during World War II. Centralized intelligence still seemed far off, despite the creation of the CIA and NSA. The CIA remained a limited influence in the government.

**Paramilitary Operations**

Increasingly, during the 1950s and early 1960s, U.S. policymakers called upon the CIA to organize, conduct and support major covert operations and paramilitary operations in third world countries. This was waging war via surrogate forces with U.S. government deniability. It involved equipping and training large armed groups to destabilize or overthrow regimes. Regime change through covert means or by paramilitary operations became an accepted mode of countering perceived communist encroachments around the world. It was generally regarded as a "last resort" effort and used infrequently but colored the perception of CIA and U.S. foreign policy.

**Iran (b)(1), (b)(3) 1953**

The Eisenhower administration inherited an Iran problem when it took office in 1953 stemming from British interest in Iranian oil. The British had an agreement with Iran that gave them almost total control over Iranian oil production through the Anglo-Iranian Oil Company (AIOC). When London refused to renegotiate the exploitative concessions, the popular nationalist leader, Mohammed Mossadeq and the Iranian parliament, the Majlis, nationalized the firm's assets in 1951. The British government sided with AIOC which insisted on restoration of its interests. London issued an ignorant and alarming public statement, "The Iranian Government is causing a great enterprise, the proper functioning of which is of immense benefit not only to the United Kingdom and Iran but to the whole free world, to grind to a stop. Unless this is promptly checked, the whole of the free world will be much poorer and weaker, including the deluded Iranian people themselves."<sup>368</sup> Britain alerted its troops for action. The Truman administration interceded, however, and convinced the British to abandon military action. Truman's Secretary of State, Dean Acheson later wrote, "Never had so few lost so much so stupidly and so fast."<sup>369</sup> The two sides were talking pass one another. Mossadeq who hated the British, was equally as stubborn. He related to U.S. envoy Vernon Walters who was sent

<sup>368</sup> Quoted in Stephen Kinzer, *All the Shah's Men: An American Coup and the Roots of Middle East Terror* (New York: John Wiley and Sons, 2003), p. 121.

<sup>369</sup> Dean Acheson, *Present at the Creation: My Years in the State Department* (New York: W.W. Norton, 1969), p. 503.

CIA



CIA

1 to broker the impasse, "You do not know how crafty they are. You do not know how evil  
2 they are. You do not know how they sully everything they touch."<sup>370</sup> The crisis persisted.

3 (b)(1), (b)(3)

4 [Redacted]

5 Nothing

6 happened with the proposal as the Truman administration maintained an official policy of  
7 favoring an amicable settlement of the issue.<sup>371</sup>

8 Elections in Britain in 1951 and in the United States in 1952 tipped the scales toward  
9 intervention. Britain's new Prime Minister Winston Churchill was committed to  
10 preserving the British empire and stopping the erosion of British power. In the United  
11 States President Dwight D. Eisenhower and his new Secretary of State, John Foster  
12 Dulles, were determined to roll back communism and defend democratic governments  
13 threatened by Moscow. In the case of Iran, Eisenhower had few options. Diplomacy had  
14 failed and a military solution was infeasible given that the United States was still  
15 involved in the Korean War. (b)(1), (b)(3)

16 [Redacted]

17 [Redacted]

18 [Redacted]

19 [Redacted]

20 [Redacted]

21 [Redacted]

22 [Redacted]

23 [Redacted]

24 [Redacted]

25 [Redacted]

26 [Redacted]

27 [Redacted]

28 [Redacted]

29 [Redacted]

30 [Redacted]

31 [Redacted]

32 [Redacted]

33 [Redacted]

34 [Redacted]

35 [Redacted]

36 [Redacted]

37 Shah to sign the *firman*s (royal decrees) dismissing Mossadeq, appointing General  
38 Fazlollah Zehedi head of the government, and calling on the army to remain loyal to the

<sup>370</sup> Vernon Walters, *Silent Missions* (Garden City, New York: Doubleday, 1978), p. 247.

<sup>371</sup> John Prados, *Presidents' Secret Wars: CIA and Pentagon Covert Operations Since World War II* (New York: William Morrow and Company, 1986), p. 96.

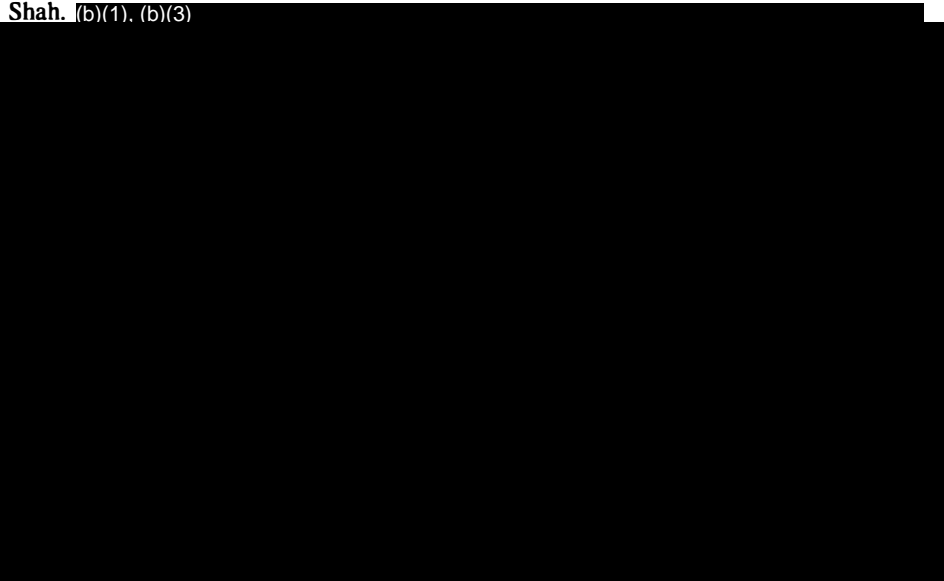
<sup>372</sup> Allen Dulles quoted in Kermit Roosevelt, *Countercoup: the Struggle for the Control of Iran* (New York: McGraw-Hill, 1979), p. 8. The Shah had picked Mossadeq to run the government just before the Majlis voted to nationalize AIOC. He was a royal-blooded eccentric nationalist given to melodrama and hypochondria. He often wept during speeches, had fits and swoons, and conducted affairs of state from bed wearing wool pajamas. *Time Magazine* named him "Man of the Year" in 1951.

<sup>373</sup> Kinzer, *All the Shah's Men*, p. 175.

CIA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

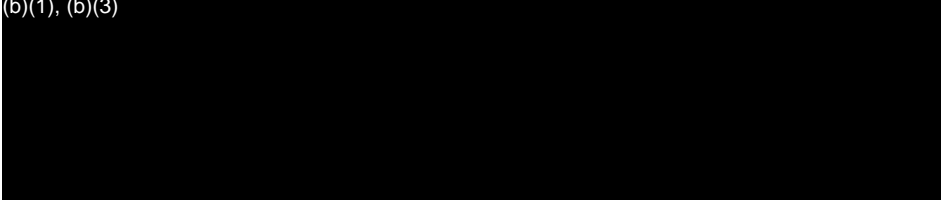
Shah. (b)(1), (b)(3)



The Shah moved quickly to strengthen his grip on the government. He outlawed the communist party. He reached an agreement with the British on oil concessions, and became a staunch pro-Western ally of the United States. He also moved to force Iran into the 20<sup>th</sup> century economically and socially. He ruled with an iron hand however, allowing very little dissent. There would be long-term consequence as well when the Khomeini-inspired Islamic revolution swept the Shah from power in February 1979 and declared the United States the "Great Satan."

(b)(1), (b)(3) It had stopped the communists and put a pro-U.S. government in place in the Middle East.

(b)(1), (b)(3)



Roosevelt's advice seemed to go unheeded as the United States soon became involved in a new covert action plan regarding Guatemala. (b)(1), (b)(3) would set the tone for covert actions to follow in the 1950s and early 1960s as the United States sought to stem Soviet encroachments around the world. The short term success of (b)(1), (b)(3) confirmed the belief by many in the Eisenhower administration that covert operations offered a safe,

<sup>374</sup> National Security Archive, *The Secret CIA History of the Iran Coup*, p. 51. This CIA history was first disclosed by James Risen of the *New York Times*, April 16 and June 18, 2000. It has never been officially released by the CIA.

<sup>375</sup> Ibid., p. 76.

<sup>376</sup> Quoted in Prados, p. 98.

1 inexpensive, effective substitute for the use of military force in resisting communist  
2 influence in the third world. Little thought was given to the long term results of these  
3 actions, however.

4  
5  
6  
7  
8 **Guatemala PBFORTUNE and PBSUCCESS 1952-1954**

9  
10 **Background**

11  
12 Once the center of Mayan civilization, Guatemala had been reduced by centuries of  
13 Spanish rule to an impoverished outback. Under the staunchly anti-communist dictator  
14 Jorge Ubico, in the 1930s and early 1940s, the country continued to suffer as he imposed  
15 a harsh depressive regime. He was pro-American, however, and welcomed U.S. business  
16 interests in Guatemala with a congenial business climate. The Boston-based United Fruit  
17 Company (UFCO) became one of his closest allies and a major land holder in Guatemala.  
18 It held several hundred square miles in huge banana estates. It also controlled the  
19 railroad, electric utilities and telegraph services of the country. The United States  
20 considered Ubico a solid ally during World War II.

21 As World War II drew to a close several dictators who ruled in Latin America fell to  
22 popular revolutions demanding democracy. In 1944 there was a general uprising in  
23 Guatemala that ended the Ubico dictatorship and brought general elections. A university  
24 professor, Juan Jose Arevalo began President of Guatemala. He was a populist leader,  
25 pro-capitalism, anti Soviet imperialism, and generally accepted the concept that  
26 Guatemala was in the U.S. sphere of influence. As President Arevalo instituted what he  
27 called "Spirited Socialism" with modest reforms. He sponsored social security, health  
28 care, and the creation of a government department to look after the affairs of the nation's  
29 Mayan population. He also allowed political parties, including the communist party to  
30 flourish. In addition, he welcomed radical dissidents in Guatemala. As a self-styled  
31 visionary Arevalo sought to achieve the unity of the Central American Republics in a  
32 grand federation, The Democratic Alliance of the Caribbean. Militarily, the Caribbean  
33 Legion, sponsored in part by Arevalo, sought to overthrow dictatorships in the Dominion  
34 Republic and Nicaragua. Little came of these efforts.<sup>377</sup>

35 Arevalo's actions did set off alarm bells with United Fruit officials and in Washington.  
36 UFCO claimed it was being unfairly treated by the new government and raised the  
37 specter of serious communist infiltration in Guatemala. UFCO executives regarded any  
38 trespass on the prerogatives they enjoyed under Ubico as an assault on free enterprise.<sup>378</sup>  
39 By the late 1940s, the Truman administration saw Guatemala as a "nightmarish world  
40 infested not only by communists, but by ill-defined yet dangerous species such as  
41 procommunists, fellow travelers, extreme leftists, and radical leftists."<sup>379</sup> It accepted

---

<sup>377</sup> See Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton, New Jersey: Princeton University Press, 1991), pp.8-116.

<sup>378</sup> Nick Gullather, *Secret History. The CIA's Classified Account of Its Operations in Guatemala, 1952-1954* (Stanford, California: Stanford University Press, 2006), p.15.

<sup>379</sup> Gleijeses, *Shattered Hope*, p. 101.

1 UFCO's claims of "victimization" and "persecution." The State Department asserted in  
2 1950 that, "one of the principal causes of unrest and instability in the Caribbean was  
3 Guatemala." Guatemala was not yet perceived as a Soviet beachhead in the Western  
4 Hemisphere but Washington remained worried.

5 As U.S. relations with Arevalo grew more strained and the conflict with American  
6 companies, especially UFCO grew even more better, American officials looked forward  
7 to the coming election in Guatemala in 1950. Arevalo, according to the Guatemalan  
8 constitution, could not succeed himself. An army officer Col. Jacobo Arbenz was  
9 running for President and was the favorite. There was hope that Arbenz would modify  
10 Arvalo's policies. On 15 March 1951 Arbenz became president of Guatemala. By 1952  
11 many in the Truman administration, including the CIA, saw the Guatemalan threat as  
12 sufficiently grave to warrant a covert action program. Although he had been popularly  
13 elected, growing communist influence within his government gave rise to concern in the  
14 United States that Arbenz had established an effective working alliance with the  
15 communists, his Foreign Minister Jose Manuel Fortuny was a Marxist as was his wife,  
16 Maria Vilanova. Moreover, Arbenz's policies had seriously damaged U.S. business  
17 interests in Guatemala: a sweeping agrarian reform called for the expropriation and  
18 redistribution of much of UFCO's land holdings. Although high-level U.S. officials  
19 recognized that a hostile government in Guatemala by itself posed no direct threat to the  
20 United States, they viewed events there in the context of the growing global Cold War  
21 struggle with the Soviet Union and feared that Guatemala could become a client state  
22 from which the Soviets could project power and influence throughout the Western  
23 Hemisphere. CIA and Intelligence Community reports tended to support the view that  
24 Guatemala and the Arbenz regime were rapidly falling under the sway of the  
25 communists. DCI Walter Bedell Smith and other Agency analysts believed the situation  
26 called for action. Their assessment was, that without help, the Guatemalan opposition  
27 would remain inept, disorganized, and ineffective. The anti-communist elements -- the  
28 Catholic hierarchy, landowners, business interests, the railway workers union, university  
29 students, and the army -- were prepared to prevent the communists from coming to  
30 power, but they had little outside support.<sup>380</sup>

31 Other Truman administration officials, especially in the State Department urged a more  
32 cautious approach. The Bureau of Inter-American Affairs, for example, did not want to  
33 present "the spectacle of the elephant shaking with alarm before the mouse." State  
34 officials proposed a policy of firm persuasion with the withholding of virtually all  
35 cooperative assistance and concluding military defense assistance pacts with Guatemala's  
36 neighbors, El Salvador, Nicaragua, and Honduras. While the State Department position  
37 became the official public U.S. policy, the CIA assessment of the situation had major  
38 support within the Truman administration as well. There would soon be an opportunity  
39 to develop a covert action plan to topple the Arbenz government.

#### 40 **PBFORTUNE**

41  
42  
43 Following a visit to Washington by Nicaraguan President Anastasio Somoza in April  
44 1952, in which Somoza boasted that if provided arms he and Guatemalan exile Carlos  
45 Castillo Armas, could overthrow Arbenz, President Truman asked DCI Smith to

---

<sup>380</sup> See Gerald K. Haines, "CIA and Guatemala Assassination Proposals, 1952-1954," CIA, CSI.

CIA

1 investigate the possibly.<sup>381</sup> After reviewing the situation, Smith officially approved a  
2 request from his DDP Allen Dulles to initiate operation PBFORTUNE. It called for the  
3 CIA to provide weapons (b)(1), (b)(3) to Castillo Armas for an invasion of Guatemala  
4 and an intensive psychological warfare program. Honduras and Nicaragua were to  
5 provide air support and other assistance. The CIA also compiled a "hit list." The list  
6 called for the execution through executive action of 58 Guatemalan government  
7 officials.<sup>382</sup> According to J.C King, Chief of the Western Hemisphere Division in the  
8 Directorate of Plans, the Agency would play only a minor role in the entire operation,  
9 however. The rebellion would proceed in any case, King, warned, but without CIA help  
10 it might fail and lead to a crack down in Guatemala that would eliminate anti-communist  
11 resistance.<sup>383</sup> After receiving explicit approval from the State Department, which wanted  
12 a new government in Guatemala, imposed by force if necessary, Smith signed the order  
13 to initiate PBFORTUNE on 9 September 1952. King acquired a shipment of contraband  
14 weapons and arranged for the arms shipment (b)(1), (b)(3)  
15 Somoza bragged about the Agency's role in the rebellion and soon a number of Latin  
16 American diplomats were asking State Department officials about the operation.  
17 Secretary of State  
18

---

<sup>381</sup> Department of State, *Foreign Relations of the United States, 1952-1954, Guatemala* (Washington: United States Government Printing Office, 2003), pp. 1-84.

<sup>382</sup> Haines, "Assassination Proposals," p. 3. No official action was ever taken regarding the list.

<sup>383</sup> Cullather, *Secret History*, p. 29.

1 Dean Acheson asked DCI Smith to call off the operation on October 19 1952. Acheson  
2 feared a blown operation would destroy the remnants of the Good Neighbor Policy of  
3 FDR. Moreover, the United States had pledged not to intervene in the domestic affairs of  
4 any American state.<sup>384</sup>

5  
6 **PBSUCCESS**

7  
8 Both Smith and King hoped the new administration of President Eisenhower would  
9 breathe new life into the Guatemalan project. They were not disappointed. By the fall of  
10 1953, the Eisenhower administration and CIA officials were searching for a new over-all  
11 program for dealing with Arbenz. The Guatemalan leader had moved even closer to the  
12 communists. He had expropriated additional UFCO holdings, legalized the Guatemalan  
13 Communist Party, the PGT, and suppressed anti-communist opposition following an  
14 abortive uprising at Salma in March 1953. In response, the National Security Council  
15 authorized a covert action operation against Arbenz and gave the CIA primary  
16 responsibility.<sup>385</sup>

17 The CIA plan combined psychological warfare, economic, diplomatic, and paramilitary  
18 actions against Guatemala. Named PBSUCCESS, and coordinated with the Department  
19 of State, the plan's stated objective was "to remove covertly and without bloodshed if  
20 possible, the menace of the present Communist-controlled government of Guatemala."  
21 Frank Wisner DDP, placed in charge of the operation by DCI Dulles, believed that to  
22 succeed the opposition would need to win over Army officers and key government  
23 officials, (b)(1), (b)(3)

CIA

24  
25  
26  
27 PBSUCCESS relied on the State and Defense Departments to isolate Guatemala  
28 diplomatically, militarily, and economically. In the plan, State would mount a diplomatic  
29 offensive in the Organization of America States (OAS) to declare Guatemala a pariah  
30 state and cripple its economy. State and Defense would work together to enforce an arms  
31 embargo and build up the military forces of neighboring states. The U.S. Army, Navy  
32 and Air Force would provide essential logistical support and training for  
33 paramilitary forces. PBSUCCESS would be a government-wide operation led by the  
34 CIA.

35 Despite its government-wide status, Wisner imposed tight security over the project. He  
36 neither sought nor received support from the other CIA directorates. Wisner ran the  
37 operation in Washington and his deputy Tracy Barnes served as liaison to the LINCOLN  
38 station in (b)(1), (b)(3) "PBSUCCESS became Wisner's project." On 9 December  
39 1953, DCI Dulles authorized \$3 million for the operation.<sup>386</sup>

40  
41 **A Paramilitary Force and Carlos Castillo Armas**

42

<sup>384</sup> Ibid., p. 31.

<sup>385</sup> Haines, "Guatemala Assassitoin Proposals," p. 4.

<sup>386</sup> Cullather, *Secret History*, p. 44.

1 The CIA plan, while focusing on the Guatemalan army, also called for a rebel ‘liberation  
2 army” to be trained in neighboring Nicaragua. It would be supported by a covert air  
3 force. Most of the pilots were Americans recruited by the CIA. PBSUCCESS called for  
4 two or three hundred men to invade Guatemala on D-Day. There would be no direct  
5 intervention by U.S. forces.

6 Training included the development of sabotage teams and K groups (assassination  
7 squads). The main mission of the sabotage teams was to attack local communists and  
8 communist property and to avoid attacks on the army. Assassination specialists would  
9 kill known communists once the invasion began. While proposals for assassination perv  
10 added PBSUCCESS planning and the CIA compiled elimination lists, in the end no  
11 assassinations of Guatemalan officials were carried out. No covert action plan involving  
12 the assassination of Guatemalans was ever approved or implemented.<sup>387</sup>

13  
14 **SHERWOOD and Psychological Warfare**

15  
16 Wisner and Barnes hired a young journalist David Atlee Phillips to run the radio  
17 propaganda effort. Phillips set up a clandestine radio station, SHERWOOD in  
18 (b)(1), (b)(3) It pretended to broadcast from Guatemala. On 1 May 1954 SHERWOOD  
19 began airing popular American songs and messages denouncing the “traitor Jacobo.” It  
20 was the opening in the war of nerves. An intensive psychological warfare program  
21 paralleled the planning for paramilitary operations. LINCOLN developed a major  
22 propaganda campaign against the Arbenz government. Part of the program included  
23 sending death threats, wooden coffins, hangman’s nooses, and phony bombs to select  
24 Guatemalan communist leaders. Such slogans as “Here Lives a Spy” and “You Have  
25 Only 5 Days” were painted on their houses. The objective was to intimidate the  
26 communists and their sympathizers and stimulate the empathic majority to act. Relating  
27 its programming to the 1944 Revolution, SHERWOOD’s slogan became *Trabajo, Pan y*  
28 *Patria*, work, bread, and country.<sup>388</sup> CIA contracted planes flew over Guatemala City  
29 dropping leaflets encouraging Guatemalans to join the crusade against godless  
30 communism and join the struggle with Castillo Armas.<sup>389</sup> The Arbenz government  
31 countered with a wave of arrests. The Arbenz government suppressed civil rights,  
32 arrested students and dissidents, suspended constitutional guarantees, and imposed  
33 censorship on the press.<sup>390</sup>

34  
35  
36  
37  
38  
39  
40

<sup>387</sup> Haines, “Guatemala Assassination Proposals,” p. 7.

<sup>388</sup> Ibid., p.76. In Phillips account, *Night Watch* SHERWOOD was singularly responsible for the triumph of PBSUCCESS.

<sup>389</sup> Many Guatemalans viewed these flights as practice bombing runs. See Gleijeses, *Shattered Hope*, pp. 312-313.

<sup>390</sup> Gleijeses, *Shattered Hope*, p. 317.

CIA

1 **Alfhem Incident**

2  
3 Learning of the plotting to overthrow his government and unable to get weapons from the  
4 United States or its allies, in October 1953, Arbenz took a desperate gamble. Secretly he  
5 would import weapons from Czechoslovakia and distribute some to the PGT to arm  
6 worker's militias. The deal breached the Guatemalan army's monopoly of weapons and  
7 was the first time a Soviet bloc country had sent arms to the Western Hemisphere. His  
8 trusted adviser Fortuny headed to Prague to make the deal. The Czechs would provide  
9 the arms but on a cash and carry basis. U.S. intelligence followed the money transaction  
10 and learned from a Polish asset that the arms would be shipped from the Polish port of  
11 Stettin on the Swedish ship *Alfhem*.<sup>391</sup> The CIA lost track of the *Alfhem* as it proceeded  
12 on a circuitous route to Guatemala. The ship was rediscovered only as it reached the  
13 Guatemalan port of Puerto Barrios. The Guatemalan army took control of the antiquated  
14 arms shipment and escorted it to Guatemala City. Attempts to sabotage the weapons  
15 train by the CIA and Armas sabotage teams failed. Arbenz had outwitted the Americans  
16 but at a major cost. The United States now had a headline propaganda issue, the Soviet  
17 Union was aligned with the Arbenz government. Eisenhower declared at a press  
18 conference that Guatemala had become an "outpost" of "the Communist dictatorship" on  
19 the American continent.<sup>392</sup> Moreover, the Guatemalan military became increasingly  
20 worried that the United States would intervene directly in Guatemala.<sup>393</sup>

21  
22 **Operation HARDROCK**

23  
24 The *Alfhem* incident touched off a massive escalation of PBSUCCESS and U.S. efforts to  
25 intimate the Guatemalan government. The State Department concluded a military  
26 assistance agreement with Honduras and began shipping planes and tanks to it. The U.S.  
27 Navy on 24 May 1954 began operation HARDROCK BAKER. It was a sea blockade of  
28 Guatemala. U.S. ships patrolled the sea approaches to Guatemala, stopping all vessels  
29 and searching for arms. Ships passing through the Panama Canal en route to Guatemala  
30 were also detained and searched. The blockade was illegal but effective. It intimidated the  
31 Guatemalan military.<sup>394</sup> Most anticipated an invasion any day by the U.S. Marines.

32  
33 **The Invasion**

34  
35 Castillo Armas, "The Liberator" launched his attack from Honduras on 18 June 1954  
36 crossing the border into Guatemala with 4800 rebels. The night before SHERWOOD's  
37 *Voz de la Liberacion* told the people of Guatemala. "At this moment, armed groups of  
38 our liberation movement are advancing everywhere through the country.... The hour of  
39 decision has struck." The message stressed the indigenous nature of the "uprising."  
40 "This is not a foreign intervention, but an uprising of the honest, Christian, freedom-  
41 loving people of Guatemala to liberate our homeland from the foreign intervention which

---

<sup>391</sup> Ibid., p 296.

<sup>392</sup> Prados, p. 103.

<sup>393</sup> Ibid., p. 304.

<sup>394</sup> Cullather, *Secret History*, p. 82.



1 has already taken place, from control by the Soviet Union which has made Guatemala an  
2 advance outpost of international commie aggression, from rule by Soviet puppets.”<sup>395</sup>  
3 The Plan called for five separate incursions into Guatemala in order to project the  
4 impression of an attack across a broad front. The rebels met stiff opposition from the  
5 Guatemalan Army and suffered major defeats at Gualan and Puerto Barrios. Armas  
6 reported his situation as “very grave.” If he did not receive “heavy bombardment” he  
7 would “be forced to abandon everything.”<sup>396</sup> Hearing the grim news DCI Dulles met  
8 with President Eisenhower on 24 June. Stating that air power could be decisive, Dulles  
9 asked the President for additional fighter aircraft. Eisenhower asked Dulles what chance  
10 the rebels would have without the plans. “About zero,” the Director replied. “Suppose  
11 we supply the aircraft,” the President asked. “What would be the chances then?” “About  
12 20 percent,” Dulles allowed. The President considered Dulles’ answer realistic and gave  
13 the order to send additional fighters. He later told Dulles, “If you had told me that the  
14 chances would be 90 percent, I would have had a much more difficult decision.”<sup>397</sup>  
15 Arbenz’s did not fear Armas’s ragtag army, but he and his advisers believed the invasion  
16 part of a larger U.S. plan for landing the Marines. The Army believed the same and was  
17 reluctant to carry the fight to Armas. The Army gave Arbenz an ultimatum to resign or  
18 face a coup. The communists were the first to warn Arbenz that the army would not  
19 defend the government. A trusted aid of Arbenz warned that if he didn’t resign, “the  
20 Army will march on the capital to depose you.” Just as the entire operation seemed  
21 beyond saving, the Guatemalan government collapsed. On 27 June Arbenz, in a bitterly  
22 anti-American speech, resigned his office and fled to the Mexican embassy in Guatemala  
23 City. Richard Bisell and other CIA officials close to the operation, believed that Arbenz  
24 “lost his nerve” as a result of the psychological pressure of air attacks and radio  
25 propaganda. In fact, Arbenz was deposed in a military coup

### 26 27 **Quiet Diplomacy**

28  
29 With Armas’ forces stalemated, CIA officers met with leading Guatemalan military  
30 commanders on 16 and 17 June in the hopes of convincing them to lead a coup against  
31 Arbenz. They left frustrated by the continued inaction of the commanders. Their efforts  
32 were soon rewarded as the commanders authorized a coup against Arbenz.  
33 PBSUCCESS succeeded not because the CIA-trained rebels won on the battlefield or  
34 frightened Arbenz into fleeing the country, but because the invasion combined with  
35 growing Guatemalan Army concerns over Arbenz’s leftward drift and fear of American  
36 intervention, convinced Guatemalan Army officers to force Arbenz from power. CIA  
37 orchestrated air strikes and ground maneuvers played only an indirect role in changing  
38 the Army’s mood. Agency officers in Guatemala City initiated key face-to-face meetings  
39 with the Army’s leadership to convince them to act. They met repeatedly with vacillating  
40 Army officers to convince them to save themselves and the country by overthrowing

---

<sup>395</sup> Quoted in State, *FRUS, Guatemala*, p. 347.

<sup>396</sup> Cullather, *Secret History*, p. 92.

<sup>397</sup> Dwight D. Eisenhower, *Mandate for Change, 1953-1956* (Garden City, New York: Doubleday and Co., 1963), pp425-426.

1 Arbenz before it was too late. This "quite diplomacy" by the CIA was crucial to the  
2 outcome.<sup>398</sup>

3  
4 **Results**

5  
6 Wisner cabled the U.S. ambassador in Guatemala John Peurifoy his congratulations for a  
7 performance that "surpassed even our greatest expectation." Castillo Armas was now  
8 President. PBSUCCESS had been a major triumph. Eisenhower and the Dulles brothers  
9 were extremely pleased. The cost of "victory" had been very low. PBSUCCESS had not  
10 cost much in American lives or money but had been very effective in removing a  
11 communist dominated state in the backyard of the United States. Eisenhower firmly  
12 believed "that the presence of a communist-controlled regime in our backyard was  
13 unacceptable," according to his close aide Andrew Goodpaster.<sup>399</sup> He was very pleased  
14 with PBSUCCESS. The operation also enhanced the prestige of the Agency and its  
15 ability to produce results. Eisenhower and his aides became increasingly confident in  
16 the belief that covert action and the CIA could be used efficiently and effectively against  
17 the Soviet Union and its attempts to expand its system into the third world. In the short  
18 term PBSUCCESS was seen by most U.S. policymakers as a major success.  
19 The operations did have a number of unforeseen and unintended consequences however.  
20 CIA and State officials were shocked by the ferocity of international protest after the fall  
21 of Arbenz. In Latin America, PBSUCCESS left an enduring legacy of anti-  
22 Americanism. Others took lessons away from the Guatemalan experience. The  
23 Guatemalan operation contributed to the radicalization of Che Guevara, for example.  
24 Che was in Guatemala when the Arbenz government fell. He later told Fidel Castro "We  
25 cannot guarantee the Revolution before cleansing the armed forces." Castro would purge  
26 the Cuban military when he took power in Cuba.  
27 The new Guatemala was also to be a model for all Latin America. U.S. officials  
28 expressed the hope that the new regime would not be reactionary but an exemplary  
29 democratic reform government, a moderate, centralist regime modeled on the United  
30 States government. The Eisenhower administration promised aid.<sup>400</sup> It hoped Armas  
31 would build a reformist government with land redistribution, recognition of labor unions  
32 and by raising the standard of living. The World Bank would offer additional  
33 development loans. Armas was pictured as a progressive, moderate leader. It was not to  
34 be. Armas soon disenfranchised illiterates, canceled land reform, and outlawed all  
35 political parties and labor unions. In 1956 Armas declared a "state of siege" and  
36 suspended all civil liberties. He was assassinated in 1957 and Guatemala fell into a  
37 protracted civil war.

38  
39 (b)(1), (b)(3)

38  
39  
40  

---

<sup>398</sup> See Michael Warner, "The CIA's Internal Probe of the Bay of Pigs Affair," *Studies in Intelligence* (CIA, CSI), pp.98-99.

<sup>399</sup> Gleijeses, *Shattered Hope*, p. 376.

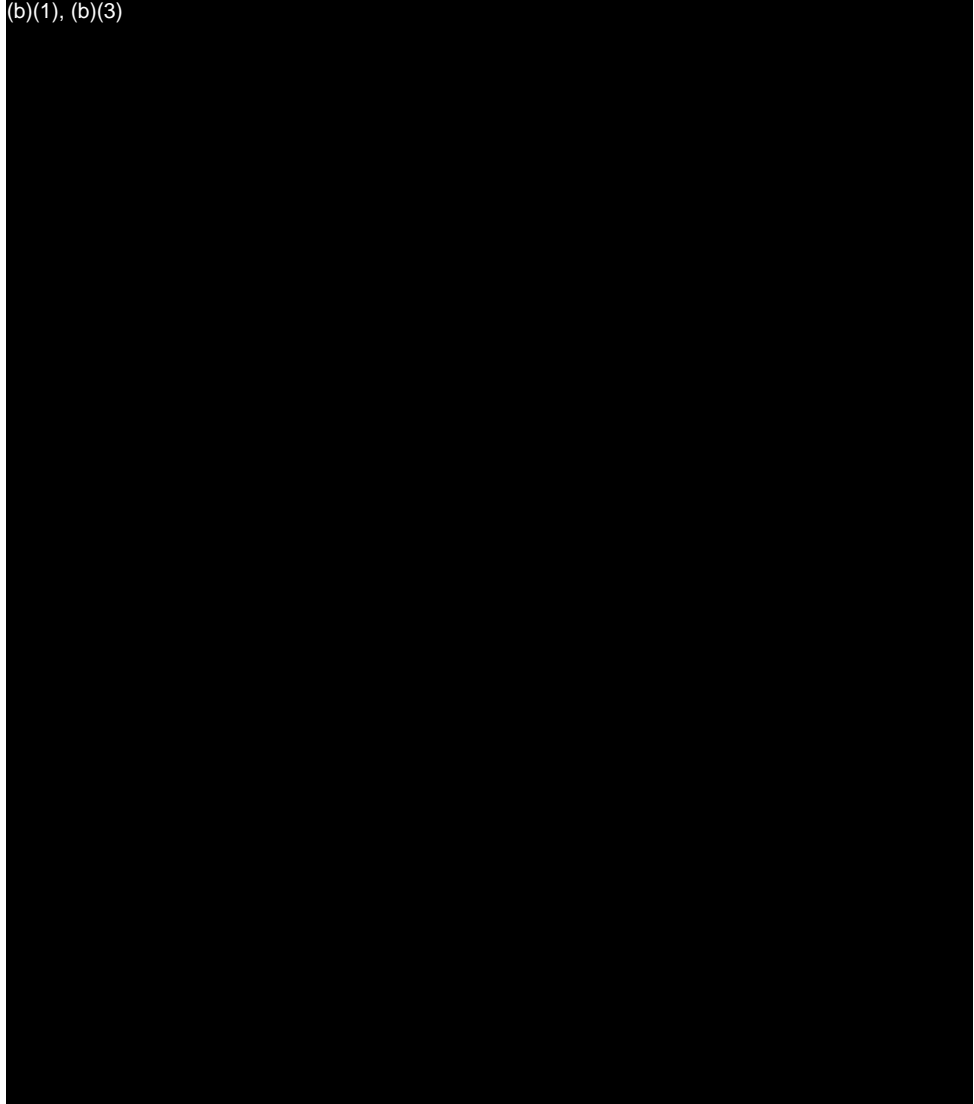
<sup>400</sup> The Eisenhower administration provide the Castillo Armas government close to \$100 million in direct aid. This was during a period when total U.S. aid to all of Latin America was under \$60 million. See Gleijeses, *Shattered Hope*, p. 383.

CIA

CIA

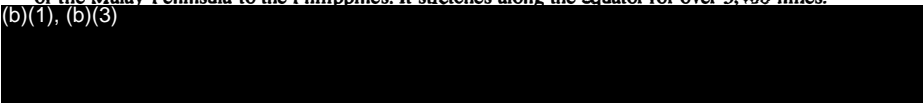
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

(b)(1), (b)(3)



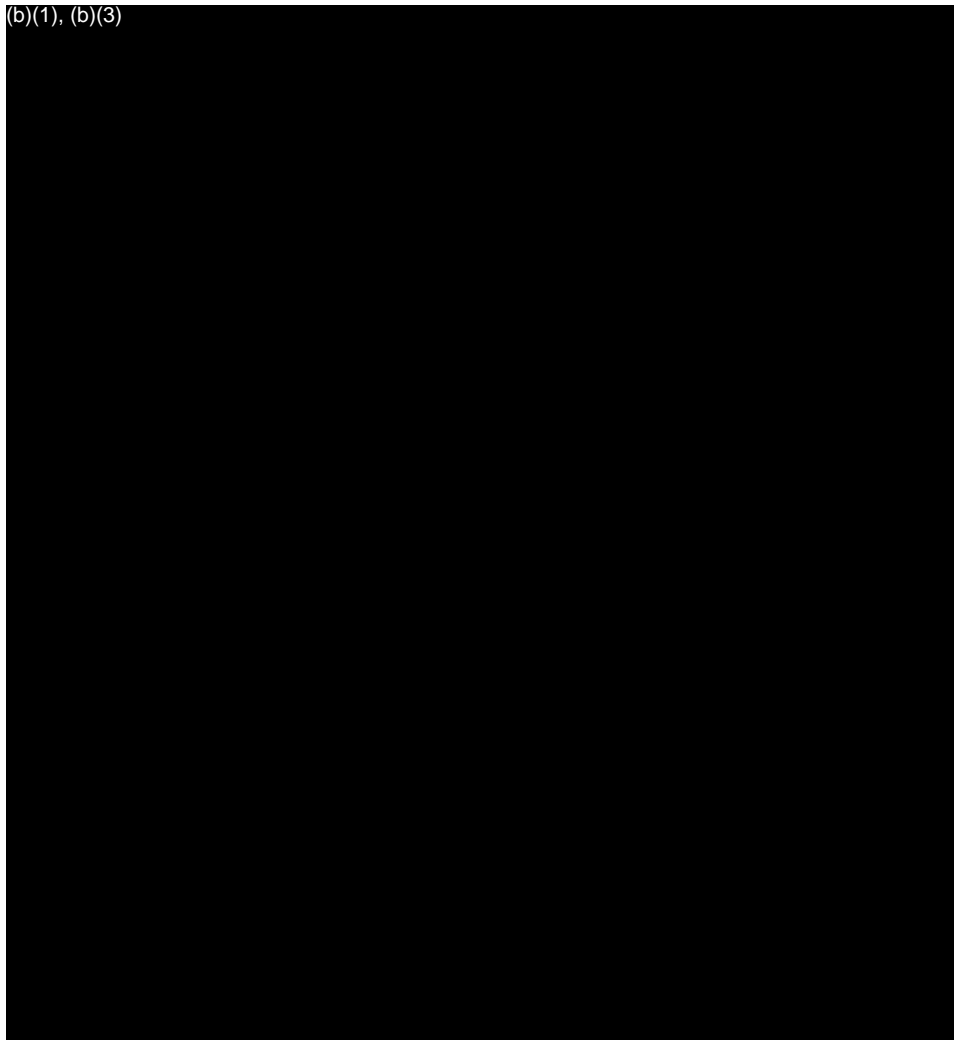
<sup>401</sup> Indonesia is a vast archipelago of six major and about three thousand minor islands in an arc from the of the Malay Peninsula to the Philippines. It stretches along the equator for over 3,400 miles.

(b)(1), (b)(3)



See John Prados, *President's Secret Wars*, pp. 132-144. Sukarno ran a careful balancing act between the PKI and the army by granting concessions to both. As to excluding the PKI from the government, Sukarno declared, "I can't and won't ride a three-legged horse." Quoted in David Wise and Thomas Ross, *The Invisible Government* (New York, 1965), p. 148.

CIA  
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35



<sup>404</sup> Quoted in Prados, *Secret Wars*, p. 136.

<sup>405</sup> The extent of this collaboration is unknown as (b)(1), (b)(3) refuse to declassify or release any official documents. Relating to the operation. See Prados, *Secret Wars*, p. 140.

<sup>406</sup> William Blum, *Killing Hope: U.S. Military and CIA Interventions Since World War II*, p. 4.

<sup>407</sup> See Prados, *Secret Wars*, p. 140.

<sup>408</sup> Quoted in Wise and Ross, *The Invisible Government*, p. 145. The New York Times in an editorial on 9 May 1959 also echoed this general theme. It stated: It is unfortunate that high officials of the Indonesian Government have given further circulation to the false report that the United States Government was sanctioning aid to Indonesia's rebels. The position of the United States Government has been made plain, again and again. Our Secretary of State was emphatic in his declaration that this country would not deviate from a correct neutrality.... The United States is not ready ... to step in to help overthrow a constituted government. Those are the hard facts. Jakarta does not help its case, here, by ignoring them." *New York Times*, editorial, 9 May 1959.

CIA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

(b)(1), (b)(3)

11 **Tibet**

12  
13 After MaoTse-tung and his Peoples Liberation Army pushed the Nationalist Chinese off  
14 the Chinese mainland in 1949, Beijing turned its attention to consolidating its territory. In  
15 the summer of 1950, skirmishes broke out at the border between China and Tibet. Using  
16 these incidents as a pretext, China invaded Tibet with more than 80,000 troops. By  
17 September 1950 Tibet was officially part of the People's Republic of China.<sup>412</sup> Until the  
18 Chinese invasion of 1950, U.S. involvement in Tibet had been negligible. Although two  
19 Office of Strategic Services officers, Captain Ilya Tolstoy and Lieutenant Brooke Dolan,  
20 had visited Tibet in 1942 to survey supply routes to China from the Indian subcontinent,  
21 The U.S. Department of State opposed even these early exploratory efforts in deference  
22 to Chiang Kai Shek and the Kuomintang which claimed Tibet as part of the republic of  
23 China. Washington's Tibet policy was basically no policy at all.<sup>413</sup> The Chinese victory  
24 in China in 1949 and the subsequent military invasion of Tibet drastically changed U.S.  
25 policymakers hitherto disinterest in the country. The State Department asked India and  
26 Britain, the two countries with historical connections to Tibet, to support the principle of  
27 self-determination and requested them to, along with the United States, give strong  
28 consideration to the recognition of Tibet as an independent state. When neither India nor  
29 Britain seemed interested in challenging the Chinese invasion, the Truman administration

<sup>409</sup> Pope had flown in Korea and for the Civil Air Transport, a CIA front organization. (b)(1), (b)(3)  
Pope was tried in December 1959 and sentenced to life in prison. He was released in 1963 at the request of President Kennedy. (b)(1), (b)(3)  
See Prados, *Secret Wars*, p. 144.

<sup>411</sup> Prados, *Secret Wars*, p. 144.  
Sukarno remained in power until 1965 when General Suharto defeated a communist coup d'etat and stripped Sukarno of his powers. Sukarno died in 1970.

<sup>412</sup> The Chinese forced the young Dalai Lama to sign a 17 Point Agreement under the terms of which Tibet lost its sovereignty. It should be noyed that Tibet was not a monolithic ethnic, linguistic, or cultural Nation. Rugged terrain divided and isolated Tibetan populations to the extent that the Tibetan people exhibited significant racial and linguistic variations.

<sup>413</sup> Conboy and Morrison, *The CIA's Secret War in Tibet*, p. 7. William Donovan send the two OSS officers to Lhasa to explore the possibility of using Tibet as an overland route for sending supplies to the U.S. embattled ally, Chiang kai Shek. Although warmly received the main purpose of their mission went unfulfilled. The acceptance of Chinese claims on Tibet characterized limited U.S. goals in the region for the entire 20<sup>th</sup> Century. Loy Henderson, the U.S. Ambassador to India in the late 1940s also harbored a deep concern for Tibet and lobbied for a more proactive U.S. policy toward Tibet to offset the Chinese advance but nothing came of his efforts. See Kenneth Conboy and James Morrison, *The CIA's Secret War in Tibet* (Lawrence, Kansas: University Press of Kansas, 2002), p. 11. The CIA has not released any official documentation on the Tibet operation.

CIA

1 developed its own efforts to help the Tibetans. (b)(1), (b)(3) the  
2 Truman administration made several efforts to convince the Dalai Lama to repudiate the  
3 agreement with China and go into exile. In return, the United States promised to make a  
4 public announcement supporting the position of the Dalai Lama as head of an  
5 autonomous Tibet. The United States would also fund the Dalai Lama's stay in exile,  
6 support Tibet's appeal to the United Nations and back any resistance movement that  
7 might emerge within Tibet. Secretary of State Dean Acheson confirmed the offer in a  
8 cable to the U.S. embassy in India. Acheson wanted U.S. support conditioned on the  
9 Dalai Lama's agreement to leave Tibet. American officials told the Dalai Lama that  
10 while U.S. planes could not fly into Tibet to take him into exile, the United States would  
11 do all it could to aid him in fleeing Tibet. The Dalai Lama rejected the offer and returned  
12 to Lhasa, the capital of Tibet.<sup>414</sup> The Tibetan emissaries wanted arms which the United  
13 States was unwilling to provide. The United States replied to the Tibetan request that  
14 "overt U.S. provision of planes, arms, supplies and leadership are practically impossible  
15 and politically undesirable at this time ..." <sup>415</sup> Despite the rejection, the Tibetans began a  
16 long, bloody war of resistance against Chinese domination.<sup>416</sup> It would be another four  
17 years, however, before the United States would once again offer to aid Tibet.  
18 Prior to November 1956, Tibet never ranged far from the bottom of the priority watch list  
19 in the Far Eastern Division at CIA.<sup>417</sup> With Tibetan resistance to Chinese occupation  
20 continuing to grow, a widespread popular revolt broke out in February 1956, the  
21 Eisenhower administration saw an opportunity to harass the Chinese and weaken Mao  
22 Tse-tung's hold over not only Tibet but China. When the Dalai Lama's elder brother,  
23 Gyalo Thondup, contacted the Americans for possible help, he found them quite intrigued  
24 with the prospect of supporting the Tibetans as part of a global anti-communist campaign.  
25 Even though most high level U.S. policymakers saw little chance of actual Tibetan  
26 independence, it was a way of creating "a running sore for the reds."<sup>418</sup> The 303  
27 Committee soon authorized the CIA to set up a Tibet Task Force, (b)(1), (b)(3) and to  
28 begin training the Tibetan resistance. The purpose of the program was to keep the  
29 political concept of an autonomous Tibet alive within Tibet and among foreign nations,  
30 (b)(1), (b)(3) and to build a capability for resistance against possible political  
31 developments inside Communist China.<sup>419</sup> It was primarily a policy of harassing the  
32 Chinese in Tibetan regions. According to Sam Halpern, a Far East Division officer in  
33 CIA, the impetus of the Tibet operations had little to do with aiding Tibetan  
34 independence. It was designed to harass the Chinese Communists.<sup>420</sup> The CIA launched  
35 the covert program to train Tibetan guerillas (b)(1), (b)(3) A small group of  
36 Tibetans, primarily Kham fighters from Tibetan refugee camps in Kalimpong, northern

<sup>414</sup> See Ken Knaus, *Orphans of the Cold War*. FRUS, Acheson telegram July 31 1951.

<sup>415</sup> FRUS

<sup>416</sup> The insurgency was far from a unified national movement but rather a collection of regional rebellions based on ethno-religious opposition to the Chinese. See John Prados, *President's Secret Wars*, p. 152.

<sup>417</sup> Conboy and Morrison, *Secret War in Tibet*, p. 35.

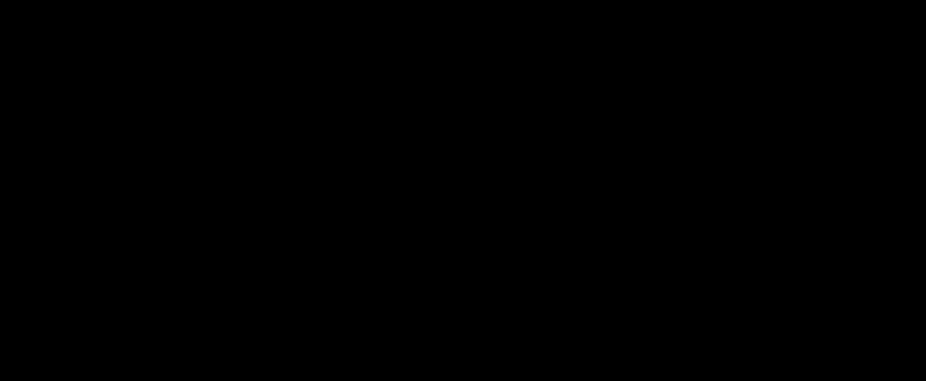
<sup>418</sup> Bennett, "CIA's Secret War in Tibet," History.net Military History on Line, Norwich University.

<sup>419</sup> FRUS. As part of the program the CIA set up and funded The American Society for a Free Asia like its European counterpart. (b)(1), (b)(3)  
See Prados, *Secret Wars*, p. 154.

<sup>420</sup> See John Kenneth Knaus, *Orphans of the Cold War: America and the Tibetan Struggle for Survival* (New York: Public Affairs, 1999), p. 181.

CIA

1 India, were trained in modern weapons and guerilla tactics and parachuted back into  
2 Tibet. The success of this first effort prompted (b)(1), (b)(3)  
3 the Tibetan "freedom fighters" in July 1957 and to expand its training program. A  
4 second group of Tibetans was (b)(1), (b)(3)



18 It was a complex and complicated process.  
19 Increased CIA aid for the rebels coupled with Chinese suppression touched off a major  
20 Tibetan uprising in 1959. The Chinese crushed the rebellion and the Dalai Lama and  
21 many of his supporters fled Tibet into India. Two CIA trained Tibetans help escort the  
22 Dalai Lama to the border and informed President Eisenhower of his safe arrival in India.  
23 Prime Minister Nehru promptly granted the Dalai Lama asylum in India.<sup>422</sup> Only a few  
24 weeks after the unsuccessful revolt, and despite seeing only a small chance of success for  
25 any covert operation against China, the 303 Committee approved CIA covert support  
26 specifically for the Dalai Lama.<sup>423</sup> In the summer of 1960, the CIA relocated the Tibetan  
27 operations to Mustang province, a moonscape like piece of Nepal which jutted into Tibet.  
28 From Mustang, the CIA helped train nearly 2,000 guerrilla fighters. Newly elected  
29 President John F. Kennedy continued CIA support for the Tibetan resistance. The  
30 Tibetans made many successful raids into Tibet from Mustang and actually cut the  
31 Sinkiang-Tibet Highway for a period of time.<sup>424</sup> The CIA also received important  
32 intelligence relating to Chinese developments and conditions from the raids. For  
33 example, the raiders captured a cache of documents which provided hard evidence that  
34 Mao's Great Leap Forward was a failure causing unrest and discontent ion the PLA,  
35 order of battle information, and insight into Chinese policy decisions. Other Tibetan  
36 teams helped provide the United States with information about China's missile program  
37 and efforts to develop nuclear weapons.<sup>425</sup> Even at the height of their power in 1963,

<sup>421</sup> *The Shadow Circus, The CIA in Tibet*. In all, 259 (b)(1), (b)(3)

<sup>422</sup> Conboy and Morrison, *The CIA's Secret War in Tibet*, p. 72.

<sup>423</sup> FRUS, 1959. From the Chinese point of view the American involvement in Tibet transformed the situation. It was no longer a question of a small troublesome revolt but an international conspiracy to undermine the victory of the Chinese Communists in China. See Tsering Shakaya, *The Dragon in the Land of Snows: A History of Modern Tibet Since 1947* (London: Pimlico, 1999). P. 171.

<sup>424</sup> The Sinkiang-Tibet Highway ran through southwestern Tibet toward Lhasa. Eventually the Chinese gave up on using the road and build a parallel road farther from the Mustang base. See "CIA's Secret War in Tibet."

<sup>425</sup> Conboy and Morrison, *The CIA's Secret War in Tibet*. pp. 161-163.

CIA

1 however, when Mustang forces numbered nearly 2,000 there was little chance that these  
2 irregular troops could loosen China's hold on Tibet.

3 (b)(1), (b)(3)  
4 [redacted] following the Chinese-Indian border conflict in 1962.

5 (b)(1), (b)(3) the United States used the Tibetan resistance in an attempt to destabilize  
6 and preoccupy China. Despite severe set backs with the lost of most of the insertion  
7 teams, the United States continued its covert support to the Dalai Lama and his followers

8 (b)(1), (b)(3)  
9 [redacted] as well as its support for the Tibetan resistance base at  
10 Mustang. The Dali Lama received a subsidy (b)(1), (b)(3) Support  
11 for the guerrillas was \$500,000 per year.<sup>426</sup>

12 In 1964, the CIA decided that one of the main problems facing the Tibetans was "a lack  
13 of trained officers equipped with linguistic and administrative abilities." As a result, it set  
14 up a program at (b)(1), (b)(3) to educate the Tibetans. The (b)(1), (b)(3) program did not  
15 last long. In 1967, after *Ramparts* magazine disclosed CIA secret funding for the  
16 National Student Association as well as the American Society for a Free Asia the CIA  
17 shut down its activities on U.S. university campuses.

18 With little chance of actually gaining Tibetan independence, the resistance movement  
19 struggle on throughout the 1960s receiving aid from the CIA. In 1968, after Richard  
20 Nixon was elected President but before he took office, the Dalai Lama's brother told  
21 Undersecretary of State Eugene V. Rostow that the Tibetan exiles were afraid "of an  
22 accommodation the United States might make with the Chinese Communists." Rostow  
23 told him not to worry. He assured him that the United States "would not make any  
24 accommodation with the Chinese Communists at the expense of Tibet."<sup>427</sup> Rostow was  
25 wrong. With Nixon's opening to China in 1972 CIA support for the Tibetan guerrillas  
26 ended. Under enormous pressure from the Chinese, Nepal attacked the Mustang camp in  
27 1974 and shut it down. The secret war in Tibet was over.

28  
29 **Bay of Pigs 1961**

30  
31 As Fidel Castro entered Havana on 1 January 1959, Americans, in general, hailed the  
32 revolutionary leaders as a hero. The American press pictured him as a romantic guerrilla  
33 leader. Castro and his 26 of July Movement had forced the Cuban dictator Fugencio  
34 Bastista into exile after a six year struggle. The CIA, however, was far more pessimistic  
35 regarding the new regime. It characterized Castro as a volatile, inexperienced and  
36 unpredictable state actor and reported the rise in his regime of openly Marxist Che  
37 Guevara and Raul Castro.<sup>428</sup> Castro himself stated in a victory speech that the new  
38 revolution "will not be like 1898, when the North Americans came and made themselves  
39 masters of our country."<sup>429</sup> As Castro moved increasingly to the left seizing American  
40 owned companies and assets and purging the Cuban military, President Eisenhower  
41 decided that Castro had to go. He wanted an ambitious covert program to overthrow

<sup>426</sup> Ibid, p. 240.

<sup>427</sup> FRUS memo December 6, 1968.

<sup>428</sup> See Eugene E. Lepley, "The Bitterest Lesson: U.S. Intelligence and the Fall of Cuba, 1956-1959 (UVA Distinguished Major Thesis, 2006).

<sup>429</sup> National Security Archive, "Bay of Pigs Chronology", p. 1.



1 Castro. In late October Eisenhower approved a State Department proposal to aid  
2 elements in Cuba opposed to the Castro government.<sup>430</sup> In support of the State proposal,  
3 the CIA established Task Force WH-4. In March 1960, the CIA presented Eisenhower  
4 with a more detailed plan for dealing with Castro, "A Program of Covert Action Against  
5 the Castro Regime." It called for forming a opposition group in exile whose slogan  
6 would be to restore the revolution which Castro betrayed; creation of a massive radio  
7 propaganda program from Swan Island, off the coast of Honduras; development of a  
8 covert intelligence and action organization within Cuba; and the training of a paramilitary  
9 force outside Cuba. Eisenhower told Dulles to go ahead with the plan. Using essentially  
10 the same personnel previously involved in the Guatemalan operation with Richard Bissell  
11 in charge, the CIA began to implement the plan, including the training of Cuban exiles.<sup>431</sup>  
12 As with PBSUCCESS in Guatemala the entire planning operation was tightly held.  
13 Neither the Directorate of Intelligence nor the Counterintelligence analysts had "a need to  
14 know." It was to be a major error.

15 Bissell also discussed possible ways to eliminate or assassinate Castro with the CIA's  
16 Office of Security Chief Col. Sheffield Edwards.<sup>432</sup> By the late summer of 1960 thinking  
17 on covert operations begins to shift from infiltrating teams into Cuba to wage guerilla  
18 warfare to an amphibious operation involving at least 1,500 men who would seize and  
19 defend a base area in Cuba.<sup>433</sup> At the same time Senator John F. Kennedy in a campaign  
20 speech for President, attacked the Eisenhower administration for "permitting a  
21 communist menace... to arise only ninety miles from the shores of the United States" and  
22 claimed that Eisenhower was not doing enough about Castro.<sup>434</sup>

23 After Kennedy's election in November 1960, both President Eisenhower and the CIA  
24 briefed him on plans to promote counterrevolution in Cuba. The operation "The Trinidad  
25 Plan" now called for an invasion force to seize and hold a small area in Cuba and set up a  
26 provisional government. Trinidad was a small town near the mountains. The CIA  
27 abandoned the guerrilla concept in favor of an amphibious invasion.<sup>435</sup> The Cuban  
28 Brigade would be trained in Guatemala. The planners expected that the Brigade once  
29 ashore, would precipitate a general uprising throughout Cuba and cause a revolt of large  
30 segments of the Cuban Army. Air strikes were also crucial for the success of the  
31 invasion force in order to knock out the Cuban air force. The Cuban exiles and CIA  
32 officers believed that should the brigade falter in its frontal attack Kennedy would put  
33 U.S. troops ashore to ensure victory despite his denial of any American forces being used  
34 in the operation. All were convinced that the primary objective of the United States with  
35 regard to Cuba was the speedy overthrow of the Castro government. The Joint Chiefs of  
36 Staff considered that the plan had a "fair" chance of ultimate success. Even if it did not  
37 achieve the full results "it could contribute to the eventual overthrow of the Castro

<sup>430</sup> Piero Gleijeses, "Ships in the Night: The CIA, the White House and the Bay of Pigs," *Journal of Latin American Studies*, (1989), p.3.

<sup>431</sup> The group included Tracy Barnes, Jack Esterline, Jack Hawkins, Rip Robertson, and David Phillips all part of Operation PBSUCCESS.

<sup>432</sup> CIA, Inspector General's Report on Efforts to Assassinate Fidel Castro, p. 3.

<sup>433</sup> Gleijeses, "Ships in the Night," p. 10.

<sup>434</sup> *Ibid.*, p. 24. Kennedy's opponent in the election Eisenhower's Vice President Richard Nixon, fully aware of anti-Castro planning, called Kennedy's position on Cuba irresponsible and reckless.

<sup>435</sup> CIA officers had little success in building a safe underground in Cuba itself. See Gleijeses, "Ships in the Night," p. 2.

1 regime,” according to JCS chairman, Lyman L. Lemnitzer.<sup>436</sup> The planners believed that  
2 invaders could fight their way to the mountains and go into guerilla action if anything  
3 went wrong. Not every one approved of the idea. Presidential aide Arthur Schlesinger  
4 believed the invasion plan was “a terrible idea.” Senator J. William Fulbright voiced his  
5 strong objection to the operation, stating it would be impossible to conceal the U.S. hand.  
6 Under Secretary of State Chester Bowles found the plan profoundly disturbing and a  
7 grave mistake. If it failed, Castro’s strength and prestige would be greatly enhanced.<sup>437</sup>  
8 Kennedy had his own misgivings and reservations. He was unhappy with the plan he had  
9 inherited from Eisenhower but he was unwilling to abandon it. While he had no qualms  
10 about the right of the United States to overthrow Castro, he had reservations about its  
11 chances of success and about its political cost. He rejected the Trinidad Plan as too  
12 spectacular, too much like a World War II invasion. He preferred a quiet landing  
13 preferably at night, with no basis for American military intervention. He ruled out, under  
14 any conditions, an intervention in Cuba by United States armed forces. CIA officials  
15 scrambled to come up with a new plan in less than three days.<sup>438</sup> While U.S. officials  
16 debated the merits of the CIA proposal, Castro continued to eliminate anti-Castro  
17 guerrilla forces operating inside Cuba as he consolidated his power. CIA officials now  
18 offered an alternative plan, the Zapata Plan or JMARC, which involved a landing at night  
19 at the Bay of Pigs. McGeorge Bundy, Kennedy’s National Security Adviser, believed the  
20 new plan was much better. It was “unspectacular and quiet, and plausibility Cuban in its  
21 essentials.”<sup>439</sup> The Bay of Pigs was more than 80 miles from possible refuge in Cuba’s  
22 Escambray mountains and the invasion was to be at night, something never attempted  
23 before on such a large scale. The success of the plan still depended upon the presumption  
24 that the Cuban population would join the invaders. Moreover, the new plan still called  
25 for two air strikes to disable the Cuban air force. On 8 April 1961, Jacob Esterline and  
26 Jack Hawkins, the two CIA officers most directly in charge of the invasion went to  
27 Bissell’s house in Washington, DC and informed him that they wanted to resign. The  
28 primary changes the White House had ordered made the operation far less likely to  
29 succeed, they argued. ‘By pruning away at the operation the politicians were making it  
30 technically impossible to win,’ they told Bissell. Bissell told them the invasion was  
31 going ahead with or without them but asked both men to stay on. They did reluctantly.<sup>440</sup>  
32 Operation Zapata or JMARC began on 15 April 1961 when eight B-26 bombers left  
33 Nicaragua to bomb Cuban airfields. They failed to destroy Castro’s air force and when it  
34 was discovered that the planes were actually U.S. planes and not Cuban air force  
35 defectors, Kennedy cancelled the second air strike leaving Castro’s air force primarily in  
36 tact. The president also refused to provide air cover for the invading force, Brigade 2506  
37 despite pleas from Bissell and Cabell. On 17 April the Cuban exile invasion force landed  
38 at beaches along the Bay of Pigs. The main landing occurred at the resort Giron, called  
39 Blue Beach. They met heavy resistance as well attacks from the Cuban air force which  
40 sank two supply vessels and controlled the sky over the invasion. As the situation grew  
41 increasingly grim, Admiral Arleigh Burke asked the President to allow him to provide air

---

<sup>436</sup> National Security Archive, “Bay of Pigs”, p. 28.

<sup>437</sup> Ibid., pp.39-43.

<sup>438</sup> Gleijeses, p. 34.

<sup>439</sup> Ibid., p. 10.

<sup>440</sup> See National Security Archive, “Bay of Pigs Chronology,” p.45.

1 cover. The President refused. He reminded Burke and Bissell that he had warned them  
2 over and over again that he would not commit U.S. forces to combat.<sup>441</sup> Brigade 2506  
3 had no real chance. By the third day Castro's forces had captured 1,197 Brigade members  
4 and killed 89. There was no major uprising of the Cuban population. Castro remained in  
5 firm control and the Cuban army remained loyal. Allen Dulles met with former Vice  
6 president Nixon and informed him: "Everything is lost. The Cuban invasion is a total  
7 failure." Dulles blamed the loss on softliners in the Kennedy administration who doomed  
8 the operation to failure by last minute compromises. Bissell later blamed the failure on  
9 the lack of air support and President Eisenhower wrote in his diary that Kennedy was  
10 timid and indecisive during the operation.<sup>442</sup> At a press conference on 21 April President  
11 Kennedy took full responsibility for the failed mission. He told the press, "There's an old  
12 saying that victory has a hundred fathers and defeat is an orphan. What matters is only  
13 one fact, I am the responsible officer of the government."<sup>443</sup> Privately, he called in Allen  
14 Dulles and Richard Bissell and asked them to retire or resign. He replaced Dulles with  
15 John McCone a wealthy Republican from California. Bissell resigned several months  
16 later.

### 18 **Operation Mongoose**

19  
20 The failure of the Bay of Pigs invasion in April 1961 was a disaster for the Kennedy  
21 administration. It made the young President look weak and ineffective. The Kennedy's  
22 never liked to lose whether it was at touch football, politics, or to a Soviet-aligned  
23 communist dictator just ninety miles from Florida. President Kennedy was no exception.  
24 He called for a special investigation by retired General Maxwell Taylor not only to  
25 investigate what went wrong with the Bay of Pigs but how the United States could rid  
26 itself of Fidel Castro. Taylor wrote, "There can be no long-term living with Castro as a  
27 neighbor" and that Cuban subversion "constitutes a real menace" to Latin America.  
28 Taylor called for a new program of action against Cuba.<sup>444</sup> Robert Kennedy, the  
29 President's brother (RFK) also urged action and became the point man on the Cuba  
30 problem. Convinced he had been betrayed by the military and U.S. intelligence with the  
31 Bay of Pigs invasion, President John Kennedy turned to his brother to run operations  
32 against Castro. Robert Kennedy wrote in a White House meeting in November 1961:

33  
34 My idea is to stir things up on the island with espionage, sabotage, general  
35 disorder, run and operated by the Cubans themselves with every group but  
36 Batistaites and Communists. Do not know if we will be successful in  
37 overthrowing Castro but we have nothing to lose in my estimate.<sup>445</sup>

38  
39 On 30 November 1961, President Kennedy authorized a new covert action program  
40 aimed at overthrowing the Cuban government. The new program, codenamed Operation

---

<sup>441</sup> Kennedy finally authorized one hour of air cover by six unmarked jets from the carrier *Essex* but it was too late. See National Security Archive, Bay of Pigs Chronology," p.64.

<sup>442</sup> See Prados, *President's Secret Wars*, p. 208.

<sup>443</sup> Wyden, p. 305.

<sup>444</sup> National Security Archive, *Cuban Missile Crisis, A Chronology of Events*, p. 349.

<sup>445</sup> See "Operation Mongoose: the Covert Operation to Remove Castro from Power," *American Experience*

1 MOONGOOSE was to be under the guidance of his brother and run by  
2 counterinsurgency specialist Edward Lansdale. Ignoring a National Intelligence Estimate  
3 which advised that Castro enjoyed too much popular support to be overthrown, Robert  
4 Kennedy organized the secret project to be run out of the Pentagon with CIA support.<sup>446</sup>  
5 RFK called deposing Castro “the top priority of the U.S. government - - all else is  
6 secondary—no time, money, effort, or manpower is to be spared.” Small covert, special  
7 operations, not another large-scale military invasion, would be the method used by the  
8 United States this time to spark a revolution within Cuba. What President Kennedy  
9 referred to as “counterinsurgency.” Kennedy also established a high-level interagency  
10 group, Special Group Augmented (SPA) to oversee the operation. The object was to  
11 destabilize Cuba and get rid of Castro. Lansdale recruited anti-Castro Cubans to conduct  
12 sabotage and commando raids against Cuban railroads, oil and sugar refineries, and  
13 factories. Operation MONGOOSE was designed to culminate in October 1962 with an  
14 “open revolt and overthrow of the communist regime.” The basic plan included political,  
15 psychological, military, sabotage, and intelligence operations, as well as attacks on key  
16 leaders. Lansdale envisioned that the United States would provide overt support in the  
17 final stages of the uprising and if necessary would use military force.<sup>447</sup> In approving  
18 Lansdale’s plan the SGA noted that the United States would attempt to “make maximum  
19 use of indigenous resources” in attempting to overthrow Castro but recognized that “final  
20 success will require decisive U.S. military intervention.”<sup>448</sup>  
21 In support of M ONGOOSE, the CIA established Task Force W headed by William  
22 Harvey, to coordinate the effort at Langley. The Agency spent over \$100 million on  
23 manpower and equipment for its station in Miami (JM/WAVE) to conduct operations.  
24 Despite the effort, President Kennedy remained “generally dissatisfied” with progress  
25 under Mongoose, according to his brother Robert in October 1962. At the beginning of  
26 the Cuban Missile Crisis the NSC halted all Mongoose operations. During the crisis,  
27 however, William Harvey ordered teams of covert agents in Cuba to support any U.S.  
28 invasion that might occur. Harvey did this on his own authority.<sup>449</sup> After the crisis was  
29 resolved, Robert Kennedy ordered Mongoose restarted. Part of the planning involved  
30 assassination plots to kill Castro.  
31 The CIA had plotted to assassinate Castro as early as the summer of 1960 during the  
32 Eisenhower administration. A complex assassination plot, initiated by Richard Bissell,  
33 involved Mafia figures Sam Giancana, Santos Trafficante, and Johnny Rosselli, was  
34 timed to coincide with the Bay of Pigs invasion. The mob figures, who had contacts still  
35 in Havana from pre-Castro days, were to provide poison pills to a contact in a restaurant  
36 frequented by Castro. The attempt never occurred and was called off after the failure of

---

<sup>446</sup> President Kennedy signed a memorandum formally establishing Mongoose on 30 November 1961. See National Security Archive, “Bay of Pigs 40 Years After: A Chronology of Events,” p.76.

<sup>447</sup> *Ibid.*, p.77-78. President Kennedy authorized the development of aggressive plans to oust Castro but specified that no overt U.S. military involvement should be made part of the plans.

<sup>448</sup> National Security Archive, *Cuban Missile Crisis, A Chronology*, p. 351, 398. The declassification of these documents on Operation MONGOOSE give credence to the arguments of the Soviets and Castro that a U.S. invasion was being planned and that Soviet missiles were deployed for defensive purposes. Cuba agents had infiltrated MONGOOSE.

<sup>449</sup> National security Archive, *Cuban Missile Crisis, A Chronology*, p. 383.

1 the Bay of Pigs operation.<sup>450</sup> The effort to kill Castro intensified, however, during the  
 2 Kennedy administration. "Get rid of Castro and the Castro regime" is how Sam Halpern,  
 3 one of the CIA officer in charge of carrying out Operation Mongoose described his orders  
 4 from DCI Richard Helms. According to Halpern, when he asked Helms, what does 'get  
 5 rid of' mean, Helms replied, "Sam, use your imagination. That was it. . . Now what does  
 6 that mean, throw him in the ashcan? Kill him, or what? And nobody could tell me. Just  
 7 get rid of him. Remove him from power basically." Helms himself was responding to  
 8 relentless pressure from the White House. He later remarked, "You haven't lived until  
 9 you've had Bobby Kennedy rampant on your back."<sup>451</sup>  
 10 The Miami station reactivated a similar plot to provide poison pills through the Mafia as  
 11 part of Operation Mongoose. Other attempts involved a poison skin-diving suit (Castro  
 12 was an avid skin diver), a booby trapped seashell, and Project AMLash which called for  
 13 Rolando Cubela, a member of Castro's inner circle to poison him. Nestor Sanchez,  
 14 Cubela's case officer, actually met Cubela in Paris and passed him a poison pen the day  
 15 Kenney himself was assassinated in Dallas on 22 November 1963.<sup>452</sup>  
 16 Even with all the money and elaborate planning, removing Castro proved a difficult  
 17 assignment. Evan Thomas, Robert Kennedy's biographer, wrote, "After seven months,  
 18 Kennedy's secret war... was hopelessly bogged down, riven by personality clashed,  
 19 incapable of producing the 'boom and bang' that Kennedy wanted to see on the island."  
 20 <sup>453</sup> Raids continued against Cuba until the end of 1963. As President Johnson became  
 21 increasingly drawn into Vietnam Cuba became far less important. The CIA base in  
 22 Miami was closed and Johnson eventually canceled the program.<sup>454</sup>

CIA

23  
24 **British Guiana** (b)(1), (b)(3) **969**

<sup>450</sup> See Don Bohning, *The Castro Obsession: U.S. Covert Operations Against Cuba, 1959-1965* (Washington: Potomac Books, 2005).

<sup>451</sup> CNN, "Operation Mongoose: The Covert Operation to Remove Castro from Power," American Experience.

<sup>452</sup> Bohning, *The Castro Obsession*.

<sup>453</sup> See Evan Thomas, *Robert Kennedy*

<sup>454</sup> John Prados, *President's Secret Wars, CIA and Pentagon Covert Operations Since World War II* (New York: William Morrow and Company, 1986), pp.21-217.

**Chapter VII (REVISED)**

**U.S. Intelligence and the Cold War**

**President's Reagan and Bush**

**Election of Ronald Reagan 1980**

The Presidential election of 1980 saw the reconstitution of the Committee on the Present Danger (CPD) which focused its policy statements on the Soviet drive for dominance and massive Soviet build up. It pushed the concept of a Soviet goal of a world dominated from a single center, Moscow.<sup>455</sup> The Reagan campaign, with William Casey as Reagan's campaign chairman, also emphasized the need to meet the ominous Soviet threat because of a "decade of neglect." Once in office, the Reagan administration followed the basic ideas of the neocons and Team B recommendations with regard to its policies related to the Soviet Union.

In March 1983 President Reagan denounced the Soviet Union as the "focus of evil in the world" and as an "evil empire."<sup>456</sup> Moscow responded by repeatedly accusing Reagan of fanning the flames of war. Soviet General Secretary Yuri Andropov called the U.S. President "insane and a liar" and compared him to Hitler.<sup>457</sup> Relations between the two powers became increasingly confrontational.

**The Cold War Renewed**

The new administration set out to build American military power and strengthen the CIA and the Intelligence Community. In general, these trends were begun under President Carter and simply accelerated under President Reagan. Carter had, for example, significantly increased the defense budget and revitalized CIA covert action programs against not only the Soviet Union (b)(1), (b)(3)

The Reagan administration stepped up the pressure on the Soviets. As part of its overall foreign policy program, the Reagan White House sought a more activist policy (use of covert action operations) against apparent Soviet gains in Third World countries. William Casey became the new DCI. He, like the President, wanted a more active CIA. Reagan also made Casey a formal member of his cabinet, the only DCI ever to hold that position. Former CIA officer Milton Bearden described Casey as "a kind of church-going, deeply moralistic, funny, strange, marvelous, weird, best, worse guy." He loved covert operations. One congressional official said of Casey, "he would mount a covert operation in the Vatican, if he could." Covert actions, according to Casey himself, had one rule: "Don't get caught. If you do, don't admit it."<sup>458</sup> When he took over as DCI, Casey, who had been in the OSS, felt the Agency was just too cautious, too

<sup>455</sup> Cahn, *Killing Détente*, p. 188.

<sup>456</sup> Fisher, *A Cold War Conundrum: the 1983 Soviet War Scare*, p.3.

<sup>457</sup> Fisher, *A Cold War Conundrum*, p. 28.

<sup>458</sup> Kirsten Lunberg, "Politics of a Covert Action: The US, the Mujahideen, and the Stinger Missile," Kennedy School of Government, Case Study C15-99-1546.0, p. 11.

CIA

CIA

1 bureaucratic, too slow, too timid, and too unimaginative. Casey wanted action.<sup>459</sup> (b)(1), (b)(3)

2  
3  
4  
5 This renewed capability fueled a turf war between the CIA and the defense  
6 Department over who would control covert operations.  
7 Casey had a build-in hatred of the Soviets. Reagan and Casey soon began to pursue a  
8 more confrontational policy toward the Soviet Union. The United States would actively  
9 challenge the Soviets around the world.

10  
11 Agreeing with the Team B concept of an ominous Soviet Union, the Reagan  
12 administration introduced a new version of intelligence assessment to inform and  
13 influence public opinion. In 1981 and then from 1983 to 1990, the Department of  
14 Defense issued an annual publication titled *Soviet Military Power*. Lavishly illustrated, it  
15 presented a grave picture of a massive Soviet buildup, without any comparisons with  
16 American or NATO military forces or programs. The new publication sought to  
17 magnify the Soviet threat and to rally public support for the U.S. military buildup. DIA  
18 prepared the publication. It was a Department of Defense publication with only informal  
19 consultation from CIA or the other parts of the intelligence community.<sup>460</sup>

20  
21 **Heightened Tensions, a New Maritime Strategy, and a War Scare**

22  
23 A sharp increase in Soviet-U.S. tensions in the early 1980s sparked a genuine, if  
24 unwarranted war scare in the USSR.<sup>461</sup> Despite the Reagan administration rhetoric, the  
25 Soviet leadership did not believe that the strategic balance had shifted in its favor by  
26 1981. The Reagan administration's tough stance toward the Soviet Union, increased U.S.  
27 led naval and air operations, including psychological warfare missions, conducted close  
28 to the Soviet borders, and the KGB's warnings that the Soviets were losing the Cold War  
29 and that the international situation was turning against the Soviet Union, convinced the  
30 Soviet leadership that the United States was making preparations for a surprise nuclear  
31 attack on the Soviet Union. To counter this growing perceived threat from the United  
32 States and the West, Soviet intelligence instituted an unparalleled alert against the  
33 possibility of a U.S. surprise nuclear missile attack, Operation RYAN. This alert  
34 persisted through much of the decade, with a peak alarm in late 1983.<sup>462</sup> Under RYAN  
35 Soviet intelligence gave the highest priority to early warning signals of a U.S./NATO  
36 surprise nuclear attack and new U.S./NATO weapons systems intended for use in a  
37 surprise nuclear attack.<sup>463</sup>

38 For most of the Cold War, U.S. naval strategists imagined that the naval part of World  
39 War III would be a high technology, nuclear-armed reenactment of World War II.  
40 Schooled in Alfred Thayer Mahan's sea power theories which advocated control of the

<sup>459</sup> Robert Gates, *From the Shadows*, (New York: Simon & Schuster, 1996), p. 212.

<sup>460</sup> Garthoff, "Estimating Soviet Military Intentions and Capabilities," p. 25.

<sup>461</sup> Vojtech Mastny, "How Able was "Able Archer"? Nuclear Trigger and Intelligence in Perspective," *Journal of Cold War Studies* Vol. 11, No. 1 (Winter 2009).

<sup>462</sup> Ben B. Fischer, *A Cold War Conundrum: The 1983 Soviet War Scare* (CIA, Center for the Study of Intelligence, 1997).

<sup>463</sup> *Ibid.*, p.5

1 sea lanes and decisive engagements, and believing the Soviet Union, "offensively  
2 minded," the U.S. Navy believed the USSR would attempt to disrupt Western supply  
3 lines and to destroy U.S. carrier forces. Navy Operational Intelligence (OPINTEL)  
4 allowed the Navy to track individual Soviet submarines by their acoustic "fingerprints"  
5 and Elint data. By the late 1970s the Navy had developed a sophisticated world-wide  
6 ocean surveillance system. (OSIS). It provided an unprecedented picture of the  
7 capabilities and disposition of Soviet submarine forces and gave U.S. naval commanders  
8 a decisive advantage in the Cold War.<sup>464</sup>

9 Dramatic intelligence breakthroughs in the late 1970s and early 1980s which produced  
10 highly accurate insights into the Soviet regime brought a major reassessment of how the  
11 Soviets would fight a war, the strengths and vulnerabilities of the regime, and how the  
12 Soviets viewed the United States.<sup>465</sup>

13 (b)(1), (b)(3)  
14 [Redacted]  
15 [Redacted]  
16 [Redacted]  
17 [Redacted]  
18 [Redacted]  
19 [Redacted]  
20 [Redacted]  
21 [Redacted]  
22 [Redacted]

23 **A New Maritime Strategy**

24  
25 This intelligence produced a new U.S. Maritime Strategy based on the fact that the  
26 Soviets "didn't operate the way we did." According to Admiral David Jeremiah, this  
27 intelligence brought "new thinking" about Soviet war plans. According to the new  
28 intelligence, the Soviets would assume a defensive posture in the event of war. They  
29 would defend and protect their submarine-based ballistic missile forces. They would  
30 maintain a fundamentally defensive and territorial position designed to protect the  
31 homeland.<sup>467</sup>

32 Armed with this new intelligence, U.S. naval thinkers, developed a new U.S. offensive  
33 maritime strategy toward the Soviet Union designed "to deny the Soviets their kind of  
34 war." It was meant to convince the Soviets that they could not win a war with the United  
35 States. Operationally, U.S. naval exercises became forward focused and aggressive. The  
36 new strategy involved not only the continuous real-time monitoring of Soviet submarine  
37 forces but "going after them." The U.S. Navy developed the capability to consistently  
38 hold the submarine forces of the Soviet Union at risk.<sup>468</sup> In addition, after President  
39 Reagan authorized new Psychological Warfare Operations (PSYOPS) against the Soviet

<sup>464</sup> Ibid., 105.

<sup>465</sup> Christopher A. Ford and David A. Rosenberg, *The Admiral's Advantage U.S. Navy Operational Intelligence in World War II and the Cold War* (Annapolis: Maryland: Naval Institute Press, 2005), p. 80.

<sup>466</sup> See Sherry Sontag and Christopher Drew, *Blind Man's Bluff: The Untold Story of American Submarine Espionage* (New York: Public Affairs, 1998), (b)(1), (b)(3)

[Redacted]

Ford and Rosenberg, *The Admiral's Advantage*, pp. 82-84.

<sup>468</sup> Ibid., p. 99.

CIA

CIA



1 Union in March 1981, the U.S. Navy commenced major naval exercises near the  
2 maritime approaches to the Soviet Union. U.S. warships went where they had never gone  
3 before demonstrating U.S. ability to deploy aircraft carrier-battle groups close to sensitive  
4 Soviet military and industrial sites, apparently virtually undetected and unchallenged.  
5 In August-September 1981 an armada of 83 U.S., British, Canadian, and Norwegian  
6 ships led by the U.S. carrier *Eisenhower* managed to transit the Greenland-Iceland-United  
7 Kingdom gap (GIUK) undetected, using a variety of concealment and deception  
8 measures.<sup>469</sup> In April-May 1983, the U.S. Pacific Fleet held its largest exercises to date  
9 in the northwest Pacific. The fleet sailed within 720 kilometers (450 miles) of the  
10 Kamchatka Peninsula and Petropavlovsk. U.S. submarines conducted operations in  
11 protected areas where the Soviet Navy stationed a large number of its nuclear-powered  
12 ballistic missile submarines (SSBNs).<sup>470</sup> These U.S. demonstrations of military might  
13 were aimed at deterring the Soviets from provocative actions. The projection of U.S.  
14 naval power exposed major gaps in Soviet early warning systems. According to the  
15 Chief of U.S. Naval Operation, "the Soviets are as naked as a jaybird there (on the  
16 Kamchatka Peninsula), and they know it."<sup>471</sup> His comments applied equally to the far  
17 northern maritime region and the Kola Peninsula.  
18 These U.S. naval operations coupled with increased U.S. Air Force probes for gaps and  
19 vulnerabilities in Soviet early warning systems added to the Soviets growing concern  
20 about a U.S. first strike. According to General Jack Chain, a former Strategic Air  
21 Command commander:

22  
23 Sometimes we would send bombers over the North Pole and their radars would  
24 click on. Other times, fighter-bombers would probe their Asian or European  
25 periphery. During peak times, the operation would include several maneuvers in  
26 a week. They would come at irregular intervals to make the effect all the more  
27 unsettling. Then, as quickly as the unannounced flights began, they would stop,  
28 only to begin a few weeks later.<sup>472</sup>  
29  
30

### 31 "STAR WARS"

32  
33 Adding to the growing concerns the Soviets had over U.S. policy was President Reagan's  
34 announcement on 23 March 1983 of the Strategic Defense Initiative (SDI). Quickly  
35 labeled "Star Wars" by the media, SDI was a plan for a ground-and-spaced-based laser  
36 armed antiballistic missile system that, if deployed would provide a shield for U.S. land  
37 based missiles. The Soviets already keenly aware of the U.S. technological lead,  
38 denounced this latest development as a U.S. plan for winning a nuclear war. The Reagan  
39 administration was putting the entire world in jeopardy. Soviet General Secretary Yuri

---

<sup>469</sup> The GIUK Gap is an imaginary line stretching from North America through Greenland and Iceland to Scotland and Norway. In war time the Soviet Northern Fleet would have to transit the Gap to reach the north Atlantic, while NATO forces would have deployed naval and air power at the Gap to bottle up Soviet naval forces. See Fischer, *Cold War Conundrum*, p. 31.

<sup>470</sup> Fischer, *A Cold War Conundrum*, p. 7.

<sup>471</sup> Quoted in Seymour Hersh, *The Target is Destroyed: What Really Happened to Flight 007 and What America Knew About It* (New York: Random House, 1986), p. 18.

<sup>472</sup> Quoted in Fischer, *A Cold War Conundrum*, p. 6.

1 Andropov asserted bluntly that the United States was making preparations for a surprise  
2 nuclear attack on the Soviet Union.<sup>473</sup> For SOVA, such remarks coincided with a general  
3 reluctance of the Soviet leaders to increase defense spending. SOVA declared, "SDI, in  
4 particular, confronts the Soviets with an extreme form of competition they wish to  
5 avoid." Douglas MacEachin, Director of SOVA, later wrote that the Reagan  
6 administration's determination to rebuild American military power was aided and abetted  
7 by inflated intelligence projections of Soviet military strength. He stated:

8  
9 Never mind that the Soviet Union never in 10 years, from the late 1970s through  
10 the entire 1980s, ever lived up to the projections that were made. It wasn't that  
11 the Reagan administration spent them into a crash. We projected these huge  
12 forces, then used those projections as a rationale for our own spending, and they  
13 never lived up to those projections.<sup>474</sup>

14  
15 SDI was part of that program.

16  
17 **The Shoot Down of KAL 007**

18  
19 On 1 September 1983, a Soviet Su-15 interceptor fired two air-to-air missiles at a  
20 commercial airliner, Korean Airlines Boeing 747, Flight 007, destroying the commercial  
21 jet and killing all 269 crew members and passengers. Soviet air defenses had tracked the  
22 airliner for more than an hour while it entered and left Soviet airspace over the  
23 Kamchatka Peninsula. The local Soviet air defense gave the order for the shoot down as  
24 the airliner was about to leave Soviet airspace for the second time after flying over  
25 Sakhalin Island. At the time of the shoot down the airliner was probably in international  
26 airspace. The local commander probably made a serious but honest mistake. The  
27 situation in the region was not normal. Soviet forces were on high alert following the  
28 incursions by U.S. aircraft during the spring 1983 Pacific Fleet exercise recounted above.  
29 As a result of these incursions, the Soviet air defense command was put on alert for the  
30 rest of the summer and into the fall. The Supreme Soviet authorized local air defense  
31 commanders to destroy any intruding aircraft.<sup>475</sup> (b)(1), (b)(3)  
32 the Reagan administration learned of the shoot down within a  
33 few hours. With Secretary of State George Shultz taking the lead, the Reagan  
34 administration denounced the Soviet act as deliberate mass murder. President Reagan  
35 called it "an act of barbarism, born of a society which wantonly disregards individual  
36 rights and the value of human life and seeks constantly to expand and dominate other  
37 nations."<sup>476</sup> By the next day, the CIA and NSA had concluded that the Soviets probably  
38 did not know that the intruder was a civilian airliner. They reported that the Soviets may  
39 have thought the jet airliner was on an intelligence mission.<sup>477</sup> The charge against the  
40 Soviets should have been something akin to criminally negligent manslaughter, not

<sup>473</sup> Ibid., pp. 15-16.

<sup>474</sup> Quoted in Lundberg, "CIA and the Fall of the Soviet Union," p. 28-29.

<sup>475</sup> For an account of the Shoot Down see Hersh, *The Target is Destroyed*. See also Fischer, *Cold War Conundrum*, p. 36.

<sup>476</sup> Hersh, *The Target Is Destroyed*, p. 161.

<sup>477</sup> See Shultz, *Turmoil and Triumph*, p. 363 and Raymond Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington: The Brookings Institution, 1994), p. 199.

NSA &  
CIA

CIA

1 premeditated murder. The official U.S. position, however, never deviated from the initial  
 2 assessment. The Reagan administration focused on indicting the Soviet system and its  
 3 top leadership as being ultimately responsible.<sup>478</sup> On 5 September, for example,  
 4 President Reagan signed National Security Decision Directive 102 "U.S. Response to the  
 5 Soviet Destruction of KAL 007 Airliner," which ordered a "major public diplomatic  
 6 effort to keep international and domestic attention focused on this Soviet action."<sup>479</sup>  
 7 As for the Soviet response, Moscow did not acknowledge the incident until 6 September  
 8 and only gave its official explanation on 9 September. According to the official Soviet  
 9 response, the regional defense unit had identified the aircraft as a U.S. intelligence  
 10 platform, an RC-135 of the type that routinely performed intelligence operations along a  
 11 similar flight path. In any event, according to the Soviets, whether it was a RC-135 or a  
 12 Boeing 747, the plane was unquestionably on a U.S. or joint (b)(1), (b)(3) intelligence  
 13 mission, and the local air defense commander had made the correct decision. The real  
 14 blame for the tragedy lay with the United States not the Soviet Union.<sup>480</sup>  
 15 For Washington, the incident seemed to express all that was wrong with the Soviet  
 16 system and to vindicate the Reagan administration critique of not only the Soviet system  
 17 but its leaders. For Moscow, the shoot down reflected the Reagan administrations  
 18 aggressive adventurism and imperial ambitions. Convinced that the flight was on a secret  
 19 intelligence mission, it reinforced Soviet beliefs that the United States was preparing for  
 20 nuclear war.  
 21 In the months following the September 1983 KAL incident, a full scale war scare  
 22 unfolded in the Soviet Union as Soviet intelligence and the Soviet military overreacted to  
 23 a U.S./NATO military exercise.

24  
25 **ABLE ARCHER**

26  
27 In this tense atmosphere the November 1983, U.S./NATO exercise ABLE ARCHER  
 28 touched off a major war scare in the Soviet Union. ABLE ARCHER included a practice  
 29 drill that took NATO forces through a full-scale simulated release of nuclear weapons.  
 30 Another alarming feature of the war game was its encoded electronic signature, which  
 31 for the first time made it impossible for the Soviets to distinguish a feigned dispatch of  
 32 missiles from the real thing. After reviewing the evidence, the KGB concluded as this  
 33 exercise began that the American forces had been placed on alert and might even have  
 34 begun the countdown to war. According to the Soviet spy, Oleg Gordievsky, with  
 35 ABLE ARCHER the two super powers came close to war.<sup>481</sup> Most historians now  
 36 believe that Gordievsky exaggerated the threat and down play the Soviet reaction.  
 37 Nevertheless, Soviet leadership continued to believe in the growing danger of a U.S.  
 38 military strike against the USSR or at least depicted the "warmongering America as bent  
 39 on world domination" for political purposes.<sup>482</sup> As for U.S. intelligence, the CIA  
 40 concluded that while the Soviet reaction was "greater than usual, by confining heightened

<sup>478</sup> Fischer, *Cold War Conundrum*, p. 15.

<sup>479</sup> Jeffrey T. Richelson, *A Century of Spies: Intelligence in the Twentieth Century* (New York: Oxford University Press, 1995), p. 385.

<sup>480</sup> *Ibid.*, pp. 15-16.

<sup>481</sup> See Christopher Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York: Harper Collins Publishers, 1995), pp. 471-478.

<sup>482</sup> Fischer, *A Cold War Conundrum*, p. 21 and Mastny, "How Able Was ABLE ARCHER?," p. 6.

1 readiness to selected units, Moscow clearly revealed that it did not, in fact, think that  
2 there was a possibility at this time of a NATO attack.<sup>483</sup> Not until Mikhail Gorbachev  
3 came to power in 1985 did the war scare subside. Operation RYAN was not cancelled  
4 until 1991.

5  
6 **Angola Again**

7  
8 Jonas Sivimbi and the UNITA continued to resist Neto and MLPA efforts to consolidate  
9 their hold on Angola.<sup>484</sup> Sivimbi claimed that he was willing to work with the MPLA but  
10 not until the all Cuban forces had withdrawn from Angola. He told the American press  
11 that "The real enemy is Cuban colonialism." He warned that "The Cubans have taken  
12 over the country..."<sup>485</sup> The Cubans had stayed in Angola to help Neto remain in power.  
13 Castro also send thousands of technicians to Angola to improve medical facilities and  
14 schools.

15 (b)(1), (b)(3)  
16 [Redacted]

CIA

17  
18  
19 (b)(1), (b)(3)  
20 [Redacted] in 1977 President  
21 Jimmy Carter, sensitive to human rights issues, banned the sharing of intelligence with  
22 South Africa.<sup>487</sup> The Reagan administration reversed this policy and closely monitored  
23 the growing crisis in Angola and South Africa. Angola would become part of the Reagan  
24 administration effort to roll back Soviet and communist gains in the Third World.<sup>488</sup> (b)(1), (b)(3)

25 [Redacted]  
26  
27 The South African government responded to increased guerilla activity in South West  
28 Africa by sending troops back into Angola in 1981. The mounting success of the South  
29 Africa incursion prompted the Soviet Union to deliver massive amounts of military aid to  
30 the Angolan government between 1981 and 1986. The Cubans also increased their  
31 military presence in Angola from 25,000 in 1982 to 40,000 in 1985. By mid-1985,  
32 Angola had once again become a hot spot in the Cold War. In August, 1985, the Reagan  
33 administration managed to win a repeal from Congress of the Clark amendment which  
34 prohibited the CIA and U.S. military from aiding the rebel forces in Angola. (b)(1), (b)(3)

CIA, NSC

483 William Casey, CIA Assessment, Implications of recent Soviet Military-Political Activities," p. 4

484 Neto died from cancer in Moscow on 10 September 1979. Jose Eduardo dos Santos assumed control of MLPA and became President of Angola.

485 Time, 1977.

486 The evidence is sketchy as no U.S. documents have been declassified and released on the Angolan effort after 1976. See Jane Hunter, *Israeli Foreign Policy: South Africa and Central Africa*, (South End Press 1987), p. 16. Robert Gates claims the United States was simply a bystander to the Angolan civil war from 1975 to 1985. See Gates, *From the Shadows*, p.346.

487 William Blum, "Killing Hope: the Great Powers Poker Game: Angola, 1975-1980," p. 253.

488 Very little U.S. intelligence information relating to Angola in the 1980s has been declassified and released..

489 James Brooke, "CIA Said to Send Weapons via Zaire to Angola Rebels," *New York Times*, 1 February 1987.

CIA, NSC 1  
2  
3  
4  
CIA 5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
CIA, NSC 27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

(b)(1), (b)(3) cont.

In January 1986 President Reagan invited Savimbi to the White House and spoke of Sivimbi and UNITA as

<sup>490</sup> (b)(1), (b)(3)

Following the independence of Namibia (South West Africa) and the withdrawal of South Africa and Cuban troops from Angola in 1991, President dos Santos and Savimbi hammered out the first of three peace agreements which called for elections and the

<sup>492</sup> (b)(1), (b)(3)

In 1992, the MPLA defeated UNITA in national elections. Savimbi received only 40.1 percent of the presidential vote and refused to accept the results. He plunged the country once again into civil war.<sup>494</sup> The war continued until 2002. Dos Santos' troops killed Savimbi on 22 February 2002. Soon after the civil war ended.

The Angolan civil war was one of the longest conflicts of the Cold War. Both the United States and the Soviet Union had come to see it as critical to the global balance of power and the outcome of the Cold War. By its end, the Soviet Union no longer existed and the Cold War was long over.

**Afghanistan**

(b)(1), (b)(3)

<sup>490</sup> In all, Savimbi made five trips to the United States.  
<sup>491</sup> According to Robert Gates, the effectiveness of the missiles in Angola helped overcome opposition to the introduction of stinger missiles in Afghanistan. See Gates, *From the Shadows*, p. 347.  
<sup>492</sup> Woodward, *All the President's Men*, pp. 11-12.  
<sup>493</sup> Savimbi and the UNITA controlled most of the diamond mines in Angola. These provided UNITA with the money to purchase large quantities of arms. The dos Santos government held the oil resources in Angola. It traded oil for weapons.  
<sup>494</sup> Gleijeses, *Conflicting Missions*, p. 352.  
<sup>495</sup> Lunberg, "Politics of a Covert Operation," p. 27.

(b)(1), (b)(3) cont.

**Debate Over the Stinger Missile**

In 1984 and 1985, the Soviet Union introduced two new elements into the Afghan war, *Spetsnaz* special troops and the Hinds armored helicopter. With an increase in Soviet troop strength and new tactics, Moscow began to take the war into rebel territory with devastating effect.

The Soviet military advances brought U.S. arguments for a more aggressive U.S. involvement in the Afghan conflict. Proposals began to circulate within the policy community, especially within the Pentagon, to provide the Afghan rebels with high-tech U.S. weapons, including the Stinger Missile.<sup>498</sup> Most of the CIA the State Department, and the Joint Chiefs of Staff opposed the idea. (b)(1), (b)(3)

[Redacted]

<sup>496</sup> Robert Woodrow, *Veil*, p. 372.

<sup>497</sup> Lunberg, "Politics of a Covert Operation," p. 21.

<sup>498</sup> The Stinger was one of the U.S. military's prize possessions, a state of the art anti-aircraft missile. It was shoulder mounted with a range of five miles. It weighed 34 pounds and measured five feet long. It could easily be transported. Manufactured by the General Dynamics Corporation, each missile cost about \$30,000, and cost

<sup>499</sup> Lunberg, "Politics of a Covert Action," p. 49.

CIA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

(b)(1), (b)(3) cont.

19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

In 1987 Gorbachev hinted that he might withdraw all Soviet troops from Afghanistan. Intelligence on the possibility of a Soviet withdrawal from Afghanistan was split. The U.S. hardliners doubted it would happen, others noted mounting signs of the possibility. In general, CIA reporting on a possible Soviet withdrawal from Afghanistan was scant.<sup>502</sup> Only after Gorbachev's public announcement on 8 February 1988 of his intent to withdraw all Soviet troops from Afghanistan did the Agency report that Gorbachev was serious about pulling out of Afghanistan.<sup>503</sup> The last Soviet troops left in February 1989. A SNIE "USSR: *Withdrawal from Afghanistan*" in March 1988 correctly assessed the Kremlin's domestic and foreign policy reasons for quitting Afghanistan but confidently predicted the quick collapse of the Kabul regime with the Soviet withdrawal.<sup>504</sup> It did not happen. The civil war raged on. The unintended consequences (b)(1), (b)(3) succeeded in replacing one enemy, the Soviet Union, with another, militant Islam.

**Nicaragua**

33  
34  
35  
36  
37  
38  
39  
40

While the United States continued to recognize the Nicaraguan Government diplomatic relations became increasingly strained as the Reagan administration saw a major increase in military support to the Sandinistas from Cuba. As the Sandinistas consolidated their hold on Nicaragua, President Reagan accused the new regime of importing Cuban-style socialism and aiding leftist guerillas in El Salvador. For Reagan, the Sandinistas were simply a vehicle for Soviet expansion in the Western

<sup>500</sup> Ibid., p. 52. (b)(1), (b)(3)

<sup>501</sup> Ibid., pp. 60-63.

<sup>502</sup> Lundberg, "CIA and the Fall of the Soviet Empire," p. 23.

<sup>503</sup> Lunsdberg, "CIA and the Fall of the Soviet Empire," p. 24.

<sup>504</sup> SNIE 11/37-88 "USSR: *Withdrawal from Afghanistan*," March 1988, printed in Fisher, *At Cold War's End*, Document 11.

1 Hemisphere. Concerns about Nicaragua's internal suppression, its growing military  
2 force, and its ties to the Soviet bloc, especially Cuba, led the Reagan administration to  
3 consider ways to assist the regime's opponents. Reagan believed that anti-communist  
4 insurgents needed to be supported by the United States in what ever region they might be  
5 located. It was part of his Reagan Doctrine which called for U.S. support to movements  
6 opposing Soviet backed communist governments.

CIA



<sup>505</sup> Presidential Finding, 1 December 1981 "Support and Conduct of Paramilitary Operations Against Nicaragua," as published in Peter Kornbluh and Malcolm Byrne, eds., *The Iran-Contra Scandal: The declassified History* (New York: The New Press, National Security Archive Document Reader, 1993), pp.11-14.

<sup>506</sup> See CIA, "Scope of CIA Activities under the Nicaragua Finding," 19 September 1983, published in Kornbluh and Byrne, *The Iran-Contra Scandal*, pp. 15-17.

<sup>507</sup> Pastora defected from the Sandinista junta and formed the Sandinista Revolutionary Front (FRS).in early 1982.



1 **The First Boland Amendment**

2  
3 Edward Boland (D, MS), head of the House Permanent Select Committee on Intelligence  
4 (HPSCI) concluded that the entire operation was illegal. Clearly, the purpose and  
5 mission of the operation was to overthrow the government in Nicaragua. He pressed to  
6 hold the Reagan administration accountable for its stated goal of interdicting arms to the  
7 El Salvadoran rebels. Pressured by Boland, Congress in December 1982 passed the first  
8 Boland amendment to the Defense Appropriations Bill for fiscal year 1983. It read:

9       None of the funds provided in this Act may be used by the Central Intelligence  
10       Agency or the Department of Defense to furnish military equipment, military  
11       training or advice, or other support for military activities, to any group or  
12       individual, not part of a country's armed forces, for the purpose of overthrowing  
13       the government of Nicaragua or provoking a military exchange between  
14       Nicaragua and Honduras.<sup>508</sup>

15  
16  
17 (b)(1), (b)(3)  
18  
19

20 **Mining of the Nicaraguan Harbors**

21 (b)(1), (b)(3)  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

32 Senator Barry Goldwater (R, AZ), chairman of the Senate Select Committee on  
33 Intelligence (SSCI) wrote DCI Casey that he was "pissed off." Goldwater claimed that  
34 Casey never informed him of the mining. He charged that members of his committee had  
35 been deceived at the very moment they were being asked to vote to support Contra aid.

36 (b)(1), (b)(3)  
37  
38  
39  
40

<sup>508</sup> Public Law 97-377, Defense Appropriations Act for FY 1983, Sec. 793.  
<sup>509</sup> Quoted in *Report of the Congressional Committees Investigating the Iran-Contra Affair*, November 13, 1987, 100<sup>th</sup> Congress, 1<sup>st</sup> Session (Washington, 1987), p. 37. The CIA did discover that Casey had mentioned the mining of the harbors in his earlier testimony before the committee but it had little effect. Vice Chairman Patrick Moynihan (D, NY) actually resigned briefly from the committee over the incident and never trusted the CIA again.

1 **The Second Boland Amendment**

2  
3 In the wake of the mining scandal, the Senate refused to pass the Reagan administration's  
4 request for \$21 million in supplementary Contra funding. Then, on 10 October 1983  
5 Congress passed a second Boland amendment. There was a widespread belief in  
6 Congress that the Reagan administration had systematically violated the first Boland  
7 Amendment. It sought to terminate all funding for covert operations related to U.S.  
8 support for the Contras. The new law stated:

9  
10 No funds available to the Central Intelligence Agency, the Department of  
11 Defense, or any other agency or entity of the United States involved in  
12 intelligence activities may be obligated or expended for the purpose of which  
13 would have the effect of supporting, directly or indirectly, military or paramilitary  
14 operations in Nicaragua by any nation, group, organization, movement, or  
15 individual.<sup>510</sup>

16  
17 Boland clearly believed the new prohibition would end U.S. support for the war in  
18 Nicaragua.<sup>511</sup> It did not.

19  
20 **The National Security Council (NSC), Oliver North, and the Contras**

21  
22 The Reagan administration simply circumvented the law. With the CIA and DOD  
23 banned from supporting the Contras, President Reagan directed the NSC to assume  
24 management of the covert operation. With or without Congressional approval, the  
25 Reagan White House planned to continue supporting the Contras. Reagan directed the  
26 NSC to keep the Contras together "body and soul." National Security Adviser Robert  
27 "Bud" McFarlane assigned the task to Marine Lt. Col. Oliver North, the Deputy Director  
28 for Political-Military Affairs on the NSC staff.

CIA

29 The covert operation, which had become quite transparent, once again became deeply  
30 covert. Reagan transferred operational command (b)(1), (b)(3) to the NSC. Although  
31 technically out of the action, key CIA officials such as Casey, Central American Task  
32 Force Director Alan Fiers, and Costa Rica Chief of Station Joseph Fernandez remained  
33 heavily involved. Fiers, North, along with Assistant Secretary of State for Inter-  
34 American Affairs, Elliot Abrams, as part of the Restricted Interagency Group (RIG),  
35 essentially ran all aspects of the "new" Contra operation.

36 Attempting to keep the Contras going "whatever it takes," North looked to DCI Casey for  
37 guidance. Casey recommended finding "funding alternatives." (b)(1), (b)(3)

38  
39 When Secretary of State George Shultz learned of  
40 the third country funding, he forcefully argued that U.S. instigated funding from third  
41 countries was a serious transgression of the law. Shultz warned that by-passing Congress  
42 in this way could be an "impeachable offense." Despite Shultz's warning, North  
43 continued to surreptitiously solicit funds from friendly governments.<sup>512</sup> In addition to the

<sup>510</sup> Printed in Kornbluh and Bryne, *The Iran-Contra Scandal*, p.20.

<sup>511</sup> See *Congressional Record*, October 10, 1984, p. H11974.

<sup>512</sup> Kornbluh and Byrne, *The Iran-Contra Scandal*, p. 60.

CIA

1 (b)(1), (b)(3) North secured \$2 million from Taiwan, \$2.7 million from private  
2 donations, and \$3.8 million in diverted profits from the sale of arms to Iran.<sup>513</sup> Between  
3 the summer of 1984, when congressionally appropriated Contra funds expired and the fall  
4 of 1986 when Congress renewed aid, this operation sustained the Contras. It was enough  
5 to keep the Contras in the field. When Congress passed a \$100 million in renewed  
6 Contra aid in August 1986, the Reagan administration no longer needed to solicit funding  
7 and weapons from third countries.

8  
9 **The Nicaraguan Humanitarian Assistance Office (NHAO)**

10  
11 On 12 June 1985, Congress partially retreated on its Contra aid ban and passed \$27  
12 million in nonlethal "humanitarian assistance. The legislation sought to ensure that the  
13 money was "used only for the intended purposes and not diverted" for military purposes.  
14 It prohibited both the CIA and the Defense Department from running the program. The  
15 task of running the program and administering the funds fell to the State Department.  
16 Shultz set up a new office, the Nicaraguan Humanitarian Assistance Office (NHAO)  
17 to handle the distribution of the aid. Publicly, the Reagan administration showcased the  
18 NHAO as an overt program providing food, clothing, medical goods, and shelter to the  
19 Contras. In reality, the NHAO became both a compliment to, and a cover for, the covert  
20 NSC resupply operation. With the nonlethal funds available, North could now  
21 concentrate on providing lethal equipment. The new program served as the perfect cover  
22 for transferring and air-dropping lethal, in addition too nonlethal, supplies to the Contras.  
23 The NHAO took its orders from the RIG (North, Fiers, and Abrams). NHAO contractors  
24 by day became NSC- run operatives by night dropping arms to the Contras. According to  
25 Fiers, "Ollie was highjacking the NHAO operation."<sup>514</sup>

26  
27 **The Enterprise**

28  
29 The Reagan White House, even before the passage of the Second Boland amendment,  
30 established a pseudo-private-sector organization, "The Enterprise," to help run the covert  
31 program in Central America. It served as the secret arm of the NSC, carrying out with  
32 private and nonappropriated funds the covert aid program to the Contras. It, unlike the  
33 CIA, was not accountable to Congress or to the restrictions imposed on the operation by  
34 law."<sup>515</sup> North fully supported the activities of the Enterprise. He believed, Retired Air  
35 Force Major General Richard Secord, who headed the company, and Enterprise could "do  
36 something in 5 minutes that the CIA cannot do in two days."<sup>516</sup> Initially, the Enterprise  
37 played the key role as an procurer, purchasing \$9 million worth of rifles, grenades,  
38 surface-to-air missiles, mortars, rocket launchers, ammunition, uniforms, and other  
39 equipment from arms dealers in Canada and Portugal. When Congress passed the Second  
40 Boland Amendment in October 1984, the Enterprise was already in place. It soon

<sup>513</sup> See the later discussion of Iran-Contra.

<sup>514</sup> Quoted in Kornbluh and Bryne, *The Iran-Contra Scandal*, p. 127.

<sup>515</sup> *Iran-Contra Affair*, p. 4.

<sup>516</sup> Kornbluh and Bryne, *Iran-Contra Scandal*, p. 123.

CIA

1 employed paramilitary and military operatives, accountants, and subcontractors to  
2 (b)(1), (b)(3)

3  
4 **Public Diplomacy**

5  
6 Following passage of the first Boland amendment, the Reagan administration began to  
7 recast the image of the Contras. (b)(1), (b)(3)

8  
9 In May 1983, President Reagan proclaimed them to be “freedom fighters and the  
10 moral equivalent of our Founding Fathers.” In July 1983 the NSC created the Office of  
11 Public Diplomacy for Latin America and the Caribbean (S/LPD). The new office was to  
12 develop a pro-Contra public diplomacy policy. Although technically housed in the State  
13 Department, it reported directly to the NSC. It began an “educational campaign” to  
14 convince Congress to renew Contra aid. The overall theme was “The Nicaraguan  
15 Freedom Fighters were for Freedom in the American tradition. The FLSN was evil. The  
16 new office wanted to “concentrate on gluing black hats on the Sandinistas and white hats  
17 on the Contras. It conducted “white propaganda” operations, covertly sponsoring pro-  
18 Contra reports and articles in the media, monitored the media for anti-Contra views and  
19 attempted to shape press coverage of the Contras. According to a General Accounting  
20 Office report, The S/LPD’s operations amounted to “prohibited propaganda activities  
21 designed to support the Administration’s Latin America policies.”<sup>518</sup>

22  
23 **The End of the Operation**

24  
25 On the morning of 5 October 1986, one of the aircraft belonging to the Enterprise left its  
26 operational base in Costa Rica with 10,000 pounds of arms and ammunition for the  
27 Contra forces inside northern Nicaragua. On board in addition to the pilot, co-pilot and  
28 communications specialist, was a “kicker” Eugene Hasenfus, who would actually drop  
29 the supplies to the Contras on the ground. Before the C-123 could reach the drop zone it  
30 was shot down by a Soviet SAM-7 missile fired by the Sandinistas. Only Hasenfus  
31 survived and he was quickly captured by the Sandinistas. He told them he was working  
32 for the CIA. (He was actually working for Ollie North and the NSC). Following the  
33 shoot down senior government officials, including President Reagan, denied any U.S.  
34 government connection. Casey, however, according to North, summoned him to Langley  
35 for a “long conversation.” “Its over, Casey reportedly said, “shut it down and clean it up.  
36 Bring everyone home.”<sup>519</sup>

37  
38 **Arms for Hostages**

39  
40 **U.S. Policy toward Iran**

41  
42 Since the U.S. response to the hostage crisis in 1979 and the Iran-Iraq War, the United  
43 States had embargoed the sale of arms to Iran. Through “Operation Staunch” the U.S.

<sup>517</sup> Kornbluh and Bryne, *Iran-Contra Scandal*, p. 123.  
<sup>518</sup> See Kornbluh and Bryne, *Iran-Contra Scandal*, p. 6.  
<sup>519</sup> Quoted in Kornbluh and Bryne, *The Iran-Contra Scandal*, p. 132.

1 government also sought to stop the sale of weapons to Iran from other countries. In  
2 addition, the United States also opposed the transfer of arms to Iran because of Iran's  
3 involvement in terrorist activities. Following repeated attacks against Americans in  
4 Lebanon, Secretary of State George Schultz placed Iran on a list of countries supporting  
5 terrorism. The Reagan administration's policy on terrorism was well known., "We make  
6 no concessions. We make no deals."<sup>520</sup>

7 In the aftermath of the Israeli invasion of Lebanon, in June 1982 a Shiite group in  
8 Lebanon, the Hezbollah (Party of God), began political kidnappings and terrorism against  
9 Americans and American institutions as retaliation against perceived U.S. support for the  
10 Israeli invasion and occupation. U.S. intelligence became aware that Iran was supporting  
11 groups in Lebanon such as Islamic Jihad and the Hizbollah. The taking of American  
12 hostages began in March 1984. Among the hostages taken was CIA Chief of Station  
13 William Buckley. DCI Casey was especially distressed by Buckley's capture and  
14 determined to spare no effort to gain his release. President Reagan too, had an obsessive  
15 desire to win the release of the American hostages despite his insistence that his  
16 administration would not negotiate either directly or indirectly for their release. Reagan,  
17 personally felt "he had the duty to bring those Americans home." Reagan met with the  
18 hostage families in late June and was greatly moved. "He wanted," he later wrote, "more  
19 than anything else to get all the American hostages held in Lebanon freed before he left  
20 the White House." Reagan and Casey became increasingly frustrated by their inability  
21 to secure the release of the Americans being held by Hezbollah.

### 22 23 **Iran Initiative**

24  
25 Drawing on a CIA study by Graham Fuller, which proposed a change of policy toward  
26 Iran, National Security Adviser McFarland produced a draft National Security Decision  
27 Directive (NSDD) in 1985 which called for "a major change" in Washington's approach  
28 to Iran. The draft included the suggestion that the United States encourage Western allies  
29 to provide "selected military equipment" to the government in Teheran to create an  
30 opening to the Iranian government. Despite strong opposition from George Shultz and  
31 Defense Secretary Caspar Weinberger, Shultz warned that the proposed initiative  
32 amounted to trading arms for hostages, the ideas incorporated in the draft document for  
33 the sale of arms to Iran became policy. Recovering from cancer surgery, President  
34 Reagan authorized McFarland to open a dialogue with Iran through the auspices of  
35 Iranian gunrunner Manucher Ghorbanifar. McFarland believed the United States could  
36 win influence with Iranian moderates by helping Iran in its war with Iraq. Reagan, for his  
37 part, believed it would help win the release of U.S. hostages held in Lebanon by the  
38 Iranian backed Hezbollah. The CIA cautioned that the proposed interlocutor, Manucher  
39 Ghorbanifar, was "a talented fabricator."

40 Working through Ghorbanifar and the Israelis, McFarlane and Oliver North (North, an  
41 NSC staffer was the operations manager of the arms-for-hostages initiative) had Israel  
42 deliver a few TOW (Tube-launched, Optically-tracked, Wire guided) missiles to Iran on  
43 20 August 1985. The shipment was supposed to result in the release of American  
44 hostages. None were released. Nevertheless, McFarlane and North, with the President's  
45 approval, had another consignment of missiles shipped to Iran in September. This time,

---

<sup>520</sup> *Iran-Contra Affair*, p. 157.

CIA

1 Benjamin Weir, a Presbyterian minister held since May 1984 was released. In October  
2 1985 again working with the Israelis and Ghoebanifar, McFarlane and North agreed to  
3 send Iran HAWK (Homing-All-the-Way-Killer) antiaircraft missiles to Iran in exchange  
4 for hostages. The delivery of HAWK missiles to Iran (b)(1), (b)(3) was done without  
5 a Presidential Finding. A Finding is required to provide legal authorization for any CIA  
6 covert Activity. A CIA proprietary, (b)(1), (b)(3) eventually flew eight TOW  
7 missiles to Iran. CIA was providing logistical support to the operation. It would also act  
8 as a conduit for Iranian payments to CIA accounts in Switzerland.  
9 In December 1985 North outlined a new plan that called for Israel to deliver 3,300  
10 TOW's and fifty HAWK missiles to Iran in return for all the hostages. Upon hearing  
11 about the proposal, DDCI John McMahon now demanded a Presidential Finding to cover  
12 retroactively CIA involvement.  
13 In January 1986 President Reagan signed a new Presidential Finding that authorized the  
14 United States to assume direct control over arms shipments to Iran. The new Presidential  
15 Finding signed on 17 January 1986 marked the beginning of direct U.S. control over the  
16 Iran arms sales initiative. The Finding brought the CIA into the initiative in a more  
17 substantial way. The new Finding directed the CIA to lend logistic support to the NSC  
18 staff, which would play the main decision making role in the operation. The Agency  
19 was to obtain the weapons from the Department of Defense and provide logistic and  
20 technical support. The Finding also directed the CIA not to notify Congress of the covert  
21 activity.<sup>521</sup> Over the next several months, negotiations between North, Ghoebanifar and  
22 the Iranian continued with the same pattern. In February the United States sold 1,000  
23 TOW missiles to Iran and no hostages were released. Instead, the Iranians now wanted  
24 HAWK missiles and spare parts. Although the arms sales were a failure in achieving the  
25 release of the hostages, North saw a way of using the money from the arms sales to  
26 support the Contras. The Iranians were willing to pay substantially more for the missiles  
27 than they cost. He would take the excess profits and aid the Contras. It was another  
28 incentive to continue to pursue the Iranian arms sales.  
29 In order to improve the situation and perhaps establish more normal ties with Iran, Robert  
30 McFarlane proposed a direct meeting with Iranian officials. The Presidentially approved  
31 McFarlane mission to Iran in the spring of 1986 was intended to not only free all the  
32 hostages but to establish a dialogue with Tehran. McFarlane saw the mission as to  
33 chance to change history. He compared the mission to Henry Kissinger's historic  
34 meeting with Premier Chou En-lai that paved the way for U.S.-China reconciliation.<sup>522</sup>  
35 As they made preparations for the trip, the new National Security Adviser, John  
36 Poindexter made it clear to North before he left that all hostages were to be released  
37 before any parts were turned over to the Iranians. "It is either all or nothing," he told  
38 North.<sup>523</sup>  
39 The McFarlane delegation arrived in Teheran with HAWK spare parts in May 1986. No  
40 high level officials greeted the Americans and little was accomplished. The hostages  
41 remained in captivity. Nevertheless, the initiative continued. In June 1986 the CIA paid  
42 the DOD a total of \$5.6 million for TOW missiles. The payment was made in the form of

<sup>521</sup> Congress, *Iran-Contra Affair Report*, p. 213.

<sup>522</sup> *Ibid.*, p. 237.

<sup>523</sup> Poindexter had been McFarlane's deputy. When McFarlane resigned in December 1985 Reagan appointed Poindexter as his National Security Adviser, McFarlane became an adviser on the Iran Initiative.

1 several checks, none of which exceeds \$999,999.99, the maximum amount allowed  
2 before Congressional notification is required.

3 On 3 November 1986 a Lebanese weekly, *Ash-Shiraa*, published an account of  
4 McFarlane's secret May mission to Tehran. Despite the growing public awareness of a  
5 U.S. arms-for-hostages deal with Iran, President Reagan denied any secret agreement on  
6 an arms for hostages deal. He declared, "We will never pay off terrorists because that  
7 only encourages more of it" on television on 13 November 1986. The next day Secretary  
8 of State George Shultz urged him not to sell anymore arms to Iran. The President,  
9 according to Schultz, was non-committal. North continued to negotiate with the Iranians.  
10 With further press disclosures of the growing scandal, Schultz finally convinced the  
11 President to turn over Iran-U.S. relations to the department of State and to end the Iran  
12 initiative. Reagan authorized Schultz to tell the Iranians that there would be no more  
13 arms sales. The Iran Initiative was over.<sup>524</sup>

14 The Iran initiative succeeded only in replacing three American hostages with another  
15 three, arming Iran with 2,004 TOW missiles and vital parts for HAWK missile batteries.  
16 It also generated funds for the Contras and other covert activities.<sup>525</sup> It was contrary to  
17 longstanding national policies regarding terrorism, who was authorized to conduct covert  
18 operations, and notification issues to Congress.

### 19 20 **The Iran-Contra Investigations**

21  
22 The shoot down of Eugene Hasenfus by the Sandinistas on 5 October 1986 and the *Ash-*  
23 *Shiraa* article of 6 November 1986 marked the beginning of the end for the Iran-Contra  
24 operation. At first, administration officials simply ignored or denied the facts  
25 surrounding the secret covert operations. Finally, Attorney General Edwin Meese met  
26 with the President on 21 November and obtained Reagan's permission to undertake a  
27 "fact-finding inquiry." Both North and Poindexter sought to destroy documents relating  
28 to the diversion of funds to the Contras. Nevertheless, on 22 November 1986 members of  
29 Ed Meese's staff discovered the so-called "diversion" memo drafted by North in April  
30 1986 which described a plan to divert \$12 million to the Contras from the arms sales to  
31 Iran. This memo links the Iran arms for hostages operation with the Contra operation.  
32 This linkage places the diversion of funds at the center of the subsequent investigations.

### 33 34 **The President's Special Review Board (The Tower Commission)**

35  
36 President Reagan, under pressure to avoid the appearance of a Watergate-style cover-up,  
37 appointed Senator John Tower, Secretary of State Edmund Muskie, and National Security  
38 Adviser Brent Scowcroft to The President's Special Review Board on 26 November  
39 1986. The President called for "a full and complete airing of all the facts." Its charter  
40 included an examination of the National Security Council system and an examination of  
41 the Iran-Contra Affair. After only three months, the Tower Commission released its  
42 report. The basic thrust of the report was to exonerate President Reagan of any wrong  
43 doing. It concluded that the National Security Council system itself was sound. It did  
44 faulted Reagan for not ensuring that it functioned properly. The Commission reserved

---

<sup>524</sup> *Ibid.*, 263.

<sup>525</sup> *Ibid.*, p. 280.

1 most of its criticism for Chief of Staff Donald Regan and National Security Adviser John  
2 Poindexter. The Commission concluded that Reagan's hands-off management style, and  
3 inadequate policy review procedures, were responsible for what the Commission  
4 members characterized as "an unprofessional and, in substantial part, unsatisfactory  
5 operation."<sup>526</sup>

6  
7 **Congressional Investigation**

8  
9 The Senate Select Committee on Intelligence (SSCI) began an investigation into Iran-  
10 Contra in the summer of 1987 but suspended it with the creation of the Joint House and  
11 Senate Committee to Investigate Iran-Contra affair. A draft report, however, concluded  
12 that the White House and CIA violated the Intelligence Oversight Act of 1980 by not  
13 fully informing the congressional intelligence committees "in a timely fashion" of its  
14 covert operations and did not comply with Executive Order 12333 by not formally  
15 designing the NSC as the responsible agency for the Iran initiative. It did not contradict  
16 President Reagan's claim that he had not known of the diversion.<sup>527</sup>

17 Congress moved to investigate the scandal on 4 December 1987 when it established a  
18 joint panel of inquiry, the House Select Committee to Investigate Covert Arms  
19 Transactions with Iran and the Senate Select Committee on Secret Military Assistance to  
20 Iran and the Nicaraguan Opposition. (The Iran-Contra Joint Investigation  
21 Committee). Senator Daniel k. Inouye (D, HI) and Representative Lee K. Hamilton  
22 (D, IN) chaired the joint committee. The star of the televised hearings was Oliver North,  
23 who defended the actions of the NSC as patriotic. Most importantly, the Committee  
24 decided not to investigate potential illegal offenses involving the President, except for the  
25 diversion, to avoid an impeachment crisis a la Watergate. The general consensus was  
26 "we don't want to go after the President."<sup>528</sup>

27 The majority report concluded that the Iran and Contra operations were characterized by  
28 "secrecy, deception, and disdain for the law." In addition, the majority of the committee  
29 found that the scheme to divert part of the proceeds from the arms sales to Iran to support  
30 the Contra's was a serious evasion of the Boland amendment and a violation of Federal  
31 law. The profits that were skimmed were generated by the sales of arms belonging to the  
32 United States. The funds thus belonged to the United States.<sup>529</sup>

33 When it came to recommendations, The Iran-Contra Joint Committee's majority report,  
34 focused on notification to Congress issues. It proposed that all covert actions require a  
35 written Presidential Finding, personally signed by the President, and that the Finding be

---

<sup>526</sup> *Tower Commission Report*, p. 6. The commission investigation discovered and retrieved from the National Security Council computer backup system a major file of secret internal messages between north, Poindexter, and McFarlane, PROF notes. These notes provided extensive new details on Iran-Contra operations.

<sup>527</sup> *The Iran-Contra Scandal*, p. 328.

<sup>528</sup> See Seymour M. Hersh, "The Iran-Contra Committees: Did They Protect Reagan?" *New York Times Magazine*, April 29, 1990.

<sup>529</sup> The Committee was badly split on political grounds. It could not reach a consensus and produced two reports, The Majority Report and The Minority Report. See *The Report of the Congressional Committees Investigating the Iran-Contra Affair with a Supplemental Minority and Additional Views*, (Washington, DC, November 1987). The Minority Report disagreed with the Majority report on almost every major issue.



1 presented to Congress prior to its implementation. It recommended that retroactive  
2 Findings be prohibited and that they be presented to Congress "in a timely fashion." For  
3 the committee, this meant within 48 hours. The committee also recommended that the  
4 members and staff of the NSC not engage in covert actions.<sup>530</sup>  
5 The Minority Report dismissed the Majority Report as "mostly hysterical," and summed  
6 up the scandal as "mistakes in judgment and nothing more."  
7

### 8 **Independent Council for the Iran-Contra Affair**

9

10 Attorney General Edwin Meese recommended that a three judge panel of the U.S. Court  
11 of Appeals appoint retired federal judge Lawrence Walsh as an Independent Council for  
12 the Iran-Contra Affair. They did so on 19 December 1986.

13 Walsh's six long years of work yielded plea bargains to felony and misdemeanor charges  
14 ranging from perjury to defrauding the U.S. Treasury. Seven Iran-Contra players were  
15 convicted of crimes, including three CIA officers Claire George, Alan Fiers, and Dewey  
16 Clarridge. Walsh also detailed the key roles President Reagan and Vice President  
17 George Bush played in the Iran-Contra Affair. They were not "out of the loop" as they  
18 later claimed but were intimately involved in most of the major Iran-Contra decisions.  
19 With Secretary of Defense Casper Weinberger about to go on trial after being indicted by  
20 Walsh, on Christmas Eve 1992 President Bush pardoned Weinberger and most of the  
21 participants on the grounds that they were "true American patriots." The Iran-Contra  
22 Affair was over. Walsh claimed that the Presidential pardons demonstrated "that  
23 powerful people with powerful allies can commit serious crimes in high office - -  
24 deliberately abusing the public trust - - without consequence."<sup>531</sup>  
25

### 26 **George Herbert Walker Bush**

27

#### 28 **Dealing with Iraq**

29

30  
31 When George H. W. Bush became President, after serving eight years as Reagan's Vice  
32 President, U.S. policy toward Iraq was one of "constructive engagement." It was  
33 essentially a by-product of U.S. policy toward Iraq's neighbor, Iran. Iraq's leader  
34 Saddam Hussein had invaded Iran on 22 September 1980. As the war raged back and  
35 forth, by mid-1982 the Iranians took the advantage and invaded southern Iraq. As the  
36 threat to Iraq grew, the United States began to establish closer ties to Hussein. The  
37 United States began sharing intelligence with the Iraqi dictator. The Bush administration  
38 feared that a victory by Iran would prompt Khomeini to spread his Islamic  
39 fundamentalism throughout the Persian Gulf. When it looked as if Iraq might be losing,  
40 as in late 1982 and again in 1986-1987, the United States tilted toward Iraq, when  
41 Hussein seemed to be getting the upper hand, American aid lessened. The Iran-Iraq War

---

<sup>530</sup> *Iran-Contra Scandal*, pp. 329-331. Only a few of these recommendations were actually incorporated into the 1988 Intelligence Oversight Act. For a review of the Congressional act with regard to the Committee's recommendations see Peter Kornbluh, "Iran-Contra: A Post Mortem," *The World Policy Journal* (Winter 1987-1988).

<sup>531</sup> *Iran-Contra Scandal*, p. 339.

CIA

1 ended abruptly in August 1988 when each agreed to a UN-sponsored cease-fire. Iraq  
2 emerged from the war intact and well-armed but badly damaged and heavily in debt to  
3 both the west and to Arabs nations.<sup>532</sup>  
4 For the incoming Bush administration, Iraq was hardly on its radar. The Persian Gulf  
5 held a low priority for U.S. intelligence as well. American intelligence on Iraq was weak,  
6 at best. The United States relied heavily on diplomatic reporting and on the perceptions  
7 of "America's Friends" in the region, especially the Saudi's, Gulf Emirates, and Jordan.  
8 The State Department hoped to "embrace Saddam in a cocoon of Moderation." NSD-26  
9 signed by the President in the summer of 1989, represented a compromise between those  
10 who wanted to use Hussein to support U.S. peace proposals in the Middle East and those  
11 deeply concerned over the scope of his chemical and biological weapons programs. No  
12 one who knew Hussein's reputation believed "he would ever be a potential member of  
13 the Kiwanis Club." The concept was to encourage Hussein to be more moderate.<sup>533</sup> The  
14 NIE of 1989 "Iraq: Foreign Policy of A Major Regional Power" reflected these views. It  
15 argued that because of the need to rebuild after the war, Iraq and Hussein would pursue a  
16 more moderate course. Overall, the NIE assumed that Iraq under Saddam Hussein would  
17 behave rationally and predictably.<sup>534</sup>  
18 No one really cared about Iraq among U.S. policymakers. For CIA analysts, the only  
19 reason to pay attention to Iraq was the mounting evidence of Hussein's continued  
20 military buildup. The CIA reported that Hussein had not demobilized his forces at the  
21 end of the Iran-Iraq War. (b)(1), (b)(3) spotted fixed missile sites in Iraq in the fall of  
22 1989. The CIA also informed the White House that Iraq was building its own missile  
23 launchers and crude rockets. In addition, there was evidence that Iraq was engaged in  
24 nuclear research and the development of chemical and biological weapons. The Pentagon  
25 also began to reassess U.S. military strategy with regard to the Persian Gulf as it viewed  
26 Hussein's military buildup. It now saw Iraq as the primary threat to U.S. friends in the  
27 region., Saudi Arabia, Kuwait, and the other Gulf states. It prepared contingency plans in  
28 the event of a Hussein attack south, against Saudi Arabia or Kuwait.<sup>535</sup>  
29 Despite the new intelligence, Iraq only emerged as a serious concern for U.S.  
30 policymakers when Hussein began to change Iraq's policies toward its neighbors, notably  
31 the oil-rich, cash rich Gulf states. Iraq owed \$10 billion to Kuwait alone. When the CIA  
32 warned that Hussein's increasingly radical rhetoric might be a harbinger of Iraqi  
33 aggression against its neighbors, the State Department urged caution. It recommended  
34 attempting to understand Hussein despite the bluster and to keep the relationship open.  
35 With growing financial problems, Hussein focused his attention on Kuwait. On 15 July  
36 he moved several divisions of Iraqi Republican Guards to the Iraq-Kuwait border.  
37 From 15 July on, the CIA monitored the situation in Iraq on a daily bases. It watched as  
38 Saddam moved more and more troops to the border. On 25 July DCI William Webster  
39 informed President Bush that the intelligence community had issued a "war warning" of a

<sup>532</sup> Zahary Karabell and Phillip D. Zelikow, "Iraq, 1988-1990: Unexpectedly Heading toward War," in May and Zelikow, eds. *Dealing with Dictators*, pp.166-202.

<sup>533</sup> *Ibid.*, p. 177.

<sup>534</sup> See John A. Gentry, *Lost Promise: How CIA Analysis Misserves the Nation: An Intelligence Assessment* (Lanham, Maryland: University Press of America, 1993), p. 149.

<sup>535</sup> Karabell and Zelikow, "Iraq," pp. 182-183.

1 coming attack by Hussein. Iraq was capable of advancing through Kuwait and deep into  
2 Saudi Arabia, according to the CIA report.

3 This intelligence was contradicted by Iraq's neighbors, Jordan, Egypt, Saudi Arabia, and  
4 even Kuwait and the UAE. They all urged the United States not to become involved in  
5 the dispute and declared that Hussein was unlikely to carry out his threats. President  
6 Bush telephoned the Egyptian President, the king of Saudi Arabia, and the king of  
7 Jordan. All assured Bush that, knowing Saddam Hussein as they did, no attack was  
8 imminent. CIA stated flatly that these leaders were wrong. Hussein was not bluffing.  
9 Who was Bush to believe. Who knew Hussein better? King Fahd, the Amir of Kuwait,  
10 or some GS-15 analyst at Langley, Robert Gates later speculated.<sup>536</sup>  
11 April Glaspie, the U.S. Ambassador to Iraq met with Saddam on 26 July and confirmed  
12 to him that the United States had no defense treaty with Kuwait and no opinion on the  
13 substance of a border dispute between Iraq and Kuwait. Hussein was now convinced that  
14 the United States would not act.<sup>537</sup>

15 The U.S. Intelligence Community upgraded its formal "warning of war" to a "warning of  
16 attack" on 1 August. The IC believed war was imminent.

17 On 2 August 1990 Iraqi troops invaded and quickly seized control of Kuwait.  
18

## 19 **The Gulf War**

20 President Bush denounced the invasion of Kuwait and declared "This will not Stand."  
21 Bush called for the "immediate, complete, and unconditional withdrawal of all Iraqi  
22 forces from Kuwait."<sup>538</sup> The invasion triggered a U.S. response, Operation DESERT  
23 SHIELD to deter any invasion of Kuwait's oil rich neighbor, Saudi Arabia. U.S.  
24 intelligence estimated that Hussein could advance far into Saudi Arabia before the United  
25 States could respond. President Bush ordered a massive build-up of U.S. forces in Saudi  
26 Arabia and the Gulf region. He also sought to build a major coalition of other nations to  
27 oppose Iraqi's incursion in Kuwait. U.S. tactical intelligence support remained small and  
28 tailored to a defensive mission in Saudi Arabia.  
29

## 30 **Operation Desert Storm**

### 31 **Background**

32 On 17 January 1991, the U.S.-led coalition launched air attacks against Iraqi targets.  
33 According to U.S. commanders, intelligence became a combat operating system to  
34 support combat operations.

35 On 24 February, coalition ground forces attacked the Iraqi positions. By 27 February  
36 Kuwait City was liberated and Coalition forces had driven well into Iraq. President Bush  
37 halted the war on 28 February 1991 with Saddam still in control of most of Iraq.  
38  
39  
40

---

<sup>536</sup> Ibid., p. 199.

<sup>537</sup> Gladspie later claimed that she informed Hussein in no uncertain terms that the United States would respond forcefully to any Iraqi incursion. These claims are not substantiated by what she reported to Washington. See Karabell and Zelikow, "Iraq," pp. 200-201.

<sup>538</sup> NSD 45, "U.S. Policy in response to Saddam Hussein's invasion of Kuwait," 20 August 1990, printed in National Security Archive. "Operation Desert Storm: Ten Years After."

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

CIA

**U.S. Intelligence and the War**

A diverse array of sophisticated intelligence collection systems provided intelligence in Desert Storm. It included national assets (those dedicated to supporting strategic intelligence issues and high-level policymakers) as well as tactical systems designed to provide support directly to tactical commanders. Central Command (CENTCOM) headed by General H. Norman Schwarzkopf was initially unprepared for the intelligence war. At the time of the Iraqi invasion of Kuwait, the CENTCOM intelligence organization had no collection assets under its control, it was a mere shell, with few people and little structure. Schwarzkopf's priority was building up combat forces not intelligence resources. This meant that theater commanders were forced to rely on national intelligence collectors. These national systems were essential to the conduct of the war and, in general, performed extremely well. Early on field commanders relied primarily on national imagery for targeting. Before the ground campaign, for example, U.S. intelligence had an excellent handle on the units, locations, and equipment of Iraqi troops and Iraqi order of battle. The enemy was exactly where U.S. intelligence said he was, there were no surprises. "The intelligence was superb."<sup>539</sup> National Intelligence agencies such as CIA, DIA, and NSA provided massive quantities of data to the tactical combat commanders.

Military and CIA cooperation did not go as smoothly. When the Pentagon set up a Joint Intelligence Center (JIC) for the war effort, the CIA refused to incorporate its Iraqi analysts in the Center. It claimed it wanted to maintain an independent analysis of the situation for policymakers. CIA did deploy JILE (Joint Intelligence Liaison Element) teams (b)(1), (b)(3) and worked closely with theater commanders on intelligence issues, such as where the Republican Guard was, the locations of SCUD missile launchers, and intelligence on Iraqi minefields and barriers.<sup>540</sup> Disagreements between CIA analysis and CENTCOM would flare up again with battlefield damage assessments.

The 1991 Gulf War was also the first major conflict in which precision guided weapons, microprocessing, and real-time global communications were used on a large scale. They provide Coalition forces with a major advantage during the war.

The ultimate success of the Coalition campaign to break Iraq's hold on Kuwait should not obscure the fact that the intelligence system supporting the war effort underwent severe strains.<sup>541</sup>

**Collection**

For the first time since the Cold war began, the Soviet Union took a back seat to another part of the world as an intelligence collection target. With limited Humint sources

<sup>539</sup> Brig. Gen. John F. Foster. *Operation Desert Storm The Military Intelligence Story: A View from the G-2* (April 1991), p. 9.

<sup>540</sup> CIA, "CIA Support to the US Military During the Persian Gulf War," CSI.

<sup>541</sup> Michael Warner, "Intelligence in the 1990's: The Inter-War Years in Relief," Unpublished paper delivered at the SHFG Meeting, Shepherdstown, WV, 14 March 2003.

1 available, U.S. forces relied on imagery during the war. Imagery was the intelligence of  
2 choice of the combat commanders. Pictures were in demand. Unfortunately, the area  
3 occupied by Iraqi forces was nearly 30,000 square miles, the size of New England. There  
4 was no SR-71 or broad satellite coverage. The absence of wide-area coverage was, as  
5 one U.S. commander saw it, "Like searching New York City by looking through a soda  
6 straw."

7 A unique source of intelligence in preparation for the ground war proved to be the  
8 Library of Congress. A group of intelligence officers poured over old archaeological  
9 manuscript to discover geographical features of Iraq before the ground war would  
10 commence. Where the desert sands would be too soft to support heavy equipment and  
11 where defiles might require bridging equipment.<sup>542</sup>

12 While national collection systems performed well during Desert Storm, tactical collection  
13 system, especially imagery and signals systems, performed poorly. Tactical intelligence  
14 collection systems were not permitted to overfly Kuwait or Iraq before D-day. This  
15 proved to be a major disadvantage. Moreover, the tactical collection platforms available  
16 each had had major shortcomings. Theater commanders resorted to using their own in-  
17 house capabilities for tactical, near-real-time intelligence. The 101<sup>st</sup> Airborne Division,  
18 for example, employed its Apache attack helicopters as reconnaissance aircraft to map  
19 out the battlefield in front of the division. It was "the best if not only accurate and timely  
20 source of 'what is out in front of me' intelligence," according to one officer.<sup>543</sup>  
21 Three exceptions were the Air Force-Army Joint Surveillance and Target Attack Radar  
22 System (JSTARS) the Air Force Advanced Synthetic Aperture Radar System (ASARS),  
23 and the Predator UAV.

24 Air Force command did not want JSTARS in the theater at first for fear that it would  
25 break down. When the developer Gruman stated "it would make it work if it meant the  
26 CEO himself had to come over with a screwdriver," the Air Force relented. It proved a  
27 wise decision. The airborne JSTARS provided combat commanders with near-real-time  
28 information on Iraqi army targets in all weather conditions. The Air Force used it for  
29 target acquisition, the Army to show in real time what was in front of it.<sup>544</sup>

30 ASARS was used in conjunction with JSTARS to track battlefield movement. Located  
31 on U-2 reconnaissance aircraft, ASARS provided higher resolution and signals  
32 intelligence data as well as images of areas masked by terrain from JSTARS.  
33 As for the Predator, it was used for target validation, damage assessment, and  
34 surveillance missions. It proved invaluable at adjusting the accuracy of the navy's 16-  
35 inch battleship guns against Iraqi fortifications. One Iraqi unit actually attempted to  
36 surrender to a Predator loitering over its position.

### 37 38 **Dissemination**

39  
40 Dissemination of the intelligence was more of a problem than the collection. It was the  
41 Achilles heel of the intelligence effort. Timely, useful tactical intelligence came from the  
42 Army Intelligence Agency (AIA). Theater imagery came from the Joint Imagery

---

<sup>542</sup> House Committee, "Intelligence Successes and Failures in Desert Shield/Storm," p. 12.

<sup>543</sup> *Ibid.*, p. 10.

<sup>544</sup> *Ibid.*, p. 8.

1 Processing Complex ("Gypsy").<sup>545</sup> The first three days of the air campaign benefited  
2 from months of careful planning and preparation. It included full sets of target  
3 intelligence, detailed photographs and maps showing targets and defenses around major  
4 Iraqi installations around the country. The intelligence was invaluable. After the first  
5 three days, however, target imagery decreased dramatically. Intelligence data could be  
6 passed in near real time from Washington to CENTCOM, but because of the lack of a  
7 common imagery data dissemination systems, the forward commands could not receive  
8 the imagery. These systems were rugged, high resolution, high volume, transmissions  
9 systems that encoded the material. They could be thought of by the layman, as fancy fax  
10 machines. The Navy had its own system, which could not interface with the Army's  
11 systems, which could not interface with the Marines, which could not always receive data  
12 from the Air Force. No service was willing to give up its own hardware and adopt the  
13 hardware of another service.<sup>546</sup> This resulted in restricting timely and accurate tactical  
14 intelligence on battlefield conditions. Many veteran commanders compared the situation  
15 to Vietnam, "where we never got a single piece of useful intelligence."<sup>547</sup> Because of the  
16 unprecedented volume of intelligence data there were also bottlenecks in its distribution.  
17 U.S. communications were so stressed that U.S. officials considered leasing time on  
18 Soviet communication satellites.<sup>548</sup> Massive quantities of data flowed into Riyadh and  
19 CENTCOM. At times it simply overwhelmed the commands' intelligence staff. The  
20 Riyadh intelligence staff also shared a mind-set that they were better able to determine  
21 what intelligence field commanders needed.<sup>549</sup> Even the distribution of maps was  
22 effected. Maps had a low priority on the distribution lists and were often left off key  
23 dissemination projects. They also, at times, ended up as displays at headquarters rather  
24 than in the hands of combat commanders. What it amounted to was the lack of timely  
25 and accurate tactical intelligence on battlefield conditions getting to the fighting forces.

#### 26 27 **Targeting and Battle Damage Assessment**

28  
29 Eliminating Iraqi command and control and intelligence capabilities and severely  
30 restricting Iraqi logistic capabilities was a key goal for U.S. command. Before launching  
31 the ground campaign, U.S. commanders felt they had to reach a key trigger point with  
32 regard to the Iraqi military. The U.S. objective was to reduce Iraqi armor and artillery by  
33 50 percent, overall, and artillery by 90 percent in breach areas before commencing an  
34 assault. Gen. Schwarzkopf assigned this responsibility to the U.S. Army (ARGENT G-2)  
35 rather than the Air Force because he reasoned that the Army would have to face any  
36 surviving Iraqi armor. Unfortunately, the Army had little concept of how to evaluate Air  
37 Force "kills." Pilots were historically much more optimistic about their accomplishments.  
38 Therefore, ARCENT adopted a 75 percent ratio for all the kills reported by A-10 crews.  
39 The kick-off of the ground war was keyed to the objective of a greatly diminished Iraqi  
40 combat capability.

---

<sup>545</sup> Brig. Gen. John F. Stewart, *Operation Desert Storm, The Military Intelligence Story: A View from the G-2*, (U.S. Army, April 1991), pp. 12-14.

<sup>546</sup> *Ibid.*, pp. 10-11.

<sup>547</sup> *Ibid.* p. 15.

<sup>548</sup> *Ibid.*, p. 4.

<sup>549</sup> *Ibid.*, p. 16.

1 In Washington, CIA analysts expressed strong reservations about the rapidly mounting  
2 in-field kill counts of battlefield damage. It simply was not accurate.  
3 Gen. Schwarzkopf was vocal in objecting to intelligence people outside the theater  
4 intruding with in-field assessments. For Schwarzkopf, Washington analysts had no  
5 business interfering with the work being done in-theater. In-theater people had access to  
6 more hard data than the people in Washington who saw only satellite and U-2  
7 photography. The in-theater folks had pilot reports and gun camera film.<sup>550</sup> Despite  
8 Schwarzkopf's complaint, his Army component G-2 came to agree with the reservations  
9 expressed by CIA and decided to accept only one-third of the A-10 claimed kills.  
10 Gen. Schwarzkopf later complained that "on the eve of the ground war [February 1991],  
11 CIA was still telling the President that we were grossly exaggerating the damage inflicted  
12 on the Iraqis. If we'd waited to convince the CIA, we'd still be in Saudi Arabia."<sup>551</sup>  
13 After the war ended, the CIA had a U-2 fly over the battlefield. CIA photo interpreters  
14 counted the damage to Iraqi tanks. The results showed that even the CIA's more  
15 conservative estimates of pre-ground war damage were high. The review focused on  
16 counting tanks within the Republican Guard heavy divisions. CENTCOM had reported  
17 that 388 of the approximately 846 T-32 tanks were destroyed from the air prior to the  
18 beginning of the ground war. If true, this would have represented 22 percent of all Iraqi  
19 tanks in the Kuwait theatre destroyed during the air war. The post-war examination  
20 revealed that 25 tanks of the republican Guard remained in their deployment areas. This  
21 meant that the CENTCOM estimate of tanks killed was exaggerated by nearly 100  
22 percent. An even more detailed analysis revealed that only 166 of the tanks had been  
23 killed. Thus, the CENTCOM margin of error would be over 134 percent.<sup>552</sup> Despite  
24 issues with assessing bomb damage, the Coalition forces sliced through the Iraqi army  
25 without a problem. It was perhaps, a wake up call for the next war. The problem of  
26 intelligence assessments of bomb damage was not limited to Iraqi tanks or artillery. One  
27 intelligence officer observed that the number of Iraqi naval vessels reported sunk  
28 eventually totaled three times the number of naval vessels Iraq possessed.<sup>553</sup>  
29 Schwarzkopf also complained that Washington analysis was militarily obtuse and too  
30 heavily caveated to be of any use. He cited the example during Desert Storm of the  
31 report he received from Washington that a certain bridge was 52 percent destroyed.  
32 Schwarzkopf wanted to know what that meant. Could tanks cross the bridge? No. Could  
33 trucks cross the bridge? No. Then, from an operational military standpoint, the bridge  
34 was 100 percent unusable. For Schwarzkopf almost all analysis from Washington was  
35 unhelpful. It was so heavily caveated and full of disclaimers that "by the time you got  
36 done reading many of the intelligence estimates you received, no matter what happened,  
37 they would have been right. That's not helpful to the guys in the field."<sup>554</sup> Maj. Gen.  
38 James R. Clapper assistant chief of staff of Air Force intelligence agreed and added that  
39 during Desert Storm the flow of U.S. intelligence operated on a "push" rather than a

---

<sup>550</sup> House Committee on Armed Services, Oversight and Investigations Subcommittee, "Intelligence Successes and Failure in Operations DesertShield/Storm," 103 rd Congress, First Session, (Washington: GPO, 1993), p. 19.

<sup>551</sup> H. Norman Schwarzkopf, *It Doesn't Take a Hero* (New York: Bantam, 1992), p. 432.

<sup>552</sup> House Committee, "Intelligence Successes and Failures in Operation Desert Shield/Storm," pp. 20-21.

<sup>553</sup> *Ibid.*, p. 22

<sup>554</sup> *Ibid.*, pp22-23. In contrast, the U.S. Army lost only two tanks to enemy fire.

1 “pull” system. That is, field units received mostly what the analysts deign to give them  
2 rather than what they needed.<sup>555</sup>

3  
4 **Scud Missiles**

5  
6 Iraq began launching short-range missiles (SCUDS) at Israel and Coalition forces soon  
7 after the air war campaign began on 17 January 1991. The Soviet Union provided Iraq  
8 with SCUDS during the 1970s and 1980s. Based on the famous German V-2 of World  
9 War II, the SCUDS were Soviet made, mobile, single-stage, single warhead. They were  
10 notoriously inaccurate. The farther they flew, the more inaccurate they became.  
11 Nevertheless, they could cause serious damage.<sup>556</sup> Pre-war U.S. intelligence judged that  
12 Saddam Hussein might have chemical and biological warheads for the SCUDS. The  
13 Defense Intelligence Agency (DIA) asserted that these warheads would most likely  
14 contain persistent chemical agents such as VX (nerve gas) or mustard gas. While the  
15 CIA agreed that Iraq had the ability to developed or manufactured BW warheads, it had  
16 not confirmed their existence. It added that Hussein might attempt to contaminate areas  
17 with anthrax spores or botulinus toxin. One such missile could cause significant  
18 casualties, the CIA warned, effecting areas as large as 110 square kilometers (42 square  
19 miles). The CIA concluded that Saddam was “almost certain to use chemical weapons  
20 tactically to avoid serious battlefield defeats.”

21 Locating and destroying mobile Scud missile launchers in Iraq proved a continuing  
22 problem for U.S. intelligence. It was not very successful. CENTCOM diverted nearly 40  
23 percent of its air sorties to SCUD busting. At the wars end there were no confirmed kills  
24 of mobile SCUDs. While U.S. intelligence was never certain how many SCUDS Iraq  
25 possessed, the total number of SCUD kills reported was four times greater than the upper  
26 end of intelligence estimates for Iraq’s total SCUD inventory.<sup>557</sup> At the conclusion of the  
27 war a CIA assessment concluded that Iraq had not used chemical or biological weapons  
28 against Coalition forces. The Agency found that while Iraq had some SCUD missile  
29 warheads loaded with CW and BW agents and that Hussein planned to retaliate with CW  
30 and BW SCUDS if there was a nuclear attack on Baghdad, the Iraqis’ refrained from  
31 using them for fear that the United States would respond with tactical nuclear weapons. It  
32 found no evidence that Iraq’s leaders ordered chemical or biological warfare agents use  
33 during the war and no conclusive evidence that Iraq’s forces employed these weapons.<sup>558</sup>  
34 After the Gulf War, the UN created the United Nations Special Commission (UNSCOM)  
35 to inspect and eliminate Iraq’s weapons of massive destruction. UNSCOM inspectors  
36 verified that Iraq produced 50 chemical and 25 biological SCUD warheads. Of the 50  
37 chemical warheads, 16 contained the nerve agent sarin and 34 were filled with binary  
38 components of sarin and another nerve agent VX. Iraq officials admitted that Iraq had  
39 produced the biological warfare agents anthrax, botulinum toxin, and sarin. UN

---

<sup>555</sup> James R. Clapper, “Desert War: Crucible for Intelligence Systems,” in Alan D. Campen, ed., *The First Information War: The Story of Communications, Computers, and Intelligence Systems in the Persian Gulf War* (AFCEA International Press, 1992), pp. 81-85.

<sup>556</sup> DOD, Information Paper, “Iraq’s Scud Ballistic Missiles.”

<sup>557</sup> House Committee, “Intelligence Successes and Failures in Operation Desert Shield/Storm,” p. 22.

<sup>558</sup> DOD, “Iraq’s Scud Ballistic Missiles.”



1 inspectors also found that Iraq had launched a crash program in December 1990 to field  
2 weapons with BW agents including artillery shells and SCUDS.

3  
4  
5 **Tracking Iraq's Nuclear, Biological and Chemical Capabilities (NBC)**

6  
7 A major target of U.S. intelligence had long been Iraq's nuclear, biological, and chemical  
8 warfare capabilities. Nevertheless, intelligence agencies knew little about Iraq's  
9 capabilities in these areas, especially with regard to its nuclear plans and capabilities.  
10 before the war. During the war, U.S. military and civilian officials painted an overly  
11 optimistic picture of the damage caused by Coalition bombing to these capabilities. On  
12 21 January 1991, President Bush, for example, stated that U.S. bombing attacks had put  
13 Iraq out of the nuclear bomb making business. During the war, U.S. intelligence  
14 uncovered eight known or suspected nuclear facilities. Postwar inspections turned up 18  
15 sites that had escaped detection.<sup>559</sup> U.S. intelligence was totally unaware of more than 50  
16 percent of all the major nuclear weapons installations in Iraq.<sup>560</sup> U.S. intelligence simply  
17 had a paucity of data available.

18  
19 **Psychological Warfare**

20  
21 The U.S. intelligence community's psychological warfare campaign was a major  
22 contributor to the collapse of Iraqi morale. From the beginning, it sought to collapse  
CIA 23 Iraqi morale and will to fight. Through a leaflet campaign (b)(1), (b)(3) military  
24 intelligence dropped nearly 27 million pamphlets in the Kuwait theater. They warned  
25 Iraqi soldiers of coming bombing attacks, how to surrender, and that the bombing was not  
26 targeted at them. Much like in Vietnam, the greatest damage to Iraqi troop morale came  
27 from B-52 strikes. Iraqi troops were stunned psychologically by the B-52 bombings  
28 because they flew too high to be heard and without warning unleashed massive amounts  
29 of flame, noise, and smoke. Combined the B-52 bombing and psychological warfare  
30 effort produced the destruction of a large part of Iraqi morale. It was a key to the swift  
31 victory with few casualties which followed.

32  
33 **Results**

34  
35 The performance of U.S. intelligence in Operation Desert Storm was mixed. It received  
36 high marks for its collection effort and very poor marks for the distribution of intelligence  
37 to field commanders and air fighting units. The biggest controversy erupted over  
38 intelligence analysis over battle damage assessments. While Gen. Schwarzkopf  
39 complained bitterly about national assessments and the state of the Iraqi military, these  
40 assessments ultimately proved far more accurate than those of theater commanders. The  
41 complaints by the military, nevertheless, had a major impact on the Intelligence  
42 Community. After the war, the U.S. military reformed its combat intelligence support  
43 and these reform efforts affected the larger intelligence community. During the Clinton

<sup>559</sup> Edward Mann, "Desert Storm: The First Information War," *Airpower Journal*, vol. 8, Number 4 (Winter 1994), p.4.

<sup>560</sup> House Committee, "Intelligence Successes and Failures in Operations Desert Shield/Storm," p. 23.

1 administration, for example, Congress created a new National Imagery and Mapping  
2 Agency (NIMA) which consolidated imagery analysis capabilities ( including the CIA's  
3 NPIC) under the Secretary of Defense and declared it a combat support agency. There  
4 would be no more independent imagery analysis. President Clinton also declared that the  
5 first priority of the IC was to support "the intelligence needs of our military during an  
6 operation." "Support to the War Fighter" became the overriding concern of U.S.  
7 intelligence. Military demands eclipsed intelligence support to national policymakers.

8  
9 The U.S.-led war also had a major impact on the Soviet Union. Not only did Coalition  
10 forces destroy most of the Soviet advanced weaponry sold to Saddam Hussein.  
11 According to the Soviet hardliners, Gorbachev had betrayed the USSR's traditional Arab  
12 allies, insulted its 50 million Muslim citizens in Central Asia, allowed the United States  
13 to deploy substantial military forces within 700 miles of the Soviet Union's southern  
14 border, and served U.S. oil companies while ignoring Soviet interests. Moreover, he had  
15 ended the Soviet Union's existence as a superpower.<sup>561</sup> The Gulf War was a major factor  
16 in the Soviet coup attempt.

#### 17 18 **The Collapse of the Soviet Union and the End of the Cold War**

19  
20 From 1946-1991, the United States had made the Soviet Union the prime target of its  
21 intelligence effort and foreign policy concerns. When George H.W. Bush entered office  
22 as President in January 1989 he was determined to put his own stamp on U.S. policy, yet  
23 he made U.S.-Soviet relations its main focus. It seemed that little had changed in forty-  
24 five years.<sup>562</sup> Even with the advent of Mikhail Gorbachev as Soviet leader in 1985, U.S.  
25 intelligence predicted little change. According to an NIE, the Soviets would "retain and  
26 modernize powerful, survivable strategic forces through the next decade." It saw  
27 Gorbachev as adhering to traditional Soviet objectives of enhancing the security of the  
28 homeland, expanding Soviet influence worldwide, and advancing Communism at the  
29 expense of capitalism around the globe.<sup>563</sup> Suddenly the world was turned upside down,  
30 nothing was as it had been.  
31 Soviet Premier Mikhail Gorbachev announced in an address to the UN General Assembly  
32 in December 1988 that the Soviet Union would unilaterally cut its forces by 500,000 men  
33 and withdraw six tank divisions and 5,000 tanks from Eastern Europe. This meant that  
34 Gorbachev was unilaterally giving up the preponderant armored striking capability of the  
35 Warsaw Pact against the West. He also made major concessions on arms control and  
36 withdrew Soviet troops from Afghanistan. He invited the United States to cooperate in  
37 ending the Cold War. In addition, Gorbachev announced new policies of *glasnost*  
38 (openness) and *perestroika* (restructuring).  
39 Gorbachev's actions caught the U.S. Intelligence Community off guard. Douglas  
40 MacEachin, Chief of the Office of Soviet Analysis (SOVA) at CIA, later told Congress

---

<sup>561</sup> Fischer, *At Cold War's End*, p. 24.

<sup>562</sup> George Bush and Brent Scowcroft, *A World Transformed* (New York: Knopf, 1998), pp. 15-16.

<sup>563</sup> Garthoff, p. 27. See also NIE 11-3/8-91, "Soviet Forces and capabilities for Strategic Nuclear Conflict Through the Year 2000," 8 August 1991, NIE 11-18-87, "Whether Gorbachev: Soviet Policy and Politics in the 1990s," November 1987, and a memorandum by DDCI Robert Gates, "Gorbachev's Gameplan: The Longer View," 24, November 1987.

1 that despite Gorbachev's initiatives in domestic and foreign policy, the CIA had never  
2 really considered the Soviet Union as about to transform itself. He stated:

3  
4       Moreover, had [such a study] existed inside the government, we never would have  
5 been able to publish it anyway, quite frankly. And had we done so, people would  
6 have been calling for my head. And I would not have published it. In all honesty,  
7 had we said a week ago that Gorbachev might come to the UN [in December  
8 1988] and offered a unilateral cut of 500,000 in the military, we would have been  
9 told we were crazy.<sup>564</sup>

10  
11 No NIE had even posed the possibility of a major Soviet unilateral reduction of its forces  
12 in Europe before Gorbachev's speech. By the Spring 1990, a NIC Memorandum finally  
13 and belatedly, acknowledged that "in 1986 and 1987 there was mounting evidence that  
14 the Soviets were reassessing their military doctrine."<sup>565</sup> It concluded that the prospects of  
15 the Soviets achieving strategic nuclear superiority that could produce a meaningful  
16 victory in an all-out war "seemed unrealistic." This was a direct repudiation of the  
17 position of the military services and the B Team position since the late 1970s. It was an  
18 abandonment of the B Team arguments that the Soviets believed in attaining victory in a  
19 nuclear war.<sup>566</sup>

20 Many in the Bush administration and in the intelligence community remained skeptical  
21 about Gorbachev's intentions. National Security Adviser Brent Scowcroft worried that  
22 the Soviet Union would induce the United States to disarm while leaving its own military  
23 structure intact. Scowcroft was suspicious of Gorbachev's motives and skeptical of his  
24 ability to carry out his proposed reforms. Scowcroft later wrote,

25  
26 To oversimplify, I believed that Gorbachev's goal was to restore dynamism to a socialist  
27 political and economic system and revitalize the Soviet Union domestically and  
28 internationally to compete with the West. To me, especially before 1990, this made  
29 Gorbachev potentially more dangerous than his predecessors, each of whom, through  
30 some aggressive move, had saved the West from the dangers of its own wishful thinking  
31 about the Soviet Union before it was too late.<sup>567</sup>

32  
33 The Intelligence Community split on whether Gorbachev could make fundamental and  
34 enduring change. In the spring of 1989 the Intelligence Community produced a new NIE  
35 11-4-89, *Soviet Policy Toward the West: The Gorbachev Challenge*, which laid out

---

<sup>564</sup> Quoted in Kirsten Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of Getting It Right," Case Study C16-94-1251.0 (Cambridge: Harvard University, 1994), pp. 30-31. MacEachin also insightfully observed that it was important for the intelligence community to recognize that the fundamental changes in the USSR could provoke a similarly profound transformation in U.S. ideology. He told the Congressional committee:

The Soviet Union is so fundamental to our outlook on the world, to our concept of what is right and wrong in politics, to our sense of security, that major change in the USSR is as significant as some major change in the sociological fabric of the United States itself. See Lundberg, "CIA and the Fall of the Soviet Empire," p. 30.

<sup>565</sup> Garthoff, p. 29.

<sup>566</sup> Garthoff, p. 30.

<sup>567</sup> Bush and Scowcroft, *A World Transformed*, p. 13.

1 fundamental disagreements in the Intelligence Community.<sup>568</sup> Some analysts saw Soviet  
2 policy changes as largely tactical, driven by the need for breathing space from the  
3 competition with the West. They believed the ideological imperatives of Marxism-  
4 Leninism and its hostility toward the capitalist countries was simply engrained in the  
5 system. Any hoped for gain in the Soviet economic performance would see Moscow  
6 returning to its traditionally combative behavior. Other analysts thought Gorbachev's  
7 policies reflected a fundamental rethinking of Soviet interests and ideology. They  
8 considered the withdrawal from Afghanistan and the shift toward a tolerance for power  
9 sharing in Eastern Europe were historic and would produce lasting changes in Soviet  
10 behavior. The NIE went on to claim that the United States could reach favorable  
11 agreements with the Soviet Union during the next five years but that the USSR would  
12 remain an adversary for the foreseeable future and would continue to pose a serious  
13 challenge to NATO unity.<sup>569</sup> NIE 11-3/8-1988, "Soviet Forces and Capabilities for  
14 Strategic Nuclear Conflict Through the 1990s," warned that the Intelligence Community  
15 had not detected any significant changes in Soviet military strengthen and that the Soviets  
16 would continue to modernize their strategic forces into the late 1990s.<sup>570</sup>

#### 17 **Mikhail Gorbachev**

18  
19  
20 The Bush White House worried that "Gorbymania" would lull the West into a false sense  
21 of security. Many in the West euphorically considered Gorbachev the great hope for  
22 ending the Cold War. "Gorbymania" had become a worldwide phenomenon. Gorbachev  
23 gave the impression that the Cold war was over. Scowcroft, however, still had  
24 reservations. For the National Security Adviser, *perestroika* looked like a "Brezhnev  
25 system with a humanitarian paint job."<sup>571</sup>

26 By late 1989 the Bush administration believed Gorbachev was for real and it "could do  
27 business with him." The Bush White House closely tied its policy goals relating to arms  
28 reduction, reducing Soviet presence in Eastern Europe, and unifying the two Germanys  
29 inside of NATO, to its relationship with Gorbachev. President Bush developed a strong  
30 admiration for Gorbachev and an appreciation for his efforts to bring change to the Soviet  
31 Union.<sup>572</sup>

32 The CIA, however, took a pessimistic view of Gorbachev's future as early as 1989. It  
33 saw growing and disturbing signs that the Soviet leader was losing control over the  
34 process he had unleashed. It argued that Gorbachev's reform program was based on  
35 "questionable premises and wishful thinking," and that the "unrest that had punctuated  
36 Gorbachev's rule is not a transient phenomenon. Conditions are likely to lead in the  
37 foreseeable future to continuing crises and instability on a larger scale." The SOVA  
38 assessment also noted that Gorbachev's most serious challenge would come from ethic

---

<sup>568</sup> According to many analysts, it was extremely difficult to get meaningful discussion into the coordinated NIEs, and the result was usually a sterile standoff of "alternative views."

<sup>569</sup> Benjamin Fischer, *At Cold War's End* (CIA, CSI, 2001), p. 11.

<sup>570</sup> NIE 11-3/8-1988, "Soviet Forces and Capabilities for Strategic Nuclear Conflict Through the 1990s," December 1988, printed in Fischer, *At Cold War's End*, Document 22.

<sup>571</sup> Bush and Scowcroft, *A World Transformed*, p. 155.

<sup>572</sup> Gates, *From the Shadows*, p. 495.

1 violence, nationalism, and secessionist movements. The emphasis on national and ethnic  
2 tensions as the Achilles heel of the Soviet empire was prescient.<sup>573</sup>  
3 In general, the Intelligence Community took a more optimistic view of Gorbachev's  
4 chances of survival. It argued that he would persevere even if he had to use force to hold  
5 the country together. In a footnote to this NIE, the CIA argued that Gorbachev would  
6 "progressively lose control of events." He would either have to give up his communist  
7 version of reform in favor of a truly democratic one or back track from *perestroika*.<sup>574</sup>  
8 SOVA gave Gorbachev a blunt 50-50 chance of survival unless he retreated from his  
9 reforms. It is not what the Bush administration wanted to hear. Ironically, just as the  
10 CIA lost hope in Gorbachev, Bush and his senior advisers took up Gorbachev's cause in  
11 earnest. In June 1989, Bush concluded that Gorbachev was a force for stable change and  
12 should be supported. The Bush administration determined to help Gorbachev remain in  
13 power, keep him on the path to reform, lock in agreements favorable to the United States,  
14 and concede nothing that could prove harmful to the United States in the long run.<sup>575</sup>  
15 At the same time, responding to SOVA's pessimistic views about Gorbachev and his  
16 chances of survival, Bush set up a secret "contingency planning group" or Deputy  
17 Committee headed by Condoleezza Rice to study the implications of a Soviet collapse  
18 and the fall of Gorbachev. The Bush administration began to wrestle with the  
19 implications of Gorbachev as "would be savior and the potential destroyer of the Soviet  
20 system." Perhaps, the NIO for the USSR, Robert Blackwell, said it best about Gorbachev.  
21 For Blackwell, Gorbachev had the Soviet experts in all field baffled.

22  
23 Gorbachev for us is a discontinuity in our understanding of Russia and the Soviet  
24 Union. And we are having, as a community, as analysts individually, as a  
25 government and as academics, an enormous difficulty coming to terms with that  
26 because by what he is doing, he has broken all of our china.<sup>576</sup>

## 27 Eastern Europe

28  
29 The impact of Gorbachev's new policies was first seen in Eastern Europe. A 1988 NIE  
30 noted that Gorbachev's efforts to push *perestroika* on the other countries of the Soviet  
31 Bloc had "increased the potential for instability in Eastern Europe." The Estimate laid  
32 out three possible scenarios: (1) popular upheaval in Poland, Romania, or Hungary with  
33 challenges to party supremacy and Soviet control; (2) sweeping reform in Hungary or  
34 Poland that might go beyond *perestroika*; and (3) a conservative backlash in the form of  
35 the repudiation of Gorbachev's reform efforts, especially in East Germany and Romania.  
36 In fact, all three scenarios materialized but with national variations and in more sweeping  
37 forms.<sup>577</sup> With the exception of Romania, the transition to post-communist governments  
38

<sup>573</sup> SOVA, September 1989, "Gorbachev's Domestic Gambles and Instability in the USSR," printed in Fischer, *At Cold War's End*, Document 2.

<sup>574</sup> NIE 11-18-89, November 1989, "The Soviet System in Crisis: Prospects for the Next Two Years," printed in Fischer, *At Cold War's End*, Document 3.

<sup>575</sup> Kirsten Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of 'Getting It Right'," (Kennedy School of Government, Harvard University, Case Study 16-94-1251.0, 1994).

<sup>576</sup> *Ibid.*, p. 31.

<sup>577</sup> NIE 11/12-9-88, May 1988, "Soviet Policy Toward Eastern Europe," Document 8 printed in Fischer, *At Cold War's End*.

1 was peaceful. By April 1990 the U.S. Intelligence Community stated flatly that  
2 “Communist rule in Eastern Europe is finished and it will not be revived.” It added that  
3 “The Warsaw Pact as a military alliance is essentially dead, and Soviet efforts to convert  
4 it into a political alliance will ultimately fail.” Nevertheless, the Estimate continued to  
5 warn that the Warsaw Pact forces were the largest aggregation of military power in the  
6 world and the Soviets remained committed to offensive operations in time of war.<sup>578</sup> At  
7 the same time an NIC memorandum concluded that Moscow could not rely on Warsaw  
8 Pact forces and that the ability of an unreinforced conventional Warsaw Pact attack on  
9 NATO was virtually eliminated.<sup>579</sup>

### 10 11 **German Unification**

12  
13 Just as the Warsaw Pact countries began to break away from communism and their ties to  
14 the Soviet Union, the issue of German unification suddenly surfaced. Despite the fact  
15 that President Bush made German unity a major goal of his administration, no one in the  
16 Intelligence Community foresaw the rapid reunification of West and East Germany and  
17 its integration into NATO. It was totally unexpected. The Berlin Wall came down on 9  
18 November 1989. Nevertheless, an inter-agency assessment in February 1990 did not even  
19 consider the possibility of reunification. At the White House on 31 May 1990 during the  
20 second Soviet-American summit, however, Gorbachev unexpectedly agreed in principle  
21 that the Germans had the right to decide their own future. By July 1990 Gorbachev had  
22 discussed with German Chancellor Helmut Kohl the unification of the German state in  
23 NATO. German unification occurred on 3 October 1990.

### 24 25 **The Soviet Union Ceases to Exist and the Cold War Ends**

26  
27 By 1990 the Soviet Union and its empire were “falling to pieces.” A new NIE stated  
28 flatly that the “old communist order is in its death throes” and *perestroika* was  
29 threatening “to tear the country apart.” It predicted that the continuing poor economic  
30 performance of Gorbachev’s reforms would result in “serious societal unrest and  
31 breakdown of political authority” and identified Boris Yeltsin as a “rising star to  
32 watch.”<sup>580</sup>

### 33 34 **Boris Yeltsin**

35  
36 SOVA in 1989 predicted that the growing domestic opposition to Gorbachev would be  
37 headed by Boris Yeltsin. For SOVA, Yeltsin represented the best hope for the future,  
38 despite the fact that he was a heavy drinker. SOVA recommended that the Bush  
39 administration give Yeltsin greater recognition and more support as the leader of the  
40 democratic movement in Russia. The CIA saw in Yeltsin a “coherent Russian

---

<sup>578</sup> NIE 12-90, April 1990, “The Future of Eastern Europe,” printed in Fischer, *At Cold Wars End*, Document 9.

<sup>579</sup> NIC Memorandum 90-10002, April 1990, “The Direction of Change in the Warsaw Pact,” printed in Fischer, *At Cold War’s End*, Document 21.

<sup>580</sup> NIE 11-18-90, November 1990, “The deepening Crisis in the USSR: Prospects for the New year,” printed in Fischer, *At Cold War’s End*, Document 4.

1 democratic alternative to the imperial authoritarianism of the traditionalists.” CIA  
2 predicted that he would promote “rapid marketization” and national self-determination.  
3 Perhaps the most insightful of the intelligence assessments of the Gorbachev era was an  
4 informal SOVA assessment prepared for the NSC in April 1991. It declared that “Anti-  
5 Communist forces are breaking down the Soviet empire and system of governance” and  
6 saw the hardliners in the Soviet Union as prepared to reassert control “with or without  
7 Gorbachev.” It also predicted that any coup attempt would probably fail. It saw the drive  
8 for independence and separatism as the major threat to the Soviet system, especially in  
9 the Ukraine, Belarus, Georgia, and the Baltic Republics. According to the SOVA report,  
10 the centrally planned economic system had broken down and was being replaced by a  
11 mixture of republic and local barter arrangements. It also predicted a Boris Yeltsin rise.  
12 Yeltsin, according to SOVA, would challenge the old order and would become the first  
13 popularly elected leader in Russian history.<sup>581</sup> It advocated greater openness to Yeltsin  
14 and other republican leaders.

15 The majority of the Bush administration did not welcome this assessment. President  
16 Bush and most of the White House staff believed that Gorbachev was still working  
17 toward reform. U.S. national interest continued to lie with supporting Gorbachev, they  
18 believed. They determined to press ahead with a Gorby-centric approach. Scowcroft  
19 told his aides, “We’re not going to do anything that looks like we’re casting our lot with  
20 Yeltsin against Gorbachev.”<sup>582</sup> Gorbachev was “their guy.” CIA assessments received  
21 little heed, at least with regard to Yeltsin. As 1991 unfolded, CIA assessments of  
22 Gorbachev’s dwindling chances of survival increasingly came into conflict with Bush  
23 administration officials hopes for his survival.

## 24 25 **The Failed Coup**

26  
27 In April 1991 SOVA alerted the Bush administration that the possibility of a coup by  
28 hardliners in the Soviet Union was growing, Gorbachev was finished and the country  
29 ready to implode. SOVA believed the primary target of the coup plotters would be  
30 Yeltsin because he “is the only leader with mass appeal.” Coup leaders moved against  
31 Gorbachev on the eve of the scheduled signing of a union treaty giving greater autonomy  
32 to the Soviet republics. CIA warned that there were growing signs of action against  
33 Gorbachev, although it could find little Soviet military preparations. On 18 August 1991  
34 the coup began. Most senior level U.S. policymakers seemed caught unaware, despite  
35 the intelligence reports. President Bush was on vacation in Kennebunkport, Maine. The  
36 CIA told National Security Adviser Scowcroft only a few hours after the coup began that  
37 it believed there were indications that it would not succeed. By 19 August CIA indicated  
38 that the coup was in trouble. Yeltsin had emerged as the Russian opposition leader to the  
39 coup. The coup was finished by 21 August as Gorbachev returned to Moscow.  
40 The coup did not surprise the CIA or U.S. Ambassador Jack Matlock. They had already  
41 warned the administration of a possible coup attempt.

<sup>581</sup> SOVA, “The Soviet Cauldron,” 25 April 1991, printed in Fischer, *At Cold War’s End*, Document 5.

<sup>582</sup> Quoted in Beschloss and Talbott, p. 350. Yeltsin and Gorbachev hated each other.

1 In the last estimate before the attempted coup, the NIE of July 1991 saw the USSR in the  
2 midst of a revolution that would probably sweep the Communist Party from power and  
3 reshape the country within five years.<sup>583</sup>

4 In fact, it all happened within six months, the Communist Party of the Soviet Union was  
5 outlawed, the Soviet Union broke apart into fifteen separate states, and Yeltsin assumed  
6 power and formed the Commonwealth of Independent States.

7 On Christmas Day 1991, Gorbachev resigned, the Soviet flag over the Kremlin was  
8 lowered and replaced by a new Russia flag. The Soviet Union ceased to exist on 31  
9 December 1991. The Cold War was over. The ultimate paradox was that détente rather  
10 than confrontation helped lead to the collapse of Soviet power and the breakup of the  
11 Soviet Union.<sup>584</sup> There would be a new world order.

12  
13 **U.S. Intelligence Assessments and Critics:**

14  
15 **Did the CIA Miss the Forest for the Trees?**

16  
17 U.S. intelligence regularly reported the steady decline in the Soviet economy. From the  
18 mid-1970s to Gorbachev's assumption of Soviet leadership in the spring of 1985, the CIA  
19 portrayed a Soviet Union plagued by a deteriorating economy and intensifying societal  
20 problems. While the Agency presented a picture of a deteriorating Soviet economy, it  
21 believed that the Soviets would "muddle through." By the 1980s, the IC described the  
22 Soviet economy as faltering badly and in a dismal state despite the USSR's status as a  
23 military super power. It was "fourth class" when compared to Western economies.<sup>585</sup>

24 For the most part, the IC accurately recorded the Soviet economic stagnation and decline  
25 in the 1980s, and anticipated the failures of *perestroika* and the break-up of the Soviet  
26 Union. Its message was not always welcomed in the White House which had tied its  
27 policies to Gorbachev.<sup>586</sup>

28 As for Gorbachev's *perestroika* and *glasnost*, the U.S. Intelligence Community saw them  
29 as forces that would probably destroy rather than save the Soviet Union. While most of  
30 the world saw Gorbachev as a miracle worker, the CIA portrayed him more as a  
31 sorcerer's apprentices. Gorbachev was gambling on ill-conceived strategies. According  
32 to SOVA senior analyst, Grey Hodnett, *perestroika* was too limited to fulfill  
33 expectations, "direct and violent confrontation" with the Baltic states was inevitable, and  
34 the failure to push through a free-market system would produce only economic  
35 deterioration, social unrest and perhaps revolution.<sup>587</sup>

36 Despite such assessments, the intelligence community and especially the CIA, came  
37 under sharp criticism for not predicting the collapse of communism and the Soviet Union.

---

<sup>583</sup> NIE 11-18-91, "Implications of Alternative Soviet Futures," printed in Fischer, *At Cold War's End*, Document 6.

<sup>584</sup> Fischer, *At Cold War's End*, p. 29.

<sup>585</sup> Douglas J. MacEachin, "CIA Assessments of the Soviet Union: The record Versus the Charges," CIA, CSI, 1997, pp. 59-61.

<sup>586</sup> Bruce D. Berkowitz and Jeffrey T. Richelson, "The CIA Vindicated," *National Interest* 41 (Fall 1995), pp. 36-47.

<sup>587</sup> Grey Hodnett, "Gorbachev's Domestic Gambles and Instabilities in the USSR," September 1989, SOVA.



1 Daniel Patrick Moynihan (D-NY) led the attack. His assessment was radically different  
2 from most policymakers or the intelligence community.  
3 In 1975 Moynihan was one of the first prominent Americans to point out that the Soviet  
4 Union was under tremendous strain and “could blow up.”<sup>588</sup> By 1984 he had come to  
5 believe that the United States “should be less obsessed with the Soviets” because “the  
6 Soviet idea is spent -- history is moving away from it with astounding speed.” For  
7 Moynihan, the Soviet Union was weak economically, and so divided ethnically, that it  
8 could not long survive. He wrote “the Soviet empire had no clothes, not to mention no  
9 shoes, butter, meat, living space, heat, telephones, or toilet paper.”<sup>589</sup> Moynihan claimed  
10 that by 1984 the Soviet Union was dying and that the Soviet idea of communism was a  
11 spent force. History was rapidly moving away from the Communist model. Yet,  
12 Moynihan believed that the U.S. Intelligence Community and U.S. policymakers refused  
13 to see the weaknesses. In essence, Moynihan charged that the CIA and the IC had failed  
14 to accurately assess the political, economic, and military state of the Soviet Union. “For  
15 a quarter century, the CIA has been repeatedly wrong about the major political and  
16 economic questions entrusted to its analysis, Moynihan wrote in the *New York Times*.<sup>590</sup>  
17 He concluded about the Cold War:

18  
19 It was as though two chess grandmasters had pursued an interminable, and highly  
20 sophisticated, strategic of feint and counter-feint, not noticing that for the past 40  
21 or 50 moves, one side not only had been in checkmate, but... had his queen, his  
22 rooks, his bishops, and knights all taken from the board. Only nuclear weapons,  
23 however, kept the game from being completely boring.<sup>591</sup>  
24

25 Moynihan was not alone in his criticism of the CIA and U.S. intelligence. Former DCI  
26 Stansfield Turner, for example, wrote in late 1991 that “we should not gloss over the  
27 enormity of the [the CIA’s] failure to forecast the magnitude of the Soviet crisis. ...”  
28 For most of the intelligence community and decision makers, despite its economic  
29 problems, the Soviet Union was a formidable foe and fundamentally strong and destined  
30 to get stronger even in the late 1980s. Moynihan’s claims and other critics, not  
31 withstanding, the IC was probably ahead of most analysis on the issue of tracking the  
32 impending collapse of communism and the Soviet Union. No one ultimately predicted the  
33 timing or the form of the decline and fall of the Soviet Union, but CIA assessments were  
34 more nuanced and more accurate than most.  
35

### 36 Summary

#### 37 38 How good was CIA intelligence on the Soviet Union?

39  
40 Throughout the Cold War, the CIA and the Intelligence Community, in general had a  
41 tendency to overstate Soviet military power and the Soviet ability to develop new

---

<sup>588</sup> Daniel Patrick Moynihan, *Secrecy, The American Experience*, (New Haven, Yale University Press, 1998), pp. 4-5.

<sup>589</sup> Moynihan, *Secrecy*, p. 4.

<sup>590</sup> *New York Times*, May 19, 1991, p. 17.

<sup>591</sup> Moynihan, *Secrecy*, p.

1 offensive weaponry. The CIA and the IC also overestimated Soviet ICBM deployment  
2 and overstated the basic Soviet threat. Perhaps for intelligence analysts, it was better to  
3 overestimate Soviet capabilities and intentions than to underestimate them. The constant  
4 in all the intelligence assessments was that the Soviet Union was an aggressive state bent  
5 on world domination. It was offensive in its very nature. Capitalism and communism  
6 could not long co-exist. Nevertheless, the CIA came closer to a correct understanding  
7 than the U.S. military with regard to Soviet capabilities. The CIA was not always right  
8 nor were its views always accepted. Increasingly, however, the CIA came to be  
9 respected for its positions with regard to the Soviet Union. How much were NIEs used by  
10 policymakers and their staffs? It is probably fair to say that no one waited for an NIE to  
11 see if war was coming or if the United States should negotiate arms control agreements or  
12 if the Soviet Union was in trouble.

13 The Agency was more correct more often than others in the IC. Over the course of the  
14 Cold War, the CIA came to have a predominant role in the IC. Policymakers looked to  
15 CIA estimates for policy guidance, especially with regard to the Soviet Union and its  
16 intentions and capabilities.

#### 17 **How Effective Were Covert Action Operations?**

18  
19  
20 The prime motive for U.S. policymakers in approving CIA covert action operations  
21 during the Cold War was the fear of external Soviet communist subversion and its  
22 international implications. Each U.S. administration seemed preoccupied with containing  
23 the perceived Soviet threat. Using the CIA, each administration sought to counter  
24 Moscow interests and advance Washington's in Third World areas. The CIA, in turn,  
25 employed a variety of tactics and techniques to promote the U.S. agenda. These ranged  
26 from political propaganda, to the manipulation of labor, student, and women's groups, to  
27 subsidizing political leaders and parties, to political assassination plots, to technical  
28 training of security forces, to supplying arms and communication equipment, to the actual  
29 training of paramilitary forces. CIA covert action programs and later NSC covert  
30 programs, provided the most direct and aggressive U.S. assistance to "friendly" leaders  
31 and supporters in the Third World. Perhaps Senator Frank Church said it best regarding  
32 covert actions during the Cold War:

33  
34 I must lay the blame, in large measure, to the fantasy that it lay within our power  
35 to control other countries through covert manipulation of their affairs. It formed  
36 part of a greater illusion that entrapped and enthralled our Presidents - - the  
37 illusion of American omnipotence.<sup>592</sup>

38  
39  
40  
41  
42  
43  
44  
45  
46  

---

<sup>592</sup> Quoted in Prados, *President's Secret Wars*, p. 337.

1  
2  
3  
4  
5  
6 **Chapter VIII**

7  
8 **U.S. Intelligence and Vietnam:**  
9 **“No One Was Listening”**

10 **Historical Background: The French in Indochina**

11 Part of the Indochina peninsula, the people of the Vietnam region, long fought foreign  
12 domination whether it was the Chinese, the French, the Japanese, or the Americans.  
13 After an epic struggle against Chinese occupation, the Vietnamese repelled the Chinese  
14 and expanded southward only to see a new threat arrive from the west- - the French.  
15 The first French intrusion came in the early 17<sup>th</sup> century, when various French  
16 missionaries converted thousands of Vietnamese to Catholicism. Fearing growing  
17 Western influence over their population, the Vietnamese expelled the French  
18 missionaries only to see the French return in the mid-19<sup>th</sup> century. In 1861 the French  
19 captured Saigon and gradually extended their influence over the region. The French  
20 dominated Indochina for the next sixty years although they were unable to completely  
21 quell local uprisings. During the 1920s, Ho Chi Minh formed the Indochina Communist  
22 Party (ICP) and began to challenge French colonial rule.

23 Japanese expansion into China during the 1930s soon intruded on affairs in French  
24 Indochina. The Japanese, intent on isolating China, pressured Paris to close Indochina  
25 supply lines to China. With the fall of France in June 1940 and the establishment of the  
26 Vichy government in Paris, the Japanese established a military regime in Indochina.  
27 They allowed the French colonial administration to maintain internal order, however. In  
28 June 1941 Japan occupied the remainder of southern Indochina in order to establish bases  
29 for planned military operations against British Malaya and the Netherlands East Indies.  
30 In March 1945, the Japanese, tired of French noncooperation, overthrew the remaining  
31 French colonial administration throughout Indochina. They installed the deposed  
32 emperor Bao Dai to the Vietnamese throne, placed Norodom Sihanouk in Cambodia, and  
33 Sisavong Vong in Laos. The Japanese coup removed the last vestiges of the French  
34 colonial regime but did not pacify the region. Ho Chi Minh and his Viet Minh began attacking Japanese units and agitated against the  
35 puppet governments.<sup>593</sup> Ho saw the Japanese as another enemy to Vietnamese  
36 independence. After a failed revolt in 1940, Ho reformed his group into the Viet Minh in  
37 China and slowly built up a native Vietnamese communist resistance group. An  
38 American OSS officer, Charles Fenn, made initial contact with Ho in China to arrange  
39 Ho's cooperation in rescuing downed Allied pilots and sending intelligence and weather  
40 reports to the Allies. The OSS maintained its liaison with Ho and the Viet Minh until the  
41 end of December 1945. Operating from its Kuming headquarters in Yunan province in  
42 south China, the OSS, led by Archimedes Patti, continued its efforts to work with Ho.<sup>594</sup>  
Patti developed a close relationship with Ho and his chief military adviser Vo Nguyen

<sup>593</sup> The *Viet Nam Doc Lap Dong Minh Hoi* organization (Viet Minh) or Vietnamese League for Independence, was actually formed in 1940 as a coalition group in opposition to the Japanese and French but for the purposes of this study Ho's supporters will be referred to as Viet Minh.

<sup>594</sup> See Patti Archimedes, *Why Vietnam? Prelude to America's Albatross* (1980).

1 Giap. The connection made the United States and Ho's Viet Minh "sort of Allies" as the  
2 OSS provided small arms and communication training. Patti became convinced that Ho  
3 would not allow any other power to replace French rule. Following the Japanese coup  
4 against Vichy French in Indochina, a handful of OSS officers parachuted into the rugged  
5 mountains in North Vietnam. Led by Major Allison Thomas, the OSS Mission, code  
6 named "Deer" was to link up with and help train and arm the Viet Minh. For his part, Ho  
7 liked the Americans. He wanted American recognition of the Viet Minh as the legitimate  
8 representative of the Vietnamese. He wrote several letters to President Truman  
9 requesting U.S. aid and support for "Indochinese" nationalism. He did not achieve his  
10 goal. Instead, the OSS made him an official agent, Agent 19, and assigned him a code  
11 name "Lucius."

12 Aided by the OSS team, the Viet Minh quickly seized power in Hanoi with the Japanese  
13 surrender. On 2 September 1945 Ho Chi Minh proclaimed the independent Democratic  
14 Republic of Vietnam (DRV). Borrowing from the U.S. Declaration of Independence Ho  
15 declared on 2 September "We hold the truth that all men are created equal and that they  
16 are endowed by their Creator with certain unalienable rights, among them life, liberty and  
17 the pursuit of happiness."<sup>595</sup> OSS officers were with Ho in Hanoi at the time.<sup>596</sup> OSS  
18 officers were also in Saigon at the same time. Led by Lt. Col. Peter Dewey, the OSS was  
19 in Saigon to help liberate Allied POW's at the end of the war. On 26 September 1945 the  
20 Viet Minh shot and killed Dewey outside Saigon. They mistook him for a French officer.  
21 Dewey was the first American killed in Vietnam. It also brought to an end OSS-Viet  
22 Minh collaboration.

### 23 24 **U.S. Intelligence and Indochina** 25

26 During the 1930s, U.S. cryptologic organizations monitored the military and diplomatic  
27 maneuvers between the French and Japanese. With the break through on PURPLE they  
28 were able to follow closely French-Japanese negotiations.<sup>597</sup>

29 Throughout the war itself, American Comint organizations targeted Japanese  
30 communications out of Indochina to monitor diplomatic and commercial (primarily  
31 merchant shipping traffic from Hanoi and Saigon) messages. Eventually, they also  
32 targeted French colonial and Vichy administration communications. U.S. Comint  
33 revealed a growing threat to Japanese and French authority as resistance groups,  
34 especially the Viet Minh, stepped up their guerrilla activities.<sup>598</sup> While OSS reports  
35 clearly pictured Ho as a dedicated communist, they also saw him as pro-American and a  
36 staunch nationalist who fought the Japanese and deserved U.S. support. Indochina,  
37 however, remained a theater of minor interest to U.S. policymakers.<sup>599</sup>

38 After the war, OSS officers such as Patti and Dewey, held a pessimistic opinion of  
39 French efforts to reestablish their hold on Indochina. Patti, later wrote:

---

<sup>595</sup> Stanley Karnow, *Vietnam: A History* (New York: Penguin Books, 1997), p. 146.

<sup>596</sup> See Chapter 3 for a detailed description of OSS contacts with Ho.

<sup>597</sup> For a review of U.S. cryptologic efforts against the Japanese see Chapter 3.

<sup>598</sup> Robert J. Hanyok, *Spartans in Darkness: American Sigint and the Indochina War 1945-1975* (Ft. Meade, Maryland: Center for Cryptologic History, NSA, 2002).

<sup>599</sup> Hanyok, *Spartans in Darkness*, p. 8. Responsibility for the region was assigned to the British Southeast Asia Command under Lord Louis Mountbatten.

1 It was for me a time of sober observation because I remained totally convince that  
2 no amount of opposition would deflect the Vietnamese from pursuing their  
3 independence, whatever the cost or however long it might take. To me it was  
4 regrettable that our nation was not coming to terms with the reality and charting a  
5 course which would serve our own best interests - - perhaps just staying  
6 completely out of it and maintaining a truly neutral stance, both materially and in  
7 our planning concepts.<sup>600</sup>

8  
9 Dewey was more blunt. For him, "The French were finished in Indochina." And "the  
10 United States should also stay clear of Southeast Asia."

### 11 12 **The U.S. Position with Regard to Indochina**

13  
14 President Franklin D. Roosevelt, suspicious of European colonialism, and viewing the  
15 French as politically and socially decadent, they had surrendered too easily to Hitler and  
16 submitted to the Japanese without a struggle, did not want France to return to its colonial  
17 position in Indochina at the end of the war. France had done little to "improve the  
18 conditions of the natives."<sup>601</sup> After Roosevelt's death, however, much of the opposition  
19 to the French returning to Indochina dissipated.<sup>602</sup> The new President, Harry S Truman,  
20 faced with reconstruction in Europe, and increasing Soviet aggression, opted to support  
21 the French return. France was considered a critical element in the formulation of U.S.  
22 postwar policy, especially as it related to the "containment" of the Soviet Union and the  
23 recovery of Western Europe.<sup>603</sup>

### 24 25 **Return of the French**

26  
27 The Potsdam Conference in 1945 divided the region at the eighteenth parallel, giving the  
28 British occupation duties to the south and the Nationalist Chinese duties north of the line.  
29 In Saigon, in September 1945 the British, allied with French units and aided by the  
30 Japanese, drove the Viet Minh out. Within a month, French units were pushing Viet  
31 Minh units out of the general region and solidifying their position. In the North,  
32 Nationalist Chinese forces looted their occupation zone. Anxious to get rid of he  
33 Chinese, in 1946 Ho Chi Minh allowed the French to supplant the Chinese troops in the  
34 North and began negotiations for Vietnamese independence.  
35 The talks proved fruitless and fighting broke out between French and Viet Minh forces.  
36 In December 1946 Ho ordered general attacks in Hanoi, Haiphong, and a number of cities  
37 and towns in the North. The attacks failed. The French drove the Viet Minh out of

---

<sup>600</sup> Archimedes L. A. Patti, *Why Viet Nam? Prelude to America's Albatross* (Berkeley, California: University of California Press, 1980), p. 381.

<sup>601</sup> See Robert Schulzinger, *A Time for War: The United States and Vietnam, 1941-1975* (New York: Oxford University Press, 1997). Roosevelt was not necessarily in favor of independence for Vietnam. Early on a proposed a protectorate for the region under Chinese leadership.

<sup>602</sup> Gary R. Hess, "Franklin Roosevelt and Indochina," *The Journal of American History*, Vol. LIX, Number 2 (September 1972). See also Walter LaFeber, "Roosevelt, Churchill, and Indochina: 1942-1945," *American Historical Review* Vol. 80, Number 5 (December 1975), pp.1277-1295.

<sup>603</sup> A good general account of U.S. involvment in Vietnam is George C. Herring, *America's Longest War: The United States and Vietnam 1950-1975* (New York: Alfred A. Knopf, 2<sup>nd</sup> ed., 1986).

1 Hanoi. The Viet Minh leadership took to the hills and their World War II strongholds to  
2 begin a long campaign of guerrilla warfare. Ho Chi Minh would not return to Hanoi for  
3 eight years.<sup>604</sup>

4 Fighting between the French and Viet Minh forces led to a virtual military stalemate by  
5 1949. The French could not pacify the country side and Ho's forces could not drive the  
6 French from the cities. As a political alternative to Ho, the French turned to the deposed  
7 Bao Dai as head of State and established a semi-independent Vietnam in 1948 as part of  
8 the French Union.<sup>605</sup>

9 The United States stayed mostly neutral in the struggle during the late 1940s. When  
10 Washington suggested negotiations between the two sides, French authorities refused to  
11 deal with Ho, pointing to his communist connections.<sup>606</sup> With the fall of China to Mao  
12 Zedong's communist forces in 1949, the Truman administration, fearing that all of  
13 Southeast Asia might fall to the communists, quickly recognized Bao Dai's government  
14 in October 1950 and began to supply military aid and economic support to the French in  
15 their war against Ho Chi Minh and the communists.<sup>607</sup> The Truman administration  
16 established a Military Assistance and Advisory Group (MAAG) to facilitate and  
17 coordinate U.S. support and training. By 1954 annual U.S. military aid was over \$2  
18 billion dollars or 80 percent of the cost of the French effort.<sup>608</sup>

#### 20 **Early U.S. Intelligence**

21  
22 From 1946 onwards, the French maintained that Ho received orders and support directly  
23 from Moscow. In a 1947 report, however, the Department of State's Special Projects  
24 Staff, which evaluated intelligence information, including Comint, could find no  
25 evidence of any control of Ho or the Vietnamese communist movement by Moscow.<sup>609</sup> A  
26 similar report in 1948 confirmed the State view that there was no direct evidence of a  
27 Moscow-directed conspiracy.<sup>610</sup>

28  
29 As for the French position in Indochina, in general, U.S. intelligence was pessimistic  
30 about the French chances of reestablishing their dominance. OSS officers had cautioned  
31 U.S. officials about backing the French. They saw Ho Chi Minh and the Viet Minh as  
32 determined to liberate Vietnam from any foreign domination. Moreover, beginning in  
33 1948, CIA analysts produced a series of estimates on dimming French prospects for  
34 winning the war in Indochina. The analysts believed that Ho and the communists had

<sup>604</sup> Hanyok, *Spartans in Darkness*, pp.10-11.

<sup>605</sup> France also recognized the "independence" of the Kingdom of Laos and Cambodia withing the French Union.

<sup>606</sup> At the same time Ho was asking the United States to act as an intermediary. See Hanyok, *Spartans of Darkness*, p. 12.

<sup>607</sup> Ho was now receiving massive military aid from Mao's China. In addition, North Korea had attacked South Korea on 24 June 1950 and U.S. and UN forces were penned in the Pusan peninsula. It seemed to Washington that all of Asia could fall to the communists.

<sup>608</sup> Hanyok, *Spartans of Darkness*, p.22.

<sup>609</sup> See U.S. Department of State, *Foreign Relations of the United States (FRUS)*, volume VIII *The Far East*, pp.64-65 and Hanyok, *Spartans in Darkness*, p. 12. Actual recognition of the Democratic Republic of Vietnam by the Soviet Union did not occur until 1950.

<sup>610</sup> Office of the Secretary of Defense, *United States-Vietnam Relations, 1945-1967* (Washington, DC: Government Printing Office), Book I: *Vietnam and the United States, 1940-1950*, p. 6.

1 captured the dynamic of Vietnam nationalism. France would not prevail in Vietnam and  
2 that France would be unable to quell the drive for Vietnam independence.<sup>611</sup> A French  
3 defeat was likely.<sup>612</sup> The rising tide of Asian nationalism would make it impossible or  
4 too costly to preserve Indochina as a conspicuous remnant of western colonialism in the  
5 Far East.<sup>613</sup>  
6 The Joint Chiefs of Staff held a similar view. The French situation had deteriorated and  
7 that it might accelerate.<sup>614</sup> An NIE of 13 October 1950, surprisingly asserted that  
8 Communist domination of mainland Southeast Asia “would not be critical to U.S.  
9 security interests but would have serious and immediate and direct consequences.”<sup>615</sup> It  
10 went on to say that the loss of any portion of mainland Southeast Asia would increase  
11 possibilities for the extension of communist control of the rest of Indochina and might  
12 present serious problems for Japanese recovery. It would, however, also strength the  
13 French position in Europe.<sup>616</sup>  
14 President Eisenhower did not agree He viewed the situation in Vietnam as critical. For  
15 Eisenhower, if Vietnam fell, then communism would spread from Laos to Cambodia, to  
16 Thailand, and on to the neighboring countries, “like a row of dominoes toppling over.”<sup>617</sup>  
17 Vietnam was the first domino. Eisenhower also stressed Japan’s still shaky economic  
18 situation in the “free world.” Japan, according to Eisenhower was the last domino; when  
19 the others fell, Japan would also fall.<sup>618</sup> Moreover, U.S. prestige in Asia would suffer.  
20 The region was vital to U.S. interests. Eisenhower’s famous “Domino Theory” made him  
21 determined to oppose communist expansion in Indochina.

### 22 23 **The French and Dien Bien Phu**

24  
25 The battle of Dien Bien Phu became the last major battle between the French and the  
26 Vietnamese. The French sought a decisive battle to eliminate the Viet Minh with  
27 superior firepower. The French misjudged the Viet Minh and General Vo Nguyen Giap.  
28 The battle began on 13 March as Giap and the Viet Minh attacked the fortified French  
29 position in Northern Vietnam. Massing his forces and isolating the French position Giap  
30 slowly strangled the French at Dien Bien Phu cutting off all attempts to resupply the base.  
31 The CIA covertly became part of this effort. It contracted with the Civil Air Transport  
32 Company (CAT) to fly supply missions into the base. Twenty four CAT (CIA) pilots  
33 actually flew missions to supply the French garrison at Dien Bien Phu. They airlifted

---

<sup>611</sup> See National Intelligence Council, *Estimative Products on Vietnam 1948-1975* (CIA, 2005).

<sup>612</sup> NIC, *Vietnam*, ORE 25-48 “The Breakup of the Colonial Empires and Its Implications for US Security,”  
3 September 1948, pp. 3-16.

<sup>613</sup> NIE 35/1 printed in *FRUS*, p. 119.

<sup>614</sup> Office of the Secretary of Defense, *Vietnam and the United States*, Book I, Volume IV.A., “Aid for  
France in Indochina, 1950-1954,” p. 5.

<sup>615</sup> NIC, *Vietnam*, ORE 29-50 “Consequences to the US of Communist Domination of Mainland Southeast  
Asia, 13 October 1950, pp. 19-36.

<sup>616</sup> *Ibid.* The U.S. Army and U.S. Air Force Intelligence objected in a footnote to this estimate. They  
believed the loss of mainland Southeast Asia was critical to U.S. security interests.

<sup>617</sup> Eisenhower, Press Conference, 7 April 1954.

<sup>618</sup> National Archives, Public Papers of President Dwight D. Eisenhower, 1954 (Washington, D.C: GPO,  
1960), pp.381-390.

1 troops, ammunition, medics, and other material into the area. Two loss their lives in  
2 operation "Squaw."<sup>619</sup>  
3 As the French position became more desperate at Dien Bien Phu, the French approached  
4 the Eisenhower administration to directly intervene in the battle.  
5 Eisenhower seemed to favor the request. The U.S. Air Force and U.S. Navy drew up  
6 plans for "Operation Vulture." The air intervention plan called for the use of B-29's  
7 based in the Philippines to attack the Viet Minh ring of positions around the embattled  
8 French. The U.S. Navy using the carriers *Essex* and *Boxer* would fly ground support  
9 strikes from the Gulf of Tonkin. The planning division of the JCS also added a ground  
10 assault plan which envisioned seven to ten U.S. ground divisions to land in the Red River  
11 delta and move northwest into Viet Minh strongholds. On 25 March the National  
12 Security Council approved the plan for an air assault.<sup>620</sup>  
13 Enthusiasm for any kind of intervention by the United States began to wane over the next  
14 several weeks however. The French wanted only a one day strike to relieve the tactical  
15 situation at Dien Bien Phu. Talk of American ground forces made them fearful that  
16 France would become a junior partner in any coalition and would then have to grant total  
17 independence to Vietnam, Laos, and Cambodia. At the same time, U.S. diplomats were  
18 unable to gain support from U.S. allies, primarily the British. Prime Minister Winston  
19 Churchill told Secretary of State John Foster Dulles that such a military operation would  
20 be "ineffective" and "might well bring the world to the verge of a major war."<sup>621</sup>  
21 The cinching argument against intervention came from Gen. Matthew Ridgeway, the  
22 U.S. Army's chief of staff, who had just returned from his command of UN forces in  
23 Korea. He was less than dazzled by US. Air Force and Navy claims regarding the  
24 effectiveness of air power against the Viet Minh positions around Dien Bien Phu.  
25 Ridgeway reported to President Eisenhower that it would take anywhere from seven to  
26 eleven army divisions about ten years to eradicate the Viet Minh, depending on the  
27 response of the Chinese communists. Lt. General James Gavin, added that plans to  
28 invade Vietnam to save the French were "utter folly." The JCS held that Indochina "is  
29 void of decisive military objectives and the allocation of more than a token US armed  
30 forces to that area would be a serious diversion of limited US capabilities."<sup>622</sup>  
31 Eisenhower, at first favored some sort of intervention. With the Joint Chief and  
32 Ridgeway and Gavin opposed, he realized the enormous cost of getting into a land war in  
33 Asia. On 29 April 1954 Eisenhower announced that the United States had no plans to  
34 intervene in any way in Indochina.<sup>623</sup> The French were now on their own. Dien Bien  
35 Phu fell on 8 May 1954.

36  
37 **The Geneva Conference on Indochina**

---

<sup>619</sup> See John Prados, *President's Secret Wars CIA and Pentagon Covert Operations Since World War II* (New York: William Morrow and Company, 1986), pp. 63-64. CAT was founded in 1946 by Claire Chennault who commanded the Flying Tigers during World War II and Whiting Willauer. It operated in China after the war flying support missions for the Chinese Nationalists during the China civil war. By the 1950s it was virtually a CIA proprietary company.

<sup>620</sup> Hanyok, *Spartans of Darkness*, pp. 35-41.

<sup>621</sup> *Ibid.*, p 44.

<sup>622</sup> Arthur Radford, Chairman, Joint Chiefs of Staff, Memorandum to the Secretary of Defense, "U.S. Military Participation in Indochina," 20 May 1954, *FRUS, 1952-1954*, vol. Xiii, *Indochina*, Part 2, p. 1592.

<sup>623</sup> Hanyok, *Spartans of Darkness*, p. 44.



1  
2 Even as the battle raged at Dien Bien Phu delegations from France, the Viet Minh, the  
3 People's Republic of China, the Soviet Union, Great Britain, the United States, the  
4 Republic of Vietnam, and the Kingdoms of Laos and Cambodia met in Geneva,  
5 Switzerland, in April 1954 to settle the Korean conflict and the Indochina War. On 8  
6 May, the day after the French surrender at Dien Bien Phu, the Indochina phase of the  
7 conference began. It seemed the conference was stalemated when the French, under  
8 growing pressure at home to end the war, proposed to partition the country of Vietnam.  
9 On 21 July the Viet Minh and the French agreed to a cease fire and signed the Geneva  
10 Accords. The Accords recognized the 17<sup>th</sup> parallel as "a provisional military  
11 demarcation line" temporarily dividing the country into two regions, Communist North  
12 Vietnam and a pro-Western South Vietnam. The agreement promised elections by 20  
13 July 1956 to unify the country and provided a period of three hundred days for people to  
14 pass freely from the northern zone to the southern zone or vice versa. The agreement also  
15 established an International Control Commission made up of representatives from India,  
16 Canada, and Poland to supervise the implementation of these protocols. South Vietnam  
17 and the United States, both of whom had refused to participate in the negotiations,  
18 refused to sign the document.<sup>624</sup>  
19 U.S. intelligence assessed the Post-Geneva outlook for Indochina and concluded that the  
20 chances for developing a strong regime in South Vietnam were poor and that the situation  
21 in the South would continue to deteriorate. It also predicted that if the scheduled national  
22 elections were held in July 1956, the communists and Ho Chi Minh "will almost certainly  
23 win."<sup>625</sup>  
24

#### 25 **U.S. Support for Ngo Diem Government in the South**

26  
27 After the partition of Vietnam with the Geneva Agreements of 1954, the Eisenhower  
28 administration began to directly support the government in the South headed by Ngo  
29 Dinh Diem. Eisenhower promised to help Diem maintain a "strong, viable state capable  
30 of resisting outside aggression." Armed with U.S. support, Diem rejected the  
31 reunification elections provided for in the Geneva Agreements and declaration South  
32 Vietnam a republic with himself as president. The CIA, although pessimistic about  
33 establishing a stable, civilian regime in South Vietnam, nevertheless, set about assisting  
34 Diem in creating a new state. The CIA's mission was to establish a viable anti-  
35 communist regime in a country seen as threatened with absorption into the Soviet Bloc.  
36 For the first ten months of the venture, French officials in Saigon obstructed U.S. efforts  
37 to make Diem head of government in fact as well as title.<sup>626</sup> The American mission in  
38 Saigon was divided. The Embassy, reflecting the bias of the State Department's Bureau  
39 of European Affairs, placed a greater importance on preserving Franco-American  
40 relations than on constructing a viable regime in Saigon. The U.S. military, aid groups,

---

<sup>624</sup> In August 1954 the U.S. Navy in support of the French launched Operation "Passage to Freedom" to evacuate non-communists, especially Catholic Vietnamese refugees from North Vietnam. In all some 900,000 Vietnamese civilians moved from North to South during this period. About 90,000 moved North.

<sup>625</sup> NIC, *Vietnam*, NIE 63-5-54 "Post-Geneva Outlook in Indochina, 3 August 1954. pp. 64-70.

<sup>626</sup> Thomas Ahern, *Diem*, p6.

1 and the CIA were more disposed to let the French fend for themselves while the United  
2 States got to work on building resistance to communist aggression.<sup>627</sup>

3  
4 The Agency maintained two independent elements in South Vietnam during the first two  
5 years of Diem's rule. Although they cooperated to help Diem deal with immediate threats  
6 to his survival in office, they developed conflicting approaches in dealing with Diem and  
7 his brother Ngo Dinh Nhu.

8 Despite the conflict, the CIA was strikingly successful in helping Diem consolidate his  
9 government and in maintaining the U.S. commitment to his government as an instrument  
10 for preserving an independent, anti-communist  
11 South Vietnam.

12 From the beginning, the regular Station recognized Diem's limitations as a competitor to  
13 Ho Chi Minh. Paul Harwood, a covert operations officer, urged Diem's brother Nhu to  
14 organize a popular movement in support of Diem. This became the National  
15 Revolutionary Movement. Its aim was to build a popular constituency for the Diem  
16 government, especially in the countryside. The concept was to preempt the communists  
17 by politically mobilizing the peasantry. Harwood wanted it to promote land  
18 redistribution, expanded public services, and democratic institutions. Harwood later  
19 wrote "The task is hopeless, but the effort must be made."

20 At the same time, Lansdale promoted Operation Brotherhood. Using Filipino medical  
21 teams he would try to win the countryside for Diem.<sup>628</sup>

22 When Harwood left Vietnam in April 1956, he had become pessimistic about the Diem  
23 government's long-term prospects. Efforts of institution building were foundering for  
24 lack of qualified, motivated people, he wrote.

25 After Lansdale's departure in December 1956, the CIA Station in Saigon played no active  
26 role in village-level counterinsurgency activities until 1961.

27  
28 Like Diem and Lansdale, Nhu and Harwood saw the sects and the French as posing the  
29 greatest danger. Lansdale and Harwood devoted most of their attention to the threats to  
30 Diem's survival. The local French and their Vietnamese allies; the armed Hoa Hao and  
31 Cao Dai religious sects and the bandit Binh Xuyen who controlled much of Saigon and  
32 the local police force contested Diem's authority. Diem faced formidable opposition. In  
33 addition, until 1955, the French, which were at best indifferent to Diem, maintained their  
34 hold on the Army and the national treasury. In these circumstances, the two CIA stations  
35 began to develop a modern nation state focused on Diem.<sup>629</sup> By late summer 1955, the  
36 last combat units of the French Expeditionary Corps departed Saigon. With French  
37 support gone, the CIA and the Diem government cajoled, bribed and used force to reduce  
38 the influence of the sects. Diem, with CIA aid, by subduing the sects and forcing the exit  
39 of the French, had succeeded in doing what "not even Ho" had done.<sup>630</sup>

---

<sup>627</sup> Ronald H. Spector, *Advice and Support: The Early Years, 1941-1960* (Washington, D.C.: Center for Military History, U.S. Army, 1985)

<sup>628</sup> Ahern, *Pacification*, p. 15. despite their success, the teams left Vietnam in 1956.

<sup>629</sup> Ahern, *CIA and Rural Pacification in South Vietnam*, (CIA, Center for the Study of Intelligence, 2000), p. xiii.

<sup>630</sup> Ahern, *Pacification*, p. 12.

1 Both CIA Stations, however, saw the weaknesses in Diem's leadership, but neither saw  
2 any alternative. Both stations remained committed to helping Diem survive. There was  
3 "no viable alternative."

4 From 1954 to 1956, the two stations strove to establish military and civilian action  
5 programs in the countryside to compensate for the absence of effective government  
6 presence there. There was a political vacuum in the countryside. In 1955, the two  
7 stations joined in a rare cooperative effort to encourage the Diem regime to allow the  
8 CIA to help train and support a Civil Guard, a territorial defense force and Saigon's  
9 national police.

10  
11 It is likely that without CIA intervention on his behalf, Diem would not have survived six  
12 months into office.<sup>631</sup> Political action efforts seemed to be paying off.

13  
14 **Nation Building**

15  
16 In a January meeting in 1954 the NSC decided to send Colonel Edward Lansdale to  
17 Vietnam. Both Secretary of State John Foster Dulles and his brother Allen, the DCI,  
18 admired Lansdale for his work in the Philippines where he helped make Ramon  
19 Magsaysay into a national figure. Lansdale's success in the Philippines encouraged him  
20 to believe that he had discovered the key to defeating Communist-led insurgencies. The  
21 Dulles brothers figured he might be able to do the same with Diem. Allen Dulles  
22 instructed Lansdale to "find another Magsaysay." Lansdale reported neither to the CIA  
23 Chief of Station in Saigon nor to the chief of the CIA Far East Division, but directly to  
24 Allen Dulles. Always confident of the power of the American political example and his  
25 own abilities to impart that example to the foreign mind, Lansdale wanted to "teach them  
26 some [of] our political principles." Lansdale was committed to turning Diem into the  
27 revered father of his country. He tirelessly promoted Diem as a Vietnamese George  
28 Washington. Lansdale also saw an independent American-style legislature and judiciary  
29 as indispensable to relieving any doubts about Diem.

30 Both Harwood and Lansdale consistently urged Diem and Nhu to move toward  
31 democratic institutions while reforming their administrative practices. Both stations had  
32 a common goal - - the creation of a popular representative government. Diem, however,  
33 displayed "little personal inclination" toward democratic practice." He and Nhu  
34 effectively dominated the government. For them, to rule, it was enough to have an army  
35 and an administrative apparatus."<sup>632</sup>

36 Lansdale, nevertheless, had faith in his own ability to inspire and control a unified  
37 Southern resistance to communist expansion. He would help Diem build a functioning  
38 government. Lansdale always believed that Diem would come to see the wisdom of  
39 American advice. For his part, Diem found Lansdale's egalitarian, quasi-Jeffersonian  
40 notions simply incomprehensible.<sup>633</sup>

41 Nevertheless, with vigorous help from the CIA and the U.S. Government, by 1956 Diem  
42 had made substantial progress in establishing his authority. He had, with CIA assistance,  
43 eliminated the immediate threats to his survival. With the French gone and the sects

---

<sup>631</sup> Ahern, *Diem*, p. 56.

<sup>632</sup> Ahern, *Pacification*, p. 17.

<sup>633</sup> Ahern, *Diem*, p. 219.

1 under control, he began to expand the areas under his authority. He met no significant  
2 armed resistance from the Viet Cong. In May 1957 Diem visited the United States.  
3 Victory seemed at hand.<sup>634</sup>

4 Diem's reliance on family and personal loyalists to project his authority reduced almost  
5 to nil the prospects of American sponsored institution building and political reform. The  
6 energetic and well-intended but uncoordinated efforts of the two early CIA Stations to  
7 build a new nation state proved impossible.

### 9 **Quiet Diplomacy**

10  
11 State Department detachment contrasted sharply with CIA activism. The early  
12 ambassadors, Donald Heath and General J. Lawton Collins, were Europe-oriented,  
13 sympathized with the French, and found Diem wanting. According to Collins, Diem  
14 lacked the ability "to unify the divided factions in Vietnam." The CIA filed the policy  
15 vacuum.

16 Both Lansdale and Harwood soon took on key advisory roles to Diem and Nhu.  
17 Lansdale, although he spoke no French, became Diem's personal advisor.  
18 Diem and Nhu saw Lansdale and Harwood as alternative channels to Washington,  
19 especially when Embassy contacts seemed unresponsive. They were both eager to exploit  
20 this new channel. For his part, Lansdale made no secret of his direct communication link  
21 with Allen Dulles and the NSC. The key element was Lansdale's standing with the  
22 Dulles brothers.

23 By the end of 1954, a pattern had emerged in CIA's dealings with Diem and Nhu that  
24 would prevail until the U.S. decision to abandon them in 1963. The informal CIA liaison  
25 with the two major figures in Diem's government had already evolved into the principal  
26 channel of communication between the Vietnamese regime and Washington. For  
27 Washington, Harwood's and Lansdale's privileged positions with Diem and Nhu  
28 constituted the most authoritative and comprehensive coverage of the South Vietnamese  
29 government's activities and intentions that it could get.<sup>635</sup>

30 Lansdale's tour in Vietnam ended in December 1956. After he left, the liaison role  
31 continued to be the major activity of the CIA station in Saigon. A succession of Agency  
32 officers continued Paul Harwood's association with Nhu and Lansdale's with Diem. The  
33 CIA continued to supply the best information on the Diem regime.

### 35 **North Vietnam Reaction**

36  
37 The near destruction of the communist apparatus in the South Vietnam countryside  
38 between 1955 and 1959 resulted not in a consolidation of Diem's control however, but  
39 the creation of a political no-man's land and a new effort by Ho Chi Minh and the North  
40 to destroy the Diem regime.

41  
42 In 1959 Hanoi leadership modified its 1956 decision to rely on political means of  
43 opposition to Diem. It now allowed military action, although the political struggle was to  
44 remain the principle instrument of resistance to Diem. Hanoi formed the 559<sup>th</sup>

---

<sup>634</sup> Ahern, *Pacification*, p.26

<sup>635</sup> Ahern, *Diem*, p. 59.

1 Transportation Group in May to handle the infiltration of personnel and materiel into  
2 South Vietnam. In September 1960 Hanoi called for the overthrow of the Diem  
3 government and the establishment of a “national democratic coalition government in  
4 South Viet Nam.” It also called for the formation of the National Liberation Front of  
5 South Vietnam and the reunification of Vietnam by force. While Ho and the Viet Minh  
6 received increasing aid from the Soviet Union and China, the North Vietnamese leaders  
7 were clearly in charge of operations.  
8  
9  
10  
11

## 12 **Kennedy and Vietnam**

13

14 The Kennedy administration made counterinsurgency and nation-building the heart of its  
15 Cold war strategy. It expanded the U.S. Army Special Forces and encouraged the CIA to  
16 look for ways to help reverse communist advances in the South.<sup>636</sup> The Agency  
17 responded by launching a series of programs designed to build village self-defense forces  
18 or to attack insurgent organization at the village level. It was a major player in the  
19 Strategic Hamlet program, which became the core of President Diem’s pacification  
20 stagey in the country side until his death in the coup of November 1963. Throughout  
21 1961 President Kennedy was under mounting pressure from his military and political  
22 advisers to send troops to Laos and South Vietnam in order to stem the flood of  
23 communist military advances and to shore up the faltering Diem government in Vietnam.  
24 When Col. Lansdale returned from a fact-finding trip to South Vietnam in early 1961 he  
25 described the situation as grim. While Diem controlled the area around Saigon, the  
26 communists had “effective command over the rest of the country.” Lansdale, a believer  
27 in the Domino theory, added that all of Southeast Asia would be “easy pickings for our  
28 enemy” unless the United States beefed up its military presence in South Vietnam.  
29 In response, Kennedy expanded the U.S. effort in Vietnam. On 11 May 1961 in National  
30 Security Action Memorandum (NSAM) 52, he authorized a “program for covert actions  
31 to be carried out by the Central Intelligence Agency, which would precede and remain in  
32 force” after any commitment of U.S. forces to South Vietnam.<sup>637</sup>  
33 Over the next several months the situation in South Vietnam continued to deteriorate.  
34 Diem asked for a “massive joint effort” to stem the communist advances. In October  
35 1961 Kennedy send General Maxwell Taylor and Walter Rostow to Saigon. They  
36 recommended the introduction of American troops into South Vietnam and a significant  
37 increase in U.S. participation in the war. Kennedy was unwilling to commit U.S. ground  
38 troops to the region, however. Later he announced a substantial increase in the numbers  
39 of U.S. advisers, trainers, and equipment to South Vietnam to stiffen South Vietnamese  
40 resistance.<sup>638</sup> With Diem vulnerable, the Kennedy administration chose Vietnam as the  
41 focus of its resistance to communist expansion in Southeast Asia. The CIA launched a

---

<sup>636</sup> Ahern, *Diem*, p. 148.

<sup>637</sup> See Herring, *America’s Longest War*, pp.80-81.

<sup>638</sup> Harold P. Ford, *CIA and the Vietnam Policymakers: Three Episodes 1962-1968* (CIA: Center for the Study of Intelligence, 1998), p. 1.

1 village defense program in the Central Highlands as Part of the effort to mobilize the  
2 peasantry to defend itself and to weaken the Viet Cong's rural organization.  
3 To coordinate the entire effort the U.S. Military Assistance Command (MACV) was  
4 established on 8 February 1962. U.S. forces soon reached 11,300 men.

### 6 **U.S. Intelligence on Vietnam 1962-1963**

7  
8 By late 1963, despite the renewed U.S. effort, it seemed clear to CIA officers on the  
9 ground in Vietnam as well as their military counterparts, that the situation there had gone  
10 from bad to worse. Yet, the U.S. military and political missions in Saigon projected an  
11 overly optimistic view of the situation. "We are winning." "The situation is improving."  
12 The CIA took a far more realistic approach. The draft NIE 53-63, "Prospects in South  
13 Vietnam" took a very pessimistic view of the war. It stated,

14 The struggle in South Vietnam at best will be protracted and costly [because] very  
15 great weaknesses remain and will be difficult to surmount. Among these are lack  
16 of aggressive and firm leadership at all levels of command, poor morale among  
17 the troops, lack of trust between peasant and soldier, poor tactical use of available  
18 force s, a very in adequate intelligence system, and obvious Communist  
19 penetration of the South Vietnamese military organization.<sup>639</sup>

20  
21 DCI John McCone, in February 1963, was sharply critical of the draft. McCone ordered  
22 the draft redone by the Board of National Estimates. He directed the Board to seek out  
23 the views of senior policymakers who "know Vietnam best." This included the Army's  
24 Chief of Staff, Gen. Earle Wheeler; CINCPAC Adm. Harry Felt; MACV's Gen. Paul  
25 Harkins; the U.S. Ambassador in Saigon, Fredrick Nolting; Defense's Special Assistant  
26 for Counterinsurgency and Special Activities, Maj. Gen. Victor Krulak (U.S. Marine  
27 Corps); State's Director of Intelligence and Research (INR), Roger Hilsman; and NSC  
28 staffer Michael Forrestal. All of these men were critical of the draft NIE. It did not stress  
29 the progress being made in the war. According to General Wheeler, "the principal  
30 ingredients for eventual success have been assembled in South Vietnam."  
31 Over the objections of its own staff, the Board of Estimates bowed to the pressure of the  
32 DCI and the draft's policymaking critics. On 17 April the Board produced a revised,  
33 final version of the Estimate. The first sentence read "We believe the Communists  
34 progress has been blunted and the situation is improving." It went on to claim that  
35 "Improvements which have occurred during the past year now indicate that the Viet Cong  
36 can be contained militarily and that further progress can be made in expanding the area of  
37 government control and in creating greater security in the countryside."<sup>640</sup> The revised  
38 NIE painted Vietnam developments in positive terms and offered an optimistic forecast  
39 for the future.

<sup>639</sup> See Willard Matthias, "How Three Estimates Went Wrong," *Studies in Intelligence*, vol. 12 (Winter 1968), and Ford, *CIA and Vietnam*, p. 1.

<sup>640</sup> NIC, *Vietnam*, NIE 53-63 "Prospects in Vietnam," 17 April 1963, pp. 185-198. The term "Viet Cong" is a Vietnamese term, adopted early in the Diem regime and by the Americans. It bears a pejorative connotation for Vietnamese communist. The Americans usually abbreviated it to "VC." The term was applied to any member of the either the military or political arm of the indigenous through Hanoi-directed communist movement in South Vietnam. The VC were thus distinguished from the integral units of the North Vietnamese Army deployed into South Vietnam in late 1964.

1 In addition to the NIE, President Kennedy was receiving conflicting advice on Vietnam.  
2 For example, General Victor Krulak, the Pentagon's counterintelligence officer and later  
3 USMC Commandant, visited Vietnam in September 1963 and reported back to the  
4 President that "the shooting war is still going ahead at an impressive pace." At the same  
5 time, Foreign Service Officer Joseph Mendenhall, who, like Krulak, had just returned  
6 from Vietnam, told Kennedy the situation was deteriorating rapidly. This prompted  
7 Kennedy to ask, "You two did visit the same country, didn't you?"<sup>641</sup> Former President  
8 Dwight Eisenhower related that progress was being made in Vietnam and that, in any  
9 case, a strong U.S. course there was necessary to avoid a larger disaster.<sup>642</sup>  
10 Around the same time, DCI McCone warned the President, "victory is doubtful if not  
11 impossible."<sup>643</sup>  
12 Just three weeks after the revised publication of NIE 53-63 serious anti-government riots  
13 broke out in the city of Hue.

#### 14 15 **The Coup Against Diem**

16  
17 On 8 May 1963, Buddhists crowds in Hue rioted over alleged religious discrimination by  
18 the Diem government and launched the movement that six months later brought down the  
19 Diem regime. By the summer of 1963 the Diem regime was in deep trouble.  
20 In mid summer Henry Cabot Lodge replaced Fredrick Nolting, a pro-Diem supporter, as  
21 U.S. Ambassador. Lodge quickly became determined to institute a coup d'etat against  
22 Diem. He saw the CIA as "arrogant" and out of control in its advising capacity with  
23 Diem and Nhu. One of his first moves was to prohibited further meeting between CIA  
24 officers and Ngo Dinh Nhu. For Lodge, Nhu was a major part of the problem and "an  
25 arrogant little man" who had to be replaced. The CIA gave him far too much power.  
26 Lodge came to believe that the war against the communist could not be won with the  
27 Diem regime. He saw Diem as an obstacle rather than a tool for stemming communist  
28 advances on Southeast Asia.<sup>644</sup>  
29 Many in Washington shared Lodge's view. Even CIA adviser to the White House  
30 George Carver saw Diem as "A boil to be lanced."<sup>645</sup> The dominate perception among  
31 U.S. officials in Washington was that the Diem regime was terminally ill. Senior State  
32 officials believe Diem must be replaced, he was incapable of leading the struggle against  
33 North Vietnamese aggression. They favored a coup to replace Diem. On the weekend of  
34 24 August, a small group of senior policy advisers send a cable to a receptive  
35 Ambassador Lodge authorizing Lodge to demand improvements in the Buddhist crisis or  
36 the United States would not continue its support of his government. In the event Diem  
37 did not respond promptly, Lodge was to advise key Vietnamese generals that the United  
38 States would not continue to support Diem. Lodge promised the generals that the United  
39 States would not try to prevent a

---

<sup>641</sup> *Pentagon Papers* (Gravel ed.), vol. II, p. 244.

<sup>642</sup> Ford, *CIA and Vietnam*, p. 19.

<sup>643</sup> Ford, *CIA and Vietnam*, p. 21.

<sup>644</sup> See Lodge telegram, 29 August 1963, *FRUS, 1961-1963, Vietnam*, vol. 1, p. 579.

<sup>645</sup> Quoted in Ahern, *Pacification*, p. 36.

1 coup<sup>646</sup> The group did not seek CIA opinions on the issue. On 29 August 1963 Lodge  
2 cabled Washington, "we are now launched on a course from which there is no respectable  
3 turning back: the overthrow of the Diem government....there is no turning back because  
4 there is no possibility, in my view, that the war can be won under a Diem  
5 administration."<sup>647</sup> While President Kennedy groused about the original cable, he, in  
6 effect, gave a green light to the coup planners.  
7 CIA opposed the "Diem must go" movement." A coup could spell "absolute disaster."  
8 DCI McCone continued to urge caution about the idea of overthrowing Diem. He  
9 warned the President that even a successful coup would probably lead to "an interregnum  
10 and a period of political confusion" perhaps resulting in a second coup or the chance that  
11 the war itself might be lost in the interim.<sup>648</sup> A coup would simply breed subsequent  
12 coups, according to McCone. McCone saw no apparent acceptable successor to Diem.  
13 The CIA position was, "There's nobody else."<sup>649</sup>  
14 Despite CIA opposition a coup, led by General Duong Van "Big" Minh, occurred against  
15 Diem's regime on 1 November 1963. Ironically, a CIA officer, Lou Conein, in Saigon  
16 became the exclusive channel of communication between the U.S. Government and the  
17 rebellious generals.<sup>650</sup> The generals assassinated both Diem and his brother Nhu during  
18 the coup.<sup>651</sup>  
19 Lansdale later reflected, "I think we should never have done it. We destroyed the  
20 Vietnamese Constitution, not we, but the people we were working with, threw it in the  
21 waste basket."<sup>652</sup>  
22 McCone proved correct about the coup's consequences. The initial coup was followed  
23 by several more which proved even less stable and able than Diem and Nhu. Yet, the  
24 DCI's warnings made little impact on policymaking. McCone himself became more and  
25 more convinced that the war could not be won. It promised only more escalation and  
26 huge numbers of casualties. By December 1963 McCone had a dark assessment of the  
27 situation in South Vietnam. He wrote:  
28  
29       There is no organized government in South Vietnam at this time.... It is  
30       abundantly clear that statistics received over the past year or more from GVN  
31       officials and reported by the U.S. military on which we gauged the trend of the  
32       war were grossly in error....The military government may be an improvement  
33       over the Diem-Nhu regime, but this is not yet established and the future of the war  
34       remains in doubt. In my judgment, there are more reasons to doubt the future of  
35       the effort under present programs and moderate extensions to existing programs

<sup>646</sup> Ford, *CIA and Vietnam*, pp.29-34. The key officials were Roger Hilsman, Assistant Secretary for Far Eastern Affairs; Averell Harriman, Under Secretary of State for Political Affairs; and Michael V. Forrestal, a NSC staffer. Most senior officials were out of town on that weekend.

<sup>647</sup> Lodge, Cable 375, 29 August 1963, *FRUS, 1961-1963*, vol. IV, *Vietnam*, p. 21.

<sup>648</sup> *Ibid.*, p. 202.

<sup>649</sup> Ford, *CIA and Vietnam*, p. 34.

<sup>650</sup> Conein had been born and raised in France. He moved to the United States in 1940 and joined the U.S. Army. He was assigned to the OSS in 1943. With his French proficiency he was named to the Hanoi OSS team in 1945. In 1954 he returned to Saigon as a member of Edward Lansdale's Saigon Military Station. He was sent back in 1961 to reactivate his military contacts.

<sup>651</sup> Three weeks later President Kennedy was assassinated on 22 November 1963.

<sup>652</sup> Sa quoted in Prados, *Secret Wars*, p. 247.i



1 than there are reasons to be optimistic about the future of our cause in South  
2 Vietnam.<sup>653</sup>

3  
4 In Saigon, the CIA and the rest of the U.S. Government found itself starting all over  
5 attempting to build a legitimate government in South Vietnam. The answer policymakers  
6 soon began to pursue was direct management of the war with a greatly expanded U.S. air  
7 and ground effort.

8  
9 **CIA and the Generals**

10  
11 The generals who overthrew Diem made it known to the CIA that they wanted U.S.  
12 guidance in the formation of a new government. Lodge, however, enjoined the CIA  
13 station from accepting the general's invitation to advise them politically. Having  
14 functioned as the primary link to the dissident generals when they prepared the coup  
15 against Diem, the CIA found itself abruptly divested of any role in helping them set up a  
16 new government.<sup>654</sup> The opportunity to help the new government make the most of its  
17 chances to succeed slipped away. The fractious military government entirely failed to  
18 exploit the general euphoria that followed the demise of the Diem regime and the GVN  
19 position in the countryside continued to decay. It may have made no difference but the  
20 Station had intervened decisively on behalf of Diem in 1955.<sup>655</sup>

21  
22 Henry Cabot Lodge left Saigon in June 1964 to join Barry Goldwater's presidential  
23 campaign as his Vice Presidential candidate. Johnson chose Gen. Maxwell Taylor as his  
24 new Ambassador to South Vietnam. Taylor displayed no more enthusiasm for such an  
25 Agency role than did Lodge. Nevertheless, the Station labored to preserve  
26 communications with the generals and concentrated its efforts on the pacification  
27 programs in the countryside. Not until Ellsworth Bunker replaced Lodge in 1967 did the  
28 CIA begin to develop political contacts in Saigon again.<sup>656</sup> It played a key role in the  
29 presidential election of 1967 when Gen. Nguyen Van Thieu and Nguy Cao Ky ran for  
30 office. During the campaign, the Station became their political consultant firm. It was  
31 not an easy task. The two men, Thieu and Ky disliked each other immensely.  
32 The revolving door governments in Vietnam ended with the election of President Thieu  
33 in September 1967. There followed eight years of the Thieu Ky government which  
34 brought stability to the government. After Tet the Station once again became the key  
35 instrument in attempting to build a political organization on the U.S. model in South  
36 Vietnam but to little avail.

37  
38 **LBJ and Vietnam**

39  
40 President Lyndon Baines Johnson retained Kennedy's foreign policy advisers for  
41 continuity, the "Best and Brightest," Walt Rostow, Robert McNamara, Dean Rusk,

---

<sup>653</sup> As quoted in Ford, *CIA and Vietnam*, p. 43.

<sup>654</sup> Ahern, *CIA and the Generals*, p. 10. Lodge believed that the generals had to be made to look independent.

<sup>655</sup> Ahern, *CIA and the Generals*, p. 22.

<sup>656</sup> Johnson sent Lodge back to Saigon in 1966 to replace Taylor.

1 McGeorge Bundy, and William Bundy.<sup>657</sup> They were all hawkish with regard to the  
2 U.S. position in South Vietnam.  
3 They believed that the United States had to save Vietnam from the communists. Vietnam  
4 was critical to holding off other potential challenges to U.S. global influence. The U.S.  
5 must “stay the course,” according to Walt W. Rostow, the Johnson administration’s  
6 primary advocate for escalation, the Vietnam war was part of a global conspiracy run by  
7 Moscow and Beijing. World communism was monolithic and had to be contained in the  
8 Third World.  
9 Moreover, the U.S. position in opposing such aggression was not only justified but  
10 “benevolent.” As part of this belief, most in the Johnson administration accepted the idea  
11 of unsurpassed U.S. military might and technological supremacy, There was a renewed  
12 conviction that American programs and American resources, with a responsive  
13 Vietnamese leadership, could mobilize a presumptively anti-communist population.<sup>658</sup>

### 15 **Gulf of Tonkin Incident**

16  
17 In early 1964, with growing doubts about the outlook in Vietnam, the Johnson  
18 administration searched for new ways to turn the tide. The planners basic assumption  
19 was that by punishing North Vietnam, the United States could “convince the North  
20 Vietnamese that it was in their economic self-interest to desist from aggression in South  
21 Vietnam.”<sup>659</sup> On 26 November President Johnson signed National Security Action  
22 Memorandum (NASAM) 273 in which he approved planning for increased activities  
23 against North Vietnam on a covert basis.<sup>660</sup> Part of this new plan called for more  
24 aggressive covert operations against and within North Vietnam. The Department of  
25 Defense took the lead with these proposals with covert action project Operations Plan  
26 (OPLAN) 34A-64. This plan called for expanding collection by U-2 aircraft and  
27 electronic methods; expanding psychological operations via leaflet drops, phantom covert  
28 operations, and expanding black and white radio broadcasts; and beginning a sustained  
29 program of airborne and maritime sabotage operations against such targets as bridges,  
30 railways, storage dumps, and small islands within North Vietnam.<sup>661</sup>  
31 In addition to OPLAN34A-64, the U.S. Navy increased its Desoto patrols along the North  
32 Vietnam coast. These destroyer patrols were to not only collect intelligence but to assert  
33 freedom of the seas principles. Moreover, they came to provide Sigint support to the CIA  
34 program designed to insert ARVN commando forces into North Vietnam for sabotage  
35 purposes. The destroyers often violated the 12-mile territorial limit recognized by North  
36 Vietnam in performing with role.  
37 Asked for its advice on the plan, O/NE concluded on 2 January 1964 that “taken by  
38 themselves, and even if all were successful, would not ‘convince the DRV leadership that  
39 their continued direction and support of insurgent activities in the RVN ( South Vietnam)

<sup>657</sup> President Johnson never included John McCone among his innermost Vietnam advisers.

<sup>658</sup> A good general account of the Johnson administration’s conduct of the war is George Herring, *LBJ and Vietnam: A Different Kind of War* (Austin, Texas: The University of Texas Press, 1994).

<sup>659</sup> McGeorge Bundy, Memorandum to the President, 7 January 1964, *FRUS, 1964-1968 Southeast Asia*, vol. 1, p. 4.

<sup>660</sup> NSAM 273, 26 November 1963, LBJ Presidential Library, Austin, Texas.

<sup>661</sup> *Pentagon Papers*, (Gravel Edition) Vol. III, pp. 150-151. OPLAN 34A grew out of small CIA covert operations which had been in place since the early 1960s under various names

1 and Laos should cease.” This was the stated goal of Op-Plan 34A-64.<sup>662</sup> McCone was  
2 also skeptical. He told McGeorge Bundy that “the President should be informed that this  
3 is not the greatest thing since peanut butter” and “would not seriously affect the DRV or  
4 cause them to change their policies.”<sup>663</sup> Despite his reservations, McCone joined Bundy,  
5 Secretary Rusk and Secretary McNamara in urging the President to approve OPLAN 34-  
6 A.

7 The harassment operations made the North Vietnamese more belligerent. On 1 August  
8 1964, NSA sent a warning to the U.S. Navy that their Desoto patrols might be in danger  
9 of attack. A day earlier the *USS Maddox* had begun a patrol in the Gulf of Tonkin.<sup>664</sup>

10 On 2 August the North Vietnamese decided to attack the *Maddox*. Using three Soviet  
11 built PT boats, they launched their attack. There is no doubt of the attack. Not only was  
12 it carried out in broad daylight, but U.S. Navy and U.S. Marines intercepts made the  
13 North Vietnamese procedures and objectives of the attack clear. The *Maddox* and planes  
14 from its carrier escort *Ticonderoga* sank one PT boat and put another out of action.<sup>665</sup>

15 The Johnson administration saw this as an unprovoked attack on an American vessel in  
16 international waters but decided not to respond militarily. Instead, it ordered the *Maddox*  
17 to resume its patrol, added the destroyer *USS Turner Joy*, and issued a warning to Hanoi  
18 against any further attacks against U.S. forces.<sup>666</sup>

19 On 4 August a U.S. marine detachment intercepted a North Vietnamese message that  
20 appeared to order PT boats to make ready for military operations that night. It issued a  
21 Critic (high priority warning) to the *Maddox* that the North Vietnamese were preparing  
22 to attack.<sup>667</sup> At 2041 that night the *Maddox* seemed to pick up radar contacts on North  
23 Vietnamese PT boats. For the next four hours, the *Maddox* and *Turner Joy* zigzagged  
24 through the gulf, apparently pursued and attacked by unknown and unseen vessels. They  
25 fired repeatedly at whatever seemed to be attacking them. When air cover showed up  
26 from the *Ticonderoga*, the planes could not spot any boats. An intercepted After Action  
27 report, however, seemed to confirm the attack.

28 On 4 August during the height of the arguments over the U.S. response, McCone told the  
29 President and the NSC that the attacks had been a defensive reaction by the North  
30 Vietnamese to prior covert gunboat raids as part of OPLAN 34A. He reasoned to the  
31 President, “They are responding out of pride and on the basis of defense considerations.”  
32 For McCone, the North Vietnamese attacks did not “represent a deliberate decision to  
33 provoke or accept a major escalation of the Vietnamese war.”<sup>668</sup> Despite McCone’s  
34 reservations and considerable evidence that an attack did not occur, President Johnson

<sup>662</sup> Ford, *CIA and Vietnam*, p. 46.

<sup>663</sup> Quoted in Ford, *CIA and Vietnam*, pp. 46-47. McCone actually thought the covert action plan not strong enough. McCone wanted a “more dynamic aggressive plan.” He stated “If we go into North Vietnam we should go in hard and not limit our actions to pinpricks.” See Ford, *CIA and Vietnam*, p. 47.

<sup>664</sup> Thomas Johnson, p. 516.

<sup>665</sup> 2 August 1964, Memorandum from the Duty Officer in the White House Situation Room to the President, printed in *FRUS, 1964-1968*, vol. I, Section VIII, p. 2.

<sup>666</sup> Dean Rusk, Telegram to U.S. Embassy in Vietnam, 3 August 1964, *FRUS, 1964-1968*, vol. VIII, p. 10.

<sup>667</sup> In reality, the planned DRV military action was a salvage operation for the two PT boats damaged in the 2 August engagement. See Bundy, “Top Secret Chronology of Events, August 4-5,” *FRUS, 1964-1968*, vol. I, Section 8, p. 11.

<sup>668</sup> Notes of the 538<sup>th</sup> Meeting of the National Security Council, 4 August 1964 printed in *FRUS, 1964-1968*, vol. I, p. 611.

1 and his advisers believed they had hard evidence that the destroyers had been attacked.  
2 In response, Johnson authorized a bombing attack on North Vietnam.<sup>669</sup>  
3 The Johnson administration already had contingency plans for expanding U.S.  
4 participation in the war. Some months previous, William Bundy concluded that Johnson  
5 would need some sort of congressional endorsement for expanding the American role in  
6 Vietnam. For Bundy, a declaration of war was too blunt and stood little chance of getting  
7 Congressional approval. What was needed, Bundy believed, was a joint resolution giving  
8 the President the right to commit U.S. forces in the defense of nations in Southeast Asia  
9 threatened by communism. He had such a draft resolution ready by June 1964. Secretary  
10 of State Dean Rusk added, "We should ask for a resolution only when circumstances are  
11 such as to require action, and thereby, force Congressional action. There will be a  
12 rallying around of the President the moment it is clear to reasonable people that U.S.  
13 action is necessary." In addition, the Pentagon drew up a list of bombing targets in North  
14 Vietnam, in case the President should direct military retaliation.<sup>670</sup>  
15 All the Johnson administration had to do was "wait for the right time to submit it to  
16 Congress." Some sort of provocation would be needed. The Tonkin Gulf crisis was just  
17 such a provocation.<sup>671</sup>  
18 On 5 August the Johnson administration introduced its resolution to Congress. It was  
19 under the care of an old ally, Senator William J. Fulbright, Chairman of the Senate  
20 Foreign Relations Committee. The attacks on 2 and 4 August were deliberate and  
21 unprovoked attacks on U.S. destroyers on routine patrol in international waters. No one  
22 questioned the intelligence behind these claims.<sup>672</sup>  
23 On 7 August 1964, U.S. Congress approved the Gulf of Tonkin Resolution with only two  
24 dissenting votes.<sup>673</sup> It authorized the President to take "all necessary measures to repel  
25 any armed attack against forces of the United States and to prevent any further  
26 aggression."<sup>674</sup> It was generally considered a blank check authorization for further  
27 action.

## 28 29 **Johnson's Decision to "Go Big" in Vietnam** 30

---

<sup>669</sup> See Johnson, p. 522-523. Johnson and Hanyok have different views on the Sigint aspects of the attack and NSA's responsibility's. See also Louis F. Giles, "The Gulf of Tonkin Mystery: The SIGINT Hounds Were Howling," (NSA, Center for Cryptologic History, p.1. Robert J. Hanyok, "Skunks, Bogies, Silent Hounds, and Flying Fish: The Gulf of Tonkin Mystery, 2-4 August 1964," *Cryptologic Quarterly* (Winter/Spring 2001) vol. 19, No. 4. See also John Prados, *The White House Tapes: LBJ Tapes on the Gulf of Tonkin Incident* (New York: the New Press, 2003).

<sup>670</sup> See David M. Barrett, ed., *Lyndon B. Johnson's Vietnam Papers: A Documentary Collection* (College Station: Texas, Texas A&M University Press, 1997), p.41-54.

<sup>671</sup> Unpublished study, "policy, Intelligence and the Gulf of Tonkin Resolution: Hawks Fishing for 'Grandma's Nightshirt,'" (UVA, 2007).

<sup>672</sup> The facts that the Desoto destroyers routinely breached the DRV's 12 mile territorial waters boundary; or that the destroyers fired first on both the 2 August and 4 August incidents; or that there even was a 4 August attack; or that the North Vietnamese may have perceived a link between the OPLAN and Desoto missions that provoked them to retaliate were never discussed. Only in 1968 did the Congress hold hearings on the Gulf of Tonkin Resolution and the intelligence behind the administration claims.

<sup>673</sup> These were senators Wayne Morse and Ernest Gruening.

<sup>674</sup> See John Galloway, *The Gulf of Tonkin Resolution* (New Jersey: Associated University Press, 1970).

1 By 1965 South Vietnam was in even deeper trouble. Following the coup that replaced  
2 Diem were a series of ever weaker Saigon governments. South Vietnam was on the  
3 verge of collapse.  
4 In early 1965, the Johnson White House decided to “go big” in Vietnam. This meant  
5 beginning sustained bombing raids against North Vietnam and the commitment of U.S.  
6 combat troops. Johnson’s major advisers assured the President that bombing North  
7 Vietnam would bring Hanoi to the negotiating table and cause it to reduce its support of  
8 the Viet Cong. Moreover, U.S. troops were necessary to shore up the South Vietnamese  
9 government.  
10 Walt Rostow on 16 November stressed that the central purpose of bombing the DRV was  
11 to send a signal to Hanoi that the United States is ‘ready and able to meet any level of  
12 escalation’ the North Vietnamese might mount in response to increased bombing. The  
13 Joint Chiefs of Staff now argued for an active U.S. combat role in South Vietnam to keep  
14 Saigon from collapsing.<sup>675</sup> They were especially concerned with the domino  
15 consequences of the fall of South Vietnam. The Chiefs warned that the loss of Vietnam  
16 would weaken India, isolate Australia and New Zealand, and undermine U.S. prestige  
17 and influence throughout the world. It would also encourage the communists to extend  
18 their “wars of national liberation” into new areas.<sup>676</sup>  
19 The policy debate about expanding the U.S. commitment in the war was rudely  
20 interrupted, and decided, by a Viet Cong attack on the U.S. installation at Pleiku in  
21 central South Vietnam on 7 February 1965. McGeorge Bundy, who was in South  
22 Vietnam at the time, recommended that the United States retaliate at once. In March, the  
23 air war began with Operation “Rolling Thunder,” the daily bombing of North Vietnam.  
24 By 9 March 3,500 Marines had landed at Danang to “protect its perimeter.” They would  
25 be followed by more and more U.S. forces committed to combat operations.  
26 In the months prior to this escalation CIA analysis provided U.S. policymakers with a  
27 steady flow of intelligence data of the probable reactions by the North Vietnamese. Most  
28 doubted that bombing the North would, by itself, do much to improve the situation in the  
29 South. Such measures would not save South Vietnam. According to COS Peter DeSila,  
30 the bombing would have little effect other than provoking Hanoi into sending more  
31 troops down the trails.<sup>677</sup> Bombing the North would not stop the flow of supplies to the  
32 South. The concept that hitting the North would save the South was “highly dubious.”  
33 The Air Force dissented. For the Air Force, argued that the “Psychological impact on  
34 North Vietnam of the bombing would bring them to bargaining table.”  
35 CIA analysts also consistently argued that substantially increasing U.S. combat  
36 operations in Vietnam would not solve the problems there because the war was  
37 essentially a political-military struggle which had to be won in the South and primarily by  
38 the South Vietnamese. In general, DCI McCone shared the skeptical judgments of CIA  
39 analysts. The IC warned senior officials that the United States might acquire both the  
40 responsibility for the war and the stigma of an army with colonial ambitions. Hanoi was  
41 prepared to fight a long drawn out conflict. Washington should not underestimate the  
42 strength and staying power of the enemy, nor overestimate that of our South Vietnamese

<sup>675</sup> *FRUS*, 1964-1968, vol. I, p. 4. Contrast the JCS position with its position in 1954. See *FRUS*, 1952-1954, vol. XIII, *Indochina*, Part 2, p. 1592.

<sup>676</sup> Ford, *CIA and Vietnam*, pp. 70-71.

<sup>677</sup> Halberstam, *The Best and Brightest*, p. 485.

1 ally.<sup>678</sup> CIA analysts also challenged the domino theory. The loss of Vietnam would not  
2 jeopardize all Southeast Asia, they reasoned. Asian nationalism was stronger than  
3 centralized communism. Unfortunately, these arguments had little impact on  
4 policymakers. They were committed to bombing the North and increasing U.S. forces to  
5 combat operations in the South.

6  
7 When Johnson send an additional 100,000 troops to Vietnam in July 1965 McCone  
8 resigned. He was “desperately unhappy” about the escalation. It promised only more  
9 escalation and huge numbers of casualties.<sup>679</sup>

10 The Johnson administration decision to go big in Vietnam was made with little regard for  
11 CIA efforts to inform or modify U.S. policy.<sup>680</sup> The IC warnings had little, if any, effect  
12 on policy decisions. It was not what the decision makers wanted to hear. Moreover,  
13 most senior advisers overestimated what the United States could accomplish through  
14 military means against a determined foe. Made-in America solutions would not win the  
15 war.<sup>681</sup>

#### 16 17 **Sigint and the Bombing**

18  
19 North Vietnam introduced Soviet radar systems in 1960 and by the mid-1960s it had over  
20 150 radar sites. It also had hundreds of AAA sites across the country and in late 1965  
21 began installing SA-2 surface-to-air missiles (SAMs) sites. American air strikes did not  
22 go unchallenged.

23 President Johnson expressed concerns over the number of aircraft being lost on Operation  
24 Thunder missions in 1966. During January to September that year a total of 228 fixed-  
25 wing combat and support aircraft had been lost during missions over North Vietnam.  
26 Johnson wanted to know why? Did the enemy have advanced warning of U.S. raids?<sup>682</sup>  
27 No one had a real answer until late in 1969.

#### 28 29 **ACRP missions**

30  
31 On Christmas day 1969, a team of the First Infantry Division on a sweep near Saigon,  
32 stumbled upon a North Vietnamese Comint unit. They captured most of the unit and  
33 numerous documents and equipment. It was the Comint “find” of the war. From the  
34 material and interviews, NSA determined that the North employed nearly 5,000  
35 Cominters in the South and this was their major source of intelligence. Their intercept  
36 effort was targeted at ARVN and American communications. Their main target was  
37 unenciphered tactical voice. The easiest material came from the U.S. Air Force and SAC  
38 communications. The North Vietnamese had as much as twenty-four hours in advance

---

<sup>678</sup> CIA Memorandum, “Reaction to a Further US Buildup in South Vietnam, 10 June 1965 printed in NIC, Vietnam, pp. 253-260. See also SNIE 10-9-65, “Communist and Free World Reactions to a Possible US Course of Action, 23 July 1965, pp. 261-286.

<sup>679</sup> NIC, *Vietnam*, p. xxiii.

<sup>680</sup> Ford, *CIA and Vietnam*, p. 25.

<sup>681</sup> Ford suggests that senior policymakers were also reluctant to accept the views of the IC because of the wrong judgments during the Cuban Missile Crisis. See Ford, *CIA and Vietnam*, p. 83.

<sup>682</sup> See Stephen J. Kelley, *Purple Dragon: The Origin and Development of the United States OPSEC Program* (Ft. Meade, NSA: Center for Cryptologic History, Series VI, vol. 2

1 notice of SAC photo drone missions (called Blue Springs). As a result, approximately 70  
2 percent of the drones were being lost. They also had advance notice of most B-52 strikes  
3 (Rolling Thunder). They obtained predictive alerts of these missions on 80-90 percent of  
4 the missions. The average warning time was thirty to forty-five minutes. Rolling  
5 Thunder operations orders were distributed to 120 organizations and they contained  
6 information relating to takeoff points, refueling data, and routes. Tanker operations  
7 remained highly stereotyped throughout the war and represented the most vulnerable  
8 aspect of Rolling Thunder.<sup>683</sup> Prestrike weather flights before launch were also a dead  
9 giveaway of missions. It was the surest indicator that the North Vietnamese could have  
10 that a strike was imminent. After a major Comsec study, Purple Dragon, drone recovery  
11 increased from 35 to 70 percent and Operation Rolling Thunder cut its losses as the U.S.  
12 tightened communication security measures. There was no quick panacea solution,  
13 however.<sup>684</sup>

14  
15  
16  
17 **Pacification Programs**

18  
19 Pacification Programs were a combination of positive and negative incentives employed  
20 by CIA and the SVG to generate the active loyalty of the rural population and to penalize  
21 that portion of it which supported the insurgency. One such project grew out of the idea  
22 of exploiting the mountain tribes against the Viet Cong.

23  
24 **Montagnards**

25  
26 CIA activity among the indigenous mountain people (known as Montagnards) began in  
27 the Spring of 1961 when the CIA established two programs the Citizens Irregular  
28 Defense Group (CIDG) and the Mountain Scouts.<sup>685</sup> COS William Colby specified that  
29 the object of the programs was territorial defense, not merely intelligence. He believed  
30 that better treatment of the Montagnards would facilitate military recruitment among  
31 them and create an intelligence source. Colby had to contend with Vietnamese contempt  
32 for all Montagnards and the GVN determination to expand Vietnamese settlements in the  
33 Central Highlands. Colby thought the Vietnamese expansion into the Highlands  
34 resembled "America's handling of its Indian population."<sup>686</sup> Nevertheless, the CIA, with  
35 cooperation from the NVG began to set up fortified base camps in the mountains.

36  
37 CIDG soon developed an Area Development Center which controlled social and  
38 economic development services as well as the village defense system in the surrounding  
39 areas. The aim was to preempt or reclaim land and people from the Viet Cong, and  
40 eventually assert GVN control over all the Highlands inhabited by cooperating

---

<sup>683</sup> Johnson, p.555. MACV never did alter these operational routes.

<sup>684</sup> Ibid., 544-555.

<sup>685</sup> Montagnards is a French term borrowed by the Vietnamese and U.S. officials to refer to the indigenous mountain people. The Vietnamese often referred to them as "moi" or "savage."

<sup>686</sup> The GVN antagonized the indigenous population by resettling some 180,000 lowlands in the region from 1955-1960.

1 Montagnards.<sup>687</sup> The CIA introduced through the CIDG medical teams and Western  
2 standards of sanitation. The objective was to create a higher standard of living and to  
3 improve the local economy.  
4 At the tactical level, the Station insisted on a strictly defensive posture devoted  
5 exclusively to village protection. The aim was to secure advance warning of attempted  
6 communist infiltration or attack on village defense. For CIA officers, this focus on  
7 village defense constituted the heart of the CIDG concept. They saw the motivation of the  
8 Montagnards as limited to the preservation of their homes and way of life. "Give them  
9 something to fight for and something to fight with," but do not try to create a  
10 professional army. By December 1963 there were 43,376 village militia and 18,000 strike  
11 forces in the mountains. It was tribal war against the Viet Cong.  
12 Until November 1962, the CIA ran the CIDG program. Thereafter operational command  
13 gradually transferred to MACV. All responsibility went to the military in Operation  
14 Switchback.  
15 A parallel program to the CIDG was the Mountain Scout program. The concept,  
16 originated by the GVN and supported by the Agency called for a variety of anti-VC  
17 measures and aid programs for the mountain tribes. Colby was willing to try anything  
18 that might work. The program became primarily an irregular warfare program. It trained  
19 and supplied mobile mountain teams to track and kill VC. One officer described it as a  
20 "hunter-killer" mission. The special-warfare campaign in the Central Highlands was one  
21 of the successful of the Vietnam war.

22

### 23 **Sea Swallow and Strategic Hamlets**

24

25 The CIDG and Mountain Scouts might help contest Viet Cong use of the highlands for  
26 military operations, but they had no potential to reduce VC activity and influence over  
27 the lowland Vietnamese majority. In late 1961 the CIA began working with the  
28 Vietnamese Catholic population as another source of essentially self-motivated anti-  
29 communist groups. Almost a million Catholics had come south in 1954 trying to escape  
30 a communist government. Using village priests, the CIA promoted self-defense forces in  
31 Catholic villages. They became known as the "Fighting Fathers." Vietnamese Catholics  
32 were militantly opposed to atheistic communism. The CIA exploited these feeling as  
33 well among ethnic Chinese Catholics in Operation Sea Swallow. It set up village defense  
34 units not only as self-defense organizations but to help improve intelligence collection on  
35 the Viet Cong.<sup>688</sup>

36 These programs designed to encourage ethnic and religious minorities to oppose the  
37 communists, left the major issue of the Buddhist-Confucian majority, still to be  
38 confronted. Working with Diem's brother Nhu, William Colby proposed what came to  
39 be called the Strategic Hamlet Program. It offered a blueprint for securing the loyalty  
40 and security of the rural population.

41 The CIA did not believe that these programs in and of themselves could reverse the South  
42 Vietnamese governments decline: "If the broader military and economic programs for  
43 South Vietnam do not succeed or at least show signs of future success, political action

---

<sup>687</sup> Ahern, *Pacification*, p. 53.

<sup>688</sup> Ahern, *Pacification*, 73-78.



1 activity will be ineffectual if not counterproductive,” the Station reported to  
2 headquarters.<sup>689</sup>  
3 Closely associated with Diem and his brother Nhu , the programs were doomed when the  
4 generals overthrew Diem.

### 5 6 **Operation Switchback**

7  
8 Operation Switchback was the effort to transfer support and management of CIA’s  
9 paramilitary activities to the U.S. Army.<sup>690</sup> After the Bay of Pigs operation, President  
10 Kennedy lost confidence in the ability of the CIA to plan and operate paramilitary  
11 operations. He ordered that the U.S. military take responsibility for all programs  
12 primarily involving armed forces, even paramilitary ones. Even after the CIA passed  
13 control of the Montagnard programs to MACV in 1963, it continued to fund the programs  
14 because of its funding flexibility. Many CIA officers feared that the militarization of the  
15 programs would destroy them. They felt that MACV was ill suited to direct politically  
16 sensitive programs. MACV’s assumption of control would be a “severe regressive  
17 step.”<sup>691</sup>  
18

### 19 **Civil Operations and Rural Development Support (CORDS) Program**

20  
21 By 1966 no one believed the pacification effort was going well. Assistant Secretary of  
22 Defense John T. McNaughton stated in a draft memorandum to the President which he  
23 shared with DCI Helms: “While U.S. emergency actions over the previous eighteen  
24 months had prevented a Viet Cong victory. Success depended in the long run on  
25 pacification, and in this area, ‘progress... has been negligible.’” Secretary of Defense  
26 McNamara reinforced this view after a visit to Vietnam, reporting that “pacification is a  
27 bad disappointment... [it] has, if anything, gone backward.”<sup>692</sup>  
28

29 In April 1966 Robert Komer made his first visit to Saigon after being named White  
30 House adviser on Vietnam affairs. President Johnson wanted Robert Komer to perform  
31 an executive role, to unify Washington management of the civilian pacification programs  
32 in Vietnam. It was to be a new civilian-run MACV element called Civil Operations and  
33 Revolutionary Development Support (CORDS). Johnson appointed Komer as the  
34 Director of CORDS on 9 May 1967. There had been a number of modest experiments in  
35 pacification earlier by the CIA. Komer proposed a “new model” pacification program, a  
36 large and comprehensive program to cope with rural insurgency. Its aims were (1) to  
37 sustain protection of the rural population from the insurgents; (2) deprive the VC of its  
38 rural base; (3) generate rural support for the Saigon government; and help neutralize the  
39 VC forces in the countryside. It was both a civil and military process to counter guerrilla  
40 strategy in rural areas of South Vietnam. Both the CIA and U.S. military saw it as a  
41 means of gaining popular allegiance for Diem in the country side. It required first and  
42 foremost the restoration of security in the countryside. Komer created a Revolutionary

---

<sup>689</sup> Ahern, *Pacification*, p. 133.

<sup>690</sup> Operation Switchback was a misnomer. It implied previous MACV custody of the programs.

<sup>691</sup> Quoted in Ahern, *Vietnam Declassified*, p. 227.

<sup>692</sup> Quoted in Ahern, *Pacification*, p. 229.

1 Development program with armed para-military forces and convinced the Saigon  
2 government to allocate 40-50 ARVN battalions to the effort. As part of the CORDS  
3 effort, the CIA also funded and trained Saigon's intelligence service and its Police  
4 Special Branch.<sup>693</sup>  
5 On the civilian side, to aim was to provide essential rural services ion medicine,  
6 education, refugee care, and police protection. There were to be self-help planning by the  
7 villages themselves. The U.S. assumption was that the rural population was basically  
8 hostile to the Viet Cong. The total pacification funding by the United States and the  
9 GVN government rose from \$582 million in 1965 to over \$1.5 billion in 1970.<sup>694</sup>  
10 In 1968 President Johnson appointed William Colby as Komer's replacement. Colby  
11 added a series of goals to strengthen local government in the countryside. CORDS  
12 became committed to building democratic government in rural South Vietnam. It was to  
13 be a Plan for Self-Defense, Self-Defense, and Self-Development. The impact of the  
14 program was significant. At the end of 1964, only 40 percent of South Vietnam's  
15 population was under government "control" and nearly 20 percent under VC control. By  
16 June 1970 nearly 91 percent of South Vietnam's population of 17.9 million was  
17 "relatively secure." There was a major short-run improvement in the GVN's position in  
18 the countryside. Colby believed that the program "was succeeding" and that by 1972  
19 "we had won the guerrilla war."<sup>695</sup> Unfortunately, while there was often resentment and  
20 distrust of the Viet Cong, there was rarely any positive feeling toward the Saigon  
21 government. This the withdrawal of the last American troops in 1973 the pacification  
22 effort fell into decline.  
23  
24  
25

### 26 **The Phoenix Program**

27 Allied with the pacification program was the Phoenix Program (Phung Hoang in  
28 Vietnamese). This program aimed to eliminate the Viet Cong infrastructure. The  
29 Phoenix Program was part of Robert Komer's CORDS organization. William Colby, the  
30 former COS Saigon, ran the program for Komer.  
31 A constant CIA effort to find access to policy levels of the NLF was always a part of the  
32 Stations political action programs in rural South Vietnam. The CIA lead the effort to  
33 understand the role and combat activities of the Viet Cong. It worked with the South  
34 Vietnamese police and intelligence organizations collecting information on the VC.  
35 From 1954 to 1964, however, the Agency devoted little attention to the local communist  
36 political and administrative infrastructure. MACV simply dismissed the VC as an  
37 intelligence target. MACV's only interest was in regular enemy forces.<sup>696</sup> Stations  
38 teams such as the Mountain Scouts had launched small raids and conducted ambushes in  
39 enemy-held territory, but until 1964 the efforts to disrupt the Viet Cong organization was  
40 limited to military sweeps and air bombardment. No concerted effort had been made to  
41

<sup>693</sup> Prados, *Lost Crusader*, pp.200-206.

<sup>694</sup> Robert Komer, "Impact of Pacification on Insurgency in South Vietnam," Speech delivered at the Sixty-sixth Annual meeting of The American Political Science Association, September 8-12, 1970.

<sup>695</sup> Colby, *Honorable Men*, p. 285.

<sup>696</sup> Ahern, *Pacification*, p. 281.

1 carry the war to the enemy, by identifying individual targets or installations and  
2 infiltrating his safe areas to capture, harass, or destroy him.  
3 Communist gains in the countryside, accompanied by political instability in Saigon,  
4 underlined the imperative for better intelligence on both the military and civilian sides of  
5 the VC infrastructure. In mid-1967 Robert Komer, head of the CORDS program, created  
6 a joint MACV-CIA program to work on the Viet Cong Infrastructure, ICEX (Intelligence  
7 Coordination and Exploitation). This program gradually evolved into the Phoenix  
8 program. The program aided at reducing the influence and effectiveness of the Viet  
9 Cong Infrastructure in South Vietnam. Operations against the VCI included; the  
10 collection of intelligence identifying the leadership, arresting or capturing these leaders,  
11 and attempting to change their allegiance.<sup>697</sup> U.S. forces never conducted operations  
12 against the VCI. These operations were carried out by the South Vietnamese. According  
13 to Colby, they were specially not authorized to engage in assassination or other violations  
14 of warfare.<sup>698</sup>

15 In later years, the Phoenix Program came under severe criticism. Left largely to the  
16 South Vietnamese intelligence services to implement, it became a means for settling  
17 blood feuds and outright blackmail. Numbers of suspected Viet Cong were simply  
18 "neutralized." Colby later testified that under the program from 1968 to 1971 some  
19 17,000 Viet Cong had chosen amnesty, some 28,000 had been captured, and some 20,000  
20 had been killed not "assassinated." Colby clarified his remarks by stating that only 12  
21 percent were killed by police or security forces, most died in combat operations. Again,  
22 according to Colby, the program was quite effective. The country side was far more  
23 secure.

24 MACV took over management of the Phoenix program in mid-1969. For CIA officers,  
25 MACV was much more interested in order of battle information than the effort against  
26 the VC. The nature of the program changed.<sup>699</sup>

### 28 Covert Operations Against the North

29  
30 The Bay of Pigs fiasco in 1961 inflicted a major blow to the CIA's reputation for  
31 directing irregular warfare operations. While President Kennedy transferred much of the  
32 authority for planning and carrying out unconventional warfare to the Pentagon, at the  
33 same time, he instructed the Agency to conduct wide-ranging unconventional warfare  
34 against North Vietnam. The CIA responded by developing singleton penetrations to  
35 gather intelligence and by inserting intelligence and sabotage teams by air and sea into  
36 North Vietnam. The pressure was on the Agency to produce results by challenging Ho  
37 Chi Minh's control in the North and "taking the war to the enemy." COS William Colby  
38 was enthusiastic. Teams of Vietnamese would be dropped by parachute into North  
39 Vietnam. They would establish a resistance movement in North Vietnam working with  
40 like-minded North Vietnamese. Colby had been part of the Jedburgh operation in  
41 Norway and France during World War II. Robert Myers, a fellow CIA officer, believed  
42 Colby's plan would fail. The Marxist regime in Hanoi held tight control of the  
43 population. Such programs had failed earlier against the Soviet Union and against China.

<sup>697</sup> Colby, *Honorable Men*, pp. 270-271.

<sup>698</sup> Ibid, p. 271.

<sup>699</sup> Ahern, *Pacification*, p. 367.

1 Myers later related that Colby still thought "he was in Norway with the Jedburghs."<sup>700</sup>  
2 Myers was right. All of the Vietnamese teams dropped into North Vietnam soon came  
3 under North Vietnamese control and were doubled. Nevertheless, the Agency persisted.  
4 It developed maritime hit-and-run raids, using techniques earlier employed against the  
5 Chinese communists and against the North Koreans. The price for the sabotage  
6 operations was heavy both in men and materiel and the results minimal. Using fishing  
7 junks, which one CIA officer described as "slightly inferior to the ships used by  
8 Christopher Columbus," the program had little impact on the North. The Agency  
9 persisted into January 1964 with black entry operations against North Vietnam. It had  
10 inserted 28 teams by air or sea and eight singeton agents into the North. Of these, the  
11 CIA station in Saigon believed two were still viable (they were controlled by the North).  
12 According to Robert Conboy, who has written extensively on the programs, "it was a  
13 stunning underestimation of the North Vietnamese security services."<sup>701</sup> With the record  
14 of repeated failures, even Colby came to believe the program wasn't working. When  
15 MACV took over the program in 1964 with Operation Switchback, Colby told the  
16 military, "It isn't working and won't work any better with the military in charge."  
17 According to Colby, the Agency wanted to shut down the program by 1965 and  
18 concentrate on psychological operations. Given the military's distain for the Agency's  
19 efforts, the concept soon expanded to Operation Plan (Oplan) 34-63. Infiltration of the  
20 North using Vietnamese Special Forces, (Luc Luong Dac Bict, LLDB) organized and  
21 trained by the Green Berets, and paramilitary teams set up by the CIA, was proposed as  
22 early as 1958 but never implemented until 1964. In 1964 President Johnson ordered the  
23 CIA to redouble its efforts to infiltrate agents into the north. At the same time MACV  
24 organized a Studies and Observation Group (SOG) as an unconventional-warfare task  
25 force. On 1 February 1964, the management of irregular warfare operations against the  
26 North moved from CIA to the Department of Defense. The results were much the same,  
27 little came of these operations. Success, according to Ahern, was "measured in  
28 pinpricks."<sup>702</sup>  
29 The CIA came to believe that the infiltration program was futile, but nevertheless turned  
30 over its five infiltration teams to MACV in Operation Switchback. The peak of the  
31 MACV-SOG secret war against the North came in 1967-1968. It was according to CIA  
32 officer (b)(3) [redacted], "a complete waste of time." SOG's efforts inside North Vietnam  
33 were no more successful than CIA's.  
34 Like Kennedy and Johnson before them, President Nixon and his National Security  
35 Adviser Henry Kissinger, wanted direct action against the North. Even during the peace  
36 negotiations, they demanded covert action efforts continue to keep Hanoi mindful that  
37 intervention in the South came at a price.<sup>703</sup> For two years, from February 1970 to April  
38 1972, the CIA staged hit and run operations from Laos against military targets in the  
39 North under Operation Commando Raider. The strategic effect was minimal. In the  
40 spring of 1972 DCI Helms told Kissinger that the CIA saw no point in continuing.

<sup>700</sup> Ahern, *Black Operations*, p. 10.

<sup>701</sup> Kenneth Conboy and Dale Andrade, *Spies and Commandoes: How America Lost the Secret War in North Vietnam* (University Press of Kansas, 2000), pp. 37-38.

<sup>702</sup> Ahern, *Black Operations*, p. 54.

<sup>703</sup> Tomas L. Ahern, *The Way We Do Things: Black Entry Operations into North Vietnam* (CIA: Center for the Study of Intelligence, May 2005), p. 57.

CIA

1 Helms canceled the program declaring “the game not worth the candle.”<sup>704</sup> The CIA’s  
2 perpetuation of a failed program may have been prevented with a sound  
3 counterintelligence program.  
4  
5

### 6 **Counterintelligence in Vietnam**

7

8 The CIA’s Counterintelligence Chief, James Angleton, believed that Communist agents  
9 had permeated the entire South Vietnam government. In 1965 Angleton proposed  
10 establishing a counterintelligence team in Saigon. He demanded a complete revamping  
11 and strengthening of counterintelligence capabilities in South Vietnam. The new  
12 counterintelligence team would have its own direct back channel to Washington,  
13 bypassing the CIA station. Although they would wear uniforms, they would not work for  
14 the U.S. military. William Colby who was at this time Chief of the CIA’s Far eastern  
15 Division, with special responsibility for developing and running the covert war in  
16 Vietnam, opposed Angleton’s plan. Having clashed earlier with Angleton in Italy and  
17 when he was chief of station, Saigon, Colby saw no reason for allowing Angleton a  
18 foothold in Saigon. Colby recalled that “My position was that the last thing we needed  
19 was another intelligence service in Saigon.”<sup>705</sup> For Colby, too much counterintelligence  
20 would undermine the trust of our Vietnamese allies.<sup>706</sup> The proposal died. Angleton  
21 was correct. Communist agents were everywhere.  
22  
23

### 24 **Order of Battle Controversy**

25

26 With the American escalation of the war, the Johnson administration expected  
27 impending victory. The Johnson White House pushed the message that “we are winning”  
28 the war. By 1967 MACV was under intense pressure to show real progress against the  
29 communists. MACV had been claiming for some time that the enemy was suffering  
30 heavy casualties and predicted that a “crossover” would soon occur when enemy losses  
31 would exceed the replacement capacity. Despite the Viet Cong’s demonstrated  
32 persistence and strength, and in the face of growing evidence that communist regulars  
33 and irregulars might total half a million men, MACV insisted that enemy forces in South  
34 Vietnam could number no more than 300,000. Many CIA analysts doubted MACV’s  
35 estimates about the enemy’s strength. CIA insisted that MACV’s estimates of the  
36 enemy’s order of battle were much too low.  
37 CIA officer Sam Adams, a distant relative of the President’s Adams, after a visit to  
38 Saigon and digesting stacks of raw reports, concluded that total number of enemy forces  
39 in South Vietnam was 600,000. Adams factored in estimates of support personnel,  
40 political cadres, and part-time forces from local communist units. Categories that the  
41 Pentagon dismissed as “low grade,” “part time,” and “weaponless.” MACV continued to

---

<sup>704</sup> Ahern, *Black Entry Operations*, p. 58. Helms later stated that he always thought covert military action a “dubious option.”

<sup>705</sup> Quoted in Tom Mangold, *Cold Warrior, James Jesus Angleton: Te CIA’s Master Spy Hunter* (New York: Simon and Schuster, 1991), p. 311.

<sup>706</sup> Prados, *Lost Crusade*, p. 161.

1 insist on the lower figure of 300,000. The dispute raged through September to November  
2 1967. For Adams, MACV was seriously underestimating the size of enemy forces in  
3 South Vietnam. They were "prostituting the intelligence."  
4 George Carver Special Assistant to DCI for Vietnam (SAVA) added Adams to his team  
5 attending an order-of-battle conference in Saigon in November 1967. They ran into a  
6 MACV brick wall. MACV would not budge. MACV officers would not accept any O/B  
7 total larger than 298,000. According to Carver, "the figures MACV had tabled were its  
8 'final offer,' not subject to discussion. We could take it or leave it."<sup>707</sup> DCI Richard  
9 Helms believed the CIA had to reach a compromise at the conference. It should accept  
10 the MACV figure of 250,000 for the O/B estimate. Carver knew Helms' position.<sup>708</sup>  
11 After three days of heated exchanges with MACV, Carver suddenly changed course,  
12 accepting MACV's position. Adams was outraged. The military prevailed. The total  
13 number of enemy figure would be 249,000. One military intelligence officer would later  
14 admit to Adams, "You know, there's a lot more of those little bastards out there than we  
15 thought."<sup>709</sup>  
16 Nevertheless, the agreement is what the White House wanted. CIA larger O/B estimates  
17 could derail the "we are winning" campaign. President Johnson had come to see the CIA  
18 as a problem. He told a visitor, "just like a problem the farmer had milking his cow. As  
19 the pail filled up, the cow kept swishing its muddy tail in the clean, warm milk."<sup>710</sup>  
20 The finished SNIE, published on 13 November, represented a rout of CIA's year long  
21 effort to show that the enemy in South Vietnam was far more numerous than MACV had  
22 estimated.<sup>711</sup> The 300,000 figure was an artificial position dictated by political  
23 considerations. The Tet offensive of 1968 would make the argument moot.

#### 24 25 **Sigint, the Ho Chi Minh Trail, and the Ground War**

26  
27 One of the major successes of U.S. Sigint operations during the war was in tracking  
28 North Vietnamese infiltration on the Ho Chi Minh Trail.  
29 The Ho Chi Minh Trail was more than a supply route cut through the heart of Indochina:  
30 it was, in essence, the heart of the Vietnamese communist war effort. The Trail was  
31 serviced by men and women of Group 559, which grew from a few hundred in 1959 to  
32 over 50,000 by the end of the war.  
33 Until 1967 U.S. intelligence regarding the Ho Chi Minh Trail was accomplished through  
34 a combination of imagery, Sigint, trail watching, and prisoner interrogation. It was a  
35 complex program and the U.S. had little reliable intelligence information. It was unable  
36 to determine the size, numbers, or destinations of the troops using the Trail. By late  
37 1967, however, NSA broke out the entire Trail group system used by the North  
38 Vietnamese to identify groups of infiltrators along the trail. NSA analysts were able to  
39 determine virtually every group moving along the Trail, where it was headed, and when it

<sup>707</sup> Craver quote in Ford, *CIA and Vietnam*, p. 93.

<sup>708</sup> Ford, *CIA and Vietnam*, pp. 93-102.

<sup>709</sup> See Hanyok, *Spartans in Darkness*, p. 314.

<sup>710</sup> George Allen story, printer in NIC, *Vietnam*, p. xxvi.

<sup>711</sup> SNIE 14.3-67 13 November 1967, "Capabilities of the Vietnamese Communists for Fighting in South Vietnam," NIC, *Vietnam*, pp. 471-502.

1 would arrive. This intelligence became the "Vinh Window."<sup>712</sup> With this information  
2 MACV now was able to determine projected offensives and new military plans and  
3 intentions.<sup>713</sup> It gave Washington a view of Hanoi's activities in support of the south that  
4 it never had before. Unfortunately, it could not provide real-time intelligence for tactical  
5 strikes.<sup>714</sup>  
6 During the mid-1960s, the maximum American involvement on the ground, Sigint  
7 became vital to the day-to-day operations. U.S. commanders estimated, after the fact,  
8 that Sigint comprised from 40 to 90 percent of their intelligence.  
9  
10 ARDF overwhelmed all other intelligence sources. Tactical commanders used it for daily  
11 targeting. It was irreplaceable. Naturally, there developed a major struggle over who  
12 controlled this valuable intelligence source. NSA opposed fragmentation and believed it  
13 owned the source. The Army insisted that field commanders should directly control all  
14 cryptologic assets supporting them. When the Phyliss Ann aircraft arrived in theater, the  
15 issue of control and tasking of ARDF assets erupted into a three-cornered donnybrook.  
16 The Air Force owned the aircraft and demanded complete tasking control. NSA insisted  
17 that ARDF was a cryptologic asset whose owner was NSA. In the beginning all the  
18 aircraft had been Army owned. Westmoreland was equally insistent that all ARDF assets  
19 should be centrally controlled by MACV. By June 1966, MACV had won the battle.  
20 The EC-47s would be tasked from Westmoreland's headquarters.<sup>715</sup>  
21 From 1964 on, the cryptologic community was able to recover North Vietnamese and  
22 Viet Cong communication patterns that indicated attacks. By 1967 the Sigint system was  
23 able to predict every major VC or North Vietnamese offensive. This included the date,  
24 point of attack, and units involved.<sup>716</sup> Gen. Westmoreland's strategy was one of large  
25 sweep and destroy missions. These operations placed a premium on mobility. Sigint  
26 support for these sweep operations consisted of ASA tactical units and ARDF flights.  
27 This pattern initiated in 1965 during the Ia Drang campaign became the dominant system  
28 of intelligence support to Westmoreland's forces on the ground. It was highly  
29 successful.  
30 Ia Drang was the first significant campaign by a large force of North Vietnamese  
31 regulars. It began as the North Vietnamese attempted to cut South Vietnam in half in the  
32 Central Highlands. They attacked a U.S. Special Forces camp at Plei Me, about twenty-  
33 five miles south of Pleiku. Two regular NVR units then ambushed an ARVN force  
34 attempting to reinforce the camp. ARVN suffered heavy casualties. Following the  
35 engagement the North Vietnamese units retreated up the Ia Drang Valley with the  
36 American First Cavalry in pursuit. Using ARDF aircraft, the Americans fixed the position  
37 of the NVR until they were cornered. The First Cavalry, employing helicopters for the  
38 first time and supported by B-52 air strikes, devastated the NVA. The two regiments  
39 suffered over 60 percent casualties. The North Vietnamese concluded they must have

---

<sup>712</sup> Named after the southern DVR city of Vinh, which was the largest logistics terminal on the Trail. See Hanyok, pp. 112-113.;

<sup>713</sup> Johnson, p. 540.

<sup>714</sup> Hanyok, P. 116.

<sup>715</sup> Johnson, p. 534.

<sup>716</sup> Ibid., p. 539.

1 spies in their ranks for the Americans to know their location.<sup>717</sup> Ia Drang became the  
2 turning point in the direct employment of Sigint and ARDF in operational planning.

### 3 4 **The Tet Offensive 1968**

5  
6 A “we are winning” consensus permeated the Saigon- Washington command structure  
7 prior to the 1968 Tet Offensive. Shortly before the Tet Offensive, in a speech to the  
8 National Press Club, General Westmoreland declared, “I am absolutely certain that  
9 whereas in 1965 the enemy was winning, today he is certainly losing.”<sup>718</sup> On the other  
10 side, the communist strategy in Tet was to mount a sudden, massive assault on the major  
11 population centers. The enemy’s tactic of Tet was to divert American attention to border  
12 areas while building for a major assault on the urban populations.

### 13 14 **Khe Sanh**

15  
16 The battle for Khe Sanh was the opening round of the Tet offensive. Khe Sanh sat astride  
17 the old French colonial Route 9 where North Vietnam, South Vietnam, and Laos came  
18 together. For the communists, the region around Khe Sanh was a major avenue for their  
19 entry into northern South Vietnam. For the Americans, and especially General  
20 Westmoreland, Khe Sanh allowed them to observe traffic along the Ho Chi Minh Trail, it  
21 could serve as a base for covert operations and an airstrip for aerial reconnaissance of the  
22 Trail and the western terminus for the defensive line along the Demilitarized Zone  
23 (DMZ). U.S. Marines began arriving at Khe Sanh in early 1967. By late 1967 U.S.  
24 intelligence reported a major communist build up of PAVN forces in the region. The  
25 communists cut the overland supply route into the base along Route 9 in April 1967. By  
26 late 1967, U.S. intelligence reported a PAVN force of 22,000. Support troops in nearby  
27 Laos pushed the total force facing the Americans to between 35,000 and 40,000. The  
28 CIA concluded that the communists had stockpiled enough supplies for a sixty to ninety  
29 day siege. On 27 January 1968 Marine and allied forces at Khe Sanh numbered 6,053.<sup>719</sup>  
30 The troops facing each other at Khe Sanh represented the largest concentration of  
31 military forces on a single battlefield during the Vietnam War.  
32 General Westmoreland convinced that this was no diversion and that the North  
33 Vietnamese intended to take Khe Sanh much as they had Dien Bien Phu ordered the base  
34 held with Operation Niagra. Westmoreland’s intelligence officer, General Philip  
35 Davidson, recalled later that the notion that General Giap viewed Khe Sanh as a strategic  
36 diversion to cover his attacks against the cities of South Vietnam during Tet a “myth...  
37 with no factual basis.” Giap, according to Davidson “obviously intended to overrun Khe  
38 Sanh and its marine defenders.”<sup>720</sup> Westmoreland wanted to use overwhelming  
39 American firepower to smash the large PAVN units.

---

<sup>717</sup> Johnson, p. 530. Operation Starlight in August 1965 was actually the first to use ASA Sigint and ARDF to locate enemy communications hubs. It was followed closely by Ia Drang.

<sup>718</sup> Quoted in Ford, *CIA and Vietnam Policymakers*, p. 87.

<sup>719</sup> Peter Brush, “The Battle of Khe Sanh, 1968,” in Marc Jason Gilbert and William Head, eds. *The Tet Offensive* (Westport, Connecticut: Greenwood Press, 1996).

<sup>720</sup> At Dien Bien Phu, Giap achieved victory by successfully attacking the French outposts that surrounded the base, effectively isolating it, and pounding it with artillery.



1 The Dien Bien Phu parallel took hold in the American press and in Washington.  
2 President Johnson had a model of the base set up in the White House which he consulted  
3 daily with updates. Johnson told General Wheeler, "I don't want no damn  
4 Dinbinphoo."<sup>721</sup> Support for the defense of Khe Sanh received priority over all other  
5 operations in Vietnam.<sup>722</sup>  
6 Before the siege began in earnest on 21 January there was a small Sigint support  
7 detachment at Khe Sanh which taped PAVN voice transmissions and shipped them to  
8 Danang for processing. After the fighting began, a voice exploitation team was flown  
9 into Khe Sanh to provide direct support. These voice intercept teams concentrated on the  
10 communist artillery nets and the general firing plans. They were able to warn the marines  
11 of incoming fire. They also monitored communist plans for night probes against the  
12 base. According to some sources, this reporting tipped off in advance nearly 90 percent  
13 of these probes. The base utilized other intelligence sources as well. The area around  
14 Khe Sanh was literally seeded with remote sensors to track the movement of the PAVN.  
15 Alerted by these sensors, U.S. artillery and aircraft were able to break up formations of  
16 PAVN troops whenever they attempted to mass for an assault on the base.<sup>723</sup> The sensor  
17 system proved 40 percent of the raw intelligence of enemy activity. Infrared imagery,  
18 photo reconnaissance, and POW integrations also provide intelligence input to the  
19 defense of Khe Sanh.  
20 By March, the PAVN began withdrawing from the Khe Sanh area.<sup>724</sup> In April 1968, the  
21 Marine regiment at Khe Sanh was relieved. In June, MACV decided to abandon the base  
22 at Khe Sanh. The positions were bulldozed, the airstrip removed and the bunkers  
23 destroyed. No physical presence of the base remained.<sup>725</sup>

#### 24 25 **U.S. Intelligence and the Tet Offensive**

26  
27 During the month of January 1968, while attention in Washington and MACV fixed on  
28 the Marine garrison at Khe Sanh, Sigint picked up signs of communist troop build ups in  
29 other parts of South Vietnam. By 25 January, the accumulated Sigint data indicated that  
30 a "coordinated offensive" was emanate throughout much of South Vietnam.<sup>726</sup> CIA's  
31 field intelligence analysis prior to Tet also warned that a powerful, nation-wide enemy  
32 offensive was coming. Drawing heavily on prisoner interrogations and captured

---

<sup>721</sup> See *Time Magazine*, 9 February 1968, p. 16.

<sup>722</sup> Captain Moyers S. Shore, *The Battle for Khe Sanh* (Washington, DC: History and Museum Division, U.S. Marine Corps, 1969), p. 93.

<sup>723</sup> Brush, Khe Sanh..

<sup>724</sup> U.S. Command place the number of North Vietnamese killed at Khe Sanh at between 10,000 and 15,000. American death totaled approximately 1,000 KIA. Brush, *Khe Sanh*,

<sup>725</sup> The victorious North Vietnamese erected a monument at Khe Sanh after the war. The English translation of the Vietnamese text reads: "Liberated base monument The Area of Tacon Pont Base Built by U.S. and sai gon puppet. Built 1967. Air Field and well constructed defense system. Co Luong (Town) Dong Ha (County) Quang Tri (Province). U.S. Army and army puppets used to monitor the movement and tried to stop assistance from the North into the Battle of Indochina (3 countries). After 170 days and nights of attack by the surrounding liberation army, Tacon (Kse Sanh) was completely liberated. The Liberation army destroyed the defense system for the battle of Indochina. 112,000 U.S. and puppet troops killed and captured. 197 airplanes shot down. Much war material was captured and destroyed. Khe Sanh also another Dien Bien Phu for the U.S." Quoted in Brush, *Khe Sanh*.

<sup>726</sup> Hanyok, p. 320.

1 documents, this field assessment concluded that the enemy seemed to be preparing an all-  
2 out effort to inflict a psychologically crippling defeat on allied forces sometime in 1968.  
3 These alerts received little attention in Washington. George Carver, the senior CIA  
4 official in close contact with the White House dismissed them. He told Rostow that he  
5 believed the communists would continue their strategy of a limited war of attrition.  
6 Contrary to Saigon Station's warning, Carver told Rostow on 15 December, the enemy  
7 was not likely to launch a sudden nationwide major offensive.<sup>727</sup>  
8 No intelligence reporting specified the objectives or timing of the action. The  
9 communist, according to MACV, were simply incapable of such a broad coordinated  
10 offensive.

11 Gen. Westmoreland was sufficiently concerned over the intelligence, however, that he  
12 ordered U.S. battalions into Saigon and put all U.S. forces on maximum alert. His actions  
13 limited the scope of the offensive, especially in Saigon. Nevertheless, the communists  
14 ability to hide the scale and timing of such a major coordinated operation produced an  
15 intelligence embarrassment of major proportions.

16 On 31 January 1968 the Tet offensive began. The communists hit almost all major towns  
17 and cities. There was no general uprising, however. Despite achieving military surprise  
18 the communist effort to rally the South Vietnam people to the communist cause failed.  
19 The North Vietnamese/VC did not win a victory, and they suffered very high casualties  
20 at Tet. The victory the United States had sought since 1954, was now, however, much  
21 farther off. The United States had to find a way out of Vietnam. Despite their losses, the  
22 Tet offensive was an overwhelming political victory for the enemy. The psychological  
23 shock of the offensive, which swept away the optimism about the war, helped destroy the  
24 Johnson administration and was instrumental in causing both President Johnson and  
25 President Nixon to seek a negotiated settle in Vietnam. Tet stunned the American public  
26 and shook U.S. confidence that the war was being won. The shock produced by the  
27 communists ability to conduct a coordinated, nationwide, surprise offensive, however,  
28 unsuccessful militarily, intensified antiwar sentiment in the United States. It also drove  
29 President Johnson from office. In late March 1968 Johnson announced he would not  
30 seek a second full term and that he would begin negotiations with North Vietnam.  
31 Preliminary talks with the North Vietnamese began in Paris in May 1968.  
32 The "irony" of the Tet offensive was that the Communists "lost" the military battle  
33 during Tet, but won a clear propaganda victory in the United States, as the American  
34 public turned against the war. U.S. intelligence had warned that U.S. military force was  
35 not the answer to the war.

### 36 37 **President Nixon and the War**

#### 38 39 **Vietnamization**

40  
41 By the time Richard M. Nixon became President in 1969 the war in Vietnam seemed  
42 stalemated. The new President did not produce the "secret plan" for ending the war that  
43 he promised during the campaign. Nixon did, however, introduce his Vietnamization  
44 plan and in mid-1969 began the first U.S. troop withdrawal. Vietnamization was an  
45 effort to replace American leadership with indigenous South Vietnamese management.

---

<sup>727</sup> Ford, *CIA and Vietnam*, p. 122.

1 At the same time, Nixon and his National Security Adviser, Henry Kissinger, reinstated  
2 formal peace negotiations in January 1969.

3  
4 **Disengagement**

5  
6 Ted Shackley arrived in Saigon as COS in December 1968 with instructions from DCI  
7 Helms to get the Station out of "nation building" and to reemphasize intelligence  
8 collection.<sup>728</sup> The following period, 1969-1975, saw the gradual decay of the CIA  
9 sponsored pacification programs, as the South Vietnamese Government elected not to  
10 invest in them.<sup>729</sup> CIA efforts to generate peasant loyalty to the GVN were transferred to  
11 the South Vietnamese or simply dissolved.

12  
13 **U.S. Intelligence and Cambodia**

14  
15 A major dispute arose between MACV and the CIA in the late 1960s over just how and  
16 where major munition supplies were reaching the VC and NVA in lower South Vietnam.  
17 U.S. Army and ARVN commanders and MACV were certain they were coming in  
18 through the Cambodian port of Sihanoukville by Chinese freighters. They had no  
19 conclusive intelligence to prove their case however. CIA officials were equally adamant  
20 that the major supply route was through Laos along the Ho Chi Minh Trail.  
21 With the major increase of U.S. ground troops in 1965 the question of communist sources  
22 of supply acquired new urgency. The Agency addressed the issue in a paper for the U.S.  
23 Intelligence Board and concluded that most of the communist' logistic requirements were  
24 being met inside South Vietnam. Some weapons, ammunition, medical supplies and  
25 certain technical gear had to be met from the outside but these were satisfied primarily  
26 via the "principal route," the Ho Chin Minh Trail."<sup>730</sup> CIA based its analysis on the fact  
27 that they believed that Prince Norodom Sihanouk, Cambodia's head of state, was  
28 determined to preserve his country's sovereignty and neutrality and would not tolerate  
29 communist attempts to use his country in the war in South Vietnam. Even when CIA  
30 reports claimed that Sihanouk had privately acknowledged allowing arms traffic from  
31 Sihanoukville to South Vietnam, CIA officials labeled the reports inconclusive.<sup>731</sup>  
32 Despite growing evidence to the contrary, the Agency maintained in a memorandum to  
33 National Security Adviser Kissinger in June 1969, that the overland route through Laos  
34 played a much more important role in resupplying the enemy than Sihanoukville. It  
35 based this claim on the perceived concept that Hanoi preferred a supply route firmly  
36 under its own control and not subject to the "vagaries of Sihanouk's political balancing  
37 act."<sup>732</sup> It clung to this stance until 1970.  
38 When Lon Nol overthrew Sihanouk on 18 March 1970, the new junta acted at once to cut  
39 to cut the flow of Chinese munitions through the port of Sihanoukville to communist  
40 forces in South Vietnam. The Lon Nol government provided the CIA with

---

<sup>728</sup> Ahern, *Pacification*, p. 340.

<sup>729</sup> The Americans were also withdrawing the resources to keep these programs going. Ahern, *Pacification*, p. xvi.

<sup>730</sup> Ahern, *Good Questions, Wrong Answers*, p. 5. Much of this study remains classified.

<sup>731</sup> *Ibid.*, p. 12.

<sup>732</sup> Ahern, *Good Questions, Wrong Answers*, p. 21.

1 documentation that detailed the Chinese deliveries to Sihanoukville and the onward  
2 shipment of war materiel into southern Vietnam. Beijing-chartered freighters had indeed  
3 brought munitions in at an amount “much higher than the one we held,” declared R. Jack  
4 Smith, the DDI. He would not apologize for the failure however. He later wrote,  
5 “Perhaps they expected us to apologize and confess. We did neither. We had made the  
6 best judgment we could with the evidence we had at the time. When better evidence  
7 came along, we immediately accepted it. No intelligence service can be asked to do  
8 more.”<sup>733</sup> Nevertheless, it was a major embarrassment for the Agency. It failed to  
9 identify and monitor the main munitions supply line to lower South Vietnam. Kissinger  
10 told President Nixon that this, “failure of the intelligence community” resulted from  
11 “deficiencies in both intelligence collection and analysis.” Kissinger specifically blamed  
12 the CIA and wanted personnel changes. Nixon agreed. “I want a real shakeup in CIA,  
13 not just symbolism.”<sup>734</sup> Change would come later for the CIA.

#### 14 15 **Cambodia Invasion**

16  
17 On 30 April 1970 President Nixon announced to the American public that American  
18 troops with their ARVN allies had crossed into Cambodia.  
19 The most famous event of the incursion was the attempt to destroy the COSVN (Central  
20 Office, South Vietnam) which served as the VC/SVN  
21 Headquarters in the south. Situated just across the border from Tay Ninh province, the  
22 U.S. Air Force fixed its location almost daily with ARDF. It moved occasionally, usually  
23 to avoid B-52 strikes. These strikes over the years had inflicted little effective damage.  
24 U.S. Commander Creighton Abrams wanted to “get COSVN.” Pressure on MACV to  
25 locate and overrun COSVN became considerable. Abrams increased ARDF flights and  
26 mobilized other Sigint sources to pin point the location. He was never able to capture the  
27 headquarters, however. COSVN evaded every B-52 strike and every ground maneuver.  
28 Abrams complained that he was unable to capture COSVN because he had to use ARVN  
29 forces. The fact was that MACV still did not fully understand the limits of Sigint. Sigint  
30 officials explained again and again that they were only fixing an antenna and that the  
31 transmitter, or headquarters, could be miles away. COSVN moved safely to central  
32 Cambodia.<sup>735</sup>  
33 The invading forces did capture a major supply depot. In early May, an ARDF fix  
34 located a base area of COSVN known as “The City.” It was an extensive logistics depot.  
35 Acting on this intelligence, an ARVN unit struck the complex and captures a vast store of  
36 material. It set back NVA offensive plans for some time.<sup>736</sup>

---

<sup>733</sup> R. Jack Smith, *The Unknown CIA: My Three Decades with the Agency* (Pergamon-Brassey's International Defense Publishers, 1989), p. 211. An official North Vietnamese Army history claimed that “between 1966 and 1969, we shipped 21,400 tons of supplies through the port of Sihanoukville and paid the government more than 50 million U.S. dollars in port fees and transportation charges.” See Gen. Doan Khue, et. al., *Review of the Resistance War Against the Americans to Save the Nation: Victories and Lessons* (Hanoi: National Political Publishing House, 1995), p. 221.

<sup>734</sup> Quoted in Ahern, *Good Questions, Wrong Answers*, p. xi.

<sup>735</sup> Johnson, pp. 573-574.

<sup>736</sup> The incursion was a limited success. The American and ARVN forces proved capable of capturing any territory in Cambodia. The long-range consequences proved disastrous. The U.S./ARVN troops drove the NVA deep into Cambodia. Within a month the NVA held most of northeast Cambodia. Their Khmer

NSA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

**Easter Offensive**

In January 1972 Ambassador Ellsworth Bunker told President Nixon that the enemy “would have to mount a major military offensive... to prove his public claims that Vietnamization and pacification are failures.”<sup>737</sup> In late March the communists did just that.

The 1972 communist Easter Offensive was carefully tracked by U.S. Sigint. NSA infiltration figures from Vinh Window showed an unprecedented flow of supplies and forces in the border areas. (b)(1), (b)(3)

[REDACTED]

It would be a conventional attack with no appeal for mass revolution or attacks on the cities. With key U.S. intelligence support and U.S. air power, ARVN held. The NVA lost 50,000 troops.

The U.S. military was overly optimistic about the results. The war seemed over. CIA officers in the field held a different view. Don Gregg, after reviewing the situation, concluded that the contest was one “to which no happy ending is possible.” For Thomas Polgar COS, it was not the end of the war as General Abrams portrayed it.<sup>738</sup> Polgar came to believe that South Vietnam was utterly dependent on American combat air support.

Nevertheless, Polgar believed, just as Lansdale had in the 1950s with Diem, that President Thieu must be supported no matter what internal policies he pursued. Polgar rejected Lansdale’s faith in the transforming power of American ideals, however. He doubted, no matter what the effort, the CIA could build a U.S styled modern political state in South Vietnam. He argued that democracy was too antipathetic to the Vietnamese tradition. He thought the U.S. should abandon what he called the “social reformist/missionary” approach and adopt a more *laissez-alter* approach.<sup>739</sup>

One result of the Easter Offensive was the resumption of the air war. In early 1972 President Nixon ordered the bombing of Hanoi and Haiphong. It was the most intensive air campaign of the war. B-52 strikes resumed over North Vietnam. Operation “Linebacker” however, proved costly. At one point the U.S. Air Force believed it was losing the air war. The increasingly proficient NV air force was becoming a match for the Americans. In addition to losing a number of B-52 to Sam missile attacks, in June and July 1972 the North Vietnamese shot down 13 U.S. aircraft in aerial combat while losing just 11. The U.S. Air Force and NSA activated the “Y” Service which had been used during World War II and Korea, to provide rapid exploitation of NV’s Comsec vulnerabilities. It involved monitoring NV air operations and providing “raw intelligence data” directly to U.S. pilots. “Teaball was the call sign used to contact the pilots to warn

---

Rouge communist allies then began an offensive against the Lon Nol government which ultimately led to the fall of Phnom Penh in April 1975 and began the great reign of terror by the Pol Pot regime.

<sup>737</sup> Quoted in Ahern, *Pacification*, p. 386.

<sup>738</sup> Polgar became COA in 1972 replacing Ted Shockley.

<sup>739</sup> Ahern, *CIA and the Generals*, p. 115.

1 them of a pending enemy attack. The targeted U.S. airmen were "Queen for a Day",  
2 which meant they were targeted by NV fighter aircraft. Much of the real intelligence  
3 came from flying listening posts, RC-135s. "Teaball" commenced operations on 26 July  
4 1972 and was an immediate success. The kill ratio increased by a factor of three.<sup>740</sup>  
5 When on 13 December 1972, Le Duc Tho, the North Vietnamese negotiator, walked out  
6 of the peace talks, Nixon again turned to the B-52 bombing of the North.

7  
8 **Paris Peace Conference 1973**

9  
10 The Station found itself by late summer 1972 trying to get the Thieu government's  
11 agreement to the terms of a cease-fire negotiated in Paris. Washington wanted to know  
12 Thieu's true position on the talks and just where he might compromise. The CIA  
13 instituted a number of programs (b)(1), (b)(3) to gain access to Thieu's  
14 intentions. President Thieu came to distrust the U.S. government in these negotiations,  
15 especially the CIA. Thieu balked at signing an agreement that placed the NLF on equal  
16 footing with his government and allowed the North Vietnamese to get their troops in  
17 South Vietnam. Reassuring Thieu of U.S. continued support, Kissinger pressed ahead  
18 with the settlement.

19 The final agreement in January 1973 provided for a cease fire, the return of American  
20 POWs, the complete withdrawal of American troops and the continuing presence of  
21 North Vietnamese forces in the South.

22 The implementation of the Paris Peace Agreement in January changed CIA's focus to  
23 military actions and the survival of the South Vietnamese government. It abdicated its  
24 effort to influence the "hearts and minds" of uncommitted peasants. There was no more  
25 interest in positive political programs or rural political and social efforts to mobilize the  
26 countryside. Moreover, there was little new effort to deter and punish collaboration with  
27 the Viet Cong.

28 The last U.S. troops left South Vietnam in March 1973. An October 1973 Estimate  
29 concluded that the North Vietnam leadership did not believe it could gain power in the  
30 South through the political provisions of the Paris agreement and would launch a military  
31 offensive to try and reunite Vietnam. The Estimate did not predict a Hanoi victory but  
32 warned that any South Vietnamese offensive seemed well beyond GVN capabilities.<sup>741</sup>

33  
34 **The End: The Fall of Saigon and South Vietnam 1975**

35  
36 On 8 November 1974 a CIA source reported that Hanoi had decided to launch "an all-out  
37 offensive which might be more intense than the 1972 offensive. The Intelligence  
38 Community still believed, however, that an all-out offensive was not likely until 1976."<sup>742</sup>  
39 In early 1975 communists troops launched a new major offensive in the Central

<sup>740</sup> See James Bamford, *Body of Secrets: The Anatomy of the Ultra Secret National Security Agency*, Major A.J.C. Lavalle, ed., *Airpower and the 1972 Spring Offensive* (Maxwell AFB, AL: Air University Press, 1976) and Maj. Gen. Doyle Larson, "Direct Intelligence Combat Support in Vietnam, Project Teaball," *Air Intelligence Journal* (Spring/Summer, 1994), pp.56-57.

<sup>741</sup> NIE 53/14.3-73, "Short-Term Prospects for Vietnam, 12 October 1973, NIC, *Vietnam*, pp. 595-618.

<sup>742</sup> NIE 53/14.3-2-74, "short Term Prospects for Vietnam, 23 December 1974, NIC *Vietnam*, pp. 631-644.

CIA

1 Highlands. President Thieu ordered a retreat which turned into a route as South  
2 Vietnamese troops fled south.  
3 COS Polgar was quick to see the implications of the Central Highlands disaster. ARVN  
4 morale needed to be restored. Polgar still believed that the Thieu government could hold  
5 around Saigon, although with a major push by NV, and serious ARVN morale problems,  
6 the long term survival of GSV was by no means assured.  
7 By 26 March 1975 CIA and Polgar had changed their position. A Special Estimate in  
8 March 1975 asserted that even if the current attack were blunted, Thieu's government  
9 would control little more than the delta and Saigon.<sup>743</sup> Polgar also now saw the prospect  
10 of a rump state, if Hanoi permitted it, but, for Polgar, "the end will come sooner rather  
11 than later unless political and/or military pressure should dissuade Hanoi from pressing  
12 its advantage," Saigon and the entire South will fall quickly. He recommended that the  
13 Agency "get our people out" while there is still time.  
14 National Security Adviser Kissinger and Ambassador Graham Martin refused to believe  
15 the CIA reports. They still thought it was possible to reach a negotiated settlement. They  
16 would not order a major evacuation.  
17 On 29 April 1975, the last Americans left Saigon from the roof of the American  
18 Embassy. U.S. involvement in South Vietnam ended.

19  
20  
21

22 **Summary: How Good was U.S. Intelligence on Vietnam?**

23  
24  
25

24 **Comint**

26 Unlike World War II, in which Allied Comint provided key insight into the Axis plans,  
27 capabilities, and intentions, Sigint in Vietnam played a largely secondary role. While it  
28 did help provide information on infiltration rates along the Ho Chi Minh Trail, for the  
29 most part, Sigint was confined to  
30 supporting U.S. military operations.<sup>744</sup> Vietnam was a rude awakening for U.S.  
31 cryptologists. They had forgotten how to do direct tactical support in an effective  
32 manner. It took NSA and the military services most of the war to relearn lessons from  
33 World War II and Korea. By the late 1960s, however, Sigint had become the number one  
34 source of targeting information. It became the best method of predicting NVA  
35 offensives. Beginning with the VC offensive at Ap Bac in 1963, Sigint tipped off  
36 virtually every VC or NVA offensive. It was also the predominant source of intelligence  
37 on infiltration. With the opening of the Vinh Window in 1967, Sigint overwhelmed all  
38 other sources on the topic. Its use over-all was spotty, however. Many commanders,  
39 never having been exposed to it, did not know how to use it, and either ignored it or  
40 misinterpreted it. ARDF fixes were especially prone to errant analysis. Gen.  
41 Westmoreland, understood the source and, in general, used it to good effect. By the end  
42 of the war, the U.S. Sigint system was much better at providing support to U.S. military  
43 commanders. The cryptologic system peaked in terms of personnel in 1969 and by 1972

---

<sup>743</sup> SNIE 53/14.3-75, "Assessment of the Situation in South Vietnam, 27 March 1975, NIC, Vietnam, pp.645-651. Full text of the SNIE is found on the CD in the voume.

<sup>744</sup> Hanyok, *Spartans in Darkness*, P. 465.

1 had begun a long period of retrenchment. Downsizing intensified with the Nixon  
2 administration. It would not begin to recover until the Carter administration.<sup>745</sup>

#### 3 4 **CIA and the IC**

##### 5 6 **Analysis**

7  
8 From the beginning of U.S. involvement in South Vietnam, the CIA and most of the  
9 Intelligence Community were consistently pessimistic about the future of South Vietnam.  
10 This dark view was, for the most part, more accurate and more realist than those of the  
11 military, the Department of State, and White House policymakers. The estimates and  
12 assessments were candid  
13 and incisive. They were more right than most, most of the time. Even Secretary of  
14 Defense McNamara came to appreciate their value. They were not always correct. The  
15 CIA intelligence that the North Vietnamese were not using Sihanoukville as a major  
16 resupply depot for operations inside South Vietnam was flatly wrong.  
17 Most importantly, however, the intelligence produced had little influence on  
18 policymaking. CIA's pessimism regarding proposals for sending U.S. combat forces into  
19 Vietnam and its opposition to increased bombing of the North were offset by President  
20 Johnson's determination not to lose the war in Vietnam. Johnson was not going to be the  
21 President that lost Vietnam. His advisers, likewise, refused to buy CIA warnings that all  
22 was not well with the war and that the United States had only limited options in Vietnam.  
23 What the CIA was saying was not what the decision makers wanted to hear  
24 The CIA was "not on the team." It was much like the fairy tale of  
25 "The Emperor has no clothes."

##### 26 27 **Political Action**

28  
29 From the beginning the CIA sought to support the new Diem and the generals who  
30 followed with active political action programs. It promoted nation building and the  
31 legitimacy of the South Vietnamese government. It was instrumental in the early  
32 survival of the Diem government. Even with the coup against Diem in November 1963  
33 the CIA continued its attempts to project the South Vietnamese government into the  
34 country side and win the alliance of the peasantry. These pacification programs achieved  
35 mixed results primarily because the Agency itself could not get beyond the American  
36 assumptions that physical security and economic progress and prosperity promoted  
37 political loyalty.  
38 Moreover, Agency officials, like American policymakers, treated the various regimes as  
39 if their anti-communism and the fact of U.S. support made them legitimate. In the  
40 struggle for the "hearts and minds" of the peasant masses, the communists had the clear  
41 advantage. The GVN was competing from a position of grievous weakness. The CIA  
42 programs reflected a flawed analysis of the insurgency and of the GVN's ability to  
43 combat it. CIA officers believed, for the most part, that no more was required of the  
44 South Vietnamese government than anti-communism, a façade of democratic institutions,  
45 and a benevolent paternalism. Coupled with a "can-do" attitude and a powerful belief in

---

<sup>745</sup> Hanyok, *Spartans of Darkness*, pp. 583-584..



1 American technology and know-how, and a belief in the Agency's political action  
2 expertise, they pushed ahead with programs that would immunize the peasants against  
3 subversion and coercion. While these programs were pragmatically and efficiently run  
4 and assessments honestly made, if at times naïve, they were flawed by a  
5 misunderstanding of the conflict and American ideological preconceptions.  
6  
7

8 **Conclusion**  
9

10 Committed to creating a bulwark against communist expansion, the United States, under  
11 Presidents Truman, Eisenhower, Kennedy and Nixon, sought to build a new nation in  
12 South Vietnam. A nation that would stand as " the cornerstone of the Free World in  
13 Southeast Asia." Convinced that the export of American democracy and economic  
14 prosperity would solve South Vietnam's problems, despite the lack of democratic  
15 traditions or institutions, U.S. policymakers began an experiment in nation building in  
16 South Vietnam. The U.S. intelligence community, especially the CIA, played a major  
17 role in these efforts. Despite some successes, the experiment ultimately failed.  
18  
19  
20

1  
2  
3 **Chapter IX**

4 **Espionage and Counterintelligence**

5 Foreign espionage activities within the United States and U.S. counterintelligence efforts  
6 have long been primarily the responsibility of the Federal Bureau of Investigation (FBI)  
7 but other parts of the U.S. intelligence community have also played key roles. During  
8 World War I German sabotage efforts were the major focus of U.S. counterintelligence,  
9 in the 1930s and early 1940s the threat was from the Axis powers. The advent of the  
10 Cold War brought a new enemy, the Soviet Union, and renewed concerns about the  
11 infiltration of the United States by subversive powers. The VENONA program revealed  
12 a massive Soviet espionage effort in the United States before and during World War II.  
13 The 1950s also witnessed the rise of McCarthyism and an anti-communist fervor and a  
14 concentration by the Intelligence Community on Soviet penetrations of the United States.  
15 The Vietnam War and Civil Rights movement brought an expansion of domestic  
16 intelligence programs in the 1960s and 1970s as the Johnson and Nixon administrations  
17 were convinced that these movements were financed by foreign interests. The 1980s saw  
18 a major increase in Soviet espionage operations within the United States and the year of  
19 the Spy in 1985. With the disaster of 9/11, the Bureau and other U.S. intelligence  
20 agencies turned their full attention to terrorist groups and Osama Bin Laden and an  
21 expansion of counterintelligence methods and programs. The expansion and growth of  
22 domestic intelligence and counterintelligence has also brought into question the  
23 protection of American citizens civil liberties versus national security concerns. It is a  
24 careful balancing act in a democracy and is on-going.  
25

26 **Domestic Counterintelligence Efforts Prior to and During World War II**

27  
28 Americans have always feared the establishment of a “secret police” which would restrict  
29 American freedoms and liberties. They have attempted to carefully restrict domestic  
30 intelligence activities to prevent such abuses of power. The first substantial domestic and  
31 counterintelligence programs of the Federal government began during World War I. The  
32 Justice Department’s Bureau of Investigation (as the FBI was then known) and military  
33 intelligence attempted to root out German spies and break up sabotage and espionage  
34 activities in the United States.<sup>746</sup> By the end of the war, the Bureau took part in the  
35 notorious Palmer Raids and investigated persons characterized as “subversives.” This  
36 included radicals, socialists, and communists.<sup>747</sup> Seeing these activities as “lawless” and  
37 a threat to American civil liberties, when Harlan Fiske Stone became Attorney General in  
38 1924 , he announced:  
39

40       There is always the possibility that a secret police may become a menace to free  
41 government and free institutions, because it carries with it the possibility of  
42 abuses of power which are not always quickly apprehended or understood. It is  
43 important that its activities be strictly limited to the performance of those  
44 functions for which it was created and that its agents themselves be not above the

<sup>746</sup> See Chapter  
<sup>747</sup> See Chapter III, pp.

1 law or beyond reach. ... The Bureau of Investigation is not concerned with  
2 political or other opinions of individuals. It is concerned only with their conduct  
3 and then only with such conduct as is forbidden by the laws of the United States.  
4 When a police system passes beyond these limits, it is dangerous to the proper  
5 administration of justice and to human liberty, which it should be our first concern  
6 to cherish.<sup>748</sup>  
7

8 Stone appointed J. Edgar Hoover as Director of the new Federal Bureau of Investigation  
9 and instructed him to adhere to this standard. With world unrest growing and the onset of  
10 the Great Depression, the Bureau's domestic counterintelligence activities and programs  
11 gradually expanded with a vague mandate to investigate foreign involvement in  
12 American affairs. As early as 1934, President Franklin D. Roosevelt ordered Hoover and  
13 the FBI to investigate "the Nazi movement in this country." The Bureau began looking  
14 into "anti-American" and "anti-racial" activities within the United States and any  
15 possible connection with the German government in the United States. Two years later,  
16 in 1936, Roosevelt wanted more. He asked Hoover for more intelligence about  
17 "subversive activities in the United States, particularly Fascism and Communism." In  
18 October 1938 Director Hoover outlined the "present purposes and scope" of the FBI's  
19 intelligence investigations in a memorandum to the President. Hoover stated in the  
20 memorandum that the FBI was collecting "information dealing with various forms of  
21 activities of either a subversive or so-called intelligence type." Hoover also provided  
22 Attorney General Frank Murphy with a plan "intended to ascertain the identity of persons  
23 engaged in espionage, counterespionage, and sabotage of a nature not within the specific  
24 provisions of prevailing statutes." This new program to investigate "subversion" was  
25 entirely unrelated to the enforcement of federal criminal laws. Nevertheless, Murphy  
26 advised President Roosevelt to approve Hoover's plan and to issue an Executive Order  
27 which concentrated "investigation of all espionage, counterespionage and sabotage  
28 matters" in the FBI and military intelligence. In 1939 Roosevelt issued a Presidential  
29 Directive which stated:

30  
31 "It is my desire that investigation of all espionage, counter espionage, and  
32 sabotage matters be controlled and handled by the Federal Bureau of Investigation  
33 of the Department of Justice, the Military Intelligence Division of the War  
34 Department, and the Office of Naval Intelligence in the Navy Department. The  
35 directors of these three agencies are to function as a committee to coordinate their  
36 activities.

37 No investigations should be conducted by any investigative agency of the  
38 Government into matters involving actually or potentially any espionage,  
39 counterespionage, or sabotage, except by the three agencies mentioned above."<sup>749</sup>  
40

41 Neither Roosevelt, or the Attorney General, nor FBI Director Hoover wanted to seek  
42 Congressional authorization for the expanded program. They decided not to tell  
43 Congress. Congress, in its own right passed two new criminal statutes in recognition of  
44 the growing world crisis. The Smith Act and the Voorhis Act passed in 1940 and 1941

<sup>748</sup> As quoted in Church Committee, *Intelligence Activities and the Rights of Americans*, p. 24.

<sup>749</sup> Roosevelt's Presidential Directive

1 made it a crime to advocate the violent overthrow of the Government and required  
2 “subversive” organizations advocating the Government’s violent overthrow and having  
3 foreign ties to register or be subject to criminal penalties.

#### 4 5 **The Interdepartmental Intelligence Committee (IIC)**

6  
7 Roosevelt’s directive called for the creation of an interdepartmental committee composed  
8 of the Directors of the FBI, ONI, and MID to “coordinate” the U.S. counterintelligence  
9 effort. It became known as the Interdepartmental Intelligence Committee (IIC). The  
10 committee also included a State Department representative. The IIC got off to a slow  
11 start. None of the members wanted to share information or resources lest they lose  
12 control over their part of the counterintelligence field. The heads of the three agencies  
13 stopped coming to IIC meetings by the spring of 1940. The war and Hitler’s invasion of  
14 France brought the Directors, Hoover of the FBI, Brig. Gen. Sherman Miles of MID, and  
15 Rear Adm. Walter Anderson of ONI, back to the meetings. In discussions at FBI  
16 Headquarters in the Justice Department Building, the IIC agreed that the civilian FBI  
17 should handle investigations involving espionage and sabotage by civilians in the United  
18 States. MID and ONI would deal with cases involving threats to military and naval  
19 personnel and installations both within the United States and its territories.<sup>750</sup> The IIC  
20 became the first interdepartmental body for sustained intelligence policy coordination.  
21 The major conflict between members of the IIC developed over espionage and  
22 counterespionage activities in foreign countries. While they favored the FBI assuming  
23 this responsibility, the service agencies and the State Department feared FBI  
24 encroachment on their established domains. The committee established a subcommittee  
25 at its 3 June 1940 meeting “to prepare a study of a proposed set-up for a Special  
26 Intelligence Service.” The report called for a covert foreign intelligence capability within  
27 the United States government and recommended that this “Special Intelligence Service”  
28 include a “Chief of the Service” based in New York City who would run the new agency.  
29 The new agency was to have no public connection with the U.S. government. Accepting  
30 the proposal, the IIC delegated Berle to gain Presidential approval for the plan. On 24  
31 June 1940 Berle phoned President Roosevelt and presented the IIC proposal. Instead of  
32 accepting the plan, Roosevelt directed that “he wished that the field [of foreign-  
33 intelligence work] should be divided.” He ordered that the FBI “should be responsible  
34 for foreign-intelligence work in the Western Hemisphere, on the request of the State  
35 Department,” while “The existing Military Intelligence and Naval Intelligence branches  
36 should cover the rest of the world, as and when necessity arises.” Roosevelt added that, “It  
37 was understood that the proposed additional intelligence work should not supersede any  
38 existing work now being done...”<sup>751</sup> Roosevelt’s directive left the FBI with an  
39 unexpected responsibility for foreign-intelligence work in the entire Western  
40 Hemisphere. The military objected, there were no limits on what the new SIS could  
41 collect, its mandate would be “encyclopedic in scope.” In addition to counterintelligence  
42 information, the SIS could gather political, economic, and military information. The

---

<sup>750</sup> G. Gregg Webb, “New Insights into J. Edgar Hoover’s Role in Foreign Intelligence,” CIA, Center for the Study of Intelligence, *Studies in Intelligence* 2003.

<sup>751</sup> Ibid. See also Beatrice B. Berle and Travis B. Jacobs, eds., *Navigating the Rapids, 1918-1971: From the Papers of Adolf Berle* (New York: Harcourt, 1973).

1 military wanted the new agency to be limited to investigating subversive activities in  
2 foreign countries. The Bureau had little experience in foreign intelligence work.  
3 Moreover, the military feared that such swiping authority would cause the FBI to  
4 overshadowed and impede the efforts of military attaches to collect intelligence in the  
5 region. To placate the military, Hoover insisted that the SIS would not conflict with  
6 intelligence gathering efforts of the armed services. Roosevelt was adamant, he had  
7 given the FBI free rein over foreign intelligence work in the Western Hemisphere. No  
8 restrictions would be placed on the FBI work in Latin America.<sup>752</sup> On 1 July 1940  
9 Hoover created a "Special Intelligence Service" in the FBI and appointed his assistant  
10 director Percy "Sam" Foxworth, as the first SIS chief. Hoover and Foxworth embarked  
11 on the colossal task of creating from scratch a foreign intelligence capability within the  
12 FBI.<sup>753</sup>

### 14 The Special Intelligence Service (SIS)

15  
16 With the war in Europe raging, evidence began to mount that the German intelligence  
17 services were using the countries of Latin America to aid their espionage operations  
18 against the United States. For example, the FBI discovered that funds originating in  
19 Germany for the payment of agents in the United States were passed through South  
20 American banks to avoid FBI and Treasury Department scrutiny. Adolf Berle from the  
21 Department of State and Director Hoover began informal discussions regarding German  
22 subversion in Latin America and the growing relationship of a number of Latin American  
23 countries with Nazi Germany in May 1940. Berle urged Hoover to send special agents to  
24 certain South American and Central American countries to investigate Nazi activities.<sup>754</sup>  
25 In late May 1940 Hoover sent agents to Mexico and Cuba to monitor German operations.  
26 After the Japanese attack on Pearl Harbor on 7 December 1941, Hoover sought official  
27 recognition of the informal arrangement under which the SIS had been operating. On 16  
28 January 1942, President Roosevelt officially recognized the SIS of the FBI and renewed  
29 its mandate to collect foreign intelligence in the Western Hemisphere. Hoover also  
30 worked out an agreement with MID and ONI delineating their separate intelligence  
31 responsibilities in the hemisphere.<sup>755</sup> During the period from SIS's inception on 1 July  
32 1940 to the agreement with MID and ONI, Hoover tried to rid himself and the FBI of the  
33 SIS and its foreign intelligence responsibilities on at least three separate occasions. On  
34 one occasion, William Donovan attempted to have SIS duties in the Western Hemisphere  
35 transferred to the OSS. Hoover wrote, "I do strongly recommend that the FBI be relieved  
36 of all responsibility for the handling of any special intelligence work in the Western  
37 Hemisphere, and that this responsibility be completely and fully placed upon Colonel  
38 Donovan's organization." Berle opposed the plan however, and it was dropped.  
39 By the fall of 1942, Hoover's attitude toward the SIS and its foreign intelligence mission  
40 changed dramatically. FBI "legal attaches," with diplomatic status, worked out of U.S.  
41 embassies in 18 nations in Latin America. They hunted down Axis agents, broke up Axis

<sup>752</sup> G Gregg Webb, "The FBI and Foreign Intelligence," *Studies in Intelligence*, p. 5.

<sup>753</sup> Webb, "Intelligence Liaison between the FBI and State, 1940-1944," *Studies in Intelligence*, p. 5. Ibid., p

<sup>754</sup> Raymond J. Batvinis, *The Origins of FBI Counterintelligence*, p. 207. Similar ad hoc intelligence arrangements operated in Brazil, Uruguay, and Colombia.

<sup>755</sup> Webb, "The FBI and Foreign Intelligence," p. 5.

1 signals intelligence channels, monitored trade relations, and identified German friendly  
 2 businesses.<sup>756</sup> By December 1944, as SIS successes mounted, Hoover sought to expand  
 3 his SIS network into a worldwide intelligence agency. He wanted to expand SIS activities  
 4 to the rest of the world. He proposed that after the war, the FBI administer a world-wide  
 5 intelligence organization similar to the SIS. He wrote to Attorney general Tom Clark on  
 6 29 August 1945 that "While I do not seek this responsibility for the Federal Bureau of  
 7 Investigation, I do believe that upon the basis of our experience of the last five years we  
 8 are well qualified to operate such a [worldwide] service in conjunction with parallel  
 9 operations of the Military and Naval Intelligence."<sup>757</sup> Both Donovan, who had his own  
 10 plan for postwar intelligence and President Harry Truman dismissed outright Hoover  
 11 proposal. The FBI was passed over in the post-war reorganization of the intelligence  
 12 community.

13  
 14 **Custodial Detention List**

15  
 16 In response to Roosevelt's new order, and a worsening world situation, Hoover also  
 17 established a Custodian Detention List of people that might be interned in case of war.  
 18 Hoover instructed FBI field offices to include persons with "strong Nazi tendencies" and  
 19 "strong Communists tendencies" whose arrest might be considered necessary in the event  
 20 the United States becomes involved in war. When Attorney General Francis Biddle  
 21 ordered Hoover to destroy the Custodial Detention list because it was "impractical,  
 22 unwise, unreliable and dangerous," Hoover merely changed the name of the list to  
 23 Security Index.<sup>758</sup> FBI Headquarters instructed its field offices to keep the Index "strictly  
 24 confidential," and never mention it in FBI reports or "discuss with agencies or individuals  
 25 outside the Bureau" except for military intelligence agencies.

26 The FBI also worked out a Delimitation Agreement in June 1940 with the military. The  
 27 agreement assigned most domestic intelligence work to the Bureau. The FBI was to keep  
 28 the military informed of the "names of individuals known to be connected with  
 29 subversive activities." Despite the Delimitation Agreement, the military collected  
 30 intelligence for itself on civilian "subversive activities."

31 In 1940 Roosevelt further authorized the FBI to wiretap "persons suspected of subversive  
 32 activities against the United States, including suspected spies." The President wanted  
 33 them limited "insofar as possible to aliens." The order was in direct contradiction of the  
 34 Federal Communications Act of 1934 which prohibited wiretapping. Hoover believed  
 35 wiretapping was "of considerable importance" because of the "gravity" to national  
 36 security of such offenses as sabotage and espionage. FDR also barred all agencies  
 37 except the FBI and military services from code breaking activities.<sup>759</sup> The FBI began

38 (b) (7)(E) \_\_\_\_\_ consulates, private residences, and

FBI

<sup>756</sup> See Leslie B. Rout, Jr., and John F. Bratzel, "Origins: U.S. Intelligence in Latin America," *Studies in Intelligence* (Winter 1985) and Rout and Bratzel, *The Shadow War: German Espionage and United States Counterespionage in Latin America During World War II* (Frederick, MD: University Publications of America, 1986.,

<sup>757</sup> Quoted in *Foreign Relations of the United States* (FRUS), "Emergence of the Intelligence Establishment," pp. 25-26.

<sup>758</sup> Church Committee, *Intelligence Activities and the Rights of Americans*, p. 32.

<sup>759</sup> This effectively denied the OSS access to signals intelligence information.

1 business fronts thought to be connected with fascist powers. A year and a half before the  
2 United States entry into the war, the U.S. government had in place a new and  
3 unprecedented surveillance structure to combat foreign espionage activities.

#### 4 5 **German Espionage in the United States**

6  
7 William G. Sebold was a naturalized U.S. citizen who worked in American aircraft  
8 production. During a visit to his native Germany in 1939, German military intelligence,  
9 the *Abwehr*, recruited him to spy against the United States. Sebold received espionage  
10 training in Hamburg. At the same time, Sebold visited the U.S. consulate in Cologne and  
11 told U.S. officials he wanted to cooperate with the FBI. When Sebold returned to the  
12 United States in 1940, he came as "Harry Sawyer" a diesel engineer. It was his German  
13 cover. Meeting with Sebold, the Bureau set Sebold up as a double agent. He sent coded  
14 messages to Germany via short wave radio, vetted by the FBI, for 16 months. The FBI  
15 also set Sebold up in an office in New York City where he could receive German  
16 espionage agents. The FBI watched and filmed everything that went on in the office.  
17 Sebold met with a series of German espionage agents, including Frederick "Fritz"  
18 Duquesne, who headed a major German spy ring in the United States.<sup>760</sup> Duquesne  
19 outlined to Sebold how they would sabotage American industrial plants and steal  
20 American industrial secrets. By 13 December 1941, just six days after Pearl Harbor, the  
21 FBI had rounded up every member of Duquesne's spy ring (33 members). As a result of  
22 the investigation, the FBI felt confident that there was no major German espionage  
23 network operating in the United States after Pearl Harbor.<sup>761</sup> The success of the  
24 Duquesne case solidified the FBI's role at the center of U.S. counterintelligence and  
25 created the belief that the Bureau was the nation's first line of defense against foreign  
26 espionage. It also launched the popular myth of Director Hoover as the "guardian of the  
27 American way of life."<sup>762</sup> The exposure of the espionage ring essentially broke the back  
28 of German military espionage in the United States. It was not the end of German efforts  
29 to penetrate the United States for intelligence purposes, however.

#### 30 31 **John Dasch and German Saboteurs**

32  
33 With U.S. support for the Allies mounting in 1939 and 1940, German intelligence  
34 determined to sabotage the American effort in order to reduce U.S. material support.  
35 Lt. Walter Kappe, attached to the *Abwehr* was put in charge of the project. Kappe had  
36 spent several years in the United States and had been active in organizing the German-  
37 American Bund and attempting to win adherents to the German cause prior to the war.  
38 Back in Germany, he trained potential saboteurs. On 26 May 1942, the first group of  
39 saboteurs left by submarine for the Atlantic coast of the United States. Two days later a  
40 second group left from the same port for Florida. Shortly after midnight on the morning  
41 of 13 June 1942, four men, led by George Dasch, landed on a beach near Amagansett,

---

<sup>760</sup> Born in South Africa, Duquesne had fought against the British during the Boer War. He hated the British. See Raymond Bativinis, *The Origins of FBI Counterintelligence*, (Lawrence, Kansas: University of Kansas, 2007), p. 230.

<sup>761</sup> FBI, "The Duquesne Spy Ring," Famous Cases.

<sup>762</sup> Bativinis, *Origins of FBI Counterintelligence*, p. 256.

1 Long Island, New York. They had enough explosives, primers, and incendiaries to  
2 support two years of sabotage work against American defense related production plants  
3 and railroad lines. Two days later the second group landed on Ponte Vedra Beach, near  
4 Jacksonville, Florida. Both groups wore German military uniforms to ensure their  
5 treatment as prisoners of war rather than as spies should they be detected and captured.  
6 The Florida group dispersed without being observed. The Long Island group was less  
7 fortunate. They were approached by a Coast Guardsman patrolling the shore shortly after  
8 they hit the beach. They offered him a bribe to forget them. Unarmed, the Coast  
9 Guardsman ostensibly accepted the money and promptly reported the incident to his  
10 headquarters. Unfortunately, by the time the patrol located the spot, the German  
11 saboteurs were gone. Dasch, who headed the group, had served in the German army  
12 during World War I. He had enlisted in the U.S. Army in 1927 after coming to the  
13 United States. He had received an honorable discharge. Dasch had second thoughts  
14 about spying for the Nazis. He decided to contact the FBI. On 14 June 1942 Dasch  
15 phoned the FBI Field Office in New York City giving the name "Pastorius." He said he  
16 had recently arrived from Germany and would call the FBI headquarters when he reached  
17 Washington, On 19 June he called FBI Headquarters and gave his name as "Pastorius."  
18 The FBI brought him in for questioning. During his interrogation, he furnished the  
19 identities of all the other saboteurs and possible whereabouts. The eight German  
20 saboteurs were captured, tried before a Military Commission appointed by President  
21 Roosevelt, found guilty, and sentenced to death. Attorney General Biddle and FBI  
22 Director Hoover appealed to Roosevelt to commute Dasch's sentence and Ernest  
23 Burger's sentence because they had cooperated with the FBI. Roosevelt complied and  
24 commuted the sentences of Dasch and Burger. Dasch received a 30-year sentence and  
25 Burger received a life sentence. The remaining six were executed at the District of  
26 Columbia jail on 8 August 1942. The Germans made no other attempt to land saboteurs  
27 on America soil. In late 1944, Germany did land two agents from a submarine on the  
28 coast of Maine, Curtis Colepaugh and Erich Gimpel. They too were quickly appended by  
29 the FBI.<sup>763</sup>

### 31 Japanese Internment

32  
33 On 7 and 8 December following the Japanese attack on Pearl Harbor, the FBI arrested  
34 previously identified aliens whom it considered a threat to the national security and  
35 turned them over to military authorities for internment. Pressed by military commanders  
36 on the West Coast and California governor Earl Warren, Roosevelt issued Executive  
37 Order 9066 19 February 1942 which called for the evacuation internment of all Japanese  
38 from the West Coast. The military assessment was that the move was "imperative" for  
39 national security reasons. Hoover took the position that the most dangerous individuals  
40 considered security threat had already been arrested. He opposed the evacuation of the  
41 Japanese. Not only was the action unnecessary, but Hoover described the action as a  
42 "capitulation to public hysteria" and contended that the rights of American citizens were  
43 being violated.

---

<sup>763</sup> FBI, "George Dasch and the Nazi Saboteurs," Famous Cases. President Harry Truman granted Dasch and Burger executive clemency in April 1948. They were deported to Germany.



1 Over the objection of J. Edgar Hoover and military intelligence, Roosevelt ordered over  
2 120,000 Japanese-Americans apprehended and incarcerated. Hoover again protested  
3 there was no need for such drastic action. Ultimately, however, the FBI became  
4 responsible for arresting curfew and evacuation violators.<sup>764</sup>  
5 Hoover and the FBI did play a major role in interning in the United States alleged  
6 "dangerous enemy aliens" living in Latin America. Fifteen Latin American countries  
7 took up Hoover's offer and over 6,00 Japanese, German, and Italian Latin Americans  
8 were deported to the United States for internment.

9  
10 **The FBI and the Communist Party of the United States (CPUSA)**

11  
12 **The CPUSA and Earl Browder**

13  
14 Earl Browder was born in Wichita, Kansas in 1891. He served time in prison during  
15 World War I for radical activities. Browder became a member of the CPUSA in 1921  
16 and its president in 1930. Browder also ran for the U.S. presidency twice, once in 1936  
17 and again in 1940. His sister and wife were also members of the CPUSA. In addition to  
18 heading the CPUSA Browder became deeply and personally engaged in Soviet espionage  
19 activities in the United States. He was of major assistance to Soviet intelligence in  
20 expanding its operations in the United States. He acted not only as an agent but as an  
21 agent handler. His code name was "Helmsman." He acted as a direct channel for  
22 conveying intelligence materials from CPUSA's America sources to Moscow. He served  
23 as the link between "open" and secret party activities. Soviet intelligence benefitted  
24 directly from the activities and infrastructure of the CPUSA and Browder's work.<sup>765</sup>  
25 In 1939 the FBI raided the facilities of several organizations linked to the CPUSA and  
26 found enough evidence to arrest the Communist Party's General Secretary Earl Browder  
27 on charges of passport fraud. President Roosevelt later commuted Browder's sentence in  
28 May 1942 in the interest of inter-Allied relations. Roosevelt had no desire to antagonize  
29 Moscow by suppressing the CPUSA or probing rumors that members of the party had  
30 infiltrated U.S. government agencies.<sup>766</sup> Browder was expelled from the party in 1946 as  
31 a "capitalist collaborator." Fearful that Browder might defect to the class enemy, and  
32 with Stalin's direct intervention, the Soviets agreed to make Browder the representative  
33 of major Soviet publishing houses in the West. No longer directly involved in Soviet  
34 espionage, although he was still received special funds, Browder escaped the FBI net  
35 around the CPUSA leadership.

36  
37 **A Massive Soviet Espionage Effort in United States**

38  
39 **Early Efforts**

40  

---

<sup>764</sup> FBI History, *World War II*.

<sup>765</sup> See Harvey Klehr, John Earl Haynes, and Fridrikh Igorevich Firsov, *The Secret World of American Communism* (New Haven, CT: Yale University Press, 1995). See also Christopher Andrew and Vasili Mitrokin, *The Sword and the Shield: The Mitrokin Archive and the Secret History of the KGB* (New York: Basic books, 1999).

<sup>766</sup> Allen Weinstein, *Perjury: The Hiss-Chambers Case* (New York: Alfred A. Knopf, 1978), pp. 329-331.

1 The main effort of Soviet intelligence in the United States after diplomatic recognition in  
2 1933 was the collection of information related to U.S. foreign policy and the U.S.  
3 position regarding Germany and Japan. The Soviets had virtually no sources or agents in  
4 Washington. The State Department and the White House became the main focus of the  
5 Soviet effort although it was certainly not limited to these targets. Within two years of  
6 diplomatic recognition, Soviet intelligence had built a solid foundation for its American  
7 network.<sup>767</sup> It included Americans from various backgrounds.  
8

9 **Elizabeth Dodd**

10  
11 When President Roosevelt send his friend and well-known historian, William Dodd to  
12 Germany as U.S. Ambassador, Dodd took his daughter Martha along. Martha was young  
13 and beautiful and, like her father, bitterly ant-Nazi. She soon fell in love with a  
14 handsome Soviet diplomat, Boris Vinogradov. Boris was an NKGB officer and by 1934  
15 Martha volunteered her services to Soviet intelligence. She received the code name  
16 "Liza." With her access to secret embassy and State Department information and her  
17 connections with the President and First Lady, the Soviets considered Martha a  
18 significant catch.<sup>768</sup> Even after Vinogradov's return to Moscow and execution, Martha  
19 continued to spy for her "mother land."<sup>769</sup> She offered to come to the Soviet Union,  
20 remain in Europe, travel to the Far East under the cover as a journalist or return to the  
21 United States. Martha returned to the United States with her father and married a wealthy  
22 business man, Alfred Stern. She was eager to continue her work for the Soviets. As a  
23 "spotter" she recruited her husband and her brother William. Exposed in 1957 as Soviet  
24 agents, the Sterns fled the United States and settled in Moscow. A U.S. court found them  
25 guilty in absentia of espionage on behalf of the Soviet Union. From 1963 to 1970 they  
26 lived in Fidel Castro's Cuba. Martha and Alfred spent their remaining years in the  
27 Democratic Socialist Republic of Czechoslovakia. Their full story remained unknown  
28 until the release of the VENONA transcripts.  
29

30 **Samuel Dickstein**

31  
32 Most Americans who spied for the Soviets during the 1930s were admirers of the Soviet  
33 system. They believed it was the wave of the future. Their commitment to Soviet  
34 espionage had ideological roots. U.S. Congressman Samuel Dickstein was the exception.  
35 Although an anti-fascist, Dickstein offered his services to the Soviet Union for money. In  
36 1933, Dickstein won a seat in the House of Representatives as a Democrat. He would  
37 serve eleven terms in Congress. An ardent anti-fascist, Dickstein approached the Soviets  
38 in 1937. He would provide secret information in exchange for cash. Codenamed  
39 "Crook" by the Soviets, Dickstein demanded \$2,500 a month. He received \$1,250 from  
40 the Soviets although his handlers believed Dickstein was "a complete racketeer and a  
41 blackmailer." Dickstein was paid over \$12,000 by the Soviets for his services as an  
42 "Agent in place." In 1940 the Soviets broke off contact with him. As for Dickstein, his

<sup>767</sup> Weinstein, *The Haunted Wood*, p. 38

<sup>768</sup> Although Martha Dodd enjoyed a social friendship with the Roosevelt's, her Soviet handlers' expectations of "Liza's" potential were not realized. Weinstein, *The Haunted Wood*, p. 62.

<sup>769</sup> Martha was unaware of Boris' fate.

1 espionage activities for the Soviets had little impact on his public career. He ran  
2 successfully for the New York Supreme Court in 1945 and served as a justice from 1946  
3 until his death on 22 April 1954.<sup>770</sup>

4  
5  
6 **Harry Dexter White**

7  
8 Harry Dexter White was a child of Jewish Lithuanian immigrants. He studied at  
9 Columbia University and received a Ph.D. in economics from Harvard. A Keynesian  
10 New Deal Democrat and Rooseveltian internationalist, White served as an assistant to  
11 Secretary of the Treasury Henry Morgenthau and as Treasury liaison with the State  
12 Department. He went on help draft the Britten Woods Agreement on International  
13 financing and helped found the International Monetary Fund (IMF) and the World  
14 Bank.<sup>771</sup> Code name "Lawyer", "Richard", or "Jurist" the Soviets considered White "one  
15 of the most valuable probationers [agents]."<sup>772</sup> They helped him pay his daughters college  
16 tuition. When Whittaker Chambers went to see Adolf Berle at State in 1939 regarding  
17 Soviet spies in the government, Chambers identified White as a member of he Soviet spy  
18 network. Berle took Chambers charges to the White House. FDR dismissed Berle's  
19 note on espionage as "absurd." Nothing was done. The FBI did warn the Truman  
20 administration about White in early 1948 but President Truman appoint him to the IMF  
21 despite the warning. In 1948 both Chambers and Bentley identified White as a Soviet  
22 spy. On 13 August 1948 White testified before the HUAC and denied being a  
23 communist. On 16 August White died of a heart attack. The VENONA intercepts  
24 released in 1996-1997 contained damning evidence against White and confirmed  
25 Chambers and Bentley's allegations. White spied for the Soviet Union.

26  
27 **Duncan Lee**

28  
29 Soviet penetration of the OSS by Soviet intelligence was extensive and reached across  
30 the various departments in the agency. There were several Soviet sources working for the  
31 OSS. Among the Soviet agents was Duncan Lee, Donovan's chief aide and later chief of  
32 the OSS's Japanese section.<sup>773</sup> Lee was a produce of the Old South. He was a descendant  
33 of General Robert E. Lee, who led the Confederate army during the Civil War.<sup>774</sup> He was  
34 born in China to missionary parents. Lee graduated from the University of Virginia and  
35 studied at Cambridge. He earned a law degree at Yale in 1939 and went to work at the  
36 New York law firm of Donovan and Leisure where he became a protégé of General  
37 Donovan. He followed Donovan to the COI and later OSS. Lee joined the communist  
38 party while at Yale in 1939. While serving with Donovan, Lee, under the cover name  
39 "Koch," passed OSS analytic and planning documents on Nazi Germany to the Soviets

<sup>770</sup> Weinstein, *The Haunted Wood*, pp. 140-150.

<sup>771</sup> R. Bruce Craig, *Treasonable Doubt: The Harry Dexter White Spy Case* (Lawrence, Kansas: University of Kansas Press, 2004). Craig attempts to make the case that White was not a Soviet agent. He fails.

<sup>772</sup> Weinstein, *The Haunted Wood*, p. 157.

<sup>773</sup> Soviet agents included Donald Wheeler, Franz Neuman, and Maurice Haperin. See Weinstein, *The Haunted Wood*, p.254.

<sup>774</sup> Weinstein, *Haunted Wood*, p. 257. Some dispute the claim that Duncan Lee was a descendant of Robert E. Lee.

1 and warned them that the OSS's internal security had composed a list of "Reds" within  
2 the OSS. Lee had become a key Soviet source within OSS. He also warned of "something  
3 very secret going on at Oak Ridge Tennessee, an apparent reference to the Manhattan  
4 Project. In 1944, however, Lee began to have family problems. Lee and his Soviet  
5 courier, Mary Price, became lovers and the relationship threatened his marriage. He  
6 became a reluctant source. The Soviets how considered him "the weakest of the weak  
7 sisters." Soviet intelligence ceased all contact with Lee in April 1945. Elizabeth Bentley  
8 later claimed that she became the Soviet courier for Lee after Price and that Lee was a  
9 Soviet source. Lee, however, was never indicted. He denied Bentley's charges and went  
10 on to have a successful career as a lawyer. He joined the American International Group  
11 (AIG) and became its top legal counsel. Lee died in Canada in 1988. Bentley's charges  
12 were not confirmed until the release of the VENONA materials in 1996-1997.  
13

#### 14 **Soviet Espionage Efforts are Exposed**

15  
16 Two defections in 1945 galvanized U.S. counterintelligence efforts. Igor Gouzenko, a  
17 GRU code clerk in the Soviet Union's Ottawa embassy, defected to Canadian authorities  
18 and revealed that the Soviets had penetrated the Manhattan Project and other U.S.  
19 agencies as well as the British and Canadian governments. Shortly thereafter, Elizabeth  
20 Bentley gave the FBI details about spies in the State Department and U.S. Treasury  
21 Department, OSS, the Pentagon, and even the White House.  
22

#### 23 **Igor Gouzenko**

24  
25 Igor Gouzenko was a KGB cipher clerk in the Soviet Embassy in Ottawa, Canada. When  
26 asked to return to Moscow in 1945, Gouzenko defected. Fearing foer his life, he walked  
27 out of the Soviet embassy with over 105 documents which revealed an extensive Soviet  
28 espionage network not only in Canada but the United States and Great Britain. Initially,  
29 Gouzenko went to the Royal Canadian Mounted Police (RCMP), but they refused to  
30 believe him. After going into hiding to escape Soviet agents, he again contacted the  
31 RCMP. This time they listened. Gouzenko exposed Soviet spies in the West including  
32 Fred Page, a member of the Canadian House of Commons, and hinted at espionage in the  
33 Manhattan Project. He was interviewed by the MI-5 and the FBI who began to follow up  
34 on his leads.<sup>775</sup> Gouznko's assertions were supported by the testimony of Elizabeth  
35 Bentley  
36

#### 37 **Elizabeth Bentley**

38  
39 Elizabeth Bentley, a Vassar graduate, from an old line American family, drifted into the  
40 Communist Party and espionage during the Great Depression. She fell in love with a  
41 Soviet intelligence officers, Jacob Golos, and became his most trusted courier. Her Soviet  
42 covername was *Umnitsa* or "Smart Girl." Soviet intelligence considered non-Jewish  
43 assets in the United States especially useful. The years of the Great Purge in the Soviet

---

<sup>775</sup> See Amy Knight, *How the Cold War began: The Igor Gouzenko Affair and the Hunt for Soviet Spies* (Carroll and Graf, 2006). Gouzenko lived the reat of his live with his family in Canada as "George brown." He died in 1982.vo

1 Union 1936-1939 and the German-Soviet Pact of 1939 soured Bentley on the Soviet  
2 system. She developed a negative attitude toward the NKGB and the operatives with  
3 whom she worked. Because of her extensive knowledge of the Soviet espionage  
4 network, the Soviets considered eliminating her and for a time froze all NKGB  
5 intelligence activity in the United States. Bentley, disillusioned and angry went to the  
6 FBI in 1945. Bentley, the "Red spy queen," gave FBI investigators convincing evidence  
7 of widespread Soviet espionage in America during World War II. The FBI used her  
8 information to mount a massive effort against the Soviet network. Thanks to Kim Philby,  
9 however, and his warning to Moscow, the Soviets shut down operations in the United  
10 States to avoid detection. Bentley testified before the House Committee on Un-  
11 American Activities in 1948 and repeated her charges of a major Soviet spy network  
12 operating in the United States. She was vilified by her critics and defenders questioned  
13 the patriotism of her accusers. Was she telling the truth or not? She died of cancer in  
14 1963 but the question was not settled until the release of the VENONA materials in the  
15 1990s.<sup>776</sup> Another defector, Whittaker Chambers collaborated much of Bentley chages.  
16

### 17 **Whittaker Chambers**

18  
19 Whittaker Chambers attended Columbia College during the 1920s. He dropped out to  
20 lead a bohemian life style around New York City. He joined the CPUSA in the mid-  
21 1920s and wrote for the *Daily Worker* and the *New Masses*. In 1932 the Soviets recruit  
22 Chambers for "secret work" and advised him to disappear from "open" Communist party  
23 activities. Chambers became a courier for communist assets in Washington including  
24 Laurence Duggan at State, Harry Dexter White at the Treasury Department, and Alger  
25 Hiss at State. Chambers ( known as Karl) developed a rapport with the Hisses. He lived  
26 for several months in an apartment rented to him by Hiss and Chambers and his wife  
27 Esther with their infant son, stayed with the Hisses while looking for their own  
28 apartment. There was a deepening friendship between the two family based on their  
29 involvement in Soviet espionage work.<sup>777</sup> Chambers relayed stolen documents from Hiss  
30 to his handlers in New York. Disillusioned with communism Chambers defected in April  
31 1938. In 1939 Chambers began a new life as a writer for *Time*. Following the  
32 Hitler/Stalin non-aggression pact of 1939 and fearing that he might be arrested for  
33 espionage, Chambers meet with President Roosevelt's top adviser on internal security  
34 matters, Assistant Secretary of State Adolf Berle. Chamber was introduced to Berle as  
35 "Mr. X" a former courier for Soviet intelligence in the United States. Chambers named  
36 Laurence Duggan, Alger Hiss, his brother Donald Hiss, Noel Field, Julian Wadley, Nat  
37 Witt, Lee Pressman, Harry Dexter White, Lauchin Currie and others as Soviet assets.  
38 Berle, taking careful notes, later drafted a memo for the President entitled "Underground  
39 Espionage Agent." Roosevelt dismissed the information. Berle also took no action until  
40 1940 when he notified the FBI of Chambers visit. When Bentley defected and  
41 corroborated much of Chambers story, the FBI began to take Chambers seriously. At the  
42 same time, Chambers continued his work at *Time*, rising to senior editor. Called to testify  
43 before the HUAC on 3 August 1948, Chambers again revealed the names of the

<sup>776</sup> See Kathryn S. Olmsted, *Red Spy Queen: A Biography of Elizabeth Bentley* (Chapel Hill: University of North Carolina Press, 2002). See also Michael Warner review in *Studies in Intelligence*.

<sup>777</sup> Weinstein, *The Haunted Wood*, pp. 41-43.

1 communist espionage network in the United States and specifically named Alger Hiss as  
2 close friend and part of the Soviet network. Hiss, testifying at the same hearing, denied  
3 he knew Chambers and stated, "I am not and have never been a member of the  
4 Communist Party." Hiss did admit that he knew someone named "George Crosley" who  
5 might have been Chambers but Hiss stated he knew "Crosley" only slightly as a  
6 journalist in the early 1930s. Following the hearing, Hiss filed a \$75,000 libel suit  
7 against Chambers. Faced with the law suit, Chambers produced the evidence he had  
8 hidden about Soviet espionage activities involving Hiss. He had notes from Hiss, in  
9 Hiss' own handwriting, 65 typewritten copies of State Department documents, and five  
10 strips of microfilm some containing photographs of State documents tha Hiss had given  
11 him. The press called the materials "The Pumpkin Papers" because Chambers had  
12 briefly hidden them in a hollowed out pumpkin on his farm. The documents clearly  
13 shown that Hiss knew Chambers long after mid-1936 when Hiss admitted he had last  
14 seen "Crosley." They also clearly revealed Hiss' engagement in espionage for the  
15 Soviets.<sup>778</sup>

### 16 17 **Alger Hiss**

18  
19 Alger Hiss, a native of Baltimore, was a Phi Beta Kappa from Johns Hopkins, He  
20 graduated for Harvard law and became a protégé of Justice Felix Frankfurter. He joined  
21 the State Department in 1936 and quickly rose in its ranks. He began working for the  
22 GRU in 1935 providing military information. His work at the State Department produced  
23 numerous documents on U.S. foreign policy for the Soviets. Following the Yalta  
24 Conference, in which he was an adviser to FDR, Hiss journeyed to Moscow where he  
25 received Soviet decorations for his service.<sup>779</sup>

26 Following the HUAC hearing and Chambers allegations, the Justice Department, unable  
27 to try Hiss for espionage (The statute of limitation on espionage was 5 years and  
28 Chambers evidence was more than 10 years old), indicted Hiss on perjury charges. He  
29 was tried twice. The first trial ended in a deadlocked jury, 8-4 for conviction. The  
30 second trial found Hiss guilty in June 1950 despite the testimony of Justices Felix  
31 Frankfurter, Stanley Reed, and future presidential candidate Adlai Stevenson, on his  
32 behalf.

33 Translated VENONA messages corroborated various charges made by Elizabeth Bentley  
34 and Whittaker Chambers in 1945 and in 1948 that Ager Hiss was a Soviet agent. By June  
35 1950, the Bureau determined that the Soviet covername ALES referred to State  
36 Department official Alger Hiss. Hiss died in 1996 still claiming he was innocent. His  
37 sons maintain his innocence to this day.

### 38 39 **President Truman's Reaction**

40  
41 Truman bitterly resented these charges of communism subversion of the U.S.  
42 government. He insisted that the charges against Alger Hiss, in particular, were a

---

<sup>778</sup> The Justice Department finally released the content of the "Pumpkin Papers" in 1975. See Sam Tanenhaus, *Whittaker Chambers*, (New York: Random House, 1997) and Allen Weinstein, *Perjury: The Hiss-Chambers Case* (New York: Knopf, 1997).

<sup>779</sup> Weinstein, *The Haunted Wood*, p. 269.

1 Republican "red herring." Truman repeatedly denounced the charges against Hiss,  
2 White, Currie and others charged with being communist spies. Yet, before Truman left  
3 office in January 1953 VENONA decrypted messages had identified all of them as  
4 communist agents. This suggests that Truman either was never informed of the  
5 VENONA program or simply ignored its significance. Even after he left office, Truman  
6 continued to insist the Republicans had trumped up the loyalty issue and that Soviet war  
7 time espionage had been insignificant.<sup>780</sup> After all the Soviets had been an ally of the  
8 United States during the war.

9  
10 **OSS-NKGB Relations**

11  
12 On several occasions during World War II, the Roosevelt administration attempted to  
13 create a relationship between the American foreign intelligence services and Soviet  
14 intelligence, despite deep and mutual suspicions on both sides. In July 1941 Treasury  
15 Secretary Henry Morgenthau sought Soviet aid in ferreting out German agents in the  
16 United States. Morgenthau thought the FBI and Hoover were doing a poor job. In  
17 February 1943 Assistant Secretary of State Adolf Berle, the lead official at State for  
18 security concerns, made a similar request to the new Soviet Ambassador to the United  
19 States, Maxim Litvinov. Berle, concerned with Nazi "Fifth Column" activities, wanted  
20 the Soviets to share information about German agents in America. He told Litvinov that  
21 he (Berle) was aware of the presence of Soviet intelligence on U.S. soil.<sup>781</sup> The Soviets,  
22 knowing of Berle's hostility toward the Soviet Union, viewed the request with suspicion.  
23 Moscow dismissed the proposal as unacceptable. The NKVD was not interested in  
24 establishing a liaison.<sup>782</sup> The idea of a liaison with Soviet intelligence resurfaced in  
25 December 1943 when General Donovan, head of the OSS, broached the subject with  
26 President Roosevelt and the Joint Chiefs. With their support, Donovan flew to Moscow  
27 with a comprehension plan for sharing military and political intelligence on Germany. He  
28 also suggested exchanging formal representatives, an NKGB liaison in Washington and  
29 an OSS officer in Moscow. The Kremlin accepted Donovan's proposal. Upon learning  
30 of the tentative arrangement, Hoover objected vehemently. He sent Roosevelt a memo  
31 laying out his objections. It would be "too dangerous to have an NKVD mission in the  
32 country." The Soviet's main goal was to penetrate American state secrets. Roosevelt  
33 asked the Chairman of the Joint Chiefs Admiral William D. Leahy to discuss Donovan's  
34 proposal with the Joint Chiefs. Despite Hoover's objections, a majority of the Joint  
35 Chiefs supported Donovan's plan. Further pressure from Hoover, and the State  
36 Department, however, finally convinced Roosevelt to reject a formal OSS/NKGB link.  
37 State opposed providing entry visas for NKGB operatives and feared that the OSS in the  
38 USSR would interfere with the activities of embassy officials. The White House feared  
39 Republican attacks, abetted by Hoover, in the midst of the 1944 Presidential election.  
40 Donovan, nevertheless, instituted an informal cooperative effort between the OSS and the  
41 NKGB.<sup>783</sup> The two agencies began passing intelligence information to each other in the

<sup>780</sup> Truman, *Years of Trial and Hope*, p. 291 and Benson and Warner, *VENONA*, p. xxiv.

<sup>781</sup> Weinstein, *The Haunted Wood*, p. 239.

<sup>782</sup> The Soviets had already infiltrated the OSS.

<sup>783</sup> The NKGB thought the OSS effort to be "amateurism." The OSS, according to the NKGB, didn't know what it was doing or what it wanted to do. It was also poorly trained. It was "the Cinderella of the

1 spring of 1944. The contacts lasted until 1945 when all contact between the OSS and  
2 Soviet intelligence ceased. This was only weeks before Elizabeth Bentley began to brief  
3 the FBI about Soviet espionage in the United States. Donovan had been too trusting with  
4 regard to Soviet intelligence. The Soviets had an extensive espionage network in the  
5 United States.

6  
7 **VENONA**

8  
9 The Signal Security Agency (SSA) in 1943 created a small program to begin work on  
10 Soviet diplomatic traffic on orders from Col. Carter Clarke, Chief of the Special Branch  
11 of the Army's Military Intelligence Service (MID).<sup>784</sup> Working out of Arlington Hall in  
12 Northern Virginia, the "Russian Section," headed by Meredith Gardner, began  
13 analytically reconstructing the KGB codebooks.<sup>785</sup> White House aide, Lauchlin Currie,  
14 promptly informed the Soviets that the Americans were about to break the Soviet  
15 diplomatic code. At the same time, H.A.R. "Kim" Philby, a British intelligence officer  
16 and Soviet agent, told his handlers that British cryptanalysts had turned their attention to  
17 Soviet ciphers. They were overly optimistic. It would take three more years for a major  
18 breakthrough against the Soviet system.

19 The OSS also purchased Soviet cryptographic materials from émigré Finnish  
20 cryptanalysts in late 1944. When informed of the purchase, Eleanor Roosevelt and  
21 Secretary of State Edward P. Stettinius, insisted that the papers be returned. After all, the  
22 Soviets were our allies, they reasoned. Donovan promptly gave the materials back to the  
23 Russians but not before he had them copied.

24 Not until late in 1946 did Gardner and his colleagues make significant progress. Gardner  
25 finally broke the codebook's "spell table" for encoding English letters. With the solution  
26 of the spell table, Gardner and ASA could now read significant portions of messages that  
27 included English names and phrases. The breakthrough was a purely analytic  
28 accomplishment, achieved without the benefit of either Soviet code books or plain-text  
29 copies of original messages.<sup>786</sup> At the time, the Soviets were using one-time pads, which  
30 are virtually unbreakable. The flaw which enabled Gardner to break the code was that  
31 the Soviets, short of money, paper, and ink, during the war, began duplication of the one-  
32 time "key" pads. Most of the duplicate pages were used between 1942 and 1944. With  
33 the break through Gardner made rapid progress, reading dozens of messages sent  
34 between Moscow and New York in 1944 and 1945.<sup>787</sup> He deciphered a message  
35 reporting on the Presidential election of 1944. Then, on 20 December 1946 Gardner read  
36 a cable sent to Moscow containing a list of the scientists working on the Top Secret  
37 Manhattan Project, to develop the atomic bomb. The message indicated a "massive"  
38 Soviet espionage effort in the United States. Gardner drafted "Special Report # 1" for

---

American secret service." Weinstein, *The Haunted Wood*, p. 245. The NKGB also recognized the serious  
feud between the OSS and the FBI and that Hoover and Donovan hated each other.

<sup>784</sup> The SSA was renamed the Army Security Agency (ASA) in 1942.

<sup>785</sup> Arlington Hall was a private girls school before the war. The Army took it over in 1942 for its  
cryptologic activities. Today it is home to the Department of State Foreign Service Training School.

<sup>786</sup> There is no evidence that Arlington Hall ever received the material the OSS purchased from the Finns.

<sup>787</sup> The British learned of the breakthrough even before the FBI was notified. Gardner kept his British  
counterparts current on developments and from 1948 on there was a close U.S.-U.K. cooperation on the  
problem. See Benson and Warner, *VENONA*, p. xxii.



1 senior ASA officials which laid out his progress. When Carter Clarke read it in late  
 2 August 1948 he asked the FBI for a list of KGB and GRU covernames. Clarke hinted that  
 3 ASA had broken a KGB code. At the time, the FBI was investigating allegations made  
 4 by Elizabeth Bentley about Soviet agents in the United States. The Bureau sent a list of  
 5 some 200 names to Clarke. So began a long period of cooperation between the FBI and  
 6 ASA on the VENONA Project. Col. Carter Clarke established official cooperation with  
 7 FBI 1 September 1947. Meredith Gardner and William Lamphere thus begin official  
 8 FBI-ASA cooperation. Translated VENONA messages soon corroborated the charges  
 9 made by Elizabeth Bentley and Whittaker Chambers.<sup>788</sup>

10  
 11 **Soviet Knowledge of VENONA**

12  
 13 The Soviets apparently monitored Arlington Hall and its "Russian Section" since at least  
 14 1945 when William Weisband joined its "Russian Section." Weisband was a "linguist  
 15 adviser" he spoke fluent Russian and had access to all areas of Arlington Hall. Weisband  
 16 was also a Soviet agent (Zhora). He was initially recruited by the Soviets in 1934. A  
 17 1948 NKVD memorandum discussed his contribution to Soviet intelligence:

18  
 19 For one year, a large amount of very valuable documentary material concerning  
 20 the work of Americans on deciphering Soviet ciphers, intercepting and analyzing  
 21 open radio-correspondence of Soviet institutions [the VENONA project], was  
 22 received from [Weisband]. From these materials, we came to know that, as a  
 23 result of this work, American intelligence managed to acquire important data  
 24 concerning the stationing of the USSR's armed forces, the productive capacity of  
 25 various branches of industry, and work in the field of atomic energy in the  
 26 USSR.... On the basis of [Weisband's] materials, our state security organs carried  
 27 out a number of defensives measures, resulting in the reduced efficiency of the  
 28 American deciphering service. This has led to the considerable current reduction  
 29 in the amount of deciphering and analysis by the Americans.<sup>789</sup>

30  
 31 Gardner later recalled that Wiesband sometimes hovered over his desk and watched him  
 32 extract the list of atomic scientists from the Soviet traffic. Weisband probably reported  
 33 that Arlington Hall was exploiting Soviet KGB messages by 1947.<sup>790</sup> British liaison  
 34 officer Kim Philby, a member of the Cambridge Five and a Soviet agent, received the  
 35 actual translation and analyses on a regular basis after he arrived in Washington in the  
 36 fall of 1949. Stalin and the Soviet Union were fully informed about VENONA and its  
 37 identification of a Soviet espionage network within the United States.

38  
 39  
 40  


---

<sup>788</sup> John earl Haynes and Harvey Klehr, *VENONA: Decoding Soviet Espionage in America* (New Haven, CT: Yale University Press, 1999).

<sup>789</sup> As quoted in Weinstein, *The Haunted Wood*, p. 292.

<sup>790</sup> Weisband was probably ZVENO in the VENONA traffic. The U.S. government never prosecuted him and he denied involvement in espionage. The AFSA suspended him for disloyalty in 1949. He skipped a federal grand jury hearing on Communist Party activities and was convicted of contempt of Congress. He served one year in prison. He died suddenly in 1967. See Benson and Warner, *VENONA*.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**CIG, the Joint Counterintelligence Information Center (JCIC) and VENONA**

The new Central Intelligence Group (CIG), recently set up by President Truman, saw little of the VENONA information. Although it now had access to signals intelligence, it was not trusted by the Bureau or ASA. The CIG did join the Army and Navy in a Joint Counterintelligence Information Center (JCIC) to exploit current signals intelligence leads. The JCIC worked under the cover of "OP32Y1," an office at the Naval Communications Annex on Nebraska Avenue in Washington, DC. The JCIC received Gardner's Special Report # 1. The FBI, however, never joined JCIC or sought its assistance with the VENONA project. When JCIC inquired about additional Special Reports in early 1949, Clarke refused to provide them. Thus, VENONA remained understaffed and highly compartmented. The Bureau assigned the inter-agency liaison work to a single Special Agent, Robert Lamphere.

**Cambridge Five**

Kim Philby, Donald Maclean, William Burgess, John Cairncross, and Anthony Blunt

**Judith Coplon**

In December 1948, using VENONA traffic, the FBI identified a Soviet agent with the covername SIMA, as Judith Coplon, a young Justice department analyst. The Soviet Union recruited her in 1944 right out of Bernard College. At Justice, Coplon focused her attention on the main Justice Department counterintelligence archive that collected information from the various intelligence agencies, FBI, OSS, ONI, and MID, involved in counterintelligence. She passed this material to her Soviet handlers in October 1945. It included FBI information on Soviet activities in the United States, Communist leaders and communist groups. A review of the data shocked Soviet operatives in New York. They had dismissed the various U.S. counterintelligence efforts as amateurish.<sup>791</sup> They warned Coplon to be cautious. She was not. Under FBI observation, Coplon continued to meet her Soviet link in New York. She was the first person arrested on the basis of VENONA lead as she met with her Soviet contact in New York City. Her defense was that she was meeting the Soviet intelligence officer because she was writing a book and gathering first hand information. She never produced book notes, a book outline, or a manuscript at her trials. The Truman administration, bent on protecting VENONA, the cryptanalytic breakthrough, forbid the FBI from using the message traffic at her trials.<sup>792</sup>

<sup>791</sup> Allen Weinstein and Alexander Vassiliev, *The Haunted Wood, Soviet Espionage in America, The Stalin Era* (New York: The Modern Library, 1999), p. 279.

<sup>792</sup> President Truman and his Attorney General Tom Clarke were probably never informed of the VENONA project. See Benson and Warner, *VENONA*.

1 FBI agent Lamphere, for example, testified that suspicion fell on Coplon from a reliable  
2 “confidential informant” that was not a wiretap. Nevertheless, Coplon was tried and  
3 convicted twice of espionage. On appeal, the federal judge concluded that it was clear  
4 that she was guilty, however, the FBI had failed to obtain a warrant for her arrest and had  
5 lied under oath about wiretapping Coplon. He overturned the convictions. Coplon  
6 adamantly and persistently claimed her innocence although the VENONA evidence  
7 clearly indicated that she enthusiastically spied for the Soviet Union. The government  
8 dropped the case in 1967.<sup>793</sup> The Coplon case set the pattern for FBI investigations and  
9 prosecutions over the next two years. Meredith Gardner and his colleagues supplied FBI  
10 agent William Lamphere with codenames and translations and the FBI tracked down the  
11 leads.

### 12 13 **The Manhattan Project and Soviet Espionage**

14  
15 The German invasion of the Soviet Union in June 1941 led Soviet intelligence to  
16 accelerate its efforts to obtain U.S. information on advanced weaponry. In 1942  
17 information began to trickle in to Soviet intelligence on major American work on  
18 Uranium-235 and an extraordinary bomb. Soviet agents had already begun to collect  
19 information on scientists at Columbia, MIT and other research centers involved in this  
20 type of research. But early attempts to recruit scientists involved in the research led  
21 nowhere. NKGB officials became increasingly concerned with their lack of knowledge  
22 regarding the American atomic research program, The Manhattan Project. They called it  
23 ENORMOZ. Both the GRU and the NKGB attempted to recruit agents linked to the  
24 program. Soviet intelligence was ordered to redouble its efforts to acquire atomic  
25 research information. Soviet intelligence wanted to know “the progress of construction  
26 of an ‘Enormoz’ plant in the vicinity of Knoxville, Tennessee [the Oak ridge facility],  
27 and data on the technological process...in ‘Camp Y’ in the Santa Fe, New Mexico area  
28 [Los Alamos].”<sup>794</sup> The United States successfully detonated the first nuclear explosion  
29 on 16 July 1945. President Truman informed Stalin of the new weapon at the Potsdam  
30 Conference in September 1945. Stalin already knew. His spies had penetrated the  
31 Manhattan Project. He had detailed information on the progress of the first atomic bomb  
32 “Fat Man.”

### 33 34 **Klaus Fuchs**

35  
36 The most useful source on “Enormoz” ( the Soviet code name for atomic bomb research)  
37 was probably British physicist Klaus Fuchs. Recruited by NKGB in 1941, Fuchs arrived  
38 in the United States in 1943 as a member of the British mission on ENORMOZ. A  
39 devoted communist, Fuchs passed extremely valuable information on the progress of the  
40 Manhattan Project to his Soviet handlers. He returned to Great Britain in 1946. In  
41 September 1949 the FBI determined that the covername REST and CHARLES referred

---

<sup>793</sup> See Marcia and Thomas Mitchell, *The Spy Who Seduced America: Lies and Betrayal in the Heat of the Cold War, The Judith Coplon Story* (Vernont: Invisible Cities Press, 2002) and Hayden B. Peake’s review of the book in *Studies in Intelligence* (2003). Coplon’s Soviet espionage activities were not only confirmed by VENONA but by information found in KGB archives in 1988.

<sup>794</sup> Quoted in Weinstein, *The Haunted Wood*, p. 183.

1 to a scientist in the Manhattan Project from Great Britain, the physicist Klaus Fuchs. On  
2 3 February 1950, the British arrested Fuchs on espionage charges. Fuchs confessed his  
3 espionage activities on behalf of the Soviet Union. Fuchs had been a Soviet agent. He  
4 was convicted and sentenced to fourteen years in prison. The Soviet press claimed Fuchs  
5 was unknown to the Soviet government and was no agent of the Soviet Union. After  
6 serving nine years of his sentence, Fuchs, upon his release from prison, promptly left  
7 England for a prestigious research position in East Germany.<sup>795</sup> Fuchs died in 1988 and  
8 posthumously the Soviet government recognized his invaluable contributions to Soviet  
9 intelligence in a ceremony in East Germany.<sup>796</sup>

10  
11 **Ted Hall**

12  
13 Sometime in late 1949 or early 1950 Gardner translated a 1944 Soviet message that  
14 described the recruitment of a 22 year old Harvard University physics student,  
15 YOUNGER [MLAD] by Soviet intelligence. Soon the FBI determined that the  
16 covername YOUNGSTER [MLAD] matched Theodore Alvin Hall, a young physicist  
17 from Harvard working on the Manhattan Project.  
18 Hall, although interrogated by the FBI, was never charged with espionage. Hall left his  
19 teaching career in the United States and settled in Great Britain. He abandoned atomic  
20 physics for a successful career in microbiology at Cambridge University. Only after the  
21 release of the VENONA materials in 1995-1996 did Hall acknowledge his espionage  
22 activities for Soviet intelligence during the war and his betrayal of the United States. He  
23 maintained, however, that he had "the right end of the stick." He held to his blind faith in  
24 the superiority of the Soviet system. He had fought for a 'noble idea.'<sup>797</sup>

25  
26 **Harry Gold**

27  
28 Like so many other American Communist sympathizers, Harry Gold began his long  
29 career as a Soviet asset in the mid-1930s. His profile was typical of many Soviet  
30 intelligence recruits in the United States during the Great Depression. He was from  
31 Russia of immigrant parents with a radical family tradition. The Soviets paid for his  
32 graduate studies in chemistry and he became a courier and "talent spotter" for them. Gold  
33 served as a courier at Los Alamos, passing atomic secrets from Fuchs and others to the  
34 Soviets. Gold plead guilty and received a thirty year sentence in 1950. After serving 15  
35 years of his sentence Gold faded into a normal American life.

36  
37 **David and Ruth Greenglass**

38  
39 U.S. Army Sgt. David Greenglass was a young technician at Los Alamos. David was  
40 also the younger brother of Ethel Greenglass (Ethel Rosenberg). Indoctrinated with  
41 communist ideas from his sister Ethel and her husband Julius, David convinced his wife  
42 Ruth of the communist way. Although he never officially joined the CPUSA, after a  
43 discussion with his wife, Ruth, Greenglass began to supply Soviet intelligence with

<sup>795</sup> Wienstein, *The Haunted Wood*, p. 326.

<sup>796</sup> *Ibid.*, p. 335.

<sup>797</sup> Wienstein, *The Haunted Wood*, p. 336.

1 information relating to the atomic bomb project. In February 1950, Lamphere suspected  
2 that a Soviet agent identified in VENONA by the name CALIBRE was an enlisted man  
3 posted at the Manhattan Project at Los Alamos. Subsequent message traffic and  
4 additional information from Harry Gold led the FBI to Greenglass. Greenglass confessed  
5 his espionage activities on 15 June 1950 and implicated his brother-in-law, Julius  
6 Rosenberg. Greenglass told the FBI that Rosenberg recruited him for Soviet intelligence  
7 work in 1944. Greenglass was convicted of espionage and sentenced to fifteen years in  
8 1951. After serving his sentence, Greenglass disappeared from public view.

### 10 **Julius and Ethel Rosenberg**

11  
12 Born in New York on 12 May 1918, the son of Russian immigrants, Julius Rosenberg  
13 Took a degree in electrical engineering from New York City College in 1939. He joined  
14 the Army Signal Corps in 1940. He met Ethel in 1936 when both joined the Young  
15 Communist League. They married in 1939. By 1942 they were both full members of the  
16 CPUSA. The Party urged Julius to drop out of "open" CPUSA activities and become an  
17 agent. Julius began running an espionage network for the Soviets.<sup>798</sup> In late June 1950,  
18 the FBI related the information in VENONA traffic about an agent collecting  
19 technological and scientific secrets, codenamed LIBERAL and ANTENNA to known  
20 facts that matched New York engineer Julius Rosenberg. Two of the messages also  
21 implicated his wife Ethel. On 29 March 1951 thanks primarily to the testimony of  
22 Greenglass, Julius and Ethel Rosenberg were convicted of espionage and sentenced to  
23 death. The VENONA evidence was never introduced at the trial. The Rosenberg's were  
24 nevertheless, guilty of espionage. They had willingly spied for the Soviet Union and  
25 provided key information to the Soviets regarding the atomic bomb research. As for  
26 Ethel, although she knew of her husband's long and productive work for the Soviet  
27 Union and Soviet intelligence, she played only a minor supporting role. Her active  
28 involvement in espionage was minimal. In a less charged political atmosphere she  
29 probably would have received a minor prison sentence.  
30 Despite numerous world-wide appeals for clemency, Julius and Ethel Rosenberg were  
31 executed on 26 June 1953.<sup>799</sup>

### 33 **Senator Joseph McCarthy and the Red Menace in the 1950s**

34  
35 When Senator Joe McCarthy gave his speech at Wheeling West Virginia on 9 February  
36 1950, he knew nothing of VENONA or the FBI efforts to squash Soviet espionage  
37 activities in the United States, or that the Soviets had quietly reduced their espionage  
38 efforts in response to greater FBI surveillance, and the revelations of Chambers and  
39 Bentley. McCarthy claimed he had a list of 57 subversives or "fellow travelers" in his  
40 possession. The Senator's speech set off a witch hunt within the United States for anyone  
41 suspected of being a communist or "fellow traveler and ushered in the McCarthy era  
42 which lasted well into the 1950s. McCarthyism, as it came to be known, was

<sup>798</sup> FBI History, Famous Cases, *The Atom Spy Case*. See also Ronald Radosh and Joyce Milton, *The Rosenberg File: The Search for the Truth*, 2<sup>nd</sup> ed. (New Haven, CT: Yale University Press, 1997).

<sup>799</sup> Weinstein, *Haunted Wood*, p. 242. The Rosenberg's were the only American civilians to be executed for espionage during the Cold War.

1 characterized by vague and unsubstantiated accusation, exploitation of public fear of  
2 communism, and the persecution of innocent dissidents. It was designed to seek out and  
3 remove communists from American institutions, organizations, government, and daily  
4 life. The fall of McCarthy in 1954 marked the end of the movement but the Red Scare  
5 continued.

6 Congress aided the movement by passing the Internal Security Act of 23 September 1950  
7 (The McCarran Act). Sponsored by Nevada Senator Pat McCarran, the act required the  
8 registration of Communist organizations by the Attorney General and set up a  
9 Subversives Activities Control Board to investigate subversive activities in the United  
10 States. President Truman, who had imposed a Loyalty Oath on Federal employees in  
11 1947, vetoed the bill stating it "made a mockery of our Bill of Rights" and would actually  
12 weaken our internal security measures. Truman's veto was easily overridden by a  
13 Democratic Congress.

#### 14 15 **Soviet Espionage and Its Impact on American Society**

16  
17 Despite numerous denials and protests of innocents, a number of Americans carried on  
18 espionage for the Soviet Union throughout the 1930 and 1940s. Most did it for  
19 ideological reasons. Some participated for the money. Because of their work, the  
20 Soviets received large amounts of government classified materials relating to government  
21 policies on highly sensitive subjects, negotiations, and weapons development. Soviet  
22 espionage successes included the penetration of the Manhattan Project and the processes  
23 involved in building an atomic bomb. Despite Senator Joe McCarthy's rants and  
24 communist hunting, and the liberal reaction of a "witch hunt" there was a major Soviet  
25 espionage network operating in the United States during the war. The Soviets had  
26 penetrated the U.S. government and many of its top secret facilities. The threat was real.  
27 Soviet espionage was aggressive, capable, and far reaching. Over the years, the Left  
28 turned the Alger Hiss and Rosenberg trial into case studies of its argument that the  
29 domestic Cold War had been a right wing plot to repress legitimate radical reform efforts  
30 and to create an American empire. Central to this claim was the argument that both  
31 Alger Hiss and the Rosenbergs had been put on trial, framed, and then unjustly punished  
32 to create public support for U.S. containment strategy. According to this argument,  
33 Julius and Ethel Rosenberg were victims of a government sponsored conspiracy. The  
34 government had railroaded the Rosenbergs.

35 In fact, as revealed by the VENONA transcripts, the Soviet Union had engaged in  
36 aggressive, hostile espionage against its American Ally all during the war. The American  
37 Communist Party was a willing and essential accomplice to Soviet espionage. The  
38 American Communist Party was not 20<sup>th</sup> Century Americanism, but treason. The Soviet  
39 Union heavily subsidized the CPUSA, prominent American radicals laundered money for  
40 the Comintern, the CPUSA maintained a secret espionage network in the United States  
41 with direct ties to Soviet intelligence. The testimony of former communists Whittaker  
42 Chambers and Elizabeth Bentley with regard to Soviet activities within the United States  
43 was accurate. American communists within the U.S. government stole key classified  
44 documents and passed them to the CPUSA which forwarded them to Moscow. The  
45 Rosenbergs, though perhaps unjustly executed, were guilty as charged as was Alger Hiss.  
46 Julius Rosenberg had been a principal and Ethel, his accomplice, in one of the most

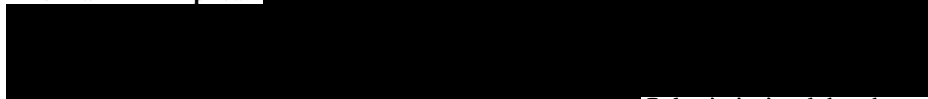
1 important Soviet espionage networks and they delivered valuable information about the  
2 Manhattan Project and the atomic bomb to the Soviet Union. Hiss, despite his denials,  
3 was a long time Soviet spy. The impact of Soviet espionage in the war years was long  
4 lasting.

5  
6 **The CIA and Counterintelligence, Angleton and Philby**

7  
8 While the CIA played almost no role in VENONA until the mid-1950s, the CIA did  
9 begin to take a more active part in counterintelligence. The Doolittle Report of 1954  
10 concluded that the CIA was losing the spy wars to the KGB. It recommended "the  
11 intensification of the CIA's counterintelligence efforts to prevent or detect and eliminate  
12 penetrations of CIA."<sup>800</sup> DCI Dulles, reacting to the report created a new more powerful  
13 unit called the Counterintelligence Staff and selected James Jesus Angleton to run it.  
14 Angleton, an OSS veteran, had worked for X-2 , the OSS's counterintelligence branch.  
15 Angleton immediately set up the Special Investigation Group (SIG) to investigate the  
16 possibilities that the CIA itself might have been penetrated by the Soviets. The British  
17 Security Service (MI-5) helped Angleton organize CIA's Counterintelligence Staff. The  
18 British intelligence liaison to the CIA and Angleton was Kim Philby, a Soviet agent and a  
19 member of the Cambridge Five. Philby and Angleton developed a close working  
20 relationship and friendship. When Philby was revealed as a Soviet spy , Angleton  
21 refused to believe it. It would mean that he himself had been taken in. Only in the 1960s  
22 would Angleton accept the truth that his British friend was a KGB agent. Phil by's  
23 betrayal helped shape Angleton's increasingly obsessive suspicion and paranoia.<sup>801</sup>  
24 Despite the Philby affair, Angleton continued to hold the confidence of DCI's Dulles and  
25 Helms and gradually build an empire within the Agency. Philby would eventually fit  
26 neatly into Angleton's belief in a Soviet master plan to deceive the entire West. This  
27 becomes apparent in the Golitsyn/Nosenko problem.

28  
29 **Defectors Anatoly Golytsin and Yuri Nosenko**

30  
31 Anatoly Golystin, a KGB agent, defected with his wife and daughter in Helsinki in 1961.  
32 He was 35 years old. To proof his bon-i-vides he provided CIA officials with enough  
33 information to implicate (b)(1), (b)(3)



34  
35  
36  
37 Golystin insisted that the  
38 Soviets had penetrated the CIA and inserted a mole into the top levels of the Agency. He  
39 claimed "SASHA" was a KGB mole working for the CIA in Europe, who's last name  
40 began with a "K" and ended in "ski." In his interrogations he also predicted the Soviets  
41 would send a false defectors after him to discredit him. Convinced that Gloytsin was  
42 genuine, Angleton became his protector and began his long hunt for the CIA mole.  
43

<sup>800</sup> As quoted in Tom Mangold, *Cold Warrior, James Jesus Angleton: The CIA's Master Spy Hunter* (New York: Simon and Schuster, 1991), p. 50.

<sup>801</sup> Mangold, *Cold Warrior*, p. 67.

CIA

CIA

1 Yuri Nosenko, another KGB officer, defected in 1964 a few month after the  
2 assassination of President John F. Kennedy. He initiated contact with the CIA in (b)(1), (b)  
3 Switzerland in 1962 and became a defector –in-place. Nosenko told the CIA in extensive  
4 debriefings that he had seen the KGB file on Lee Harvey Oswald and contended that  
5 Soviet intelligence had paid little or no attention to Oswald despite the fact that Oswald  
6 had lived in the Soviet Union from 1959 to 1962. According to Nosenko, Oswald was  
7 not a KGB asset, just a “lone nut.”

8 CIA Counterintelligence Chief James Angleton did not believe Nosenko. Angleton  
9 concluded that Nosenko was a false defector sent by the Soviets to spread disinformation,  
10 just as Golitsyn predicted. Angleton continued to suspect Nosenko and launched a  
11 massive hunt within the Agency for the “Soviet mole.” Angleton put Nosenko in solitary  
12 confinement from April 1964-August 1965 at (b)(1), (b)(3) Agency officials interrogated  
13 him repeatedly to get him to change his story. Nosenko continued to insist that he was  
14 telling the truth. An internal CIA report of 1968 concluded that Nosenko was indeed,  
15 telling the truth.<sup>802</sup> (b)(1), (b)(3)

16 Angleton, still unconvinced that Nosenko was a true defector, launched the  
17 HONETOL operation to find the mole in CIA. Angleton would turn the Agency upside  
18 down looking for the Soviet mole.<sup>803</sup> HONETOL was not the only counterintelligence  
19 program Angleton ran.

20  
21 **Domestic Spying**

22  
23 During the 1960s and 1970s the entire U.S. Intelligence Community got caught up in  
24 Counterintelligence efforts to prove that the Vietnam war protect and the growing Civil  
25 Rights movement were communist inspired and financed. Both the Johnson and Nixon  
26 administrations urged the Intelligence Community to find the connection.

27  
28 **CIA Mail Opening Programs**

29  
30 As part of its counterintelligence operations, the CIA conducted four mail opening  
31 programs within the United States. The stated purpose of the mail opening programs was  
32 to obtain useful foreign intelligence and counterintelligence information. Despite the  
33 stated purpose, by the 1960s the CIA targeted numerous domestic dissidents, including  
34 anti-war and civil rights activists. All of the programs were illegal and an invasion of the  
35 privacy of American citizens.

36  
37 **HTLINGUAL**

38  

---

<sup>802</sup> In 1977, DCI Turner launched a new investigation that vindicated Nosenko.

<sup>803</sup> Edward Jay Epstein, *Legend* (1978). CIA Counterintelligence and Angleton hid the  
Golitsyn/Nosenko problem and Nosenko’s statements about Oswald from the Warren  
Commission. They refused to allow Nosenko to testify before the Commission for fear  
he might reveal something about CIA attempts to kill Castro.



1 HTLINGUAL was the CIA's mail intercept project run out of New York City by the  
 2 Agency's Counterintelligence staff. It operated for over twenty years, more than 215,000  
 3 letters to and from the Soviet Union were opened and photographed by CIA officers.  
 4 Nearly 57,000 were also disseminated to the FBI once it learned of the program.<sup>804</sup> The  
 5 project originated in the spring of 1952 to scan exteriors of all letters to the Soviet Union.  
 6 In November 1955 James Angleton, Chief of Counterintelligence proposed that the  
 7 program be expanded and include the opening of the mail. The CIA informed Arthur E.  
 8 Summerfield, the Post Master General during the Eisenhower administration, of the mail  
 9 opening project in 1954 and he assented to the photographing of the mail by the CIA.  
 10 Summerfield was not informed, however, nor did he approve of the actual opening of  
 11 mail by the Agency. The FBI became aware of this CIA operation and began to levy  
 12 requirements on the CIA concerning the product. The FBI's collaboration effort, known  
 13 as "Project Hunter" tasked the CIA for information on peace organizations, anti-war  
 14 protestors, black activist leaders, and women's groups. The joint effort continued until  
 15 1973 when DCI Colby terminated it because he believed it was producing very little in  
 16 the way of useful information.

17 The CIA also conducted (b)(1), (b)(3) other domestic mail opening projects; in San Francisco  
 18 from 1969-1971, in New Orleans in 1957, (b)(1), (b)(3)

19  
 20 **WESTPOINTER** (b)(1), (b)(3)

21  
 22 The San Francisco mail intercept project known as WESTPPOINTER by the office of  
 23 Security (b)(1), (b)(3) the Directorate of Plans involved the examination of  
 24 the exterior of letters and opening and reading the content of the mail from East Asian  
 25 countries, primarily China. The CIA desired to know the extent of mail censorship and  
 26 possible recruitment opportunities. It was terminated because of the "risk factor" or "flap  
 27 potential."

28  
 29 **Project** (b)(1), (b)(3)

30  
 31 The CIA established Project (b)(1), (b)(3) in New Orleans for two and one-half weeks during  
 32 1957. The project involved the screening and opening of first class international mail  
 33 transiting New Orleans in route to or from Latin America. (b)(1), (b)(3)

34  
 35  
 36 According to the CIA, (b)(1), (b)(3) produced no useful  
 37 intelligence information and (b)(1), (b)(3) terminated.<sup>805</sup>

38  
 39 (b)(1), (b)(3)

804 Church Committee, *Final Report, Intelligence Activities and Rights of Americans*, p. 300. Known as HTLINGUAL by the Counterintelligence staff, the mail opening program had the codename SRPOINTER by the CIA Office of Security. Most mail between the United States and the Soviet Union passed through the Port of New York.

805 No formal termination of the project was recorded or found by the Church Committee.

CIA

CIA

1 (b)(1), (b)(3)  
 2 [Redacted]  
 3 [Redacted] however, it involved cooperation  
 4 (b)(1), (b)(3)  
 5 [Redacted] When the CIA officer was transferred (b)(1), (b)(3) the project ceased.  
 6

**FBI Mail Opening Programs**

7  
 8  
 9 The FBI, like the CIA, conducted several mail opening programs of its own within the  
 10 United States. The FBI initially directed such programs against the Axis powers  
 11 immediately before and during the Second World War. During the 1950s and the 1960s  
 12 these programs were directed toward communist activities within the United States. The  
 13 FBI programs were, in the main, narrowly focused on the detection and identification of  
 14 foreign illegal agents rather than the collection of foreign intelligence. The FBI programs  
 15 were in some respects even more intrusive than the CIA's. Often they involved the  
 16 interception and opening of entirely domestic mail, that is, mail sent from one point  
 17 within the United States to another point within the United States.  
 18

FBI

19 (b) (7)(E)  
 20 [Redacted]  
 21 (b) (7)(E)  
 22 [Redacted]  
 23 [Redacted]  
 24 [Redacted]  
 25 [Redacted]  
 26 [Redacted]  
 27 [Redacted]  
 28

29 (b) (7)(E)  
 30 [Redacted]  
 31 (b) (7)(E)  
 32 [Redacted]  
 33 [Redacted]  
 34 [Redacted]  
 35 [Redacted]  
 36 [Redacted]  
 37 [Redacted]  
 38 [Redacted]  
 39 [Redacted]  
 40 [Redacted]  
 41 [Redacted]  
 42

**MHCHAOS**

<sup>806</sup> Church Committee, *Final Report, Intelligence Activities and the Rights of Americans*, p. 357-372.

1 Under President's Johnson and Nixon, the CIA launched a massive domestic surveillance  
 2 program, code-named Operation MHCHAOS. The Agency initiated this program in  
 3 response to pressure from the Johnson administration in 1967 to find evidence that the  
 4 anti-Vietnam War protesters and the civil rights movement were being financed by the  
 5 Soviet Union, China, and/or Cuba. Run by the CIA's Counterintelligence Division,  
 6 CHAOS failed to develop any links between the protesters and foreign espionage efforts.  
 7 DCI Helms, informed President Johnson on 15 November that the Agency had uncovered  
 8 "no evidence of any contact between the most prominent peace movement leaders and  
 9 foreign embassies in the U.S. or abroad." Helms concluded that the movements were  
 10 indigenous and their activities determined by their members opposition to the  
 11 administration's foreign and domestic policies. Helms repeated this evaluation to  
 12 President Nixon in 1969. Despite the CIA assessment, both Presidents remained  
 13 unconvinced. The CIA was not trying hard enough. Reacting to White House requests,  
 14 the CIA beefed up its attempts to find a link between the protesters and communist  
 15 influence in the movement.<sup>807</sup> Only in 1973 did DCI William Colby stop the program.

16 **Drug Programs**

17 (b)(1), (b)(3)

CIA

21 During the 1950s and 1960s the CIA initiated a number of programs to develop a  
 22 chemical and biological warfare capacity. To aid its clandestine operational requirement,  
 23 the CIA stockpiled several incapacitating and lethal materials. Under this program the  
 24 CIA's Technical Services Division maintained, in operational readiness, special and  
 25 unique items for the dissemination of biological and chemical materials. It also tested  
 26 and evaluated these substances. In 1952 CIA asked the Special Operations Division  
 27 (SOD) of the U.S. Army to assist in developing, testing, and maintaining these biological  
 28 and chemical agents and delivery systems. Together, the CIA and SOD developed darts  
 29 coated with biological agents and lethal pills. They also developed a special dart gun to  
 30 incapacitate guard dogs, allowing CIA assets to enter and leave a building undetected. In  
 31 addition, the CIA and SOD studied the use of biological agents against crops and  
 32 animals. On 25 November 1969, President Nixon renounced the use of any form of  
 33 biological weapons that could kill or incapacitate. The President also ordered the  
 34 disposal of existing stockpiles of biological weapons. In response the CIA discontinued  
 35 Project (b)(1), (b)(3).<sup>808</sup>

36 **MKULTRA**

39 Another CIA drug program, MKULTRA, sought chemical, biological, and radiological  
 40 materials which could control human behavior. As early as 1947, the CIA began  
 41 experimentations with different types of mind-altering chemicals and drugs. One Project  
 42 CHATTER, involved the testing of "truth drugs" for interrogation and agent evaluations.

<sup>807</sup> Athan Theoharis, "A New Agency: The Origins and Expansion of CIA Covert Operations," in Athan Theoharis, Richard Immerman, Loch Johnson, Kathryn Olmsted, and John Prados, eds., *The Central Intelligence Agency, Security Under Scrutiny* (Westport, Connecticut, Greenwood Press, 2006), p. 175.

<sup>808</sup> Church Committee. The CIA retained a small quantity of a deadly shellfish toxin until 1975.

1 The research included laboratory experiments on mice as well as human volunteers. The  
2 researchers looked at scopolamine, mescaline, and Anabasis aphylla. With the outbreak  
3 of the Korean War the project expanded. Given reports that the Soviet Union, the  
4 People's Republic of China, and North Korea were using chemical and biological agents  
5 in interrogations of POWs, DCI Allen Dulles instructed the CIA's Scientific Division,  
6 headed by Dr. Sidney Gottlieb, to launch yet another drug program, Project MKULTRA.  
7 The project soon took on offensive capabilities as well as defensive ones against certain  
8 drugs. Accord to a CIA memorandum given to the Church Committee,  
9

10 The purpose of MKULTRA was to develop a capability in the covert use of  
11 biological and chemical materials... Aside from the offensive potential, the  
12 development of a comprehensive capability in this field of covert chemical and  
13 biological warfare gives us a thorough knowledge of the enemy's theoretical  
14 potential, thus enabling us to defend ourselves against a foe who might not be as  
15 restrained in the use of these techniques as we are.<sup>809</sup>  
16

17 MKULTRA also involved testing the hallucinogenic drug LSD on human subjects. CIA  
18 officials administered LSD to numerous subjects, both witting and unwitting. One of the  
19 tragic results of this program was the death of Dr. Frank Olson. A biological warfare  
20 specialist for the U.S. Army, Olson was give LSD unwitting by a CIA officer as part of an  
21 experiment conducted by Gottlieb. Shortly thereafter, Olson exhibited symptoms of  
22 paranoia and schizophrenia. The CIA took him to New York for treatment. While in  
23 New York, Olson fell to his death from a hotel window while receiving treatment.  
24

25 In January 1973 DCI Helms ordered the destruction of all MKULTA documentation.<sup>810</sup>  
26

### 27 **BLUEBIRD and ARTICOKE**

28  
29 Another drug program initiated in the early 1950s was Project BLUEBIRD. The program  
30 aimed to protect agents in the field from special interrogation techniques, especially the  
31 use of drugs. BLUEBIRD was renamed ARTICOKE in August 1951 and came to  
32 include experiments involving numerous interrogation techniques. The CIA conducted  
33 "in-house experiments under medical and security controls to ensure that no damage was  
34 done to the individuals who volunteered for the experiments." Conducted by the Office  
35 of Security and the Office of Medical services these experiments continued into the  
36 1960s.  
37

### 38 **COINTELPRO**

39  
40 COINTELPRO is the FBI acronym for a series of covert action programs directed against  
41 domestic groups. In these programs, the Bureau went beyond the collection of  
42 intelligence to secret action designed to "disrupt" and "neutralize" these targeted groups  
43 and individuals. From 1956 to 1971 when it ended, the FBI conducted operations which  
44

---

<sup>809</sup> Church Committee *Hearings*

<sup>810</sup> Church *Committee Report*, pp. 403-404.

1 violated U.S. citizens First Amendment rights of free speech and association, in an effort  
2 to protect U.S. national security interests. These operations were clearly illegal in a  
3 democratic society. The Bureau justified them as part of its duty to do whatever was  
4 necessary to combat perceived threats to the social and political order. The Bureau's  
5 COINTELPRO program was aimed at five perceived threats. In 1956, the FBI  
6 developed the initial COINTELPRO operations, which it used to disrupt and discredit  
7 Communist Party activities in the United States.<sup>811</sup> When the Supreme Court drastically  
8 curtailed the Smith Act which allowed the FBI to prosecute communist party members,  
9 the Bureau developed the program to counter what it believed to be a major threat to U.S.  
10 national security. As the chief of the COINTELPRO unit explained:

11  
12 We were first to develop intelligence so we would know what they were doing  
13 [and] second, to contain the threat....To stop the spread of communism, to stop  
14 the effectiveness of the Communist Party as a vehicle of Soviet intelligence,  
15 propaganda and agitation.<sup>812</sup>

16  
17 The CPUSA program targeted not only party members but also sponsors of the National  
18 Committee to Abolish the House Un-American Activities Committee, civil rights leaders  
19 allegedly under Communist influence, and people who were simply not "anti-  
20 communist." According to the Church Committee report, the FBI program led to  
21 massive collection of information on law abiding citizens. The program extended beyond  
22 known or suspected Communist Party members. The Bureau included, for example,  
23 individuals who regarded the Soviet Union as the "champion of a superior way of life,"  
24 and persons who showed sympathy for communist objectives and politics. By 1960, the  
25 FBI had opened approximately 432,000 files on individuals and groups regarded as  
26 "subversive." In the 1960s the program was increasingly widened to other targets,  
27 especially domestic dissenters. In March 1960, the Bureau expanded the COINTELPRO  
28 program to "fellow travelers." In 1961 it included the Socialist Workers Party. Although  
29 the SWP had contacts with foreign Trotskyite groups, there was no evidence that the  
30 SWP was involved in espionage. It ran candidates in elections, supported "such causes as  
31 Castro's Cuba and integration in the South," did not advocate the violent overthrow of  
32 the U.S. government, nor operate outside the law. While the Bureau admitted that the  
33 SWP were "home grown tomatoes," it targeted the SWP because it followed the  
34 revolutionary principles of Marx, Lenin, and Engles, as interpreted by Leon Trotsky. In  
35 1964, under pressure from the Johnson White House and Attorney General Robert  
36 Kennedy, the Bureau added The Klan COINTELPRO aimed at Klan-type and white hate  
37 groups. The objective was "to expose, disrupt, and otherwise neutralize the activities of  
38 the various Kans and hate organizations, their leadership and adherents."  
39 In August 1963 during the March on Washington, when Dr. Martin Luther King  
40 delivered his "I had a dream" speech which riveted the nation. The Bureau concluded

---

<sup>811</sup> COINTELPRO stands for Counterintelligence Program. There is a more detailed discussion of this program in Chapter on Counterintelligence.

<sup>812</sup> U.S. Senate, Select Committee to Study Governmental Operations with respect to Intelligence Activities, *Final Report, Supplementary Detailed Staff Reports on Intelligence Activities and the Rights of Americans*, Book II (Washington, DC: GPO, 1976), p. 3.

1 that this "demagogic speech" projected King as the "most dangerous and effective Negro  
2 leader in the country."

3 The long hot summer of 1967 with riots in Detroit and Washington produced the Black  
4 Nationalist Hate Groups COINTELPRO. The stated goals for the program were:

- 5
- 6 (1) To prevent the "coalition of militant black nationalists groups," which might be
- 7 the first step toward a real "Mau Mau" in America;
- 8 (2) To prevent the rise of a "messiah" who could "unify, and electrify," the
- 9 movement, naming specially Martin Luther King, Stokely Carmichael, and Elijah
- 10 Muhammed;
- 11 (3) To prevent violence on the part of black nationalist groups, by pinpointing
- 12 "potential troublemakers" and neutralizing them "before they exercise their
- 13 potential for violence;"
- 14 (4) To prevent groups and leaders from gaining "respectability" by discrediting them
- 15 to the "responsible" Negro community, to the white community (both the
- 16 responsible community and the "liberals," and to Negro radicals; and
- 17 (5) To prevent the long range growth of these organizations, especially among youth,
- 18 by developing specific tactics to "prevent these groups from recruiting young
- 19 people.<sup>813</sup>

20 In late 1968 the Bureau added the Black Panther Party to the program ordering its field  
21 offices to submit "imaginative and hard-hitting" proposals to cripple the BPP. On 28  
22 October 1968 the Bureau added the final CONINTELPRO The New Left. For the  
23 Bureau, the unrest of college campuses an anti-war protest movement were of grave  
24 concern:

25  
26 Our nation is undergoing an era of disruption and violence caused to a large  
27 extent by various individuals generally connected with the New Left. Some of  
28 these activists urge revolution in America and call for the defeat of the United  
29 States in Vietnam. They continually and falsely allege police brutality and do not  
30 hesitate to utilize unlawful acts to further their so-called causes. Moreover, the  
31 New Left has on many occasions viciously and scurrilously attacked the Director  
32 and the Bureau in an attempt to hamper our investigation of it and to drive us off  
33 the college campuses.<sup>814</sup>

34  
35 FBI agents were to prevent targeted individuals from public speaking or teaching and  
36 provide "misinformation to confuse demonstrators.

37 In all, the CONINTELPRO took in a staggering range of targets, from the violent  
38 elements of the Black Panther Party to Martin Luther King, to the Ku Klux Klan to the  
39 Weathermen, to the Southern Christian Leadership Conference. The Bureau adopted  
40 extralegal methods to counter these perceived threats to national security and public order  
41 because it believed the ordinary legal processes were insufficient to do the job. In  
42 essence, as the Church Committee concluded, the Bureau secretly took the law into its  
43 own hands by conducting a sophisticated vigilante operation against U.S. citizens. It went  
44 beyond the collection of counterintelligence information and beyond its law enforcement

<sup>813</sup> Ibid., pp. 14-15.

<sup>814</sup> Quoted in Senate Staff Report, p. 16.

1 function to act outside the legal process altogether and to covertly disrupt, discredit, and  
2 harass domestic groups and individuals. Such programs had no place in a democracy.<sup>815</sup>

3  
4  
5  
6  
7  
8 **NSA Intercept Programs**

9  
10 The Church Committee investigated three NSA intercept programs; MINARET, a “watch  
11 list” containing the names of American citizens; Operation SHAMROCK, whereby the  
12 NSA received copies of millions of telegrams leaving or transiting the United States, and  
13 the monitoring of certain telephone links between the United States and South America.

14  
15 **MINARET**

16  
17 In the early 1960s the NSA began intercepting and disseminating international  
18 communications of selected American citizens and groups on requests from other  
19 government agencies. These agencies supplied NSA with names, groups and  
20 organizations. In 1967, under increased pressure from the White House and other  
21 intelligence organizations to collect intelligence on civil disturbances and peace  
22 demonstrations, NSA responded by expanding its watch list program. These lists came to  
23 include names of individuals, groups, and organizations involved in the Vietnam War  
24 protest movement and civil rights demonstrations. The concept was an attempt to find  
25 the “foreign influence” in these movements. In 1969, NSA formalized the watch list  
26 program under the codename MINARET. The program now applied not only to alleged  
27 foreign influence on domestic dissent, but also to American groups and individuals  
28 whose activities “may result in civil disturbances or otherwise subvert the national  
29 security of the U.S.” NSA Director General Lew Allen suspended the dissemination of  
30 messages under the program in late 1973 when Attorney General Elliot Richardson  
31 concluded that the watch lists were of “questionable legality.”<sup>816</sup>

32  
33 **SHAMROCK**

34  
35 SHAMROCK was the codename for a program run by the NSA in which the NSA  
36 received copies of most international telegrams leaving the United States between August  
37 1945 and May 1975. During World War II, under the wartime censorship laws, all  
38 international message traffic was provided to military censors for review. Pertinent  
39 foreign messages were turned over to military intelligence. With the end of the war this  
40 practice ended. In August 1945, however, the Army sought to continue the program with  
41 regard to foreign traffic. The Army Signals Security Agency controlled the collection  
42 program until 1949 when the Armed Forces security Agency took over the program. The  
43 NSA inherited the program in 1952 with its creation. Obtaining the international

---

<sup>815</sup> See Church Committee, *Final Report*, p. 150.

<sup>816</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, pp. 388-389.

1 telegrams of American citizens by NSA and its predecessors was a violation of Section  
2 605 of the Communications Act of 1934 which stated:

3 No person receiving, assisting in receiving, transmitting, or assisting in  
4 transmitting, any interstate or foreign communication by wire or radio shall  
5 divulge or publish the existence, contents, substance, purport, effect, or meaning  
6 thereof....<sup>817</sup>  
7

8 All three international telegraph companies, RCA Global, ITT World Communications,  
9 and Western Union International participated in the program although they questioned its  
10 legality. SHAMROCK, according to the Church Committee, was probably the largest  
11 government interception program effecting Americans ever undertaken. While no total  
12 numbers are available, NSA estimated that during the last to or three years of its  
13 existence, 1972-1975 over 150,000 telegrams per month were analyzed by NSA. It  
14 should be noted that all the message traffic that the companies provided was international  
15 in nature. None of the companies engaged in domestic communications and there was no  
16 evidence that NSA ever received domestic telegrams from any source.<sup>818</sup>  
17 Secretary of Defense James Schlesinger terminated Operation SHAMROCK on 15 May  
18 1975. NSA claimed the program was terminated because it no longer provided valuable  
19 foreign intelligence information and the risk of its exposure was too great.  
20

### 21 South America

22  
23 From 1970 to 1973, at the request of the Bureau of Narcotics and Dangerous Drugs, NSA  
24 also monitored selected telephone circuits between the United States and certain  
25 countries in Latin America to obtain information relating to drug trafficking. The BNDD  
26 believed that drug deals were being arranged by calls to South America from public  
27 telephone booths in New York City. The BNDD determined that it did not have the right  
28 to tap public telephones. It enlisted the help of NSA. The NSA had access to  
29 international calls placed from, or received in cities all over the United States that were  
30 switched to New York. In addition, the BNDD gave the NSA the names of 450  
31 Americans for a "drug watch list." The NSA terminated this activity in June 1973.<sup>819</sup>  
32

### 33 Huston Plan

34  
35 In 1970, pressures from the Nixon White House and from within the intelligence  
36 community led to the formulation of a plan for better coordination and expansion of  
37 domestic security activities. The spring invasion of Cambodia brought major  
38 demonstrations and student "strikes" on college campuses, including the Kent State  
39 incident in which four students were killed by the National Guard. In response, H.R.  
40 Haldeman, Nixon's Chief of Staff, ordered staff assistant Tom Charles Huston to develop  
41 a plan to provide for expanded domestic intelligence collection and to authorize illegal  
42 intelligence techniques. The Nixon White House was convinced that the demonstrations  
43 and unrest had foreign influence and financing. Huston, in turn, arranged a meeting

<sup>817</sup> As quoted in Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 408.

<sup>818</sup> *Ibid.*, p. 416.

<sup>819</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 390.



1 between President Nixon and the directors of the FBI, CIA, NSA, and DIA on 5 June  
2 1970. This became known as the Interagency Committee on Intelligence (Ad Hoc). The  
3 President stressed at the meeting that he wanted improved coordination among the  
4 agencies and better capabilities to collect intelligence about "revolutionary activism" and  
5 the connection between these groups and foreign powers.<sup>820</sup> Following the meeting,  
6 members from the intelligence agencies produced a Special Report which presented the  
7 President with several options and recommendations for improving domestic intelligence.  
8 Huston recommended that the President approve the following:

- 9  
10 (1) "coverage by NSA of the communications of U.S. citizens using international  
11 facilities;"  
12 (2) "Intensification of electronic surveillances and penetrations" directed at  
13 individuals and groups "who pose a major threat to the internal security" and  
14 foreign nationals in the United States of interest to the intelligence  
15 community;  
16 (3) Removal of restrictions on "legal" mail coverage and relaxation of  
17 "restrictions on covert coverage [mail opening] on "selected targets of priority  
18 foreign intelligence and internal security interests;"  
19 (4) Modification of present restrictions on "surreptitious entry" to allow  
20 procurement of vitally needed foreign cryptographic materials and to permit  
21 "selective use" against high priority internal security targets;"  
22 (5) Relaxation of present restrictions on the development of campus sources to  
23 permit "expanded coverage of violence-prone and student-related groups;"  
24 (6) Increased coverage by CIA of American students (and others) traveling or  
25 living abroad;  
26 (7) Appointment of a "permanent committee consisting of the FBI, CIA, NSA,  
27 DIA, and the military counterintelligence agencies to evaluate domestic  
28 intelligence and to carry out the other objectives specified in the report."<sup>821</sup>  
29

30 Huston advised the intelligence agencies the next week that Nixon had approved all the  
31 recommendations. With Presidential authority, the intelligence community could now  
32 intercept international communications of Americans, eavesdrop electronically on anyone  
33 deemed a "threat to the internal security," read the mail of U.S. citizens, break into the  
34 homes of anyone regarded as a security threat, and monitor the activities of student  
35 political groups at home and aboard. There is no indication in the record that the  
36 President was informed that NSA was already covering international communications of  
37 Americans and had been doing so since 1967 or that the CIA was opening the mail of  
38 Americans. What the Huston Plan did was to supply Presidential authority for such

---

<sup>820</sup> The CIA and Defense Department were increasingly concerned with FBI Director J. Edgar Hoover's restrictions on their performance of foreign intelligence functions in the United States. Hoover, for example, in a "flap" with the CIA over the CIA's refusal to share certain information with the FBI, cut off all contact with the Agency and eliminated the FBI "liaison agent" at CIA headquarters. Church Committee, *Intelligence Activities and the Rights of Americans*, p. 83.

<sup>821</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 84.

FBI

1 operations, previously undertaken in secret without authorization from the President. It  
 2 also gave the FBI "Presidential authority" to resume (b)(7)(E)  
 3 FBI Director Hoover wanted more. He wanted specific approval from the Attorney  
 4 General and the President before he would undertake such activities. Hoover took up the  
 5 issue with Attorney General John Mitchell, who had not known of the plans to expand  
 6 domestic intelligence. Hoover stated that he would implement the plan, but only with the  
 7 explicit approval of the Attorney General or the President. Mitchell, unhappy about the  
 8 entire plan and the fact that he had been excluded, advised the President to withdraw his  
 9 approval. Nixon did. Despite the President's withdrawal of approval for the Huston  
 10 Plan, it did not, in fact, result in the termination of either the NSA program or the CIA  
 11 mail-opening program. They continued until 1973.<sup>823</sup>

12  
13  
14 **Colby and Angleton**

15  
16 Colby and Angleton had clashed in Italy in the mid-1950s, when Colby supported the  
 17 Christian Democratic Party's "opening to the left." Angleton firmly believed that the  
 18 socialists should not be allowed a foothold in the Italian government because "the  
 19 communists would not be far behind."<sup>824</sup> Then, in Vietnam when Colby was Chief of  
 20 Station in Saigon, Angleton, on a visit, reported that Communist agents had permeated  
 21 the entire South Vietnamese government. Angleton demanded a complete revamp,  
 22 strengthening of counterintelligence capabilities in Saigon. For Colby such action would  
 23 illustrate that the Americas did not trust their Vietnamese allies.<sup>825</sup> Colby took no action.  
 24 When Colby became DCI in the fall of 1973, he concluded that Angleton had to go.  
 25 Angleton's chief patron and protector, Richards Helms, was no longer DCI. Angleton  
 26 paranoia appeared worse. He had convinced himself that a powerful group of statesmen,  
 27 politicians, and industrialists were KGB agents. The list included Harold Wilson, the  
 28 British Prime Minister, Olof Palme, the Swedish prime minister, Willy Brandt, the  
 29 former West German chancellor, Armand Hammer, chairman of Occidental Petroleum,  
 30 and Averell Harriman, the former U.S. ambassador to the Soviet Union and former  
 31 governor of New York. He even believed that Henry Kissinger might be aiding the  
 32 Soviets.<sup>826</sup> In addition, Colby reviewed the files and CHAOS and HTLANGUAL and  
 33 found little intelligence value. Colby cancelled the programs. These long running  
 34 programs were controlled by Angleton. Colby began to dismantle Angleton's empire.

CIA

35 First, he took away Angleton's responsibility for liaison with the FBI. (b)(1), (b)(3)  
 36 [Redacted]  
 37 [Redacted] Next, after reviewing the affairs of the Soviet  
 38 Division, Colby found that Angleton and his Counterintelligence Staff had (b)(1), (b)(3)  
 39 (b)(1), (b)(3) Angleton was no longer permitted a say in Soviet recruitment. Finally,

FBI

<sup>822</sup> Ibid., p. 85. (b)(7)(E)  
 [Redacted] Hoover had suspended such activities in 1966.  
<sup>823</sup> Mitchell created the Intelligence Evaluation Committee (IEC) within the Justice Department to consider  
 expanding the authorities of NSA, CIA, FBI, and the military counterintelligence.  
<sup>824</sup> Mangold, *Cold Warrior*, p. 310.  
<sup>825</sup> Prados, *The Lost Crusader, The Secret Wars of CIA Director William Colby* (Oxford, Oxford University  
 Press, 2003), p. 161. Angleton was right. Viet Cong agents were everywhere.  
<sup>826</sup> Mangold, *Cold Warrior*, pp. 303-306.

1 Colby asked Angleton to give up the Counterintelligence Staff and offered him a position  
2 as a special consultant. Angleton refused the offer. Colby fired him.<sup>827</sup>  
3  
4  
5  
6

7 **Reagan Administration**  
8

9 President Reagan's Executive Order 12333 defined counterintelligence "activities  
10 conducted' in order to protect against espionage, other intelligence activities, sabotage, or  
11 assassination conducted on behalf of foreign powers, organizations, or persons, or  
12 international terrorist activities. It incorporated a wide-range of activities.

13 Reagan's DCI William Casey saw an expanded counterintelligence and security effort as  
14 key to his efforts to rebuild U.S. intelligence. Casey believed the Soviet Union  
15 continued to mount a serious hostile intelligence threat to U.S. interests.<sup>828</sup> He was  
16 correct. The United States, however, appeared to winning the espionage war, however,  
17 when veteran KGB officer Oleg Gordievsky began spying for British intelligence in 1974  
18 while stationed in Denmark. He was the primary, and for a long time, the only sources of  
19 Western intelligence on RYAN. By 1985 he was the highest ranking Western penetration  
20 of Soviet intelligence. British intelligence ex-filtrated him from Moscow in 1985. This  
21 successful operation did wonders for MI-6's credibility. It believed even the CIA would  
22 find the information useful. It would impress the Americans, and that is something that  
23 British intelligence always likes to do.<sup>829</sup> He became an informal adviser to Prime  
24 Minister Margaret Thatcher and President Reagan and played an important role in  
25 persuading them to take Mikhail Gorbachev seriously as a reform-oriented Soviet leader.  
26 He did inestimable damage to the KGB by revealing many of its officers, secrets and  
27 operations.<sup>830</sup>

28 The United States also touted another defector, Vitaly Yurchenko, a KGB officer, as one  
29 of the most important catches of the Cold War. Yurchenko deflected to the West in 1985  
30 reportedly because he was disillusioned with the Soviet system. The Agency considered  
31 the defection of Vitaly Yurchenko, the highest-ranking KGB officer ever to defect, as a  
32 major victory. He was the former chief of KGB operations in North America.  
33 Yurchenko, however, re-defected to the Soviet Union after three months in the United  
34 States. He claimed he had been "forcibly abducted" by the CIA in Rome. He simply  
35 walked away from his CIA guard while they were having dinner in Georgetown and  
36 reappeared at the Soviet Embassy. At an SSCI hearing on the re-defection, Senator  
37 Patrick Leahy (D, VT) could not believe it. He stated to DCI Casey, "You've either got a  
38 defector who was allowed to just walk away under circumstances I can't believe, or you  
39 have a double agent planted in the U.S. No matter what, something is terribly wrong."<sup>831</sup>  
40 Things got even worse for U.S. intelligence in 1985.

<sup>827</sup> For an inside review of the Angleton period see Cleveland Cram's "History of Counterintelligence."  
SCI, CIA.

<sup>828</sup> Snider, *The Agency and the Hill*, p. 318.

<sup>829</sup> Bethell, *Spies and Other Secrets*, p. 188.

<sup>830</sup> Fischer, *Cold War Conundrum*, p. 26. See also Oleg Gordievsky, *Next Stop Execution: The  
Autobiography of Oleg Gordievsky* (New York: Macmillan, 1995).

<sup>831</sup> Quoted in James Kelly, "The Spy Who Returned to the Cold," *Time*, (April 18, 2005).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

CIA

**1985 The Year of the Spy**

A series of espionage scandals exposed the extent of Soviet penetration of the U.S. government and rocked the Reagan administration and the Intelligence Community in 1985.

**Edward Lee Howard CIA**

Born in New Mexico in 1951, Howard became a CIA officer in 1981. Training to be a case officer in Moscow, (b)(1), (b)(3) He was forced to resign from the Agency in 1983. Disgruntled, Howard began spying for the Soviets. Howard compromised a key CIA asset within the Soviet Union, Adolf G. Tolkachev and provide the Soviets with materials on a number of CIA operations.<sup>832</sup> In 1985 Yurchenko provided CIA officials with enough information for them to identify as a Soviet spy. Only then did the CIA inform the FBI. Howard was, at the time, living in New Mexico. Howard evaded the FBI surveillance, using techniques he had learned in the Agency, and fled to Finland and then to the Soviet Union. He turned up in Moscow in 1986 and the Soviets granted him political asylum. Howard died in Russia in 2002 at the age of 50. Agency attention on Howard deflected concerns about the possibly of another spy in CIA. That spy was Aldrich Ames.<sup>833</sup>

**Jonathan Pollard U.S. Navy**

Jonathan Jay Pollard was born 7 August 1954 in Galveston Texas to a Jewish family. The family soon relocated to South Bend, Indiana, Jonathan attended Stanford University, got into drugs, and began bragging about working for Mossad. He graduated with a degree in political science and attended the Fletcher School of Law at Tufts University in Boston. He never finished his graduate work. After the CIA rejected his application, Pollard applied for and was hired by the Navy Field Operational Intelligence office (NFOIO). When Pollard became an analyst for the Naval Intelligence Support Center (NISC) in Suitland, Maryland, he began taking TS/SCI material home. After a security issue, the Navy nevertheless, hired Pollard permanently in October 1984 as a Naval Investigative Service (NIS) analyst responsible for reviewing and interpreting classified information concerning potential terrorist activity in the Western Hemisphere.<sup>834</sup> Pollard his loyalty split between the United States and Israel, decided to assist Israel as a spy. He later insisted that he did it for ideological reasons not for the money. He provided the Israelis with reconnaissance satellite photographs of the Palestinian Liberation Organization (PLO) headquarters in Tunisia, the specific capabilities of Libya's air defenses, and intelligence about Iraqi and Syrian chemical warfare capabilities, Pakistan's nuclear weapons program, and Soviet arms shipments to

<sup>832</sup> Jeffrey T. Richelson, *The U.S. Intelligence Community* (Boulder, Colorado: Westview Press, 2008), p. 296.  
<sup>833</sup> See Wise, *The Spy Who Got Away* (New York: Random House, 1988).  
<sup>834</sup> Ronaldjj. Olive, *Capturing Jonathan Pollard, How One of the Most Notorious Spies in American History Was Brought to Justice* (Annapolis, Maryland: Naval Institute Press, 2009), p. 40.

1 the Arab states.<sup>835</sup> According to one account, Pollard gave Israel the pick of U.S.  
 2 intelligence on the Middle East. Pollard soon came under FBI surveillance and was  
 3 arrested as an Israeli spy in front of the Israeli embassy. Israeli officials strongly denied  
 4 any knowledge of Pollard's espionage. They called it a rogue operation. Pollard likened  
 5 himself to an Israeli pilot shot down behind enemy lines.<sup>836</sup>  
 6 Pollard received a life sentence for spying for Israel. Despite mounting pressure from a  
 7 number of American Jewish groups and the Israeli government, President Clinton refused  
 8 to commute Pollard's sentence. During January 2002, on a visit to the United States, the  
 9 former Israeli Prime Minister, Benjamin Netanyahu, visited Pollard in prison in North  
 10 Carolina. After his return to Israel, Netanyahu sent a letter to Pollard promising his full  
 11 support in gaining his release. It was unprecedented.<sup>837</sup>

12  
13 **Ron Pelton NSA**

14  
15 Ron Pelton, an NSA analyst, ran into financial problems and offered his services to  
 16 Soviet intelligence for money. A walk-in, (the Soviets did not actively recruit him),  
 17 Pelton provided Soviet intelligence with key information which identified sensitive Sigint  
 18 operations. Perhaps the most important, Pelton revealed (b)(1), (b)(3)  
 19 [redacted] Yurchenko helped  
 20 identify Pelton when he told CIA interrogators that he had met a "red haired NSA  
 21 analyst." The CIA searched NSA records for all its red haired employees and narrowed  
 22 its search to Pelton. Because Pelton never passed any documents, he had a virtual  
 23 photographic memory, and simply recited the classified information he had seen, the CIA  
 24 and FBI had not real evidence against him. The FBI simply confronted Pelton in 1986  
 25 about his espionage activities. Pelton confessed.

26  
27 **John A. Walker U.S. Navy**

28  
29 Finally following up on a tip from his former wife, Barbara, the FBI began surveillance  
 30 of John A. Walker as a possible Soviet asset in the United States. Initially, the FBI  
 31 dismissed these allegations as the complaints of a disgruntled, alcoholic ex-wife.  
 32 In 1985, the FBI arrested former Navy man John Walker and members of his espionage  
 33 ring for spying against the United States. They had provided the Soviet Union with Navy  
 34 cipher material since 1967. The Soviet spymaster Gen. Boris Solomatin, who was the  
 35 KGB *rezendent* in Washington when Walker began spying stated, "For more than 17  
 36 years, Walker enabled your enemies to read your most sensitive military secrets. We  
 37 knew everything! There has never been a breach of this magnitude and length in the  
 38 history of espionage."<sup>839</sup> Despite these high profile cases, the KGB in the 1980s was  
 39 having particular difficulty acquiring new agents in the United Kingdom and the United  
 40 States. The KGB's halcyon days of recruiting ideologically motivated agents worldwide

<sup>835</sup> In October 1985 the Israeli air force evaded detection and bombed the PLO headquarters in Tunisia.  
See Olive, *Pollard*, p. 210.

<sup>836</sup> Olive, *Pollard*, p. 216.

<sup>837</sup> Olive, *Pollard*, p. xiv.

<sup>838</sup> See Chapter for a description of this operation.

<sup>839</sup> Peter Early, "Interview with the Spymaster," *Washington Post Magazine*, 23 April 1995, pp. 20-22.

CIA

1 were long gone. At the same time, Western intelligence services were recruiting sizable  
2 numbers of KGB officers and defectors. Third World countries were expelling KGB  
3 officers in record numbers.<sup>840</sup> According to Kalugin, KGB foreign intelligence in the  
4 1980s was more interested in palace intrigue than operational efficiency, with the result  
5 that "in the late 1970s and into the 1980s, we became less aggressive in our battle with  
6 the CIA, while at the same time the numbers of KGB defectors soared."<sup>841</sup>  
7 There was also a great crack down on KGB intelligence operations designed to collect  
8 strategically important Western scientific information and technology. This resulted in  
9 increase expulsions of KGB agents.  
10 The media portrayed the U.S. Intelligence Community as riddled with spies. In 1988, the  
11 HPSCI investigated the various counterintelligence failures and declared that there "was  
12 something fundamentally wrong with U.S. counterintelligence efforts."  
13

#### 14 **Clinton Administration**

15  
16 As the CIA groped for a new mission in the wake of the demise of the Soviet empire and  
17 the end of the Cold War, it was rocked by the revelation of a traitor in its midst.<sup>842</sup>  
18

#### 19 **Aldrich "Rick" Ames CIA**

20  
21 In late February 1994, the FBI arrested Aldrich "Rick" Ames and his Colombian- born  
22 wife , Rosario and charged them with spying for the KGB (the Soviet intelligence agency  
23 and later Russian). According to Richard Helms, former DCI, it was "every CIA  
24 director's nightmare." Ames, a career CIA officer, had begun spying in 1985, when he  
25 held the sensitive position of chief of the counterintelligence branch of the Soviet/East  
26 European (SE) Division in the DO. He had access to classified information about U.S.  
27 intelligence operations and knew the identities of not only CIA agents but CIA assets  
28 inside the Soviet Union. Soon to marry Rosario, and pressured by debts and alimony  
29 payments, Ames walked into the Soviet Embassy in Washington on 16 April 1985 and  
30 handed over the names of two agency assets in Moscow. Ames requested \$50,000. Later  
31 that summer, worried that some other Soviet assets might discover him, he handed over  
32 the names of all CIA assets in the Soviet Union. At least ten Soviet citizens working for  
33 the CIA were rounded up, convicted of treasons and executed in Moscow as a result of  
34 information obtained from Ames.<sup>843</sup> Although the agent loses were quickly detected, it  
35 took CIA nine years to determine that Ames was the CIA spy and traitor. Ames  
36 continued to provide the Soviets and later the Russians with highly classified data and  
37 information about U.S. clandestine operations. He simply stuffed classified documents  
38 into shopping bags and carried them out of CIA headquarters for delivery to KGB agents.

<sup>840</sup> Christopher Andrew and Oleg Gordievsky, *More Instructions from the Center: Top Secret Files on KGB Global Operations 1975-1985* (London: Frank Cass & Co. Ltd., 1991), p. 99.

<sup>841</sup> <sup>841</sup> Oleg Kalugin. *The First Directorate: My 32 Years in Intelligence and Espionage Against the West* (New York: St. Martin's Press, 1994), p. 248. See also Nigel West, *Games of Intelligence: The Classified Conflict of International Espionage* (London: Weidenfeld and Nicolson, 1991).

<sup>842</sup> In addition to Ames and Hanssen, Harold James Nicolson a CIA officer was charged with espionage in 1996. Earl Edwin Pitts, an FBI counterintelligence agent was arrested as a Russian spy in the same year.

<sup>843</sup> Amy Tarr and Howard Husock, "James Woolsey and the CIA: The Aldrich Ames Spy Case," Kennedy School of Government, Case C115-96-1339.0 (1996).

1 In return, he received over \$2.5 million, with another \$2 million promised. The molehunt  
 2 lasted for over eight years. It was going nowhere when Paul Redmond, the new head of  
 3 Counterintelligence, revived it, resulting in Ames arrest. In 1991, the FBI and the CIA  
 4 began a joint investigation. The joint task force ultimately zeroed in on Ames by  
 5 comparing deposits in his bank account to his meeting with a Soviet diplomat, Sergei D.  
 6 Chuvakhin, in Washington. Ames later agreed to plead guilty and accepted a life sentence  
 7 in return for a lighter sentence for Rosario. At his sentencing, Ames labeled the  
 8 "espionage business" a "self-serving sham, carried out by careerist bureaucrats who had  
 9 managed to deceive several generations of American policymakers and the public about  
 10 the necessity and value of their work." After Ames capture, Redmond established a  
 11 Special Investigations Unit (SIU) as a follow on to the mole hunt task force.<sup>844</sup> As the  
 12 damage assessment of the Ames case proceeded, it became apparent that Ames actions  
 13 could not explain all of the puzzle. There were a lot of pieces that Ames did not know or  
 14 have knowledge about. He could not have known about the Felix Bloch case or the FBI

15 (b) (7)(E)  
 16 (b)(1), (b)(3) There had to be another spy. The FBI and CIA secretly launched a new  
 17 mole hunt in 1994.  
 18

19 **President Clinton's Reaction**

20  
 21 Reacting to the Ames case, President Clinton wanted changes in U.S. counterintelligence.  
 22 In Decision Directive 24 of May 1994, Clinton required that an FBI agent head the CIA's  
 23 (b)(3) within the CIA's Counterintelligence Center. Clinton  
 24 also established, with the same directive, a government-wide interagency panel to  
 25 coordinate counterintelligence. Housed at CIA it became the National  
 26 Counterintelligence Center (NACIC). Its first chief was an FBI agent Michael J.  
 27 Waguespack. These moves did not sit well with the CIA. It believed it could do its own  
 28 spycatching.<sup>845</sup> Seeing the counterintelligence capabilities as "piecemeal and parochial"  
 29 Clinton also signed a Presidential Decision Directive(PDD) on U.S. Counterintelligence  
 30 Effectiveness, Counterintelligence for the 21<sup>st</sup> Century" on 4 January 2001. This  
 31 directive established a National Counterintelligence Board of Directors chaired by the  
 32 Director of the FBI to identify and prioritize foreign threats.<sup>846</sup> It also set up a national  
 33 Counterintelligence Executive who reported to the FBI Director to carry out these  
 34 policies. Clinton also ordered his NSC Deputies Committee to provide an annual report  
 35 on the national foreign threat. The threat continued.  
 36

37 **Ron Hanssen FBI**

38  
 39 Born on 18 April 1944, Robert Hanssen was the son of a Chicago police officer. He  
 40 attended Know College and graduated from Northwestern in 1971 with an MBA in  
 41 accounting. While at Northwestern he met his wife Bonnie and converted to Catholicism.

<sup>844</sup> See David Wise, *Spy, The Inside Story of How the FBI's Robert Hanssen Betrayed America*( New York: Random house, 2002), p. 171-172.

<sup>845</sup> Wise, *Spy*, p. 171.

<sup>846</sup> The Board was composed of the Deputy Secretary of Defense, Deputy Director of CIA and a senior Department of Justice official.

1 He became a dedicated member of Opus Dei, a secretive, deeply conservative Catholic  
2 group. He went to mass nearly every day. He always hoped to get into intelligence  
3 work. In 1973 he joined the Chicago Police Force and on 12 January 1976 Hanssen  
4 became a special agent of the FBI. Transferred to New York with a wife and two  
5 children, he began having money problems.

6 In 1979 Hanssen walked into the Amtorg office in New York City (Amtorg was a trading  
7 company cover for Soviet intelligence operations) and offered his services to the GRU.

8 Hanssen gave the Soviets the name of one of the CIA's top sources in the GRU, Dimitri  
CIA 9 Fedorovich Polyakov, (b)(1), (b)(3) Polyakov had been providing the CIA with Soviet  
10 secrets for seventeen years.<sup>847</sup> In the mid 1980s, now working FBI counterintelligence,  
11 Hanssen switched to providing information to the KGB. In 1986 Hanssen provided his  
FBI 12 new KGB handlers (b) (7)(E)

13  
14  
15 Hanssen went into hibernation in 1991 as the Soviet Union collapsed. He re-volunteered  
16 his services to the new Russia government again in 1993. This time he would again work  
17 for the GRU, the Russian military intelligence. Using the name "Ramon Garcia"

FBI 18 Hanssen also betrayed (b) (7)(E)

CIA 19 (b) (7)(E), (b)(1), (b)(3)  
20 (b)(1), (b)(3)

21  
22  
23  
24  
25 Suddenly in 1991  
26 the signals stopped. Hanssen also provided the Soviets with a warning that the FBI was  
27 about to move against Felix Bloch, a long time U.S. diplomat suspected of being a Soviet  
28 agent. Warned by the KGB, Bloch proved impossible to build a case against. Ultimately,  
29 the State Department dismissed Bloch and deprived him of his pension worth more than  
30 \$50,000. The FBI never charged him with espionage. The Bureau was utterly frustrated.  
31 Someone had tipped off the KGB and Bloch. The molehunt continued. For nearly three  
32 years the FBI suspected the wrong person as the mole.

CIA 32 CIA officer (b)(1), (b)(3) emerged as the prime suspect in the FBI/CIA mole hunt.

33 (b)(1), (b)(3) was a career officer in the DO. Convinced that (b)(1), (b)(3) was the mole, the FBI  
FBI 34 insisted on polygraphing him (b)(1), (b)(3) He was

35 ultimately placed on administrative leave that would last twenty-two months. It turns  
CIA 36 out that (b)(1), (b)(3) had once lived on the same street as Hanssen, jogged in the same park,  
37 was about the same age and had worked in counterintelligence. The FBI mindset

38 believed that the mole had to be from CIA not the FBI. The molehunters then received a  
CIA 39 break. The CIA managed (b)(1), (b)(3) that enabled  
40 the FBI to identify Hanssen. (b)(1), (b)(3) a tape recording of a conversation held on 21  
41 July 1986, between a KGB officer and an unknown mole. The FBI expected to hear the  
42 voice of (b)(1), (b)(3) It was not (b)(1), (b)(3) FBI Agent Waguespack recognized the voice on  
43 the tape. "I think that is Robert Hanssen," he exclaimed. The mole was Robert Hanssen.

<sup>847</sup> Ibid., 21. Five years later Aldrich Ames provided the Soviets with Polyakov as well.

FBI <sup>848</sup> Ames also provided the Soviets with (b)(7)(D), (b)(7)(E)



1 The FBI counterintelligence agent had spied for the Soviets and Russians intermittently  
2 for nearly twenty-two years. All of this time Hanssen had gone undetected. Even the  
3 KGB did not know Hanssen's identity until his arrest. FBI Director Louis Freeh  
4 announced Hanssen's arrest at a dead drop in Virginia on 20 February 2001. Hanssen  
5 was one of the most damaging spies in the history of the FBI. In return for his  
6 cooperation, Hanssen received a life sentence rather than the death penalty.

7  
8 **Bush Administration**

9  
10 The terrorist attacks on the United States had an enormous impact on the Intelligence  
11 Community. After 9/11 the budgets and personnel of the Intelligence Community  
12 expanded enormously. The FBI, despite its shortcoming in the intelligence field, became  
13 the prime agency, not only in the hunt for terrorists, but for domestic intelligence  
14 operations. President Bush authorized program of warrantless eavesdropping managed  
15 by the NSA in the Terrorist Surveillance Program (TSP).<sup>849</sup> This program also expanded  
16 FBI authorities in the counterintelligence field., including the monitoring of domestic  
17 organizations and individuals. The Patriot Act of 2001 officially expanded FBI  
18 authorities to include warrantless wiretaps. These increased powers have also raised the  
19 old question of the possible abuse of civil liberties.

20 In 2005 , the Bush administration issued the *National Counterintelligence Strategy of the*  
21 *United States*

- 22 • Identify, assess, neutralize, and exploit the intelligence activities of foreign  
23 powers, terrorists groups, international criminal organizations, and other  
24 entities who seek to do us harm.
- 25 • Protect our intelligence collection and analysis capabilities from adversary  
26 denial, penetration, influence, or manipulation.
- 27 • Help enable the successful execution of our sensitive national security  
28 operations.
- 29 • Help safeguard our vital national security secrets, critical assets, and  
30 technology against theft, covert foreign diversion, or exploitation.<sup>850</sup>

31  
32 This is a sweeping mandate spearheaded by the FBI. Since 9/11 the Bureau has made  
33 significant progress in improving its intelligence and counterintelligence capabilities.  
34 There is increased connectivity and information sharing with the rest of the Intelligence  
35 Community and the Bureau has created an Intelligence Directorate. Moreover, the FBI is  
36 currently building an analytic capability and integrating all source data. Both the CIA  
37 and FBI are attempting to bridge the foreign-domestic divide and match share  
38 intelligence data. In 2009 the Office of the National Counterintelligence Executive  
39 (NCIX) became part of the Office of the Office of the Director of National Intelligence.  
40 Staffed by CI specialists from across the intelligence community, the NCIX was to  
41 prepare an annual foreign intelligence threat assessment, set a national CI strategy, set  
42 priorities for collection, investigation, operations, determine the CI program budget, and

---

<sup>849</sup> Bush decided that the directives used to promulgate Presidential decisions on national security matters would be designated National Security Presidential Directives (NSPD). The NSPDs superseded the Presidential Decision Directives (PDD) of the Clinton administration.

<sup>850</sup> Richelson, *The U.S. Intelligence Community*, p. 395.

1 provide damage assessments. It remains to be seen if this attempt at centralization will  
2 work in the face of the enormous growth in all sectors of the Intelligence Community.

3  
4  
5  
6  
7 **Summary**

8  
9 The classic view of the FBI is that of a law enforcement agency designed to investigate  
10 crimes and gather evidence for criminal prosecutions. The dominant culture is that of an  
11 elite law enforcement police force that does not share its information or expertise easily  
12 with local law enforcement and other agencies. For most of the twentieth century the FBI  
13 relied on law enforcement efforts against spies and terrorists. Nevertheless,  
14 counterintelligence and national security concerns have played an increasing role in the  
15 FBI's mission. Despite its law enforcement attitude, the FBI did well in the  
16 counterintelligence field during World War II and the long Cold War. It broke the  
17 German espionage networks prior to World War II. Working with Arlington Hall, the  
18 FBI also broke up the Soviet espionage ring in the United States in the 1950s. VENONA  
19 was one of the greatest cryptanalytical achievements in the history of U.S. code breaking  
20 and counterintelligence.

21 Soviet operatives in the United States during the 1930s and 1940s ranged from  
22 sophisticated practitioners of intelligence tradecraft to rank amateurs. Soviet operatives,  
23 nevertheless, provided valuable information on U.S. scientific, technical, military and  
24 governmental issues. This culminated with the voluminous information provided on the  
25 Manhattan Project and the development of the atomic bomb. During the course of the  
26 Cold War, the United States also benefitted from information provided by a number of  
27 defectors, including Anatoli Golitsyn, Yuri Nosenko, and Vitaly Yurchenko. Golitsyn's  
28 defection and CIA's Counterintelligence Chief James Angleton's paranoia, produced a  
29 mole hunt that ruined the careers of several CIA officers, helped immobilize CIA's  
30 operations against the Soviets, and damaged the morale of the Agency.

31 The hunt for communists mutated in the 1960s and 1970s into surveillance of dissidents,  
32 nonconformists, and radicals in an attempt to find "the enemy within." Hoover and  
33 others pursued an ideological agenda that subordinated law enforcement and  
34 counterintelligence to anticommunism. During the 1980s and 1990s Soviet and Russian  
35 espionage activities resurfaced as a major threat. Ames and Hanssen provided the  
36 Russians with key information regarding U.S. security interests. The threat continues as  
37 China, Russia, Cuba, Iran, and even allies such as France and Israel, attempt to penetrate  
38 U.S. institutions and organizations in search of economic and politically sensitive  
39 information. Treason is still possible. The continuing threat from foreign governments of  
40 espionage against U.S. vital interests should remind us of Lord Palmerston's adage he  
41 expressed in the House of Commons in 1848: "There are no eternal enemies and there are  
42 no eternal friends, there are only eternal interests."<sup>851</sup>

43  

---

<sup>851</sup> As quoted in Stan A. Taylor and Daniel Snow, "Cold War Spies: Why They Spied and How They Got Caught," in Loch K. Johnson and James J. Wirtz eds., *Strategic Intelligence, Windows Into a Secret World, An Anthology* (Los Angeles, California: Roxburg Publishing Company, 2004), p.301.

1  
2  
3  
4

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**Chapter X**

**U.S. Intelligence and the Cold War:  
President's Nixon, Ford, and Carter**

**U.S. Intelligence and the Cold War**

During the heart of the Cold War American Presidents from Richard Nixon to George Herbert Walker Bush focused their foreign policy efforts on the Soviet Union. They struggled to discover and understand Soviet intentions and capabilities and formulated U.S. policies in response to Moscow actions. The primary responsibility of U.S. intelligence was also centered on the Soviet Union. The White House increasingly used the CIA to counter perceived Soviet advances in the Third World. CIA covert operations became a major tool used by various administrations to contain or block Soviet influence in the world. At the same time, U.S. policy got caught up in revolutionary changes in Iran and Iraq which put additional stress on the intelligence community to help policymakers understand the volatile circumstances.

**Nixon and Détente**

In the 1970s President Richard Nixon and his National Security Adviser, Henry Kissinger, attempted to change American foreign policy from confrontation with the Soviet Union to one of improved relations. They negotiated with the Soviets to reduce the armaments race and toned down the rhetoric of portraying the Soviet Union as aggressive and bent on the destruction of the Western world. This policy came to be known as détente. For Nixon and Kissinger, détente "was a political, military, and economic strategy to stabilize relations. It was to be embedded in a new and more stable international order." It included the end of the war in Vietnam, accepting the division of Germany and the legitimacy of the communist government in East Germany, and increased commercial, scientific, and cultural relations with the Soviets.<sup>852</sup> The Nixon administration formally initiated its détente policy with the President's visit to Moscow in May 1972 and the signing of the Strategic Arms Limitation Treaty (SALT) and the Anti-Ballistic Missile (ABM) Treaties. The two treaties limited new weapons systems that threatened to escalate into a major new arms race. The SALT treaty limited the number of offensive intercontinental ballistic missiles to 1,410 land-based missiles and 950 submarine-launched on the Soviet side and 1,000 land-based missiles and 710 submarine launched weapons on the U.S. side.<sup>853</sup> Almost from the beginning, many conservatives were critical of the general policy of détente with the Soviet Union and the agreements to limit offensive missiles.

**SS-9 Controversy**

---

<sup>852</sup> Raymond Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan* (Washington, DC: Brookings Institution, 1985), p. 21.

<sup>853</sup> The United States still held the advantage given its allies nuclear deterrents in Western Europe, its greatly superior fleet of strategic bombers, and its MIRV technology.

1 In the summer of 1968, U.S. intelligence observed the first test of a Soviet  
 2 intercontinental ballistic missile (ICBM) with three five-megaton warheads. The missile,  
 3 the SS-9 to U.S. intelligence, was mammoth. It weighed 450,000 pounds, stood ten  
 4 stories high, and could carry 10,000-15,000 pounds of weapons (payload) a distance of  
 5 seven thousand nautical miles. The key question for U.S. intelligence was whether the  
 6 SS-9 was MIRVed (armed as a multiple independently targeted reentry vehicle or simply  
 7 MRVed (armed as a multiple reentry vehicle). A MIRVed missile can release several  
 8 warheads at various targets. A MRV releases its warheads almost simultaneously so they  
 9 fall on or near the same target. The NIE's in the late 1960s and early 1970s consistently  
 10 overestimated how soon the Soviet Union would have MRVs and join the RV race.<sup>854</sup>  
 11 Nevertheless, the CIA believed the SS-9 was not MIRVed and estimated "that accurate  
 12 MIRVs suitable for use against Minuteman missiles could not be operational until 1972  
 13 at the earliest."<sup>855</sup> The NIE of 1968 concluded that the SS-9 was a MRV and not very  
 14 accurate.<sup>856</sup> Air Force intelligence disagreed. For the Air Force, the SS-9 could be a  
 15 primitive MIRV. The debate raged on. Secretary of Defense Melvin Laird testifying  
 16 before the Disarmament Subcommittee of the Senate Foreign Relations Committee  
 17 accepted the Air Force arguments and claimed that the Soviets were "going for a first  
 18 strike capability" aimed at wiping out U.S. defenses in a single blow." He supported his  
 19 claim by stating that the Soviets had already deployed two hundred SS-9s and predicted  
 20 they would have 500 by 1975.<sup>857</sup> He also argued that the SS-9 was extremely accurate.  
 21 The CIA and DOD disagreed about the size of the SS-9s warheads, the rate of its  
 22 development, its accuracy, and its purpose. CIA insisted that the SS-9 was not MIRVed  
 23 and that the Soviets neither could nor wanted to launch a first strike against the United  
 24 States. Both Laird and Kissinger sought to influence the draft intelligence estimate with  
 25 regard to its rejection of the SS-9 as MIRVed and the Soviet first strike capability.<sup>858</sup>  
 26 By 1970 it became clear that the SS-9 Mod 4 did not carry a MIRV warhead. In fact, the  
 27 Soviets did not introduce MIRVed ICBMs until 1975.<sup>859</sup> What the Soviets had in their  
 28 SS-9 was a MRV, like the United States had been deploying on its Polaris submarines  
 29 since 1963. The Defense Intelligence Agency (DIA) nevertheless, projected that 420 SS-  
 30 9s would be deployed soon and the Air Force expected 700. The Soviets eventually  
 31 deployed 280.<sup>860</sup>

### 32 33 34 35 36 **Problems with Analysis** 37

<sup>854</sup> A multiple independently targeted reentry vehicle (MIRV) was able to carry several warheads on one missile, with each warhead capable of being programmed to separate and hit widely dispersed targets. RV refers to reentry vehicles.

<sup>855</sup> Kirsten Lundberg, "The SS-9 Controversy: Intelligence as Political Football," (Kennedy School of Government, Harvard University, 1989 Case Study, p. 5.

<sup>856</sup> See NIE 11-3/8-68.

<sup>857</sup> Lundberg, "SS-9," pp. 5-7.

<sup>858</sup> See Garthoff, "Estimating Soviet Military Intentions and Capabilities," p. 20.

<sup>859</sup> Ibid.

<sup>860</sup> Cahn, *Killing Détente*, p. 98.

1 The question of Soviet intentions, objectives, and capabilities was the fundamental focus  
 2 of U.S. intelligence assessments throughout the Cold War. Estimates of Soviet  
 3 capabilities were the predominant focus of attention. The general tendency was to see  
 4 Soviet objectives, intentions, and capabilities as almost exclusively offensive. In general,  
 5 U.S. intelligence vastly exaggerated current and projected Soviet missile development  
 6 and deployment in the 1950s and early 1960s.  
 7 In the early 1970s, however, Albert K. Wohlsetter, a RAND Corporation defense analyst,  
 8 published a series of articles that maintained the NIEs systematically underestimated the  
 9 pace of Soviet missile development and deployment during the 1960s.<sup>861</sup>  
 10 The hard-liners on the President's Foreign Intelligence Board (PFIAB) also began to  
 11 criticize the NIE's regarding growing Soviet capabilities, doctrine, and intentions.<sup>862</sup> The  
 12 majority of the PFIAB members in 1975 were openly skeptical about détente. They  
 13 viewed the Soviet Union as an expansionist totalitarian state that posed a grave danger to  
 14 the United States and world peace. They believed that the survival of the free world  
 15 depended upon a resurgence of American military power.<sup>863</sup> In August 1975, the board  
 16 asked President Ford to establish an "experiment in competitive analysis" under which an  
 17 independent group would be asked to write an estimate and compare it with the formal  
 18 NIE. At the same time Eugene Rostow led conservative critics of détente to reestablish  
 19 the Committee on the Present Danger (CPD) to alert the American public of the  
 20 continuing Soviet threat.<sup>864</sup> The committee came into being on 11 November 1976, three  
 21 days after Jimmy Carter won the presidency. The committee called for a repudiation of  
 22 détente and the SALT negotiation process. It questioned détente and arms control as the  
 23 right course to follow. Writing for the committee, Richard Pipes warned that "the  
 24 ultimate Soviet objective - - A Communist world order - requires the reduction of the  
 25 power, influence, and prestige of the United States," "Soviet nuclear offensive and  
 26 defensive forces are designed to enable the U.S.S. R. to fight, survive, and win an all-out  
 27 nuclear war should it occur."<sup>865</sup>  
 28  
 29 Anticipating such criticism, DCI William Colby in 1973 fundamentally restructured the  
 30 entire estimates organization. He abolished the ONE and replaced it with a group of  
 31 National Intelligence Officers (NIOs) drawn from all parts of the intelligence community  
 32 and responsible for various geographic and functional areas (NIOs had geographic

<sup>861</sup> See Albert Wohlsetter, "Legends of the Arms Race, Part I," and "The uncontrolled Upward Spiral. Part II," *Strategic Review* 3 (Winter 1975), pp. 71-86 and Wohlsetter, "Clocking the Strategic Arms Race," *Wall Street Journal*, 24 September 1974, p. 24. See also Cahn, *Killing Détente*, pp. 9-16.

<sup>862</sup> On 6 February 1956, President Dwight D. Eisenhower signed an executive order establishing a Board of Consultants on Foreign Intelligence Activities to conduct independent evaluations of U. S. foreign intelligence programs. When Eisenhower left office in 1961 the board ceased to function. President Kennedy reactivated it and changed its name to the President's Foreign Intelligence Advisory Board after the Bay of Pigs. President Carter abolished the board when he became President. President Reagan reestablished PFIAB in 1981 and it has been active since.

<sup>863</sup> The hard line right wing disposition of most board members was well known. One State Department official described them as "amateurish" and "dreadful." One former NSC staffer stated, "we ignored PFIAB." See Cahn, *Killing Détente*, p. 105.

<sup>864</sup> The original Committee on the Present Danger was formed in 1950 during the Korean War to urge the country to build up its military forces in response to the grave communist threat. See Cahn, *Killing Détente*, p. 28.

<sup>865</sup> Quoted in Cahn, *Killing Détente*, p. 29.

1 responsibilities such as China, the Soviet Union, Europe, or Latin America. There were  
2 also NIOs for Soviet Strategic Programs, yet another for Soviet General Purpose Forces).  
3 Even before Colby, James Schlesinger as DCI wanted to do something about the NIEs.  
4 At his first meeting with the Board of National Estimates (BNE) he remarked, "I  
5 understand this is like a gentlemen's club. Well, I want you to know that I am no  
6 gentleman." Before he could take action Schlesinger was gone. Nixon appointed him  
7 Secretary of Defense, It would be up to Colby to change things.<sup>866</sup> After making major  
8 changes in the estimates process, Colby defended his analysts. He could not understand  
9 how an ad hoc group of outsiders could create an estimate with the quality and depth of  
10 the intelligence community's own product. He strongly opposed the idea of producing an  
11 outside estimate. It would "prostitute the whole intelligence process." Colby won the  
12 battle in 1975 but he was gone the following year as George W. Bush replaced him as  
13 DCI.<sup>867</sup>

#### 14 15 **A Team/B Team and Alternative Analysis 1976**

16  
17 PFIAB sent a letter to President Ford in late 1974 questioning the current NIE on Soviet  
18 Forces for Intercontinental Conflict Through 1985.<sup>868</sup>  
19 President Gerald Ford authorized an alternative analysis of Soviet intentions and  
20 capabilities in 1976 and DCI George Bush established an outside group to critique the  
21 official Soviet estimate and draft an alternative one. Those working on the regular NIE  
22 would be referred to as the A Team. Team A included representatives from the CIA,  
23 DIA, NSA, State, and Army, Navy, and Air Force Intelligence. Team B would be  
24 selected by the DCI from outside the agency. Team B would have access to all the  
25 information available to the U.S. government.<sup>869</sup>

#### 26 27 **Team B**

28  
29 Chaired by Harvard's Richard Pipes, an historian of Imperial Russia, B Team included  
30 Paul Nitze, Foy Kohler, William R. Van Cleave, Lt. Gen. Daniel O. Graham, Thomas  
31 Wolf from RAND, Gen. John Vogt Jr., Maj. Gen. George Keegan, Brig. Gen. Jasper  
32 Welch, Paul Wolfowitz, and Seymour Weiss, all hard-liners who believed that the  
33 Soviets were seeking strategic superiority. They asserted that the Soviet Union had  
34 surpassed the United States in overall military strength and was bent on a first-strike  
35 policy.

<sup>866</sup> Quoted in Prados, *Lost Crusader*, p. 276.

<sup>867</sup> John Prados, *Lost Crusader: the Secret Wars of CIA Director William Colby* (Oxford University Press, 2003), pp. 280-281.

<sup>868</sup> See NIE 11-3/8-74 "Soviet Forces for Intercontinental Conflict Through 1985," and Cahn, *Killing Détente*, pp. 115-116.

<sup>869</sup> The U.S. Navy refused to share operational details about Soviet antisubmarine warfare (ASW) with anyone, including the CIA. According to Bobby Inman, Director of Naval Intelligence, information about the operational aspects of each submarine patrol, including where they operated and whether they were trailed, is the most closely held information in the government. He was not about to share it with anyone. Adm. Daniel Murphy, former director of ASW and electronic warfare was more blunt. For him, "outsiders didn't know shit about it." The Navy opposed sharing operational details with anyone. PFIAB took ASW vulnerability off the agenda. See Cahn, *Killing Détente*, pp. 126-127.

1 They painted an ominous picture of the Soviet Union and its intentions. For Team B, the  
2 Soviet Union was preparing for World War III. Its military build up was  
3 "unprecedented." It pictured the Soviet military build-up as "relentless." The Soviets  
4 were striving for military superiority in pursuit of world domination. According to Team  
5 B, the Soviet Union was ready to use its growing military power to challenge the West  
6 and crush capitalism.<sup>870</sup> Team B also argued that the Soviet Union had a large and  
7 effective civil defense program as part of an overall design for survival and victory in a  
8 nuclear war.

9 The B Team report scathingly accused the CIA of "mirror imaging" U.S. doctrine and  
10 strategy. For B Team, CIA analysts assumed U.S. and Soviet policymakers worked from  
11 the same set of assumptions. Team B believed that the CIA failed to take into account  
12 the Soviet ideology and sense of history. The Soviets were not like the U.S. leaders,  
13 Team B asserted. They were bent on world domination not parity.  
14 According to the B Team, the U.S. faced a "window of vulnerability" to its land-based  
15 missiles because the Soviet SS-19 was a silo killer.

16  
17 **Facts:**

18  
19 The Soviet build-up was large from 1968-1972. Soviet capabilities did grow in size and  
20 quality. They added 1,050 SNDVs from 1968 to 1972 when the SALT I accord set a  
21 limit on ICBM and SLBM launchers. It did not, however, upset the strategic balance.  
22 Between 1963 and 1967 the United States had added 1,060 SNDVs to its arsenal.  
23 Moreover, beginning in 1967 the United States shifted to a more effective way of  
24 enhancing its strategic superiority. It began putting multiple independently targeted  
25 reentry vehicles (MIRVs) on ICBMs and SLBMs. Accordingly, as the Soviets moved  
26 beyond parity in the overall number of SNDVs in 1973, they were falling farther and  
27 farther behind the United States in overall number of reentry vehicles. The first Soviet  
28 MIRVed missiles became operational fully five years after the United States began to  
29 MIRV its forces. Even after the Soviet Union added 1,000 RVs a year in the late 1970s,  
30 in 1980 the United States had a superiority of 9,200 operational RVs to the Soviets 6,000.  
31 Even if the Soviets had set a goal of strategic parity in terms of numbers of strategic  
32 warheads, they never achieved it. The Soviet Union came closest to equality only in  
33 1990, when it was on the verge of collapse (10,700 Soviet RVs to 12,700 for the United  
34 States).<sup>871</sup> Despite Team B claims, the Soviets never achieved strategic parity, never had  
35 the capabilities that they could survive or win a nuclear war.

36 Team B, supported by the Air Force, also claimed that the Soviet *Backfire* medium  
37 bomber was an intercontinental threat. It was, for them, a long range strategic bomber  
38 capable of striking the United States. The CIA consistently argued, correctly, that the  
39 *Backfire* was designed for missions in the peripheral Eurasian potential theater of war not  
40 for attacking the United States. With regard to the Soviet civil defense program, Both the  
41 CIA and the State Department saw it as a "prudent hedge" by the Soviets. It would not  
42 increase Soviet willingness to risk a nuclear exchange. It was a traditional Soviet  
43 program to limit damage in war and was not related to a "winning the war strategy." It

<sup>870</sup> Intelligence Community Experiment in Competitive Analysis: *Soviet Strategic Objectives, An Alternative View, Report of Team "B"* (Washington, DC: CIA, December 1976), p. 55.

<sup>871</sup> Garthoff, "Estimating Soviet Military Intentions and Capabilities", p. 19.



1 would not embolden Soviet leaders.<sup>872</sup> The U.S. military led by the Air Force, continued  
2 to argue that the Soviet civil defense effort placed the United States at a serious  
3 disadvantage by neutralizing much of the U.S. capability to destroy or damage Soviet  
4 leadership, command, and structure. By the 1980s the “civil defense gap” argument had  
5 essentially evaporated.<sup>873</sup>

6  
7 **Impact**

8  
9 After the A Team/B Team experiment the CIA and the IC became more cautious in their  
10 estimates. In fact, they showed a tendency to overstate Soviet capabilities and their  
11 offensive applications. The basic issue was whether the Soviets were seeking a decisive  
12 superiority and attainment of war-winning capability, or were they pursuing deterrence.  
13 In 1980 intelligence community assessments assumed that at the present rate of growth a  
14 Soviet first strike in 1985 would leave the U.S. with less than 250 MIRVs.  
15 Though never winnable the Soviets had an increasingly favorable first-strike option,  
16 according to the Intelligence Community.  
17 The incoming Carter administration reaction to the B Team report was negative. The B  
18 Team report had little impact on Carter or his advisers. They ignored almost all of the B  
19 Team reports and recommendations. For Carter, it was primarily a Republican exercise  
20 done for political purposes. He would improve U.S. relations with the Soviet Union.

21  
22 **Carter Administration**

23  
24 Jimmy Carter ran for the presidency as an outsider pledging to clean up Washington and  
25 to reform and restrict the CIA. He had little use for the CIA and its practices. Carter also  
26 stressed the need to improve relations with the Soviet Union. In addition, he promised to  
27 emphasize human rights in American foreign policy and make the United States “a  
28 beacon light for human rights throughout the world.” In his inaugural address Carter  
29 announced, “Our moral sense dictates a clear preference for those societies which share  
30 with us an abiding respect for individual human rights.”<sup>874</sup> President Carter would soon  
31 back tract on his statements about U.S. intelligence as the Cold War heated up and other  
32 parts of the world became engulfed in revolution. Carter was soon confronted with the  
33 rise of Islam fundamentalism in Iran and the loss of a strong American ally and with a  
34 more aggressive Soviet Union in Afghanistan and Nicaragua. He turned to U.S.  
35 intelligence operations to help solve the increasingly complex foreign policy problems of  
36 his administration.

37  
38  
39 **DCI Turner’s Proposal**

872 NIE 11-3/8-79, “Soviet Capabilities for Strategic Nuclear Conflict Through the 1980s,” 17 March 1980.

873 CIA estimated that Soviet casualties would be around 120 million (85 million dead) with no preparation for an attack and 100 million (60 million dead) if urban shelters were fully occupied and 40 million (with 15 million) dead) if both shelters and the evacuation of cities were fully implemented. Those were only immediate casualties. See Garthoff, p. 22.

874 See Burton Kaufman, *The Presidency of James Earl Carter, Jr.* (Lawrence: University of Kansas Press, 1993), pp. 37-39.

1 Despite Carter's rejection of the B Team recommendations, the Carter administration  
2 attempted to improve intelligence analysis. For example, DCI Stansfield Turner wanted  
3 to include net assessments in the NIEs. This involved judgments not only of Soviet force  
4 performance but also of U.S., NATO, and allied force performance. The military  
5 services believed that only the Pentagon should make such evaluations. The Director of  
6 DIA and all the military intelligence chiefs strongly objected to Turner's proposal. Net  
7 estimates were not a proper function of intelligence. Only the Department of Defense  
8 could provide such information. It was in the national interest for the Department of  
9 Defense to control all comparisons of the effectiveness of its forces with other forces.  
10 The argument ended when Casey became DCI. He did not want to diminish the Soviet  
11 threat by including NATO/Warsaw Pact comparisons in NIEs. NIE's did not include net  
12 assessments. Intelligence nevertheless became increasingly important during the Carter  
13 period.

#### 14 15 **Fighting the Cold War**

16  
17 Increased concerns about Soviet activities in the Third World especially in Chile,  
18 Angola, Iran, Afghanistan, and Nicaragua occupied American policymakers for much of  
19 the 1970s and 1980s. They responded by authorizing covert action operations to  
20 discredit, destabilize, or overthrow Soviet favoring regimes. The United States and the  
21 CIAS became deeply involved in attempts at regime change around the world.

#### 22 23 **Nixon and Chile**

##### 24 25 **Background**

26  
27 Because of its long democratic traditions, U.S. policymakers considered Chile the one  
28 South American country that could be depended upon as a strong pro-West ally.  
29 Presidential administrations from Kennedy to Reagan saw the subversion of pro-Western  
30 democracies as a direct challenge to U. S. security concerns, allies, and the American  
31 way of life. The U.S. goal in Chile became one of attempting to keep Chile stable and to  
32 prevent the communists from assuming power. Chile, thus, became a major Cold War  
33 battlefield.

##### 34 35 **U.S. Intelligence and Chile**

36  
37 From 1958 through Allende's election on 4 September 1970 and the military coup of 11  
38 September 1973, the main mission of CIA's covert action programs in Chile was to  
39 maintain the democratic and constitutional order in Chile and prevent the communists  
40 from gaining influence. U.S. policymakers wanted a friendly, pro-American, anti-  
41 communist government in Chile. In short, the CIA operated in Chile to secure the  
42 interests of the United States against what U.S. policymakers perceived as an increasing  
43 communist threat to the hemisphere.

44 As early as the Chilean Presidential election of 1958, U.S. officials were concerned with  
45 a growing communist threat in that country. The 1958 election raised apprehension  
46 among the U.S. Intelligence Community as the Marxist candidate Salvador Allende

1 made a strong showing.<sup>875</sup> According to the State Department's Roy Richardson  
 2 Rubottom, Jr. "From the viewpoint of U.S. interests, it would be better if any of the  
 3 candidates other than Allende won the Chilean elections. Were Allende to win we could  
 4 be faced with a pro-Soviet, anti-U.S. administration in one of the most important  
 5 countries in the hemisphere."<sup>876</sup> After the election, in 1962, President Kennedy  
 6 authorized the CIA to begin subsidizing Chile's Christian Democratic Party (PDC) in  
 7 order to ensure that the communists did not gain an advantage in Chile.  
 8 At the same time, Allende moved firmly into the Soviet camp. He became a pro-Soviet  
 9 "agent of influence." There were systematic contacts with the KGB and Allende stated  
 10 his "willingness to cooperate on a confidential basis and provide any necessary  
 11 assistance, since he considered himself a friend of the Soviet Union."<sup>877</sup> U.S. concern  
 12 seemed justified.  
 13 The first ever NIE on Chile produced in October 1963 warned that the 1964 presidential  
 14 election "might bring to power a government under strong Communist influence, if not  
 15 control." The State Department echoed this warning, "the United States needed to take  
 16 the coming Allende campaign seriously."  
 17

18 **The 1964 Presidential election**

19  
 20 The Kennedy administration held up Chile as a non-Marxist model for the rest of Latin  
 21 America as part of its Alliance for Progress program. At the same time, the Chilean  
 22 Communist Party was among the strongest communist parties in South America and  
 23 Soviet money and influence were moving into Chile to undermine its democratic  
 24 traditions. The CIA had penetrated the Chilean communist and Socialist parties and had  
 25 detailed information about their leadership personalities and finances.<sup>878</sup> By 1962 the  
 26 Kennedy administration decided to actively work against Allende's presidential  
 27 campaign in Chile fearing a communist victory.. The 5412 Special Group (later renamed  
 28 the 303 Committee) approved a program of "nonattributable" assistance to Eduardo  
 29 Frei's Christian Democrats. The PDC suddenly became the Great Hope for U.S.  
 30 officials. With the full cooperation of the State Department, the CIA began to implement  
 31 a sweeping covert action program in support of Frei and the PDC. It subsidized women's  
 32 groups, student groups, labor union's, basically anyone who opposed Allende. It  
 33 provided anti-Allende articles for placement in the Chilean press, and in the latter stages  
 34 even prepared to "buy some votes outright if required."<sup>879</sup> (b)(1), (b)(3)

CIA

35 [REDACTED]  
 36 [REDACTED] It was a "full court press." directed at preventing

<sup>875</sup> Allende lost to Alessandri by fewer than 32,000 votes. According to the Chilean constitution, if no candidate received a majority of the vote, the Chilean congress would select the next president from the top two vote getters. By long-standing tradition, the candidate with the most votes was always elected by the congress. The Chilean congress selected Alessandri.

<sup>876</sup> Roy Richard Rubottom Jr., memorandum to Deputy Undersecretary for Economic Affairs, June 18, 1958, *FRUS 1958-1960*, vol. 5 Microfiche Supplement, CI-6.

<sup>877</sup> Andrew and Mitrokhin, *The Mitrokhin Archive II*, pp. 69-74. The KGB issued Allende the code name LEADER. Allende was never an official recruit nor did he take money from the KGB.

<sup>878</sup> David Atl e Phillips, *The Night Watch*, pp. 14-28.

<sup>879</sup> See CIA, "Support for the Chilean Presidential Election of 4 September 1964," memorandum to Special Group, April 1, 1964, *FRUS, American Republics 1964-1968*, vol. 31.

CIA

1 Allende's election. The Agency and other parts of the U.S. government spent more  
 2 money on the Chilean presidential election than Barry Goldwater and Lyndon Johnson  
 3 did combined on the U.S. election, \$2.5 million.<sup>880</sup> The basic attitude was, "We can't  
 4 afford to lose this one."<sup>881</sup>  
 5 The CIA's general policy was also to discourage private U.S. companies such as ITT  
 6 from getting involved in the secret funding of political parties or the election, for fear that  
 7 these operations were likely to be exposed and embarrass the United States and its  
 8 efforts. The CIA, in addition, fearing another Cuba, kept taps on the Chilean military and  
 9 its possible response to an Allende win. When asked what they might do, the Chilean  
 10 answer was clear, "nothing." The CIA reported that the Chilean military and the  
 11 *Carabineros* (national police) would likely support the duly elected government.  
 12 Frei and the PDC received 56 percent of the vote. Allende and his FRAP received 39  
 13 percent. (b)(1), (b)(3) President  
 14 Johnson proclaimed that Frei's victory served as a reminder of the strength of democratic  
 15 institutions throughout Latin America; it was a victory for democracy as well as a defeat  
 16 for "those who are hostile to freedom."<sup>882</sup>  
 17 According to DCI John McCone, the CIA was one of the "indispensable ingredients of  
 18 Frei's success."<sup>883</sup> The victory of the Christian Democrats and Eduardo Frei in the 1964  
 19 election seemed to confirm U.S. policymakers' convictions that the Agency was capable  
 20 of manipulating elections in favor of pro-U.S. lending candidates. Despite its good  
 21 intentions, CIA political interference with the electoral process in Chile seriously  
 22 undermined the Chilean democratic system.

23  
24 **The Election 1970**

25  
26 In January 1969 the CIA issued a new NIE on Chile. It was extremely insightful. It  
 27 noted that the forthcoming presidential election was a three way race, with Allende and  
 28 the FRAP and UP coalition, facing the PDC's left-wing candidate Radomiro Tomic, and  
 29 the National Party conservative candidate, Jorge Alessandri. It predicted that none of the  
 30 candidates would win a clear majority and that the final choice would be made by the  
 31 Chilean congress, which had always selected the person with the most votes. It also  
 32 noted that the Chilean military and security forces felt a keen threat from the left and  
 33 would intervene before any communist government disassembled Chile's democratic  
 34 structures. In addition, it believed that Chile was on the periphery of the Cold War  
 35 struggle and "beyond the immediate concern of the Soviets." Whichever party won, the  
 36 NIE concluded, Chile would certainly "stake out a more independent line" with regard to  
 37 the United States.<sup>884</sup>  
 38 By 1970, the political landscape in Chile and the United States had changed dramatically.  
 39 In Chile, the major political parties had drifted to the left. The PDC was increasingly  
 40 radicalized and, according to the CIA, in the hands of pro-Marxists. In the United States,  
 41 the Nixon administration now controlled the White House. Nixon and his National

<sup>880</sup> Church Committee,

<sup>881</sup> Gustafson, *Hostile Intent*, p. 45.

<sup>882</sup> Quoted in *FRUS, American Republics, 1964-1968*, vol. 31, doc. 269.

<sup>883</sup> As quoted in Gustafson, *Hostile Intent*, p. 48.

<sup>884</sup> NIE, "Chile," pp. 17-18.

1 Security Adviser, Henry Kissinger considered Latin America unimportant in the great  
2 political scheme which revolved around the countries of the northern hemisphere and the  
3 Moscow-Washington struggle. Kissinger's disinterest was legendary. He once told the  
4 Chilean Ambassador, "Chile was a dagger pointed at the heart of Antarctica."<sup>885</sup>  
5 The CIA and the State Department held conflicting views regarding the 1970 election.  
6 No one in the Nixon administration or in the Intelligence Community was willing to put  
7 forward the idea of supporting the only candidate that was actually pro-U.S., The  
8 independent conservative former president Jorge Alessandri. Ambassador Korry, lined  
9 up with President Frei and the Christian Democrats. He disliked Alessandri and the  
10 conservative right in Chile. He felt Alessandri would, nevertheless, win the election  
11 without any U.S. intervention. He strongly believed that any support for Alessandri  
12 would endanger the development of a non-radicalized left in Chile. He opposed CIA  
13 proposals to get involved in the campaign. For its part, the CIA did not want to find itself  
14 accused of supporting another authoritarian, right wing leader in Latin America. It  
15 proposed a "direct hands off" approach. Nevertheless, it continued a "spoiling campaign  
16 against Allende. As one CIA officer commented, "It was like running nobody against a  
17 real somebody." The 40 Committee authorized a total of \$500,000 for Chilean election  
18 activities. It was one-tenth the amount spent during Frei's election in 1964. It was also  
19 less than the amount the Soviet Union put into the election. Moscow contributed  
20 \$400,000 to Allende's campaign, plus a "personal subsidy" of \$50,000 to Allende, as  
21 well as \$150,000 to the Chilean Communist Party.<sup>886</sup> There was additional significant  
22 support from the Cubans.

23 As Allende's popularity continued to rise, the CIA warned that Chile could become  
24 "another Cuba" and produce "a major setback for the U.S. and a corresponding victory  
25 for the USSR."<sup>887</sup> The CIA felt that an Allende victory would mean the gradual  
26 imposition of a classic Marxist-Leninist regime in Chile. The State Department saw an  
27 Allende victory quite differently. For the States Department, the United States could live  
28 with Allende. He would not oppose the United States and would not destabilize the  
29 Chilean democratic process. There was no coordinated policy. State held to its  
30 noninterventionist stance. The CIA had no clear mandate or mission to prevent Allende's  
31 election. The Agency merely carried forward a "spoiling operation" against Allende. It  
32 was clearly a tactical mistake.

33 When the polls closed on 4 September 1970, with almost three millions votes cast,  
34 Allende won. He had 36.6 percent of the vote compared with 35.2 for Alessandri, and  
35 27.3 for Tomic. Allende had a slim plurality of the votes.

36 Neither the CIA nor the State Department predicted an Allende victory until July or  
37 August 1970, less than a month before the election. There was a general failure of U.S.  
38 intelligence to adequately outline the chance of Allende's victory in the election. After  
39 Allende's slim victory, Nixon and Kissinger authorized U.S. covert political actions to  
40 prevent Salvador Allende from becoming President of Chile in 1970  
41 Kissinger was furious and Nixon "beside himself."<sup>888</sup>  
42

---

<sup>885</sup> Gilderhaus

<sup>886</sup> Andrew and Mitrokhin, *Mitrokhin Archive II*, pp. 72-73

<sup>887</sup> CIA Chile Collection CIA Station, Santiago, "Believe We Should View," June 18, 1970.

<sup>888</sup> Nathaniel Davis, *Last Two Years of Allende*, p. 6.

CIA

1 **Track I**

2  
3 Track I was ad program which excluded the CIA from its planning and execution.  
4 It primarily involved efforts by the U.S. Ambassador Edward Korry and his staff to  
5 prevent Allende from taking office by manipulating the Chilean congress and President  
6 Frei. In a series of Rube Goldberg scenarios, Korry attempted to get President Frei to  
7 resign early, appoint a military cabinet, and then run again for president. Frei would have  
8 nothing to do with it. Korry considered him a "chicken."<sup>889</sup> (b)(1), (b)(3)

9 [redacted] CIA officer  
10 David Phillips, later commented (b)(1), (b)(3)

11 [redacted] Phillips thought it might work in some banana  
12 republic but not Chile.<sup>890</sup> Phillips was correct. Despite these efforts, Korry and the  
13 Embassy estimated that it was highly unlikely that Allende could be prevented from  
14 taking office. Nor did they believe that the military would act to overthrow Allende.

15  
16 **Track II**

17  
18 On 15 September 1970 President Nixon called Kissinger, DCI Richard Helms and  
19 Attorney General John Mitchell into the Oval Office. Caught off guard by Allende's win,  
20 Nixon was furious. Convinced that an Allende presidency would promote the spread of  
21 communist revolution throughout Latin America, he wanted something done to prevent  
22 it. Helms stated after he left the meeting, "If I ever carried a marshal's baton in my  
23 knapsack out of the oval office, it was that day." Helms' hand written notes from the  
24 meeting tell the story:

- 25
- 26 One in 10 chance, perhaps, but save Chile
- 27 Worth Spending
- 28 Whatever it takes
- 29 Not concerned risks involved
- 30 No involvement of Embassy
- 31 \$10,000,000 available, more if necessary
- 32 Full-time job - - best men we have
- 33 Game plan
- 34 Make the economy scream
- 35 48 hours plan of action<sup>891</sup>
- 36

37 CIA officers considered the thwarting of Allende's inauguration impossible. The idea of  
38 a military coup did not seem a feasible solution.

39 On 16 September the NSC headed by Kissinger issued a memorandum directing the CIA  
40 to begin Operation (b)(1), (b)(3) aimed at preventing Allende coming to power. This soon  
41 became Track II. It was to be executed without the knowledge of the State Department,  
42 the 40 Committee, or the ambassador in Chile

<sup>889</sup> Davis, *Last Two Years of Allende*, p. 12.

<sup>890</sup> Phillips, *Night Watch*, p.

<sup>891</sup> Church Committee, *Alleged Assassination Plots*, pp. 227-228.

1 The CIA believed there was little climate in Chile to encourage or sustain a military coup  
2 attempt. CIA officers could find no viable coup plotters, yet that was what they were  
3 charged to do. Against their better judgment they began to contact dissident Chilean  
4 military officers such as General Roberto Viaux and General Camilo Valenzuela, in the  
5 hope that they would foment a coup. The CIA offered its support including weapons, and  
6 assured the plotters of U.S. government backing.

7 Part of any coup planning involved neutralizing the Chilean military commander in  
8 chief, General Rene Schneider. Schneider was a strict constitutionalist. He early  
9 announced that the Chilean military would support whoever was elected by congress. He  
10 had to be gotten out of the way.

11 On 22 October 1970 a group of armed men ambushed General Schneider on his way to  
12 work. Schneider was fatally wounded in the attack. He died three days later.

13 Neither the White House nor the CIA planned or intended Schneider's death.

14 Washington fully understood that Schneider's assassination would benefit Allende more  
15 than his opposition.<sup>892</sup> The kidnapping and death of General Schneider took the CIA  
16 station in Santiago by surprise. The station wasn't even sure who had carried out the  
17 attack. At the time, the Station was attempting to cut all contacts with Viaux, whom the  
18 station found unstable.<sup>893</sup> The CIA learned that foreign military officers were not light  
19 switches that could be simply switched "on" or "off."<sup>894</sup>

20 After Schneider's death, the Chilean Congress moved quickly to elect Allende as  
21 president. On 24 October 1970 the Congress voted 153 to 42 to confirm Allende as the  
22 next Chilean president. U.S. attempts to prevent Allende from taking power had failed.  
23 Both Track I and Track II aimed at preventing Allende from becoming president of Chile  
24 had failed. Despite the failure of Track I and Track II, U.S. efforts to prevent Allende  
25 from establishing a Marxist government in South America continued.

## 26 27 **Allende as President**

28  
29 After Allende's inauguration on 3 November 1970, The Nixon administration moved  
30 quickly to implement a new policy toward Chile. Kissinger viewed the election of  
31 Allende as President of Chile as "one of the most serious challenges ever faced in this  
32 hemisphere." Here was a Marxist government brought to power by electoral means  
33 within the Western Hemisphere. Kissinger viewed it as a challenge to U.S. authority in  
34 the hemisphere and as a U.S. defeat in the overall confrontation with the Soviet Union.  
35 U.S. officials were convinced that Allende would lead Chile into a Castro-like state and  
36 undermine Chilean democratic institutions.

37 While the Nixon administration maintained a "cool and correct" outward policy toward  
38 the Allende government, it quietly sought to strangle the new government. While it  
39 refrained from initiatives that Allende might use to his advantage, it authorized the CIA  
40 to support opposition parties and media outlets opposed to Allende, sow dissent in the UP  
41 coalition, and maintain contacts with the Chilean military. The CIA attempted to keep  
42 democratic institutions alive until the next elections. The Nixon administration also  
43 refused to extend further credit to a basically bankrupt Chilean government and made

<sup>892</sup> Gustafson, "CIA Machinations in Chile in 1970," CIA, CSI, *Studies in Intelligence*

<sup>893</sup> Gustafson, "CIA Machinations in Chile in 1970."

<sup>894</sup> Ibid.

1 clear its opposition to the emergence of a communist government in South America in the  
2 Pan American community.

3 As social and economic conditions in Chile continued to deteriorate under the Allende  
4 government, The Nixon White House stepped up the economic pressures on the Chilean  
5 economy. It attempted to exert pressure on the International Development Bank (IDB)  
6 and the World Bank to cut off funding for Chile.

7 While the Nixon administration cut off bilateral and multilateral aid and pressured the  
8 international community to cut funding for the Allende regime, it continued the Military  
9 Assistance Program (MAP) and the Foreign Military Sales (FMS) effort and maintain the  
10 U.S. Military Group of advisers in Chile. U.S. policymakers feared that otherwise the  
11 Chilean military would move toward acquiring Soviet weaponry. It was a means of  
12 keeping the Chilean military from becoming a Soviet client.<sup>895</sup>

13 The Department of State thought that U.S. covert and overt efforts to change the regime  
14 in Chile were "marginal at best." Allende's victory was, according to State, "not the end  
15 of the world." Events in Chile would be determined principally by internal Chilean  
16 forces. U.S. influence could be only marginal. State officials, nevertheless, supported  
17 the CIA political action programs in Chile. These operations were deigned to bolster  
18 Allende's political and media opposition. It was an effort to maximize pressure on the  
19 Allende government to prevent it from consolidating its control.<sup>896</sup> It was also designed  
20 to prevent Chile from slipping into the orbit of the Soviets or Cubans.<sup>897</sup> The CIA also  
21 supported non-political and nongovernmental civic organizations in its campaign against  
22 Allende. Its aim was to prevent the total destruction of the private sector by the UP's  
23 drive for nationalization and to maintain the private sector as a source of funds for the  
24 opposition political parties. The funding included labor groups, unions, women's groups,  
25 student groups, and private-sector organizations with sympathies for the opposition  
26 parties. While the CIA wanted to encourage disobedience to the Allende government, it  
27 carefully refrained from providing support to strikers or demonstrators, according to DCI  
28 William Colby.<sup>898</sup> It also had clear instructions not to foment or start coup planning with  
29 the military.<sup>899</sup>

30  
31

32

33

### 1973 Coup

34

35 By 1973 inflation, the breakdown of the UP coalition, massive civil unrest, the truckers  
36 strike and miners strike strengthen anti-Allende sentiment in Chile. The Chilean Way to

<sup>895</sup> Gustafson, *Hostile Intent*, pp. 152-157.

<sup>896</sup> There was an increasing Cuban presence in Chile after the inauguration. Soviet and Cuban technicians began to reorganize Chile's army and intelligence services. The Allende government made it increasingly difficult for the CIA to operate within the country. Christopher Andrew and Vasili Mitrokhin, *The Mitrokhin Archive II: The KGB in the World* (London: Allen Lane, 2005), p. 73.

<sup>897</sup> For example, the Agency spent \$1.7 million to keep the opposition newspaper *El Mercurio* afloat. In total, the 40 Committee authorized "financial support totaling \$6,476,166 for Chilean political parties, media and private sector organizations opposed to Allende."

<sup>898</sup> William Colby and Peter Forbath, *Honorable Men: My Life in the CIA* (New York: Simon and Schuster, 1978)

<sup>899</sup> Gustafson, *Hostile Intent*, p. 176.



1 Socialism was in serious trouble. DCI Colby told the White House, it was "increasingly  
2 apparent that three years of political polarization had strained the fabric of Chilean  
3 society to the breaking point."<sup>900</sup>

4  
5 The CIA did not attempt to organize a coup to overthrow the government of Salvador  
6 Allende. Not only was the CIA not involved in the coup, but the evidence now seems  
7 clear, that the Agency failed in its analytical task to predict the coup. So studiously did  
8 the CIA seek to avoid the appearance of promoting a coup that it dropped its major  
9 contacts with the Chilean military. It did not have any contacts with the Chilean generals  
10 who plotted the coup nor with junta leader Augusto Pinochet.<sup>901</sup> In fact, it thought a  
11 military coup highly unlikely. The coup itself was internally driven. The Chilean  
12 military decided, however reluctantly, that it had to act to prevent Allende from  
13 destroying the country.<sup>902</sup>

14  
15 The CIA had little knowledge of and even less contact with the major coup leader,  
16 especially Augusto Pinochet. According to the CIA, Pinochet was not a strong military  
17 leader but an uninspired military technocrat. The CIA had no foreknowledge of  
18 Pinochet's involvement in the coup. That a coup was about to take place was about all  
19 the Agency knew.<sup>903</sup> On 11 September 1973, the Chilean army stormed the presidential  
20 palace, La Moneda, and overthrew the government of Salvador Allende.<sup>904</sup> Up until the  
21 last moment, the CIA remained skeptical that a coup would actually take place. Only two  
22 days before the coup did the Agency receive intelligence "that a coup will be initiated on  
23 September 11. Chilean army contacts were using the CIA and the United States as much  
24 as the CIA was attempting to use them. The last NIE written about Chile before the coup  
25 issued in June 1973, noted, "The U.S. lacks powerful and reliable levers for influencing  
26 the outcome" of Chile's ongoing political crisis.<sup>905</sup> While the CIA was central to U.S.  
27 government operations in Chile seeking to prevent Allende from achieving his anti-  
28 democratic goals, it played no direct role in the events which led to the military coup.  
29 General Pinochet commented that "he and his colleagues, as a matter of policy, had not  
30 given any hints to the U.S. as to their developing resolve to act."<sup>906</sup> The CIA failed to  
31 provide U.S. policymakers adequate warning of the coup attempt.

### 32 33 **After the Coup**

34  
35 The Chilean military coup which overthrew Allende was not unwelcomed by the Nixon  
36 White House. Both Nixon and Kissinger were more than happy to see the end of  
37 Allende. What the Nixon administration, as well as the CIA and the entire U.S.  
38 Intelligence Community, did not anticipate was the establishment of a long term  
39 authoritarian dictatorship by the military in Chile. Henry Kissinger believed that the  
40 Chilean military would return the country to its democratic system after cleansing the

<sup>900</sup> CIA Documents, CIA William Colby to Henry Kissinger, "Chile."

<sup>901</sup> Ibid., p. 204.

<sup>902</sup> Gustafson, *Hostile Intent*, pp. 209-210.

<sup>903</sup> Ibid., p. 218.

<sup>904</sup> The evidence now strongly suggests that Allende committed suicide during the assault.

<sup>905</sup> Gustafson, *Hostile Intent*, p. 225.

<sup>906</sup> As quotes in Gustafson, *Hostile Intent*, p. 225.

1 country of Cubans and other radical elements.<sup>907</sup> The CIA gravely underestimated the  
 2 military's commitment imposing its will on Chile. It minimized its contacts with the  
 3 army and began to rely on political intelligence. It had little knowledge of the junta's  
 4 intentions or plans. It nevertheless, sought to maintain Chile's political parties, especially  
 5 the Christian Democrats (PDC), as viable alternatives to the communists and socialist  
 6 parties once the junta relinquished power to the civilians. For nearly a year after the coup,  
 7 the CIA continued to fund middle and right political organizations that had been opposed  
 8 to Allende. The assumption was that the military would stabilize things and then  
 9 announce elections. The belief was that the coup was merely a short-term event designed  
 10 to protect democracy in Chile. It was, the CIA believed, the same goal that the United  
 11 States had worked for, preserving Chilean democracy. When the junta, led by Augusto  
 12 Pinochet, announced Decree Law 77 on 13 October 1973 which banned all Marxist  
 13 parties, the announcement was not unexpected by U.S. intelligence. The announcement  
 14 of Decree Law 78 four days later, which banned all political parties and Decree Law  
 15 1899 of January 1974 which prohibited all political activities, caught U.S. intelligence by  
 16 surprise. There was no reaction from the White House. After arguing to continue  
 17 funding for such political parties as the Christian Democrats, the CIA quietly terminated  
 18 all subsidy support for Chilean political parties and organizations. The more than two  
 19 decade effort by the CIA to preserve Chile's democratic culture simply faded away.<sup>908</sup>

20  
 21 **Project Azorian**

22  
 23 On 1 March 1968 a Soviet Golf II submarine, the K-129, carrying three SS-N-4 Sark  
 24 nuclear-armed missiles, sailed from the Soviet naval base at Petropavlovsk on the  
 25 Kamchatka Peninsula to its patrol station off Hawaii. If war broke out with the United  
 26 States it was to fire its missiles at American cities on the West Coast. Something went  
 27 terribly wrong. IN mid-March 1968, the K-129 sank 1,560 miles northwest of Hawaii  
 28 with the loss of its entire crew. (b)(1), (b)(3)

29 [redacted] The CIA believed it could raise the  
 30 submarine with its missiles and codebooks. In July 1969, the Agency established a  
 31 Special Projects Staff within its Directorate of Science and Technology to manage the  
 32 project, codenamed "Project Azorian." John Parangosky a senior CIA officer in the  
 33 DS&T headed the project, with a Navy submariner, Ernest "Zeke" Zellmer, as his deputy.  
 34 President Richard Nixon personally approved the highly classified project in August  
 35 1969.<sup>909</sup> DCI Richard Helms, with President Nixon's approval in hand, then placed all  
 36 information concerning the project in a compartmented category "Jennifer," restricting  
 37 information about the project to a hand full of top officials including Nixon and his  
 38 national security advisor, Henry Kissinger. CIA engineers and private contractors  
 39 determined that the only way to lift the huge Soviet submarine from the bottom of the  
 40 ocean floor was to design a specially made sling made up of steel claws to grasp the

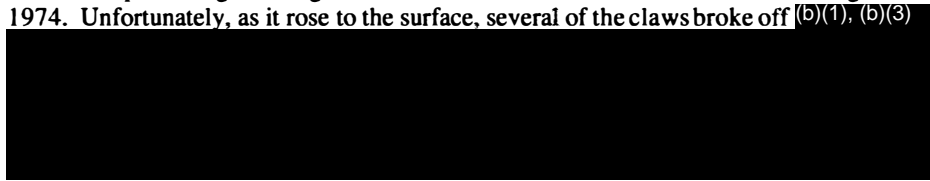
<sup>907</sup> Gustafson, *Hostile Intent*, p. 228.

<sup>908</sup> Gustafson, *Hostile Intent*, p. 234.

<sup>909</sup> Most of this section is based on the CIA's declassified article "Project Azorian: The Story of the Hughes Glomar Explorer," *Studies in Intelligence* (Fall 1985) and Matthew Aid, William Burr, and Thomas Blanton eds. "Project Azorian: the CIA's Declassified History of the Glomar Explorer," National Security Archive, 12 February 2010.

CIA

1 submarine and slowly raise it to the surface in a specially built ship. The cover story for  
 2 the new vessel would be that it was an ocean going mining ship for the Howard Hughes  
 3 Corporation. Despite huge cost over-runs, work began on the unique ship in November  
 4 1971 at the Sun Shipbuilders Yard in Chester, Pennsylvania. The new ship would become  
 5 the *Hughes Glomar Explorer*. It was to be ready in April 1973. With the Nixon  
 6 administration's determination to pursue U.S.-Soviet détente, the question soon arose as  
 7 to whether or not to cancel the Azorian project. The 40 Committee asked for a review of  
 8 the project from Defense, the Joint Chiefs of Staff, the Chief of Naval Operations, and  
 9 DIA. All recommended that Project Azorian be terminated. President Nixon ordered the  
 10 program be continued. Nixon personally approved the launching of the Project Azorian  
 11 mission on 7 June 1974. He requested that the ship not begin its work until after he had  
 12 returned from a U.S.-Soviet summit in Moscow scheduled from 27 June 1974 to 3 July  
 13 1974. The *Glomar Explorer* arrived at the recovery site on 4 July 1974. Recovery work  
 14 began immediately despite the presence of two Soviet naval vessels. The crew of the  
 15 *Glomar Explorer* began lifting the Soviet submarine from the ocean floor on 1 August  
 16 1974. Unfortunately, as it rose to the surface, several of the claws broke off (b)(1), (b)(3)



17  
 18  
 19  
 20  
 21  
 22 In the 1990s the Agency declassified the video of its formal  
 23 burial at sea of the crew members and presented it to Russian President Boris Yeltsin.  
 24 Returning to port, the *Glomar Explorer* would never attempt a second try to raise the  
 25 Soviet submarine. The press had gotten wind of the story.

26  
 27 **Ford and Angola**

28  
 29 **Background**

30  
 31 By the 1960s European colonialism in Africa was in full retreat. The rush to  
 32 independence by the former European colonies took the U.S. Intelligence Community  
 33 and U.S. policymakers by surprise. Africa was rapidly becoming a Cold War "battlefield  
 34 of the first order," according to Secretary of State Christian Herter in March 1960. A  
 35 National Intelligence Estimate in 1961 saw the situation as "potentially unstable" and  
 36 added that the new countries immaturity and the resentment of many African leaders  
 37 toward the West provided opportunities for Moscow and Beijing. No one imagined that  
 38 Fidel Castro and Cuba would play any role in the coming struggle for control in Africa.  
 39 The U.S. Intelligence Community knew there were a few Cubans in Africa but it was not  
 40 particularly concerned. With the communists defeated in Zaire, the Nixon administration  
 41 was confident that the communist treat was over. Nixon and Kissinger paid no attention  
 42 to the continent. DCI William Colby agreed. The Key Intelligence Questions rarely

<sup>910</sup> Much of the details regarding what was actually recovered remain classified. Seymour Hersh's *New York Times* article of 19 March 1975, "CIA Salvage Ship Brought Up Part of Soviet Sub Lost in 1968, Failed to Raise Atom Missiles" and Sherry Sontag and Christopher Drew's *Blind Man's Bluff: The Untold Story of American Submarine Espionage* (New York: Public Affairs, 1998) provide some information.

CIA

1 mentioned Africa at all. If U.S. policymakers thought about Africa at all, the focus was  
2 clearly on what the Soviet Union might do there.

3  
4  
5 **Angolan Civil War**

6  
7 In the spring of 1975 the new government in Portugal announced its intention to  
8 withdraw from Africa, its colonies there, including its richest, Angola, would become  
9 independent. There would be a coalition government in Angola of the three rebel groups  
10 until elections scheduled for November 1975. Each of the rebel groups had its own  
11 militia and political organization. The groups were tribally based, The Popular  
12 Movement for the Liberation of Angola (MPLA), the National Front for the Liberation of  
13 Angola (FNLA) and the National Union for the Total Independence of Angola (UNITA).  
14 The three groups were left to fight it out among themselves over who would control  
15 Angola. Except for the Cold War, Angola would have reached independence without the  
16 world taking much notice.<sup>911</sup>

17 U.S. intelligence about Angola or the rebel movements was virtual nil. U.S. presence in  
18 Angola was limited to a consulate in Luanda. (b)(1), (b)(3)

19 (b)(1), (b)(3) The CIA had virtually no contacts with the Angolan rebel  
20 movements, according to John Stockwell (b)(1), (b)(3) Most U.S. intelligence on  
21 Angola came from (b)(1), (b)(3) Within days of the Portuguese-  
22 Angolan agreement on a coalition government, however, the 40 Committee in the United  
23 States approved a major increase for a subsidy to Holden Roberto, the leader of the  
24 FNLA fraction. At the same time it also rejected an increase for Jonas Savimbi, leader  
25 of the UNITA group.<sup>912</sup> CIA's aim in Angola was modest at first. The Gerald Ford  
26 administration merely wanted to slow the progress of the MPLA.

27 Agostinho Neto's pro-Moscow MPLA already controlled much of the country side.  
28 The new Assistant Secretary of State for African Affairs, Nathaniel Davis, spoke against  
29 acceleration of American aid to either the FNLA or UNITA. For Davis, the United States  
30 should encourage a political settlement among the three factions. Not only would the  
31 Ford administration be faced with "probable disclosure," of a covert aid program, but  
32 Davis argued, "at most we would be in a position to commit limited resources, and buy  
33 marginal influence." Angola was an African, not a Cold War problem, according to  
34 Davis. Moreover the new Consul General Tom Killoran (b)(1), (b)(3)

35 (b)(1), (b)(3) agreed. For them, the MPLA presented the best qualified of the  
36 three movements to run the country. The United States should work with it. To support

<sup>911</sup> All the groups were left of center politically and each had accepted money and weapons from communist countries. The MPLA was comprised mostly of the Mbundu tribe. It was lead by Agostinho Neto. It had the best political organization and was an offshoot of the Angolan communist party. The FNLA was made up of the Bakongo tribe. Its leader, Holden Roberto, an educated Christian, had founded FNLA in 1954 and operated primarily from Zaire. Roberto's chief deputy Jonas Savimbi, broke from the FNLA in 1966 and founded UNITA among the Ovimbundo, the largest tribe in southern Angola. See Prados, *President's Secret Wars*, p. 338.

<sup>912</sup> No reason is given for the rejection of money for Savimbi.

CIA

1 Savimbi and Roberto was "to court disaster."<sup>913</sup> Even DCI Colby declared there were  
2 "scant ideological differences among the three actions." For Colby , "they were all  
3 nationalists above all else." They are all for a black Africa."<sup>914</sup>

4  
5 **Operation**(b)(1), (b)(3)  
6

7 Despite these arguments, the 40 Committee, dominated by Henry Kissinger, directed the  
8 CIA to prepare a covert action plan for Angola, Operation (b)(1), (b)(3) Kissinger  
9 wanted to oppose Moscow's interests in Africa and to further U.S. interests in the Third  
10 World. For Kissinger, Roberto and Savimbi represented the "moderate" element in  
11 Angola as opposed to the MPLA which was tied to Moscow. Kissinger wanted to avoid  
12 Soviet expansion in Africa and feared the consequences of a Soviet assisted MPLA  
13 victory.<sup>915</sup> Most U.S. policymakers, if they thought about it at all, also disliked the  
14 MPLA because of its strong Marxist strain and close ties to the Soviet Union. U.S.  
15 Ambassador to the United Nations, Daniel Patrick Moynihan, declared, that if the United  
16 States did not step in "the communists would take over Angola and will thereby  
17 considerably control the shipping lanes from the Persian Gulf to Europe. They will next  
18 be in Brazil. They will have a large chunk of Africa, and the world will be different in  
19 the aftermath if they succeed."<sup>916</sup> In addition, "after Vietnam, our credibility throughout  
20 the world was at stake if we did not act," according to Kissinger. An MPLA victory  
21 would have destabilizing effects throughout southern Africa. For Kissinger, the Soviets  
22 were playing and the Americans were not. Ford, although he knew little or nothing  
23 about Angola, approved the covert action plan in July 1975.<sup>917</sup>  
24 Kissinger himself preferred to deal with large matters and important leaders. For him,  
25 détente, SALT, Leonid Brezhnev, Mao Zedong were important. East-West relations  
26 dominated. He was not interested in Angola or its ragtag liberation movements. Angola  
27 was but a pawn in the great game.<sup>918</sup> No one, in fact, certainly not U.S. intelligence, paid  
28 much attention to the situation in Angola. Only in 1975 when the civil war in Angola  
29 exploded did the U.S. IC pay attention. Even then, U.S. intelligence saw it as primarily a  
30 competition between the USSR and the United States. For the CIA, a MPLA regime in  
31 Angola did not threaten significant U.S. interests.<sup>919</sup>  
32 Nevertheless, the CIA began to implement (b)(1), (b)(3) It began military training of  
33 FNLA and UNITA forces and recruited former Portuguese and Zairian officers and non-  
34 coms, and provided pro-FNLA and UNITA propaganda. The CIA admitted that it knew  
35 little about Jonas Savimbi, the leader of the UNITA forces. Its information was almost  
36 all second hand. When Kissinger asked for an informal assessment, the Agency provided

<sup>913</sup> Piero Gleijeses, *Conflicting Missions*, p. 357. Kissinger portrayed Davis in his memoirs as a gutless bureaucrat who "had no stomach for covert operations." There was a Cold War on and the Soviets were intervening in Africa. Critics like Davis were at best naïve, according to Kissinger.

<sup>914</sup> CIA, *The Pike Report*, ( London: Spokeman Books, 1977), p.201.

<sup>915</sup> Stephen R. Weissman, "CIA Covert Action in Zaire and Angola: Patterns and Consequences," *Political Science Quarterly*, vol. 94, no. 2 (Summer, 1979), p. 283.

<sup>916</sup> Quoted in Blum, "Killing Hope," p. 255.

<sup>917</sup> Piero Gleijeses, *Conflicting Missions, Havana, Washington, and Africa, 1959-1976* (Chapel Hill, NC: University of North Carolina Press, 2002), pp. 353-355.

<sup>918</sup> Ibid., p. 360.

<sup>919</sup> Ibid., p. 387.

CIA

1 a favorable picture of Savimbi's personality and political drawing power. He was, CIA  
 2 warned, opportunistic and solicited funds and arms from anyone. Savimbi became "the  
 3 new star in the sky."  
 4 CIA trainers, South African instructors, and the first members of the Cuban military  
 5 mission (MMCA) began arriving in Angola at roughly the same time, late August 1975.  
 6 South African troops entered Angola on 14 October 1975 with Operation Zulu.. The war  
 7 quickly escalated into a major East-West crisis. While U.S. officials maintain that there  
 8 was no cooperation whatsoever between the United States and the South African  
 9 government, this is a major stretch of the truth. Kissinger maintained that "We had no  
 10 foreknowledge of South African intentions and no way to cooperate with its military,"  
 11 (b)(1), (b)(3)



14 **Cuba and the Soviet Union back the MPLA**

15  
 16 Only after the South African intrusion into Angola did Soviet and Cuban aid escalate  
 17 dramatically. At first, the Soviets intervened in Angola only slowly and reluctantly. The  
 18 Soviets did not trust Neto or the MPLA. They suspected Neto of being pro-Chinese.  
 19 After mid October 1975, Soviet bloc involvement, however, in men and materiel far  
 20 outweighed that of the United States and the West. For Castro, Cuba support for the  
 21 MPLA in Angola became essential once South Africa invaded. It was to show unity with  
 22 "our Angolan brothers." Between October 1975 and April 1976 30,000 Cubans streamed  
 23 into Angola in defense of the Neto regime and the MPLA. The Cubans acted on their  
 24 own, without consulting Moscow.<sup>921</sup> They pushed back the South African forces and  
 25 forced South Africa back across its border in late March 1975. In the aftermath, the CIA  
 26 concluded that "Cuba is not involved in Africa solely or even primarily because of its  
 27 relationship with the Soviet Union. Rather, Havana's African policy reflects its activist  
 28 revolutionary ethos and its determination to expand its own political influence in the  
 29 Third World at the expense of the West (read U.S.)." Cuba was not simply the puppet of  
 30 the Soviet Union. The CIA planners for (b)(1), (b)(3) had not taken Castro into account.  
 31 No one at CIA or State, or at the NSC or in the entire IC, warned about a possible Cuban  
 32 intervention. It was a critical error.

33 With the CIA Contingency Reserve Fund exhausted, the Ford administration asked  
 34 Congress for an additional (b)(1), (b)(3) for (b)(1), (b)(3) Although Congress  
 35 consistently exhibited a deep lack of interest in and ignorance of Africa, it feared U.S.  
 36 activities in Angola would lead to another Vietnam. The Clark Amendment to the  
 37 Defense Appropriation Bill for 1976 forbid covert aid to the Angolan factions on 10  
 38 February 1976. Kissinger blamed Congress for the defeat of Operation (b)(1), (b)(3) It  
 39 was not the end of U.S. efforts in Angola, however. The civil war in Angola did not  
 40 come to an end in 1976. The fighting continued. The ward raged on. The United States,

<sup>920</sup> Ibid., p. 298. The CIA has not released any documents (b)(1), (b)(3) in

the U.S. government.

<sup>921</sup> Gleijeses, *Conflicting Missions*, p. 366.

CIA

1 (b)(1), (b)(3) South Africa, and Zaire provided aid on the side of UNITA and the Soviet Union,  
2 Cuba, and the Congo Republic supported MPLA.<sup>922</sup>

3  
4  
5 **Carter, Iran, and the Fall of the Shah**  
6

7 From the coup in 1953, which restored the Reza Shah Pahlavi to the throne in Iran, until  
8 1978 when the Shah fled his home country, Iran was vital to American security interests  
9 in southwest Asia. It was pro-American and pro-West. The Shah fulfilled the crucial  
10 role of protecting U.S. interests in the Persian Gulf and provided the United States key  
11 listening posts inside Iran on the Soviet Union. In return, the United States provided the  
12 Shah with advisers and military hardware. American deference to the Shah included  
13 intelligence. (b)(1), (b)(3)

14  
15 Even the U.S. State Department restricted its  
16 intelligence gathering. Thus, the quality of American intelligence on Iran, both covert  
17 and open, declined steadily. As early as 1969 National Security Advisor, Henry  
18 Kissinger canceled an annual review of Iran as an unnecessary intrusion into internal  
19 Iranian politics.<sup>923</sup> U.S. intelligence capabilities in the region were minimal. Thus, when  
20 politics in Iran became increasingly turbulent and growing Islamic Fundamentalism  
21 threatened the Shah's government, few predicted that the Shah was in trouble. Although  
22 the CIA's profile of the Shah portrayed him as a weak man, the CIA reported in August  
23 1977 that "the Shah will be an active participant in Iranian life well into the 1980s" and  
24 that there would "be no radical change in Iranian political behavior" in the near  
25 future."<sup>924</sup>

26  
27 Nevertheless, the Shah's position unraveled quickly during the last half of 1978. There  
28 was growing violence in Iran as Ayatollah Khomeini stoked the fire for Islamic  
29 revolution. The increasing turmoil did not set off alarm bells in the U.S. Intelligence  
30 Community. Both the State Department and the CIA judged that the Shah's chances of  
31 weathering the current storm were favorable. As long as he retained control of the army  
32 and security forces Shah's rule would not be threatened. U.S. intelligence  
33 underestimated the strength of the Iranian opposition.<sup>925</sup>

34 Only on 2 November, after U.S. Ambassador to Iran, William Sullivan, asked for  
35 instructions should the Shah abdicate, did the National Security Council's Special  
36 Coordination Committee (SCC) finally met to address the Iran question. Led by  
37 Brzezinski, Carter's National Security Advisor, the SCC expressed unconditional  
38 American support for the Shah and noted the need for "decisive action" to restore order.  
39 While the SCC and Brzezinski underlined the U.S. commitment to the Shah, the State

<sup>922</sup> Blum, "Killing Hope," p. 253.

<sup>923</sup> Much of this section is based on Gregory F. Treverton and James Klocke, "Iran, 1978-1979: Coping with the Unthinkable," in Ernest R. May and Philip D. Zelikow, eds., *Dealing with Dictators, Dilemmas of U.S. Diplomacy and Intelligence Analysis, 1945-1990*, Cambridge, Massachusetts: MIT Press, 2006), pp.111-135.

<sup>924</sup> James Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New York: Yale University Press, 1988), fn. 85.

<sup>925</sup> Treverton and Kocke, "Coping with the Unthinkable," pp. 118-121.

1 Department's Bureau of Intelligence and Research (INR) began to move away from the  
2 Iranian leader. It concluded that "only drastic measures by the shah hold any promise for  
3 staving off a descent into chaos" given Khomeini's almost "mystical sway" over current  
4 Iranian protesters.<sup>926</sup>

5 On 6 November, National Security Council officer, Gary Sick wrote to Brzezinski  
6 complaining, "that the most fundamental problem at the moment is the astonishing lack  
7 of hard information we are getting about developments in Iran. President Carter also  
8 raised the issue of intelligence with Secretary of State Vance and with DCI Stanfield  
9 Turner. Turner acknowledged the problem but stated there was little he could do in the  
10 short run because of the draw-down of American intelligence capabilities in Iran."<sup>927</sup>

11  
12 After anti-shah demonstrations in Teheran in early November 1978, the Shah ordered the  
13 military to restore order and placed the country under military rule. Sullivan cabled  
14 Washington on 9 November that, in the short run the United State had no choice but to  
15 continue trusting the Shah and the military, but "if it should fail and if the Shah should  
16 abdicate, we need to think the unthinkable at this time in order to give our thoughts  
17 some precision should the unthinkable contingency arise." In December 1978 President  
18 Carter asked a senior outsider, George Ball, who had been in the Kennedy and Johnson  
19 administrations and had opposed escalation in Vietnam, for a report on the situation in  
20 Iran. Ball "reluctantly concluded that the shah was on the way to a great fall and that ,  
21 like Humpty-Dumpty, his regime could not be put back together again." Ball concluded  
22 in his report to the President that the shah's government was on the verge of collapse,  
23 even the attempt to use the army to restore order was doomed to fail.<sup>928</sup>

24 Ball's report was not what Brzezinski wanted to hear. He felt that the collapse of the  
25 shah would be a strategic disaster for the United States. He wanted to continue  
26 supporting the shah.

27 The Iranian crisis was now acute. The week before Christmas, both the State  
28 Department and most of the NSC believed, "the shah and his dynasty are going to be  
29 swept away." Brzezinski did not share these views. On 29 December, the Shah named  
30 opposition leader Shahpour Bakhtiar to head a new civilian government. By New Years  
31 day 1979, even Brzezinski felt that the shah would have to leave Iran. NSC officer Gary  
32 Sick later stated that nevertheless "a remarkable consensus" emerged that Khomeini  
33 would not pose a great threat, because the National Front and other moderates in the  
34 opposition such as Mehdi Bazargan's Liberation Movement, would actually lead the  
35 country. Sick disagreed. He strongly believed that Khomeini would create an Islamic  
36 republic that would "make the shah look very good indeed by comparison."<sup>929</sup> On 16  
37 January 1979, the Shah left Iran. He traveled to the United States for treatment of cancer.  
38 Gary Sick, the National Security Council officer most responsible for Iran later wrote:

39  
40 We were unaware that the shah had cancer and even that he was ill. Not only  
41 were we not aware of it, but the French intelligence was not aware of it, although  
42 his two doctors were French... His twin sister did not know it....and I believe it is

<sup>926</sup> Ibid., p. 123

<sup>927</sup> Ibid., p. 124.

<sup>928</sup> Treverton and Klocke, "Coping with the Unthinkable," pp. 126-127.

<sup>929</sup> Sick, *All Fall Down*, p. 138.



1 true to say that his wife did not know it. As a matter of fact, despite the rumor  
2 mill in Teheran, after the news of the shah's illness came out...the revolutionaries  
3 said they had heard every rumor in the world except that one. They had never  
4 heard even a rumor in Teheran that the shah had cancer.<sup>930</sup>  
5

6 The Carter administration's decision to allow the Shah into the United States brought  
7 anti-American feeling in Iran to a boiling point. Khomeini played on these feeling  
8 calling the United States "the Great Satan." Revolutionary fervor and anti-Americanism  
9 became increasingly intertwined. Khomeini flew from Paris to Teheran on 1 February,  
10 ending fourteen years of exile. He soon established an Islamic state. U.S. influence over  
11 affairs in Iran was approaching zero.

### 12 13 **The Iranian Hostage Crisis**

14  
15 The hostage crisis began at the American Embassy in Tehran on 4 November 1979 when  
16 Iranian "students," urged on by Iranian leader Ayatollah Khomeini, occupied the  
17 Embassy and took sixty- three Americans hostage. The Carter administration was now  
18 confronted with the phenomenon of Islamic fundamentalism and deep anti-American  
19 feelings.<sup>931</sup> During the first days of the crisis, the Carter administration considered all  
20 sorts of solutions including a naval blockade, mining Iranian ports, and sending in the  
21 82<sup>nd</sup> Airborne. The Carter administration itself was divided. Secretary of State Cyrus  
22 Vance and most in the State Department felt the Iranian revolution was unique and that  
23 the United States needed to understand why the new regime was acting the way it was.  
24 Carter's national security adviser Zbigniew Brzezinski and many in the Pentagon argued  
25 that the United States needed to stand up to these radicals. The United States could not  
26 relinquish its national honor.<sup>932</sup> Early on, Carter was sympathetic to Vance's view. From  
27 November 1979 until April 1980, the Carter administration sought by various means to  
28 encourage the moderates within Iran to release the hostages through negotiations. These  
29 efforts were fruitless. On 7 April 1980 Washington finally broke relations with Iran.  
30 Carter became convinced that a diplomatic solution was impossible. On 11 April 1980  
31 he announced to his advisers that he had lost all hope in such a solution and gave final  
32 approval to a clandestine rescue operation to free the hostages.<sup>933</sup>  
33

### 34 **Desert One**

35  
36 The envisioned clandestine operation was a complex, complicated affair. It involved not  
37 only the CIA but the U.S. Army, Air Force, and Navy. Delta Force, a newly created all-  
38 purpose counter-terrorist unit controlled by the Army, was to carry out the rescue

<sup>930</sup> Quoted in Treverton and Klocke, "Coping with the Unthinkable," p. 116.

<sup>931</sup> Charles G. Cogan, "Desert One and Its Disorders," *The Journal of Military History* vol. 67 no. 1 (2003), pp. 201-216. Within the first three days the Iranians released thirteen hostages for "humanitarian" reasons. These were women and African-Americans. Three of the hostages, including the charge d'affaires were not in the Embassy compound but were held in the Ministry of Foreign Affairs where they had gone to try and negotiate an end to the takeover.

<sup>932</sup> Charles G. Cogan, Desert One and Its Disorders," *The Journal of Military History* 67, vol. 1 (2003), pp. 201-216.

<sup>933</sup> Vance resigned as Secretary of State in protest. See Cogan, "Desert One," p. 208.

1 operation. It did not, however, have the means either to get into Iran or to make a  
 2 clandestine approach to the American Embassy. Helicopters were to be used to transport  
 3 the Delta Force into Iran. As planned, since the helicopters to be used were not capable  
 4 of flying all the way to Tehran from the aircraft carrier *Nimitz* in the Arabian Sea, they  
 5 had to be refueled somewhere in Iran. The refueling would be accomplished by C-130s  
 6 stationed in Oman, some one thousand miles from Iran. The C-130s also had to bring in  
 7 the men from Delta Force. The CIA chose the landing area for the C-130s in the Iranian  
 8 desert. It had to be capable of supporting the weight of the C-130s. It became Desert  
 9 One, the name of the operation. The transport aircrafts, the EC-130 "Hercules" were  
 10 from the Air Force. The helicopters, the RH-53D "Sea Stallions" belonged to the Navy.  
 11 They had considerable range but had been flown primarily by Marines because Navy  
 12 pilots rarely flew over land for long distances. The helicopters the Marines used were  
 13 nearly the same (CH-53), but less advanced than the Navy's. This would be a crucial  
 14 factor in the failure of the operation.

15  
 16 From Desert One, Delta Force would travel by helicopter to a staging area fifty miles  
 17 southeast of Tehran. The helicopters would then proceed to another nearby hiding area.  
 18 The CIA made all the arrangements inside Iran. (b)(1), (b)(3)

19 [REDACTED]

CIA 20 [REDACTED]  
 21 [REDACTED] for this very dangerous mission. After the rescue of the hostages, Delta  
 22 Force and the hostages, under the protection of AC-130 gunships, would be taken by the  
 23 helicopters to a nearby soccer stadium, then to an abandoned air field southwest of  
 24 Tehran. The air field was to be secured by Army Rangers. Everyone would then be  
 25 loaded into large C-141 transports for the flight to Egypt. The helicopters would be left  
 26 behind.<sup>934</sup>

27  
 28 The operation, "Rice Bowl" in its preparatory phase, was run in Washington by a  
 29 restricted group, Joint Task Force (JTF) 1-79. General James Vaught, a veteran of the  
 30 U.S. Army Rangers was chief of the JTF. The in-place commander at Desert One was  
 31 Colonel James H. Kyle, an Air Force officer. The commander of the Delta Force at  
 32 Desert One was Colonel Charlie Beckwith, a Special Forces veteran of the Vietnam War.  
 33 The command of the helicopters at Desert One was the responsibility of Lt. Col. Edward  
 34 Seiffert, a Marine.

35 In addition, the CIA had the mission of obtaining intelligence inside Iran, especially on  
 36 the location of the hostages. (b)(1), (b)(3)

37 [REDACTED] all of the  
 38 hostages were in the chancery building in the Embassy compound. This was a key bit of  
 39 intelligence Since the CIA did not divulge its source for this key information, the U.S.  
 40 military was not impressed. It sent a Special Forces team into Tehran to verify the CIA  
 41 provided information. Neither the civilians nor the military trusted one another.<sup>935</sup>

42  
 43 The operation, now named "Eagle Claw" got underway on 24 April 1980. No one  
 44 anticipated problems with the helicopters. Col. Beckwith, the commander of Delta Force,

<sup>934</sup> Cogan, "Desert One," p. 210.

<sup>935</sup> *Ibid.*, p. 211.

1 had originally asked that ten instead of eight helicopters be put at his disposal. He  
2 estimated that six was the minimum number required to conduct the operation. The Navy  
3 refused. It had only eight available for the mission from the *Nimitz*.<sup>936</sup>

4  
5 To free the *Nimitz* from Soviet observation, the JTF also developed a deception  
6 operation. Another U.S. aircraft carrier, the *Coral Sea*, was in the Indian Ocean, with a  
7 Marine landing team aboard. The day before the rescue operation was to begin, the  
8 *Coral Sea* headed for Pakistan at high speed. The Soviet fleet had little choice but to  
9 follow the more active carrier. It left the *Nimitz* free of surveillance.<sup>937</sup>

10  
11 On 24 April, eight helicopters took off from the deck of the *Nimitz*, headed for Desert  
12 One. Two hundred miles out, one encountered engine problems. The pilot and crew  
13 abandoned the helicopter in Iranian territory and climbed aboard another of the  
14 helicopters. The number of helicopters was down to seven. The remaining helicopters  
15 flew on directly into a major dust storm (a *haboob*, a frequent phenomenon in Iran in the  
16 spring). The storm took the helicopter pilots by surprise, however. For reasons of  
17 security the weather forecasters did not communicate directly with the pilots. One of the  
18 helicopters turned back. The number of helicopters was now down to six., which was the  
19 minimum number for the operation. The six made it to Desert One. As Delta Force  
20 prepared to embark on the helicopters, one developed hydraulic problems. Col. Seiffert,  
21 in charge of the helicopters, believed it too danger to continue and recommended that the  
22 operation be aborted. Beckwith and Kyle believed the operation should be continued.  
23 Beckwith did not, however, want to reduce his force by twenty commandos. Kyle  
24 therefore recommended to his superiors that the mission be called off. Confronted with  
25 Beckwith's reluctance to proceed, President Carter called off the operation and ordered  
26 the force be withdrawn from Iran.<sup>938</sup> In the course of the evacuation of Desert One, one  
27 of the helicopters collided with a C-130 and eight members of the operation were killed.  
28 It was a major failure and would cost Jimmy Carter his Presidential reelection bid.<sup>939</sup>  
29 In the summer of 1980 Carter approved plans for another rescue operation. It was never  
30 launched as the Iranians dispersed the hostages to different locations. On 20 January 1981  
31 as Ronald Reagan took the oath of office as President, the Iranians released the hostages.  
32

### 33 **The Canadian Caper**

34  
35 Before *Desert One* was finally approved, the CIA and the Canadian Embassy in Tehran  
36 pulled off a daring operation to rescue six Americans who evaded capture during the  
37 seizure by seeking sanctuary in the Canadian Embassy.<sup>940</sup> At great personal risk

<sup>936</sup> Admiral James L. Holloway, Commission of Inquiry, Report, p. 33.

<sup>937</sup> Cogan, p. 212.

<sup>938</sup> Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Adviser, 1977-1981* (New York: Farrar, Strauss, Giroux, 1983), p. 498.

<sup>939</sup> The aftermath of the failed operation brought major changes. The Goldwater-Nichols Act of 1986 brought to an end the large independence that the various branches of the services had enjoyed. It brought about the consolidation of all Special Forces. All of these units, the Special Forces of the Army, the Navy Seals, and the Air Forces air commandos were brought under a central command, the United States Special Operations Command (USSOCOM) located in Tampa, Florida. See Cogan, "Desert One," p. 216.

<sup>940</sup> Another American joined the group after spending two weeks in the Swedish embassy.

CIA

1 Canadian ambassador to Iran, Ken Taylor, provided sanctuary to the six Americans.  
 2 After gaining approval from Canadian Prime Minister Joe Clark and the Canadian  
 3 parliament, Taylor worked with the CIA to devise a plan for exfiltrating the Americans.  
 4 Tony Mendez, a CIA technical operations officer and an expert on exfiltration and  
 5 disguises headed the CIA team. Mendez and Taylor created a credible cover story. The  
 6 group of six would exit Tehran as a scouting team for a fictitious Hollywood production  
 7 company "Studio 6." They were in Iran to scout movie locations for a film called  
 8 "Argo" which had a Middle Eastern background. The CIA team decided to use regular  
 9 Canadian passports (b)(1), (b)(3) They also altered the appearances of the six  
 10 Americans before attempting the escape. On 27 January 1980, the American diplomats,  
 11 posing as Canadian film makers, made their way to Tehran's international airport and  
 12 boarded a Swissair flight to Zurich, Switzerland. They arrived safely in Zurich without  
 13 challenge. The Canadian embassy was then closed and Taylor and his remaining staff  
 14 returned to Canada.<sup>941</sup>

15  
16 **Afghanistan**

17  
18 While the Iranian Hostage crisis continued, another Cold War hot spot exploded. On  
 19 Christmas Eve 1979 the Soviet Union invaded Afghanistan. Soviet military forces took  
 20 control of the capital city of Kabul, eliminated the existing government, killed its leaders,  
 21 and installed a proxy regime that Moscow used as a cover for sending in "requested  
 22 assistance." Two Soviet ground force combat divisions with 25,000 men were already in  
 23 Afghanistan when the "request" was made. U.S. policy makers, including President  
 24 Carter, almost unanimously expressed surprise over the Soviet invasion. Many in the  
 25 Carter White House considered "the surprise" was the result of an intelligence warning  
 26 failure.<sup>942</sup>

27  
28 **Background**

29  
30 In July 1973, Afghanistan's former Prime Minister Sadar Mohammed Daoud, seized  
 31 control of the government with the backing of Soviet-trained Afghan military officers and  
 32 a Moscow nurtured Afghan Communist political faction. U.S. intelligence viewed this as  
 33 ominous for the future.<sup>943</sup> It saw Soviet power expanding in the region. When Doud  
 34 began to move away from Moscow and seek a rapprochement with Iran and Pakistan in  
 35 1978, the Soviet leadership encouraged a coup against Daoud. Washington suspected  
 36 that the Soviet Union was behind the coup. It wanted to create a more compliant client  
 37 state. U.S. intelligence assessments, however, found no evidence that the Soviets had

---

<sup>941</sup> In 1981 the Canadian Caper was made into a television movie called "Escape from Iran: The Canadian Caper."  
<sup>942</sup> Much of this section is based on Douglas MacEachin's, *Predicting the Soviet Invasion of Afghanistan: The Intelligence Community's Record*, (Center for the Study of Intelligence, CIA, 1994).  
<sup>943</sup> In his earlier tenure as Prime Minister from September 1953 to March 1963 Daoud established close ties to Moscow.

1 been involved in launching the coup. The assessments did, nevertheless, state that  
 2 Moscow had moved quickly to exploit the situation.<sup>944</sup>  
 3 The Carter administration was divided. Secretary of State Cyrus Vance, citing the  
 4 absence of information indicating Soviet complicity in the coup, held out hope that even  
 5 though the Afghan Government had now been seized by "radical leftists in the army,"  
 6 Soviet influence could be contained. He believed that the best way to "maintain a  
 7 measure of influence" was to sustain the limited U.S. economic assistance that had been  
 8 underway before the coup. For Vance, the United States should avoid actions that could  
 9 push the new Afghan regime even closer to the Soviet Union. Carter's National Security  
 10 Adviser, Zbigniew Brzezinski, saw the coup as a part of a Soviet plan to acquire  
 11 hegemony in the region. He was not concerned that a active counterreaction by the  
 12 United States, such as mounting covert actions to counter Soviet designs in the region,  
 13 might provoke the Soviets, because he believed they already were intent on taking control  
 14 in Afghanistan. Vance's approach prevailed. The Carter administration officially  
 15 recognized the new Afghan government, maintained normal diplomatic relations, and  
 16 continued modest economic aid. It wanted to avoid driving the Afghan regime closer to  
 17 Moscow.<sup>945</sup>

18  
 19  
 20 **U.S. Intelligence and the Growing Crisis**

21  
 22 The new government's efforts to impose a socialist revolution throughout the countryside  
 23 met with a violent backlash. Armed opposition to the government erupted in November  
 24 1978. U.S. intelligence reported that Kabul's authority outside major cities had  
 25 collapsed. While the United States continued to adhere to President Carter's injunction  
 26 against direct assistance and the use of U.S. weapons to support the insurgency (b)(1), (b)(3)  
 27

28 An uprising in the Afghan city of Herat in mid March 1978 brought Afghanistan to the  
 29 "front burner" of U.S. intelligence issues. The Soviet client state in Kabul was steadily  
 30 losing ground to the insurgency. For U.S. intelligence the question was whether Moscow  
 31 could accept the overthrow of the communist regime by a Muslim rebellion being  
 32 supported by a U.S. ally, Pakistan or would the Soviet Union commit its own combat  
 33 forces to prevent it. CIA's assessment concluded that:

34  
 35 The Soviets would be most reluctant to introduce large numbers of ground forces  
 36 into Afghanistan to keep in power an Afghanistan government that had lost the  
 37 support of virtually all segments of the population. Not only would the Soviets  
 38 find themselves in an awkward morass in Afghanistan, but their actions could  
 39 seriously damage their relations with India, and - - to a lesser degree - - with  
 40 Pakistan. As a more likely option, the Soviets probably could seek to reestablish

<sup>944</sup> See Interagency Intelligence Memorandum (IIM), *Soviet Options in Afghanistan*, 28 September 1979 and *The Soviet Invasion of Afghanistan*, October 1980. According to MacEachin, new evidence indicates that the Soviets had indeed advised the Afghan military about a coup.

<sup>945</sup> Cyrus Vance, *Hard Choices: Critical Years in America's Foreign Policy* (New York: Simon and Schuster, 1983), p. 384 and Zbigniew Brzezinski, *Power and Principle: Memoirs of a National Security Advisor* (New York: Farrar, Strauss, and Giroux, 1983), pp. 426-428.

<sup>946</sup> MacEachin, *Predicting the Soviet Invasion of Afghanistan*, p. 12.

CIA

1 ties with the members of the Afghan opposition [Parcham] with whom Moscow  
2 had dealt profitably in the past.<sup>947</sup>

3  
4 Despite an increased presence of Soviet military advisers in Afghanistan, U.S.  
5 intelligence continued to portray the insertion of Soviet combat forces as unlikely,  
6 although it was not ruled out entirely.<sup>948</sup> Even when a Soviet battalion of airborne troops  
7 deployed to the Bagram air base outside Kabul in July, U.S. intelligence analysts  
8 concluded that the Soviet combat troops were sent to provide security for the airport.  
9 There was no intent to commit them to combat operations elsewhere in Afghanistan.<sup>949</sup>  
10 Increasing Soviet military involvement in Afghanistan and continuing widespread  
11 resistance to the Soviet backed regime combined with worsening U.S.-Soviet relations,  
12 prompted President Carter to authorize an official Presidential Finding for covert support  
13 to the Afghan insurgency on 3 July 1979. The covert aid helped with propaganda  
14 activities in support of the insurgents cause and provided medical assistance and other  
15 non-military support. (b)(1), (b)(3)

16 [REDACTED] The pro-Soviet government was near collapse in the face of widespread Islamic  
17 opposition and tribal rebellion. Brzezinski warned the President that the Soviets might  
18 try to unseat the current government.<sup>950</sup> Despite increasing turmoil in the country, CIA  
19 reported that a majority of its analysts "continue to feel that the deteriorating situation  
20 does not presage an escalation of Soviet military involvement in the form of a direct  
21 combat role. The U.S. embassy in Kabul expressed similar views.<sup>951</sup> Even in August, as  
22 U.S. intelligence detected more Soviets in Afghanistan and Soviet preparations for air  
23 movement north of the border, the majority of the U.S. Intelligence Community  
24 continued to rate the chances of a major movement of Soviet forces into Afghanistan as  
25 unlikely.<sup>952</sup> As Soviet presence in Afghanistan continued to increase, DCI Stansfield  
26 Turner issued an Alert Memorandum to the President and other senior officials on 14  
27 September 1979. It warned that "the Soviet leaders may be on the threshold of a decision  
28 to commit their own forces to prevent the collapse of the regime and to protect their  
29 sizable stakes in Afghanistan." It went on to say that the Soviets would do so only  
30 incrementally to provide security in key cities.<sup>953</sup> On 19 September National Security  
31 Advisor Brzezinski told the President that he believed a Soviet invasion was becoming  
32 more probable. Brzezinski requested that DCI Turner prepare an intelligence appraisal  
33 "of Soviet involvement in Afghanistan to date, so we can differentiate between creeping  
34 involvement and direct invasion."<sup>954</sup> The Interagency Intelligence Memorandum  
35 prepared in response to Brzezinski's request, stated that "The threat raised by the Muslim  
36 insurgency to the survival of the Marxist government in Afghanistan appears to be more  
37 serious now than at any time since the government assumed power in April 1978."<sup>955</sup> In

<sup>947</sup> *National Intelligence Daily*, 23 March 1979, quoted in IIM, *The Soviet Invasion of Afghanistan*, p. 15.

<sup>948</sup> IIM, *Soviet Options in Afghanistan*, p. 9.

<sup>949</sup> *Ibid.*, p. 7.

<sup>950</sup> MacEachin, *Predicting the Soviet Invasion of Afghanistan*, p. 17.

<sup>951</sup> Robert Gates, *From the Shadows*, p. 132.

<sup>952</sup> IIM, *The Soviet Invasion of Afghanistan*, pp. 18-21.

<sup>953</sup> Gates, *From the Shadows*, pp. 132-133.

<sup>954</sup> Brzezinski, *Power and Principle*, p. 428. See also Gates, *From the Shadows*, p. 133.

<sup>955</sup> IIM, *Soviet Options in Afghanistan, Key Judgments*, pp. 1-2 and p. 4. This IIM was disseminated on 28 September 1979 in response to Brzezinski's 20 September request.

1 went on to lay out the possible Soviet military involvement in Afghanistan. It saw to  
2 distinct options for the Soviet military: (1) to serve in a support capacity, assisting in a  
3 military campaign carried out primarily by the Afghan Army, or (2) mounting a large-  
4 scale intervention in which Soviet forces would take over most of the combat operations.  
5 The Memorandum outlined the price of a full scale Soviet invasion:

6  
7 "the grave and open-ended task of holding down an Afghan insurgency in rugged  
8 terrain. The Soviets would also have to consider the likely prospect that they  
9 would be contending with an increasingly hostile and anti-Soviet population. The  
10 USSR would then have to consider the likelihood of an adverse reaction in the  
11 West, as well as further complications with Iran, India, and Pakistan. Moscow  
12 would also have to weigh the negative effects elsewhere in the Muslim world of a  
13 massive Soviet military presence in Afghanistan. . . . A conspicuous use of Soviet  
14 military force against an Asian population would also provide the Chinese  
15 considerable political capital."  
16

17 The Memorandum concluded that on balance "Moscow would not believe that saving the  
18 current regime or even another communist regime was worth the price."<sup>956</sup>  
19 Even the Soviet deployment of a second airborne battalion to the airfield at Bagram on 8  
20 December did not change the primary intelligence assessments. The National  
21 Intelligence Daily (NID) and the Defense Intelligence Notes (DIN) both stated that  
22 deployment of the additional battalion to Bagram was intended to upgrade defenses at  
23 the air base in the face of growing insurgent threat.<sup>957</sup> On 17 December DCI Turner told  
24 a meeting of senior national security officials:

25  
26 CIA does not see this as a crash buildup but rather as a steady, planned buildup,  
27 perhaps related to Soviet perceptions of a deterioration of the Afghan military  
28 forces and the need to beef them up at some point. . . . We believe that the Soviets  
29 have made a political decision to keep a pro-Soviet regime in power and to use  
30 military force to that end if necessary.<sup>958</sup>

CIA

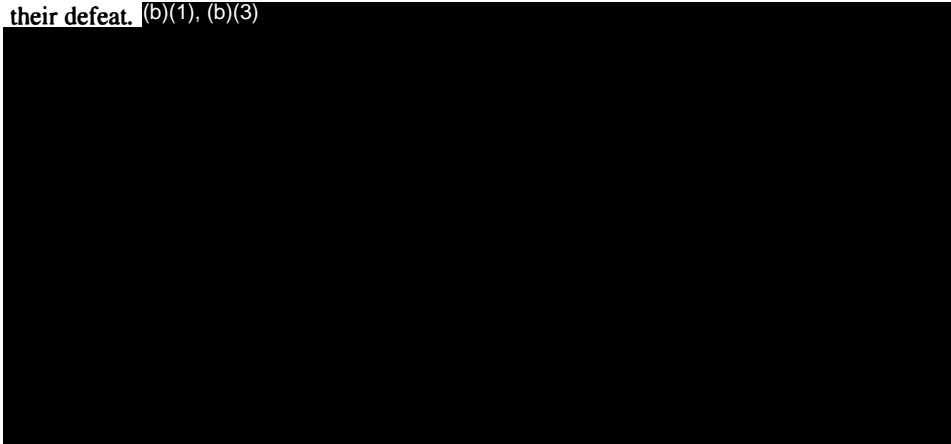
31  
32 (b)(1), (b)(3)  
33  
34  
35  
36

37 <sup>959</sup> A majority of the intelligence community continued to believe  
38 that the buildup was simply part of a more gradual process of military intervention not a  
39 full fledged invasion.  
40 On 22 December National Security Agency Director (DIRNSA), Bobby Ray Inman  
41 telephoned Brzezinski and Defense Secretary Harold Brown to inform them that there  
42 was "no doubt" the Soviets would begin a major military intervention in Afghanistan

<sup>956</sup> Ibid., pp. 10-17.  
<sup>957</sup> As quoted in IIM, *The Soviet Invasion of Afghanistan*, pp. 24-26.  
<sup>958</sup> MacEachin, *The Soviet Invasion of Afghanistan*, p. 28.  
<sup>959</sup> Ibid.

1 within the next 72 hours. He called again on 24 December to report that the move would  
 2 begin within the next fifteen hours.<sup>960</sup> Late that evening, U.S. intelligence began  
 3 reporting a massive airlift by Soviet military transport aircraft. On 25 December DCI  
 4 Turner issued another Alert memorandum, warning that the Soviets had completed  
 5 preparations for a major move into Afghanistan. By the time these alerts were dispatched  
 6 to policy officials on 25 December, waves of Soviet military aircraft were already surging  
 7 into Afghanistan. Nevertheless, CIA and DIA continued to reflect the perception of an  
 8 incremental Soviet buildup to provide security to Soviet personnel in the Kabul area and  
 9 other centers. Only on 27 December when Soviet special forces ("Spetznaz") troops  
 10 outfitted in Afghan Army uniforms attacked the presidential palace, killed the Afghan  
 11 president, Hafizullah Amin, and established a new government, was there no longer any  
 12 doubt in Washington about what had begun on Christmas Eve. The Soviets had  
 13 committed major combat troops to Afghanistan, using them to seize control of the capital  
 14 and other major cities and transportation nodes. They had eliminated the existing  
 15 government and installed a proxy regime and used it to provide cover for sending in  
 16 additional Soviet combat forces. According to Brzezinski, "a major watershed had been  
 17 reached." There was a new combat zone on the Cold war battleground.<sup>961</sup>  
 18 President Carter described the invasion as "the greatest foreign policy crisis confronting  
 19 the United States since World War II." He ordered the U.S. boycott of the Olympic  
 20 Games scheduled for Moscow in the summer of 1980, imposed economic sanctions  
 21 against the Soviet Union, and issues a second Presidential Finding following the  
 22 Christmas invasion which now allowed the CIA to provide the rebels with weapons.  
 23 Carter's directive specifically called for the "harassment" of Soviet forces, rather than  
 24 their defeat. (b)(1), (b)(3)

CIA



**Nicaragua**

<sup>960</sup> Gates, *From the Shadows*, p. 133.

<sup>961</sup> Brzezinski, *Power and Principle*, p. 429.

<sup>962</sup> Gates, *From the Shadows*, p. 148.

<sup>963</sup> Kirsten Lumberg, "Politics of a Covert Operation, The U.S., the Mujahedeen, and the Stinger Missile," A Case Study (Cambridge, Massachusetts: Harvard University Kennedy School of Government, C15-99-1546.0, 1999).



1  
 2 The year 1979 brought yet another Cold War crisis for the Carter administration . Half  
 3 way around the world from Afghanistan in the Western Hemisphere, Nicaragua, became  
 4 engulfed in turmoil. The Carter White House struggled to deal with the leftist Sandinista  
 5 National Liberation Front (FSLN) as it assumed power in Managua on 17 July 1979.  
 6 The Sandinistas replaced the long term right wing dictatorship of the Somoza family.<sup>964</sup>  
 7 The Somoza's had been long-time allies of the United States. Nevertheless, Carter and  
 8 his national security advisers feared the establishment of another Marxist regime in  
 9 Central America.

10  
 11 **Background**

12  
 13 A series of events during the 1970s undermined the Somoza family's hold on Nicaragua.  
 14 In December 1972 a number of earthquakes devastated Managua. Somoza's National  
 15 Guard pilfered international relief funds as Nicaraguans went hungry and homeless. The  
 16 Somoza family fortunate, and that of its close friends, benefitted enormously from the  
 17 disaster. Then in 1974 Anastasio Somoza announced he would run for reelection in 1974  
 18 for another seven year term. Opposition to Somoza began to grow. On 10 January 1978,  
 19 gunmen shot and killed Pedro Joaquin Chamorro, head of the Conservative Party and  
 20 editor of the country's major newspaper, *La Prensa*. Chamorro had been a major  
 21 supporter of the Somoza government but began to criticize the dictator openly in his  
 22 newspaper for corruption and human rights abuses.<sup>965</sup> Riots ensued. The situation was  
 23 getting worse.  
 24 Nicaragua received little attention from the Carter White House during his first year in  
 25 office. As conditions continued to deteriorate in Nicaragua, the Carter administration  
 26 struggled to split the difference between its stated commitment to human rights and its  
 27 increasing fear that breaking with Somoza would create an opportunity for the Marxist  
 28 leaning Sandinistas.<sup>966</sup>

29  
 30 **U.S. Intelligence and Nicaragua**

31  
 32 The U.S. intelligence community was ill prepared for a major crisis in Central America.  
 33 For foreign service officers and U.S. military officers, a tour in Central America was not  
 34 career-enhancing and Somoza kept a tight rein on all contacts with the Nicaraguan  
 35 National Guard and U.S. officials had little opportunity to talk with opposition leaders.

CIA

36 (b)(1), (b)(3)  
 37 [REDACTED]  
 38 [REDACTED] U.S. human intelligence  
 39 (Humint) was sparse regarding the Somoza regime and its opposition. There was also a

<sup>964</sup> The Sandinistas took their name from the assassinated Nicaraguan leader Augusto Sandino who was killed in 1933 by Anastasio Somoza's men. The Somoza family ruled Nicaragua from the 1930s until Anastasio Somoza fled into exile in Miami in 1979.

<sup>965</sup> Lawrence Pezzullo and Ralph Pezzullo, *At the Fall of Somoza* (Pittsburgh: University of Pittsburgh Press, 1993), pp.17-175. See also Robert Pastor, *Condemned to Repetition: The United States and Nicaragua* (Princeton: Princeton University Press, 1987).

<sup>966</sup> Robert d. Johnson and Kirsten Lundberg, "Nicaragua, 1977-1979: Losing "Our Son of a Bitch," in May and Zelikow, eds., *Dealing With Dictators*, pp.89-109.

1 lone CIA analyst in CIA's Directorate of Intelligence and only a general Latin  
2 Americanist in the Department of State's Bureau of Intelligence and Research.<sup>967</sup>  
3 Even had there been more ambitious collection and analysis of intelligence on Nicaragua,  
4 it is doubtful that the results would have reached top decision makers. The Carter  
5 administration had other urgent matters to address: the search for peace in the Middle  
6 East with the Camp David meetings; multiple issues with the Soviet Union, including the  
7 SALT II Treaty negotiations, Afghanistan, and a Cuban military intervention in Africa;  
8 normalization of U.S. relations with China; and the possible disintegration of the Shah's  
9 rule in Iran. On top of everything was the effort to obtain Senate approval of the Panama  
10 Canal Treaties.<sup>968</sup>  
11 Through much of 1978, day to day management of Nicaraguan policy fell to the State  
12 Department and the NSC. State argued, with Assistant Secretary of State for Latin  
13 American Affairs, Viron Peter Vaky, taking the lead, that the United States "couldn't  
14 escape responsibility; we were involved in Nicaragua. On the question of intervening or  
15 not intervening, we were an actor in the scenes, so whether we didn't do anything or did  
16 something, it had an effect." Vaky, convinced that the human rights issue had "faded out  
17 of the picture," wanted Somoza to go. Vaky was in the minority. Robert Pastor of the  
18 NSC and Brzezinski "felt that taking steps to overthrow regimes like Somoza's would be  
19 inappropriate and likely to fail." It would put the United States in a very difficult  
20 position. "The one thing we don't want to happen," Brzezinski argued, "is a Sandinista  
21 victory."<sup>969</sup> In the fall of 1978, after Somoza's National Guard had suppressed a general  
22 strike, CIA analysts predicted that Somoza would likely survive until the end of his term  
23 in 1981. The CIA did not believe that the Sandinistas had the capability to overthrow the  
24 Somoza government. On 26 January 1979 DCI Turner told the NSC's Policy Review  
25 Committee that the CIA gave Somoza a better-than-even chance of completing his term  
26 in 1981.<sup>970</sup>  
27 What the U.S. intelligence community failed to recognize or report on was the growing  
28 outside support for the Sandinistas. Panama, Costa Rica, and Venezuela, and Cuba,  
29 according to Vaky, "lied" to the Carter administration concerning the extent of their  
30 assistance to the FSLN. The Latin American countries were part of a logistical system by  
31 which arms flowed from Venezuela and Cuba to Panama and then into Nicaragua  
32 through northern Costa Rica. The Sandinistas had several sanctuaries in Costa Rica.  
33 Momentum in the conflict began to favor the Sandinistas. Somoza's National Guard was  
34 now on the defensive. The new fighting galvanized the Carter administration. At a  
35 Policy Review Committee meeting on 11 June 1979, the CIA reversed its earlier  
36 estimates and predicted that Somoza would not last out his term. Brzezinski wanted to  
37 create an inter-American peacekeeping force to maintain order in Nicaragua and to avert  
38 an outright Sandinista victory. The plan was never implemented, primarily because of  
39 Assistant Secretary of State for Human Rights, Patricia Derian's objections to an  
40 increasingly hard-line posture of the United States.<sup>971</sup> In June 1979 the CIA estimated

<sup>967</sup> Johnson and Lundberg, "Nicaragua," p. 98.

<sup>968</sup> For a review of these issues and the Carter administration see Kaufman, *The Presidency of James Earl Carter*, pp. 125-142.

<sup>969</sup> Quoted in Johnson and Lundberg, "Nicaragua," pp. 100-103.

<sup>970</sup> *Ibid.*, p. 104. The Policy Review Committee coordinated foreign, defense, and international economic policy.

<sup>971</sup> *Ibid.*, pp. 106-107.

CIA

1 that Somoza might last only a short time. The U.S. embassy in Managua began  
2 evacuating personnel. The U.S. military, which had withheld its views, now suggested  
3 that an "active, forceful U.S. role" was the only way to "prevent a hard left, Marxist-  
4 Leninist government from coming to power." It was too little too late. Despite efforts by  
5 the Carter administration to negotiate a settlement that would keep the moderates in  
6 power in Nicaragua, the agreements fell apart once Somoza departed for Miami on 17  
7 July 1979. The Sandinistas took control of the government.  
8 Daniel Ortega, the leader of the Sandinistas, took an increasingly anti-U.S. attitude and  
9 moved Nicaragua toward an alliance with Castro's Cuba. When he announced that  
10 elections would be postponed, (b)(1), (b)(3) [REDACTED]  
11 [REDACTED] It would be  
12 up to the incoming Reagan administration, however, to deal with the Sandinistas.  
13  
14  
15  
16  
17

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40

**Chapter XI**

**U.S. Intelligence and the Cold War:**

**President's Reagan and Bush**

**Election of Ronald Reagan 1980**

The Presidential election of 1980 saw the reconstitution of the Committee on the Present Danger (CPD) which focused its policy statements on the Soviet drive for dominance and massive Soviet build up. It pushed the concept of a Soviet goal of a world dominated from a single center, Moscow.<sup>972</sup> The Reagan campaign, with William Casey as Reagan's campaign chairman, also emphasized the need to meet the ominous Soviet threat because of a "decade of neglect." Once in office, the Reagan administration followed the basic ideas of the neocons and Team B recommendations with regard to its policies related to the Soviet Union.

In March 1983 President Reagan denounced the Soviet Union as the "focus of evil in the world" and as an "evil empire."<sup>973</sup> Moscow responded by repeatedly accusing Reagan of fanning the flames of war. Soviet General Secretary Yuri Andropov called the U.S. President "insane and a liar" and compared him to Hitler.<sup>974</sup> Relations between the two powers became increasingly confrontational.

**The Cold War Renewed**

The new administration set out to build American military power and strengthen the CIA and the Intelligence Community. In general, these trends were begun under President Carter and simply accelerated under President Reagan. Carter had, for example, significantly increased the defense budget and revitalized CIA covert action programs against not only the Soviet Union (b)(1), (b)(3)

The Reagan administration stepped up the pressure on the Soviets. As part of its overall foreign policy program, the Reagan White House sought a more activist policy (use of covert action operations) against apparent Soviet gains in Third World countries. William Casey became the new DCI. He, like the President, wanted a more active CIA. Reagan also made Casey a formal member of his cabinet, the only DCI ever to hold that position. Former CIA officer Milton Bearden described Casey as "a kind of church-going, deeply moralistic, funny, strange, marvelous, weird, best, worse guy." He loved covert operations. One congressional official said of Casey, "he would mount a covert operation in the Vatican, if he could." Covert actions, according to Casey himself, had one rule: "Don't get caught. If you do, don't admit it."<sup>975</sup> When he took over as DCI, Casey, who had been in the OSS, felt the Agency was just too cautious, too

<sup>972</sup> Cahn, *Killing Détente*, p. 188.

<sup>973</sup> Fisher, *A Cold War Conundrum: the 1983 Soviet War Scare*, p.3.

<sup>974</sup> Fisher, *A Cold War Conundrum*, p. 28.

<sup>975</sup> Kirsten Lunberg, "Politics of a Covert Action: The US, the Mujahideen, and the Stinger Missile," Kennedy School of Government, Case Study C15-99-1546.0, p. 11.

CIA

CIA

1 bureaucratic, too slow, too timid, and too unimaginative. Casey wanted action.<sup>976</sup> (b)(1), (b)(3)

2 (b)(1), (b)(3)

3

4 The CIA was now in position to carry out major covert  
5 operations. This renewed capability fueled a turf war between the CIA and the defense  
6 Department over who would control covert operations.

7 Casey had a build- in hatred of the Soviets. Reagan and Casey soon began to pursue a  
8 more confrontational policy toward the Soviet Union. The United States would actively  
9 challenge the Soviets around the world.

10  
11 Agreeing with the Team B concept of an ominous Soviet Union, the Reagan  
12 administration introduced a new version of intelligence assessment to inform and  
13 influence public opinion. In 1981 and then from 1983 to 1990, the Department of  
14 Defense issued an annual publication titled *Soviet Military Power*. Lavishly illustrated, it  
15 presented a grave picture of a massive Soviet buildup, without any comparisons with  
16 American or NATO military forces or programs. The new publication sought to  
17 magnify the Soviet threat and to rally public support for the U.S. military buildup. DIA  
18 prepared the publication. It was a Department of Defense publication with only informal  
19 consultation from CIA or the other parts of the intelligence community.<sup>977</sup>

20  
21 **Heightened Tensions, a New Maritime Strategy, and a War Scare**

22  
23 A sharp increase in Soviet-U.S. tensions in the early 1980s sparked a genuine, if  
24 unwarranted war scare in the USSR. <sup>978</sup> Despite the Reagan administration rhetoric, the  
25 Soviet leadership did not believe that the strategic balance had shifted in its favor by  
26 1981. The Reagan administration's tough stance toward the Soviet Union, increased U.S.  
27 led naval and air operations, including psychological warfare missions, conducted close  
28 to the Soviet borders, and the KGB's warnings that the Soviets were losing the Cold War  
29 and that the international situation was turning against the Soviet Union, convinced the  
30 Soviet leadership that the United States was making preparations for a surprise nuclear  
31 attack on the Soviet Union. To counter this growing perceived threat from the United  
32 States and the West, Soviet intelligence instituted an unparalleled alert against the  
33 possibility of a U.S. surprise nuclear missile attack, Operation RYAN. This alert  
34 persisted through much of the decade, with a peak alarm in late 1983.<sup>979</sup> Under RYAN  
35 Soviet intelligence gave the highest priority to early warning signals of a U.S./NATO  
36 surprise nuclear attack and new U.S./NATO weapons systems intended for use in a  
37 surprise nuclear attack.<sup>980</sup>

38 For most of the Cold War, U.S. naval strategists imagined that the naval part of World  
39 War III would be a high technology, nuclear-armed reenactment of World War II.  
40 Schooled in Alfred Thayer Mahan's sea power theories which advocated control of the

<sup>976</sup> Robert Gates, *From the Shadows*, (New York: Simon & Schuster, 1996),p. 212.  
<sup>977</sup> Garthoff, "Estimating Soviet Military Intentions and Capabilities," p. 25.  
<sup>978</sup> Vojtech Mastny, "How Able was "Able Archer"? Nuclear Trigger and Intelligence in Perspective,"  
*Journal of Cold War Studies* Vol. 11, No. 1 (Winter 2009).  
<sup>979</sup> Ben B. Fischer, *A Cold War Conundrum: The 1983 Soviet War Scare* (CIA, Center for the Study of  
Intelligence, 1997).  
<sup>980</sup> *Ibid.*, p.5

1 sea lanes and decisive engagements, and believing the Soviet Union, "offensively  
 2 minded," the U.S. Navy believed the USSR would attempt to disrupt Western supply  
 3 lines and to destroy U.S. carrier forces. Navy Operational Intelligence (OPINTEL)  
 4 allowed the Navy to track individual Soviet submarines by their acoustic "fingerprints"  
 5 and Elint data. By the late 1970s the Navy had developed a sophisticated world-wide  
 6 ocean surveillance system. (OSIS). It provided an unprecedented picture of the  
 7 capabilities and disposition of Soviet submarine forces and gave U.S. naval commanders  
 8 a decisive advantage in the Cold War.<sup>981</sup>  
 9 Dramatic intelligence breakthroughs in the late 1970s and early 1980s which produced  
 10 highly accurate insights into the Soviet regime brought a major reassessment of how the  
 11 Soviets would fight a war, the strengths and vulnerabilities of the regime, and how the  
 12 Soviets viewed the United States.<sup>982</sup>

13 (b)(3)  
 14 [Redacted]  
 15 [Redacted]  
 16 [Redacted]  
 17 [Redacted]  
 18 [Redacted]  
 19 [Redacted]  
 20 [Redacted]  
 21 [Redacted]  
 22 [Redacted]

CIA

23 **A New Maritime Strategy**

24  
 25 This intelligence produced a new U.S. Maritime Strategy based on the fact that the  
 26 Soviets "didn't operate the way we did." According to Admiral David Jeremiah, this  
 27 intelligence brought "new thinking" about Soviet war plans. According to the new  
 28 intelligence, the Soviets would assume a defensive posture in the event of war. They  
 29 would defend and protect their submarine-based ballistic missile forces. They would  
 30 maintain a fundamentally defensive and territorial position designed to protect the  
 31 homeland.<sup>984</sup>  
 32 Armed with this new intelligence, U.S. naval thinkers, developed a new U.S. offensive  
 33 maritime strategy toward the Soviet Union designed "to deny the Soviets their kind of  
 34 war." It was meant to convince the Soviets that they could not win a war with the United  
 35 States. Operationally, U.S. naval exercises became forward focused and aggressive. The  
 36 new strategy involved not only the continuous real-time monitoring of Soviet submarine  
 37 forces but "going after them." The U.S. Navy developed the capability to consistently  
 38 hold the submarine forces of the Soviet Union at risk.<sup>985</sup> In addition, after President  
 39 Reagan authorized new Psychological Warfare Operations (PSYOPS) against the Soviet

<sup>981</sup> Ibid., 105.  
<sup>982</sup> Christopher A. Ford and David A. Rosenberg, *The Admiral's Advantage U.S. Navy Operational Intelligence in World War II and the Cold War* (Annapolis: Maryland: Naval Institute Press, 2005), p. 80.  
<sup>983</sup> See Sherry Sontag and Christopher Drew, *Blind Man's Bluff: The Untold Story of American Submarine Espionage* (New York: Public Affairs, 1998). (b)(1), (b)(3)

<sup>984</sup> Ford and Rosenberg, *The Admiral's Advantage*, pp. 82-84.  
<sup>985</sup> Ibid., p. 99.

1 Union in March 1981, the U.S. Navy commenced major naval exercises near the  
2 maritime approaches to the Soviet Union. U.S. warships went where they had never gone  
3 before demonstrating U.S. ability to deploy aircraft carrier-battle groups close to sensitive  
4 Soviet military and industrial sites, apparently virtually undetected and unchallenged.  
5 In August-September 1981 an armada of 83 U.S., British, Canadian, and Norwegian  
6 ships led by the U.S. carrier *Eisenhower* managed to transit the Greenland-Iceland-United  
7 Kingdom gap (GIUK) undetected, using a variety of concealment and deception  
8 measures.<sup>986</sup> In April-May 1983, the U.S. Pacific Fleet held its largest exercises to date  
9 in the northwest Pacific. The fleet sailed within 720 kilometers (450 miles) of the  
10 Kamchatka Peninsula and Petropavlovsk. U.S. submarines conducted operations in  
11 protected areas where the Soviet Navy stationed a large number of its nuclear-powered  
12 ballistic missile submarines (SSBNs).<sup>987</sup> These U.S. demonstrations of military might  
13 were aimed at deterring the Soviets from provocative actions. The projection of U.S.  
14 naval power exposed major gaps in Soviet early warning systems. According to the  
15 Chief of U.S. Naval Operation, "the Soviets are as naked as a jaybird there (on the  
16 Kamchatka Peninsula), and they know it."<sup>988</sup> His comments applied equally to the far  
17 northern maritime region and the Kola Peninsula.  
18 These U.S. naval operations coupled with increased U.S. Air Force probes for gaps and  
19 vulnerabilities in Soviet early warning systems added to the Soviets growing concern  
20 about a U.S. first strike. According to General Jack Chain, a former Strategic Air  
21 Command commander:

22  
23 Sometimes we would send bombers over the North Pole and their radars would  
24 click on. Other times, fighter-bombers would probe their Asian or European  
25 periphery. During peak times, the operation would include several maneuvers in  
26 a week. They would come at irregular intervals to make the effect all the more  
27 unsettling. Then, as quickly as the unannounced flights began, they would stop,  
28 only to begin a few weeks later.<sup>989</sup>

29  
30  
31 **"STAR WARS"**

32  
33 Adding to the growing concerns the Soviets had over U.S. policy was President Reagan's  
34 announcement on 23 March 1983 of the Strategic Defense Initiative (SDI). Quickly  
35 labeled "Star Wars" by the media, SDI was a plan for a ground-and-spaced-based laser  
36 armed antiballistic missile system that, if deployed would provide a shield for U.S. land  
37 based missiles. The Soviets already keenly aware of the U.S. technological lead,  
38 denounced this latest development as a U.S. plan for winning a nuclear war. The Reagan  
39 administration was putting the entire world in jeopardy. Soviet General Secretary Yuri

---

<sup>986</sup> The GIUK Gap is an imaginary line stretching from North America through Greenland and Iceland to Scotland and Norway. In war time the Soviet Northern Fleet would have to transit the Gap to reach the north Atlantic, while NATO forces would have deployed naval and air power at the Gap to bottle up Soviet naval forces. See Fischer, *Cold War Conundrum*, p. 31.

<sup>987</sup> Fischer, *A Cold War Conundrum*, p. 7.

<sup>988</sup> Quoted in Seymour Hersh, *The Target is Destroyed: What Really Happened to Flight 007 and What America Knew About It* (New York: Random House, 1986), p. 18.

<sup>989</sup> Quoted in Fischer, *A Cold War Conundrum*, p. 6.

1 Andropov asserted bluntly that the United States was making preparations for a surprise  
 2 nuclear attack on the Soviet Union.<sup>990</sup> For SOVA, such remarks coincided with a general  
 3 reluctance of the Soviet leaders to increase defense spending. SOVA declared, "SDI, in  
 4 particular, confronts the Soviets with an extreme form of competition they wish to  
 5 avoid." Douglas MacEachin, Director of SOVA, later wrote that the Reagan  
 6 administration's determination to rebuild American military power was aided and abetted  
 7 by inflated intelligence projections of Soviet military strength. He stated:

8  
 9 Never mind that the Soviet Union never in 10 years, from the late 1970s through  
 10 the entire 1980s, ever lived up to the projections that were made. It wasn't that  
 11 the Reagan administration spent them into a crash. We projected these huge  
 12 forces, then used those projections as a rationale for our own spending, and they  
 13 never lived up to those projections.<sup>991</sup>

14  
 15 SDI was part of that program.

16  
 17 **The Shoot Down of KAL 007**

18  
 19 On 1 September 1983, a Soviet Su-15 interceptor fired two air-to-air missiles at a  
 20 commercial airliner, Korean Airlines Boeing 747, Flight 007, destroying the commercial  
 21 jet and killing all 269 crew members and passengers. Soviet air defenses had tracked the  
 22 airliner for more than an hour while it entered and left Soviet airspace over the  
 23 Kamchatka Peninsula. The local Soviet air defense gave the order for the shoot down as  
 24 the airliner was about to leave Soviet airspace for the second time after flying over  
 25 Sakhalin Island. At the time of the shoot down the airliner was probably in international  
 26 airspace. The local commander probably made a serious but honest mistake. The  
 27 situation in the region was not normal. Soviet forces were on high alert following the  
 28 incursions by U.S. aircraft during the spring 1983 Pacific Fleet exercise recounted above.  
 29 As a result of these incursions, the Soviet air defense command was put on alert for the  
 30 rest of the summer and into the fall. The Supreme Soviet authorized local air defense  
 31 commanders to destroy any intruding aircraft.<sup>992</sup> (b)(1), (b)(3)  
 32 [redacted] the Reagan administration learned of the shoot down within a  
 33 few hours. With Secretary of State George Shultz taking the lead, the Reagan  
 34 administration denounced the Soviet act as deliberate mass murder. President Reagan  
 35 called it "an act of barbarism, born of a society which wantonly disregards individual  
 36 rights and the value of human life and seeks constantly to expand and dominate other  
 37 nations."<sup>993</sup> By the next day, the CIA and NSA had concluded that the Soviets probably  
 38 did not know that the intruder was a civilian airliner. They reported that the Soviets may  
 39 have thought the jet airliner was on an intelligence mission.<sup>994</sup> The charge against the  
 40 Soviets should have been something akin to criminally negligent manslaughter, not

<sup>990</sup> Ibid., pp. 15-16.

<sup>991</sup> Quoted in Lundberg, "CIA and the Fall of the Soviet Union," p. 28-29.

<sup>992</sup> For an account of the Shoot Down see Hersh, *The Target is Destroyed*. See also Fischer, *Cold War Conundrum*, p. 36.

<sup>993</sup> Hersh, *The Target Is Destroyed*, p. 161.

<sup>994</sup> See Shultz, *Turmoil and Triumph*, p. 363 and Raymond Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington: The Brookings Institution, 1994), p. 199.

NSA &  
CIA



CIA

1 premeditated murder. The official U.S. position, however, never deviated from the initial  
 2 assessment. The Reagan administration focused on indicting the Soviet system and its  
 3 top leadership as being ultimately responsible.<sup>995</sup> On 5 September, for example,  
 4 President Reagan signed National Security Decision Directive 102 "U.S. Response to the  
 5 Soviet Destruction of KAL 007 Airliner," which ordered a "major public diplomatic  
 6 effort to keep international and domestic attention focused on this Soviet action."<sup>996</sup>  
 7 As for the Soviet response, Moscow did not acknowledge the incident until 6 September  
 8 and only gave its official explanation on 9 September. According to the official Soviet  
 9 response, the regional defense unit had identified the aircraft as a U.S. intelligence  
 10 platform, an RC-135 of the type that routinely performed intelligence operations along a  
 11 similar flight path. In any event, according to the Soviets, whether it was a RC-135 or a  
 12 Boeing 747, the plane was unquestionably on a U.S. or joint (b)(1), (b)(3) intelligence  
 13 mission, and the local air defense commander had made the correct decision. The real  
 14 blame for the tragedy lay with the United States not the Soviet Union.<sup>997</sup>  
 15 For Washington, the incident seemed to express all that was wrong with the Soviet  
 16 system and to vindicate the Reagan administration critique of not only the Soviet system  
 17 but its leaders. For Moscow, the shoot down reflected the Reagan administrations  
 18 aggressive adventurism and imperial ambitions. Convinced that the flight was on a secret  
 19 intelligence mission, it reinforced Soviet beliefs that the United States was preparing for  
 20 nuclear war.

21 In the months following the September 1983 KAL incident, a full scale war scare  
 22 unfolded in the Soviet Union as Soviet intelligence and the Soviet military overreacted to  
 23 a U.S./NATO military exercise.

24  
 25 **ABLE ARCHER**

26  
 27 In this tense atmosphere the November 1983, U.S./NATO exercise ABLE ARCHER  
 28 touched off a major war scare in the Soviet Union. ABLE ARCHER included a practice  
 29 drill that took NATO forces through a full-scale simulated release of nuclear weapons.  
 30 Another alarming feature of the war game was its encoded electronic signature, which  
 31 for the first time made it impossible for the Soviets to distinguish a feigned dispatch of  
 32 missiles from the real thing. After reviewing the evidence, the KGB concluded as this  
 33 exercise began that the American forces had been placed on alert and might even have  
 34 begun the countdown to war. According to the Soviet spy, Oleg Gordievsky, with  
 35 ABLE ARCHER the two super powers came close to war.<sup>998</sup> Most historians now  
 36 believe that Gordievsky exaggerated the threat and down play the Soviet reaction.  
 37 Nevertheless, Soviet leadership continued to believe in the growing danger of a U.S.  
 38 military strike against the USSR or at least depicted the "warmongering America as bent  
 39 on world domination" for political purposes.<sup>999</sup> As for U.S. intelligence, the CIA  
 40 concluded that while the Soviet reaction was "greater than usual, by confining heightened

<sup>995</sup> Fischer, *Cold War Conundrum*, p. 15.

<sup>996</sup> Jeffrey T. Richelson, *A Century of Spies: Intelligence in the Twentieth Century* (New York: Oxford University Press, 1995), p. 385.

<sup>997</sup> *Ibid.*, pp. 15-16.

<sup>998</sup> See Christopher Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York: Harper Collins Publishers, 1995), pp. 471-478.

<sup>999</sup> Fischer, *A Cold War Conundrum*, p. 21 and Mastny, "How Able Was ABLE ARCHER?," p. 6.

1 readiness to selected units, Moscow clearly revealed that it did not, in fact, think that  
2 there was a possibility at this time of a NATO attack.<sup>1000</sup> Not until Mikhail Gorbachev  
3 came to power in 1985 did the war scare subside. Operation RYAN was not cancelled  
4 until 1991.

5  
6 **Angola Again**

7  
8 Jonas Sivimbi and the UNITA continued to resist Neto and MLPA efforts to consolidate  
9 their hold on Angola.<sup>1001</sup> Sivimbi claimed that he was willing to work with the MPLA  
10 but not until the all Cuban forces had withdrawn from Angola. He told the American  
11 press that "The real enemy is Cuban colonialism." He warned that "The Cubans have  
12 taken over the country..."<sup>1002</sup> The Cubans had stayed in Angola to help Neto remain in  
13 power. Castro also send thousands of technicians to Angola to improve medical  
14 facilities and schools.

15 (b)(1), (b)(3)  
16 [Redacted]  
17 [Redacted]  
18 [Redacted]

19 (b)(1), (b)(3)  
20 [Redacted] in 1977 President  
21 Jimmy Carter, sensitive to human rights issues, banned the sharing of intelligence with  
22 South Africa.<sup>1004</sup> The Reagan administration reversed this policy and closely monitored  
23 the growing crisis in Angola and South Africa. Angola would become part of the Reagan  
24 administration effort to roll back Soviet and communist gains in the Third World. (b)(1), (b)(3)  
25 [Redacted]

26  
27 The South African government responded to increased guerilla activity in South West  
28 Africa by sending troops back into Angola in 1981. The mounting success of the South  
29 Africa incursion prompted the Soviet Union to deliver massive amounts of military aid to  
30 the Angolan government between 1981 and 1986. The Cubans also increased their  
31 military presence in Angola from 25,000 in 1982 to 40,000 in 1985. By mid-1985,  
32 Angola had once again become a hot spot in the Cold War. In August, 1985, the Reagan  
33 administration managed to win a repeal from Congress of the Clark amendment which  
34 prohibited the CIA and U.S. military from aiding the rebel forces in Angola. (b)(1), (b)(3)  
35 [Redacted]

<sup>1000</sup> William Casey, CIA Assessment, Implications of recent Soviet Military-Political Activities," p. 4  
<sup>1001</sup> Neto died from cancer in Moscow on 10 September 1979. Jose Eduardo dos Santos assumed control of  
MLPA and became President of Angola.  
<sup>1002</sup> Time, 1977.  
<sup>1003</sup> The evidence is sketchy as no U.S. documents have been declassified and released on the Angolan  
effort after 1976. See Jane Hunter, *Israeli Foreign Policy: South Africa and Central Africa*, (South End  
Press 1987), p. 16. Robert Gates claims the United States was simply a bystander to the Angolan civil war  
from 1975 to 1985. See Gates, *From the Shadows*, p.346.  
<sup>1004</sup> William Blum, "Killing Hope: the Great Powers Poker Game: Angola, 1975-1980," p. 253.  
<sup>1005</sup> Very little U.S. intelligence information relating to Angola in the 1980s has been declassified and  
released.  
<sup>1006</sup> James Brooke, "CIA Said to Send Weapons via Zaire to Angola Rebels," *New York Times*, 1 February  
1987.

CIA

CIA, NSC

CIA, NSC 1  
2  
3  
4  
CIA 5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
CIA, NSC 27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

(b)(1), (b)(3) cont.

In January 1986 President Reagan invited Savimbi to the White House and spoke of Sivimbi and UNITA as "freedom fighters" against communist expansion.<sup>1007</sup> (b)(1), (b)(3)

(b)(1), (b)(3)

Following the independence of Namibia (South West Africa) and the withdrawal of South Africa and Cuban troops from Angola in 1991, President dos Santos and Savimbi hammered out the first of three peace agreements which called for elections and the transition of Angola to a multi-party democracy.<sup>1009</sup> (b)(1), (b)(3)

(b)(1), (b)(3)

In 1992, the MPLA defeated UNITA in national elections. Savimbi received only 40.1 percent of the presidential vote and refused to accept the results. He plunged the country once again into civil war.<sup>1011</sup> The war continued until 2002. Dos Santos' troops killed Savimbi on 22 February 2002. Soon after the civil war ended.

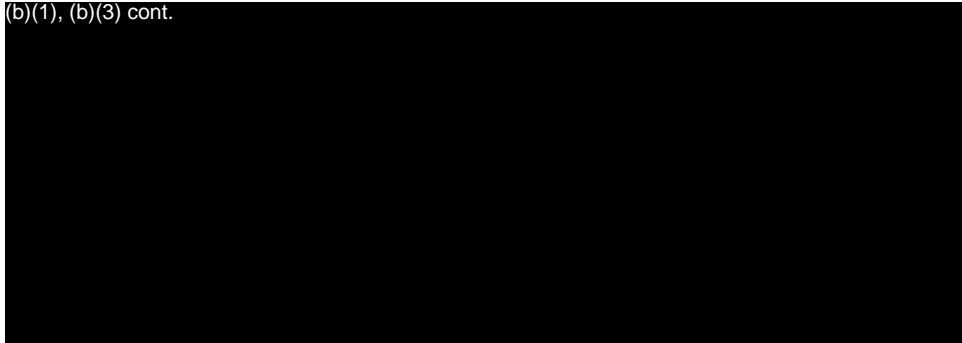
The Angolan civil war was one of the longest conflicts of the Cold War. Both the United States and the Soviet Union had come to see it as critical to the global balance of power and the outcome of the Cold War. By its end, the Soviet Union no longer existed and the Cold War was long over.

**Afghanistan**

(b)(1), (b)(3)

<sup>1007</sup> In all, Savimbi made five trips to the United States.  
<sup>1008</sup> According to Robert Gates, the effectiveness of the missiles in Angola helped overcome opposition to the introduction of stinger missiles in Afghanistan. See Gates, *From the Shadows*, p. 347.  
<sup>1009</sup> Woodward, *All the President's Men*, pp. 11-12.  
<sup>1010</sup> Savimbi and the UNITA controlled most of the diamond mines in Angola. These provided UNITA with the money to purchase large quantities of arms. The dos Santos government held the oil resources in Angola. It traded oil for weapons.  
<sup>1011</sup> Gleijeses, *Conflicting Missions*, p. 352.  
<sup>1012</sup> Lunberg, "Politics of a Covert Operation," p. 27.

(b)(1), (b)(3) cont.



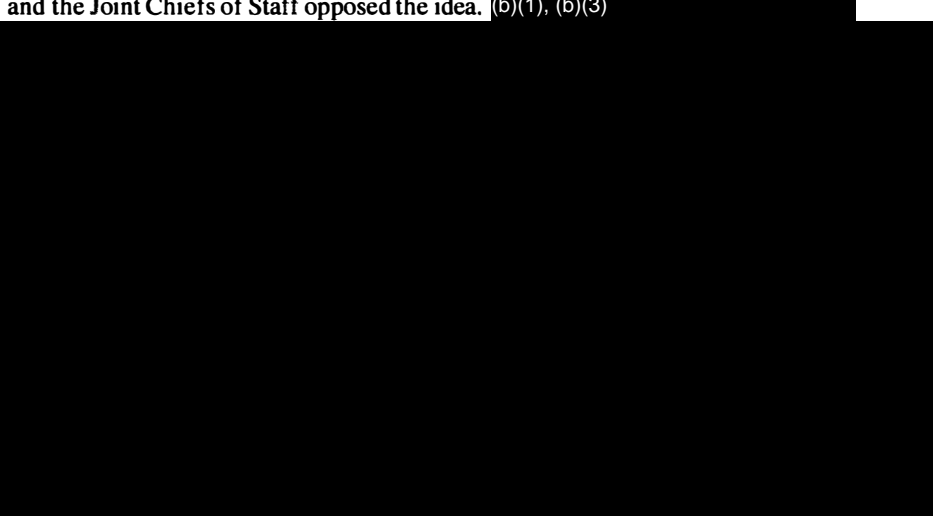
CIA, NSC  
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**Debate Over the Stinger Missile**

In 1984 and 1985, the Soviet Union introduced two new elements into the Afghan war, *Spetsnaz* special troops and the Hind's armored helicopter. With an increase in Soviet troop strength and new tactics, Moscow began to take the war into rebel territory with devastating effect.

The Soviet military advances brought U.S. arguments for a more aggressive U.S. involvement in the Afghan conflict. Proposals began to circulate within the policy community, especially within the Pentagon, to provide the Afghan rebels with high-tech U.S. weapons, including the Stinger Missile.<sup>1015</sup> Most of the CIA the State Department, and the Joint Chiefs of Staff opposed the idea. (b)(1), (b)(3)

CIA  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39



<sup>1013</sup> Robert Woodrow, *Veil*, p. 372.

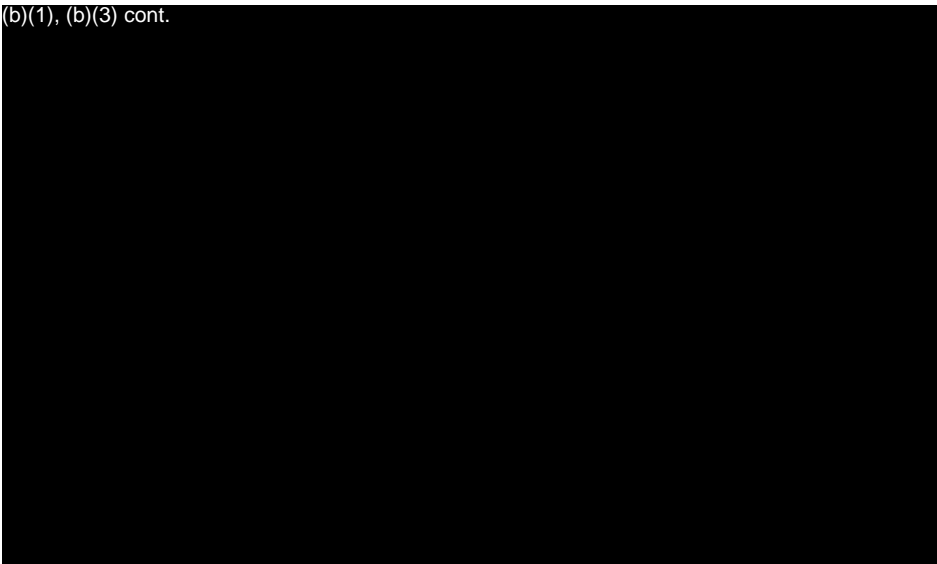
<sup>1014</sup> Lunberg, "Politics of a Covert Operation," p. 21.

<sup>1015</sup> The Stinger was one of the U.S. military's prize possessions, a state of the art anti-aircraft missile. It was shoulder mounted with a range of five miles. It weighed 34 pounds and measured five feet long. It could easily be transported. Manufactured by the General Dynamics Corporation, each missile cost about \$30,000. and cost

<sup>1016</sup> Lunberg, "Politics of a Covert Action," p. 49.

CIA

(b)(1), (b)(3) cont.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

19 [redacted] In 1987 Gorbachev hinted that he might withdraw all Soviet troops from  
20 Afghanistan. Intelligence on the possibility of a Soviet withdrawal from Afghanistan was  
21 split. The U.S. hardliners doubted it would happen, others noted mounting signs of the  
22 possibility. In general, CIA reporting on a possible Soviet withdrawal from Afghanistan  
23 was scant.<sup>1019</sup> Only after Gorbachev's public announcement on 8 February 1988 of his  
24 intent to withdraw all Soviet troops from Afghanistan did the Agency report that  
25 Gorbachev was serious about pulling out of Afghanistan.<sup>1020</sup> The last Soviet troops left  
26 in February 1989. A SNIE "USSR: Withdrawal from Afghanistan" in March 1988  
27 correctly assessed the Kremlin's domestic and foreign policy reasons for quitting  
28 Afghanistan but confidently predicted the quick collapse of the Kabul regime with the  
29 Soviet withdrawal.<sup>1021</sup> It did not happen. The civil war raged on. The unintended  
30 consequences (b)(1), (b)(3) [redacted] succeeded in replacing one enemy, the  
31 Soviet Union, with another, militant Islam.

19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

33 **Nicaragua**

33  
34  
35  
36  
37  
38  
39  
40

34 While the United States continued to recognize the Nicaraguan Government diplomatic  
35 relations became increasingly strained as the Reagan administration saw a major increase  
36 in military support to the Sandinistas from Cuba.  
37 As the Sandinistas consolidated their hold on Nicaragua, President Reagan accused the  
38 new regime of importing Cuban-style socialism and aiding leftist guerillas in El Salvador.  
39 For Reagan, the Sandinistas were simply a vehicle for Soviet expansion in the Western

<sup>1017</sup> Ibid., p. 52. (b)(1), (b)(3) [redacted]

[redacted] Ibid., pp. 60-63.

<sup>1019</sup> Lundberg, "CIA and the Fall of the Soviet Empire," p. 23.

<sup>1020</sup> Lunsberg, "CIA and the Fall of the Soviet Empire," p. 24.

<sup>1021</sup> SNIE 11/37-88 "USSR: Withdrawal from Afghanistan," March 1988, printed in Fisher, *At Cold War's End*, Document 11.

1 Hemisphere. Concerns about Nicaragua's internal suppression, its growing military  
2 force, and its ties to the Soviet bloc, especially Cuba, led the Reagan administration to  
3 consider ways to assist the regime's opponents. Reagan believed that anti-communist  
4 insurgents needed to be supported by the United States in what ever region they might be  
5 located. It was part of his Reagan Doctrine which called for U.S. support to movements  
6 opposing Soviet backed communist governments.

CIA



<sup>1022</sup> Presidential Finding, 1 December 1981 "Support and Conduct of Paramilitary Operations Against Nicaragua," as published in Peter Kornbluh and Malcolm Byrne, eds., *The Iran-Contra Scandal: The declassified History* (New York: The New Press, National Security Archive Document Reader, 1993), pp.11-14.

<sup>1023</sup> See CIA, "Scope of CIA Activities under the Nicaragua Finding," 19 September 1983, published in Kornbluh and Byrne, *The Iran-Contra Scandal*, pp. 15-17.

<sup>1024</sup> Pastora defected from the Sandinista junta and formed the Sandinista Revolutionary Front (FRS).in early 1982.

1 **The First Boland Amendment**

2  
3 Edward Boland (D, MS), head of the House Permanent Select Committee on Intelligence  
4 (HPSCI) concluded that the entire operation was illegal. Clearly, the purpose and  
5 mission of the operation was to overthrow the government in Nicaragua. He pressed to  
6 hold the Reagan administration accountable for its stated goal of interdicting arms to the  
7 El Salvadoran rebels. Pressured by Boland, Congress in December 1982 passed the first  
8 Boland amendment to the Defense Appropriations Bill for fiscal year 1983. It read:

9  
10 None of the funds provided in this Act may be used by the Central Intelligence  
11 Agency or the Department of Defense to furnish military equipment, military  
12 training or advice, or other support for military activities, to any group or  
13 individual, not part of a country's armed forces, for the purpose of overthrowing  
14 the government of Nicaragua or provoking a military exchange between  
15 Nicaragua and Honduras.<sup>1025</sup>

16  
17  
18 (b)(1), (b)(3)  
19  
20

21 **Mining of the Nicaraguan Harbors**

22  
23 (b)(1), (b)(3)  
24  
25  
26  
27  
28  
29  
30  
31  
32

33 Senator Barry Goldwater (R, AZ), chairman of the Senate Select Committee on  
34 Intelligence (SSCI) wrote DCI Casey that he was "pissed off." Goldwater claimed that  
35 Casey never informed him of the mining. He charged that members of his committee had  
36 been deceived at the very moment they were being asked to vote to support Contra aid.

37 (b)(1), (b)(3)  
38  
39  
40

<sup>1025</sup> Public Law 97-377, Defense Appropriations Act for FY 1983, Sec. 793.

<sup>1026</sup> Quoted in *Report of the Congressional Committees Investigating the Iran-Contra Affair*, November 13, 1987, 100<sup>th</sup> Congress, 1<sup>st</sup> Session (Washington, 1987), p. 37. The CIA did discover that Casey had mentioned the mining of the harbors in his earlier testimony before the committee but it had little effect. Vice Chairman Patrick Moynihan (D, NY) actually resigned briefly from the committee over the incident and never trusted the CIA again.

CIA

1  
2 **The Second Boland Amendment**

3  
4 In the wake of the mining scandal, the Senate refused to pass the Reagan administration's  
5 request for \$21 million in supplementary Contra funding. Then, on 10 October 1983  
6 Congress passed a second Boland amendment. There was a widespread belief in  
7 Congress that the Reagan administration had systematically violated the first Boland  
8 Amendment. It sought to terminate all funding for covert operations related to U.S.  
9 support for the Contras. The new law stated:

10  
11 No funds available to the Central Intelligence Agency, the Department of  
12 Defense, or any other agency or entity of the United States involved in  
13 intelligence activities may be obligated or expended for the purpose of which  
14 would have the effect of supporting, directly or indirectly, military or paramilitary  
15 operations in Nicaragua by any nation, group, organization, movement, or  
16 individual.<sup>1027</sup>

17  
18 Boland clearly believed the new prohibition would end U.S. support for the war in  
19 Nicaragua.<sup>1028</sup> It did not.

20  
21 **The National Security Council (NSC), Oliver North, and the Contras**

22  
23 The Reagan administration simply circumvented the law. With the CIA and DOD  
24 banned from supporting the Contras, President Reagan directed the NSC to assume  
25 management of the covert operation. With or without Congressional approval, the  
26 Reagan White House planned to continue supporting the Contras. Reagan directed the  
27 NSC to keep the Contras together "body and soul." National Security Adviser Robert  
28 "Bud" McFarlane assigned the task to Marine Lt. Col. Oliver North, the Deputy Director  
29 for Political-Military Affairs on the NSC staff.

30 The covert operation, which had become quite transparent, once again became deeply  
31 covert. Reagan transferred operational command (b)(1), (b)(3) to the NSC. Although  
32 technically out of the action, key CIA officials such as Casey, Central American Task  
33 Force Director Alan Fiers, and Costa Rica Chief of Station Joseph Fernandez remained  
34 heavily involved. Fiers, North, along with Assistant Secretary of State for Inter-  
35 American Affairs, Elliot Abrams, as part of the Restricted Interagency Group (RIG),  
36 essentially ran all aspects of the "new" Contra operation.  
37 Attempting to keep the Contras going "whatever it takes," North looked to DCI Casey for  
38 guidance. Casey recommended finding "funding alternatives." (b)(1), (b)(3)

39  
40 [redacted] When Secretary of State George Shultz learned of  
41 the third country funding, he forcefully argued that U.S. instigated funding from third  
42 countries was a serious transgression of the law. Shultz warned that by-passing Congress  
43 in this way could be an "impeachable offense." Despite Shultz's warning, North

<sup>1027</sup> Printed in Kornbluh and Bryne, *The Iran-Contra Scandal*, p.20.

<sup>1028</sup> See *Congressional Record*, October 10, 1984, p. H11974.

CIA



CIA

1 continued to surreptitiously solicit funds from friendly governments.<sup>1029</sup> In addition to  
2 (b)(1), (b)(3) North secured \$2 million from Taiwan, \$2.7 million from private  
3 donations, and \$5.8 million in diverted profits from the sale of arms to Iran.<sup>1030</sup> Between  
4 the summer of 1984, when congressionally appropriated Contra funds expired and the fall  
5 of 1986 when Congress renewed aid, this operation sustained the Contras. It was enough  
6 to keep the Contras in the field. When Congress passed a \$100 million in renewed  
7 Contra aid in August 1986, the Reagan administration no longer needed to solicit funding  
8 and weapons from third countries.

9  
10 **The Nicaraguan Humanitarian Assistance Office (NHAO)**

11  
12 On 12 June 1985, Congress partially retreated on its Contra aid ban and passed \$27  
13 million in nonlethal "humanitarian assistance. The legislation sought to ensure that the  
14 money was "used only for the intended purposes and not diverted" for military purposes.  
15 It prohibited both the CIA and the Defense Department from running the program. The  
16 task of running the program and administering the funds fell to the State Department.  
17 Shultz set up a new office, the Nicaraguan Humanitarian Assistance Office (NHAO)  
18 to handle the distribution of the aid. Publicly, the Reagan administration showcased the  
19 NHAO as an overt program providing food, clothing, medical goods, and shelter to the  
20 Contras. In reality, the NHAO became both a compliment to, and a cover for, the covert  
21 NSC resupply operation. With the nonlethal funds available, North could now  
22 concentrate on providing lethal equipment. The new program served as the perfect cover  
23 for transferring and air-dropping lethal, in addition too nonlethal, supplies to the Contras.  
24 The NHAO took its orders from the RIG (North, Fiers, and Abrams). NHAO contractors  
25 by day became NSC- run operatives by night dropping arms to the Contras. According to  
26 Fiers, "Ollie was hijacking the NHAO operation."<sup>1031</sup>

27  
28 **The Enterprise**

29  
30 The Reagan White House, even before the passage of the Second Boland amendment,  
31 established a pseudo-private-sector organization, "The Enterprise," to help run the covert  
32 program in Central America. It served as the secret arm of the NSC, carrying out with  
33 private and nonappropriated funds the covert aid program to the Contras. It, unlike the  
34 CIA, was not accountable to Congress or to the restrictions imposed on the operation by  
35 law."<sup>1032</sup> North fully supported the activities of the Enterprise. He believed, Retired Air  
36 Force Major General Richard Secord, who headed the company, and Enterprise could "do  
37 something in 5 minutes that the CIA cannot do in two days."<sup>1033</sup> Initially, the Enterprise  
38 played the key role as an procurer, purchasing \$9 million worth of rifles, grenades,  
39 surface-to-air missiles, mortars, rocket launchers, ammunition, uniforms, and other  
40 equipment from arms dealers in Canada and Portugal. When Congress passed the Second  
41 Boland Amendment in October 1984, the Enterprise was already in place. It soon

<sup>1029</sup> Kornbluh and Byrne, *The Iran-Contra Scandal*, p. 60.

<sup>1030</sup> See the later discussion of Iran-Contra.

<sup>1031</sup> Quoted in Kornbluh and Byrne, *The Iran-Contra Scandal*, p. 127.

<sup>1032</sup> *Iran-Contra Affair*, p. 4.

<sup>1033</sup> Kornbluh and Bryne, *Iran-Contra Scandal*, p. 123.

CIA

1 employed paramilitary and military operatives, accountants, and subcontractors to

2 (b)(1), (b)(3) <sup>1034</sup>

3  
4 **Public Diplomacy**

5  
6 Following passage of the first Boland amendment, the Reagan administration began to  
7 recast the image of the Contras. (b)(1), (b)(3)

8  
9 In May 1983, President Reagan proclaimed them to be "freedom fighters and the  
10 moral equivalent of our Founding Fathers." In July 1983 the NSC created the Office of  
11 Public Diplomacy for Latin America and the Caribbean (S/LPD). The new office was to  
12 develop a pro-Contra public diplomacy policy. Although technically housed in the State  
13 Department, it reported directly to the NSC. It began an "educational campaign" to  
14 convince Congress to renew Contra aid. The overall theme was "The Nicaraguan  
15 Freedom Fighters were for Freedom in the American tradition. The FLSN was evil. The  
16 new office wanted to "concentrate on gluing black hats on the Sandinistas and white hats  
17 on the Contras. It conducted "white propaganda" operations, covertly sponsoring pro-  
18 Contra reports and articles in the media, monitored the media for anti-Contra views and  
19 attempted to shape press coverage of the Contras. According to a General Accounting  
20 Office report, The S/LPD's operations amounted to "prohibited propaganda activities  
21 designed to support the Administration's Latin America policies."<sup>1035</sup>

22  
23 **The End of the Operation**

24  
25 On the morning of 5 October 1986, one of the aircraft belonging to the Enterprise left its  
26 operational base in Costa Rica with 10,000 pounds of arms and ammunition for the  
27 Contra forces inside northern Nicaragua. On board in addition to the pilot, co-pilot and  
28 communications specialist, was a "kicker" Eugene Hasenfus, who would actually drop  
29 the supplies to the Contras on the ground. Before the C-123 could reach the drop zone it  
30 was shot down by a Soviet SAM-7 missile fired by the Sandinistas. Only Hasenfus  
31 survived and he was quickly captured by the Sandinistas. He told them he was working  
32 for the CIA. (He was actually working for Ollie North and the NSC). Following the  
33 shoot down senior government officials, including President Reagan, denied any U.S.  
34 government connection. Casey, however, according to North, summoned him to Langley  
35 for a "long conversation." "Its over, Casey reportedly said, "shut it down and clean it up.  
36 Bring everyone home."<sup>1036</sup>

37  
38 **Arms for Hostages**

39  
40 **U.S. Policy toward Iran**

41  
42 Since the U.S. response to the hostage crisis in 1979 and the Iran-Iraq War, the United  
43 States had embargoed the sale of arms to Iran. Through "Operation Staunch" the U.S.

<sup>1034</sup> Kornbluh and Bryne, *Iran-Contra Scandal*, p. 123.

<sup>1035</sup> See Kornbluh and Bryne, *Iran-Contra Scandal*, p. 6.

<sup>1036</sup> Quoted in Kornbluh and Bryne, *The Iran-Contra Scandal*, p. 132.

1 government also sought to stop the sale of weapons to Iran from other countries. In  
2 addition, the United States also opposed the transfer of arms to Iran because of Iran's  
3 involvement in terrorist activities. Following repeated attacks against Americans in  
4 Lebanon, Secretary of State George Schultz placed Iran on a list of countries supporting  
5 terrorism. The Reagan administration's policy on terrorism was well known., "We make  
6 no concessions. We make no deals."<sup>1037</sup>

7 In the aftermath of the Israeli invasion of Lebanon, in June 1982 a Shiite group in  
8 Lebanon, the Hezbollah (Party of God), began political kidnappings and terrorism against  
9 Americans and American institutions as retaliation against perceived U.S. support for the  
10 Israeli invasion and occupation. U.S. intelligence became aware that Iran was supporting  
11 groups in Lebanon such as Islamic Jihad and the Hizbollah. The taking of American  
12 hostages began in March 1984. Among the hostages taken was CIA Chief of Station  
13 William Buckley. DCI Casey was especially distressed by Buckley's capture and  
14 determined to spare no effort to gain his release. President Reagan too, had an obsessive  
15 desire to win the release of the American hostages despite his insistence that his  
16 administration would not negotiate either directly or indirectly for their release. Reagan,  
17 personally felt "he had the duty to bring those Americans home." Reagan met with the  
18 hostage families in late June and was greatly moved. "He wanted," he later wrote, "more  
19 than anything else to get all the American hostages held in Lebanon freed before he left  
20 the White House." Reagan and Casey became increasingly frustrated by their inability  
21 to secure the release of the Americans being held by Hezbollah.

### 22 23 **Iran Initiative**

24  
25 Drawing on a CIA study by Graham Fuller, which proposed a change of policy toward  
26 Iran, National Security Adviser McFarland produced a draft National Security Decision  
27 Directive (NSDD) in 1985 which called for "a major change" in Washington's approach  
28 to Iran. The draft included the suggestion that the United States encourage Western allies  
29 to provide "selected military equipment" to the government in Teheran to create an  
30 opening to the Iranian government. Despite strong opposition from George Shultz and  
31 Defense Secretary Caspar Weinberger, Shultz warned that the proposed initiative  
32 amounted to trading arms for hostages, the ideas incorporated in the draft document for  
33 the sale of arms to Iran became policy. Recovering from cancer surgery, President  
34 Reagan authorized McFarland to open a dialogue with Iran through the auspices of  
35 Iranian gunrunner Manucher Ghorbanifar. McFarland believed the United States could  
36 win influence with Iranian moderates by helping Iran in its war with Iraq. Reagan, for his  
37 part, believed it would help win the release of U.S. hostages held in Lebanon by the  
38 Iranian backed Hezbollah. The CIA cautioned that the proposed interlocutor, Manucher  
39 Ghorbanifar, was "a talented fabricator."

40 Working through Ghorbanifar and the Israelis, McFarlane and Oliver North (North, an  
41 NSC staffer was the operations manager of the arms-for-hostages initiative) had Israel  
42 deliver a few TOW (Tube-launched, Optically-tracked, Wire guided) missiles to Iran on  
43 20 August 1985. The shipment was supposed to result in the release of American  
44 hostages. None were released. Nevertheless, McFarlane and North, with the President's  
45 approval, had another consignment of missiles shipped to Iran in September. This time,

<sup>1037</sup> *Iran-Contra Affair*, p. 157.

CIA

1 Benjamin Weir, a Presbyterian minister held since May 1984 was released. In October  
2 1985 again working with the Israelis and Ghoebanifar, McFarlane and North agreed to  
3 send Iran HAWK (Homing-All-the-Way-Killer) antiaircraft missiles to Iran in exchange  
4 for hostages. The delivery of HAWK missiles to Iran (b)(1), (b)(3) was done without  
5 a Presidential Finding. A Finding is required to provide legal authorization for any CIA  
6 covert Activity. A CIA proprietary, (b)(1), (b)(3) eventually flew eight TOW  
7 missiles to Iran. CIA was providing logistical support to the operation. It would also act  
8 as a conduit for Iranian payments to CIA accounts in Switzerland.  
9 In December 1985 North outlined a new plan that called for Israel to deliver 3,300  
10 TOW's and fifty HAWK missiles to Iran in return for all the hostages. Upon hearing  
11 about the proposal, DDCI John McMahon now demanded a Presidential Finding to cover  
12 retroactively CIA involvement.  
13 In January 1986 President Reagan signed a new Presidential Finding that authorized the  
14 United States to assume direct control over arms shipments to Iran. The new Presidential  
15 Finding signed on 17 January 1986 marked the beginning of direct U.S. control over the  
16 Iran arms sales initiative. The Finding brought the CIA into the initiative in a more  
17 substantial way. The new Finding directed the CIA to lend logistic support to the NSC  
18 staff, which would play the main decision making role in the operation. The Agency  
19 was to obtain the weapons from the Department of Defense and provide logistic and  
20 technical support. The Finding also directed the CIA not to notify Congress of the covert  
21 activity.<sup>1038</sup> Over the next several months, negotiations between North, Ghoebanifar and  
22 the Iranian continued with the same pattern. In February the United States sold 1,000  
23 TOW missiles to Iran and no hostages were released. Instead, the Iranians now wanted  
24 HAWK missiles and spare parts. Although the arms sales were a failure in achieving the  
25 release of the hostages, North saw a way of using the money from the arms sales to  
26 support the Contras. The Iranians were willing to pay substantially more for the missiles  
27 than they cost. He would take the excess profits and aid the Contras. It was another  
28 incentive to continue to pursue the Iranian arms sales.  
29 In order to improve the situation and perhaps establish more normal ties with Iran, Robert  
30 McFarlane proposed a direct meeting with Iranian officials. The Presidentially approved  
31 McFarlane mission to Iran in the spring of 1986 was intended to not only free all the  
32 hostages but to establish a dialogue with Tehran. McFarlane saw the mission as to  
33 chance to change history. He compared the mission to Henry Kissinger's historic  
34 meeting with Premier Chou En-lai that paved the way for U.S.-China reconciliation.<sup>1039</sup>  
35 As they made preparations for the trip, the new National Security Adviser, John  
36 Poindexter made it clear to North before he left that all hostages were to be released  
37 before any parts were turned over to the Iranians. "It is either all or nothing," he told  
38 North.<sup>1040</sup>  
39 The McFarlane delegation arrived in Teheran with HAWK spare parts in May 1986. No  
40 high level officials greeted the Americans and little was accomplished. The hostages  
41 remained in captivity. Nevertheless, the initiative continued. In June 1986 the CIA paid  
42 the DOD a total of \$5.6 million for TOW missiles. The payment was made in the form of

<sup>1038</sup> Congress, *Iran-Contra Affair Report*, p. 213.

<sup>1039</sup> *Ibid.*, p. 237.

<sup>1040</sup> Poindexter had been McFarlane's deputy. When McFarlane resigned in December 1985 Reagan appointed Poindexter as his National Security Adviser, McFarlane became an adviser on the Iran Initiative.

1 several checks, none of which exceeds \$999,999.99, the maximum amount allowed  
2 before Congressional notification is required.

3 On 3 November 1986 a Lebanese weekly, *Ash-Shiraa*, published an account of  
4 McFarlane's secret May mission to Tehran. Despite the growing public awareness of a  
5 U.S. arms-for-hostages deal with Iran, President Reagan denied any secret agreement on  
6 an arms for hostages deal. He declared, "We will never pay off terrorists because that  
7 only encourages more of it" on television on 13 November 1986. The next day Secretary  
8 of State George Shultz urged him not to sell anymore arms to Iran. The President,  
9 according to Shultz, was non-committal. North continued to negotiate with the Iranians.  
10 With further press disclosures of the growing scandal, Shultz finally convinced the  
11 President to turn over Iran-U.S. relations to the department of State and to end the Iran  
12 initiative. Reagan authorized Shultz to tell the Iranians that there would be no more  
13 arms sales. The Iran Initiative was over.<sup>1041</sup>

14 The Iran initiative succeeded only in replacing three American hostages with another  
15 three, arming Iran with 2,004 TOW missiles and vital parts for HAWK missile batteries.  
16 It also generated funds for the Contras and other covert activities.<sup>1042</sup> It was contrary to  
17 longstanding national policies regarding terrorism, who was authorized to conduct covert  
18 operations, and notification issues to Congress.

19  
20 **The Iran-Contra Investigations**

21  
22 The shoot down of Eugene Hasenfus by the Sandinistas on 5 October 1986 and the *Ash-*  
23 *Shiraa* article of 6 November 1986 marked the beginning of the end for the Iran-Contra  
24 operation. At first, administration officials simply ignored or denied the facts  
25 surrounding the secret covert operations. Finally, Attorney General Edwin Meese met  
26 with the President on 21 November and obtained Reagan's permission to undertake a  
27 "fact-finding inquiry." Both North and Poindexter sought to destroy documents relating  
28 to the diversion of funds to the Contras. Nevertheless, on 22 November 1986 members of  
29 Ed Meese's staff discovered the so-called "diversion" memo drafted by North in April  
30 1986 which described a plan to divert \$12 million to the Contras from the arms sales to  
31 Iran. This memo links the Iran arms for hostages operation with the Contra operation.  
32 This linkage places the diversion of funds at the center of the subsequent investigations.

33  
34 **The President's Special Review Board (The Tower Commission)**

35  
36 President Reagan, under pressure to avoid the appearance of a Watergate-style cover-up,  
37 appointed Senator John Tower, Secretary of State Edmund Muskie, and National Security  
38 Adviser Brent Scowcroft to The President's Special Review Board on 26 November  
39 1986. The President called for "a full and complete airing of all the facts." Its charter  
40 included an examination of the National Security Council system and an examination of  
41 the Iran-Contra Affair. After only three months, the Tower Commission released its  
42 report. The basic thrust of the report was to exonerate President Reagan of any wrong  
43 doing. It concluded that the National Security Council system itself was sound. It did  
44 faulted Reagan for not ensuring that it functioned properly. The Commission reserved

---

<sup>1041</sup> Ibid., 263.

<sup>1042</sup> Ibid., p. 280.

1 most of its criticism for Chief of Staff Donald Regan and National Security Adviser John  
2 Poindexter. The Commission concluded that Reagan's hands-off management style, and  
3 inadequate policy review procedures, were responsible for what the Commission  
4 members characterized as "an unprofessional and, in substantial part, unsatisfactory  
5 operation."<sup>1043</sup>  
6

### 7 **Congressional Investigation**

8

9 The Senate Select Committee on Intelligence (SSCI) began an investigation into Iran-  
10 Contra in the summer of 1987 but suspended it with the creation of the Joint House and  
11 Senate Committee to Investigate Iran-Contra affair. A draft report, however, concluded  
12 that the White House and CIA violated the Intelligence Oversight Act of 1980 by not  
13 fully informing the congressional intelligence committees "in a timely fashion" of its  
14 covert operations and did not comply with Executive Order 12333 by not formally  
15 designing the NSC as the responsible agency for the Iran initiative. It did not contradict  
16 President Reagan's claim that he had not known of the diversion.<sup>1044</sup>  
17 Congress moved to investigate the scandal on 4 December 1987 when it established a  
18 joint panel of inquiry, the House Select Committee to Investigate Covert Arms  
19 Transactions with Iran and the Senate Select Committee on Secret Military Assistance to  
20 Iran and the Nicaraguan Opposition. (The Iran-Contra Joint Investigation  
21 Committee). Senator Daniel k. Inouye (D, HI) and Representative Lee K. Hamilton  
22 (D,IN) chaired the joint committee. The star of the televised hearings was Oliver North,  
23 who defended the actions of the NSC as patriotic. Most importantly, the Committee  
24 decided not to investigate potential illegal offenses involving the President, except for the  
25 diversion, to avoid an impeachment crisis a la Watergate. The general consensus was  
26 "we don't want to go after the President."<sup>1045</sup>  
27 The majority report concluded that the Iran and Contra operations were characterized by  
28 "secrecy, deception, and disdain for the law." In addition, the majority of the committee  
29 found that the scheme to divert part of the proceeds from the arms sales to Iran to support  
30 the Contra's was a serious evasion of the Boland amendment and a violation of Federal  
31 law. The profits that were skimmed were generated by the sales of arms belonging to the  
32 United States. The funds thus belonged to the United States.<sup>1046</sup>  
33 When it came to recommendations, The Iran-Contra Joint Committee's majority report,  
34 focused on notification to Congress issues. It proposed that all covert actions require a  
35 written Presidential Finding, personally signed by the President, and that the Finding be

---

<sup>1043</sup> *Tower Commission Report*, p. 6. The commission investigation discovered and retrieved from the National Security Council computer backup system a major file of secret internal messages between north, Poindexter, and McFarlane, PROF notes. These notes provided extensive new details on Iran-Contra operations.

<sup>1044</sup> *The Iran-Contra Scandal*, p. 328.

<sup>1045</sup> See Seymour M. Hersh, "The Iran-Contra Committees: Did They Protect Reagan?" *New York Times Magazine*, April 29, 1990.

<sup>1046</sup> The Committee was badly split on political grounds. It could not reach a consensus and produced two reports, The Majority Report and The Minority Report. See *The Report of the Congressional Committees Investigating the Iran-Contra Affair with a Supplemental Minority and Additional Views*, (Washington, DC, November 1987). The Minority Report disagreed with the Majority report on almost every major issue.

1 presented to Congress prior to its implementation. It recommended that retroactive  
2 Findings be prohibited and that they be presented to Congress "in a timely fashion." For  
3 the committee, this meant within 48 hours. The committee also recommended that the  
4 members and staff of the NSC not engage in covert actions.<sup>1047</sup>  
5 The Minority Report dismissed the Majority Report as "mostly hysterical," and summed  
6 up the scandal as "mistakes in judgment and nothing more."  
7

### 8 **Independent Council for the Iran-Contra Affair**

9  
10 Attorney General Edwin Meese recommended that a three judge panel of the U.S. Court  
11 of Appeals appoint retired federal judge Lawrence Walsh as an Independent Council for  
12 the Iran-Contra Affair. They did so on 19 December 1986.  
13 Walsh's six long years of work yielded plea bargains to felony and misdemeanor charges  
14 ranging from perjury to defrauding the U.S. Treasury. Seven Iran-Contra players were  
15 convicted of crimes, including three CIA officers Claire George, Alan Fiers, and Dewey  
16 Clarridge. Walsh also detailed the key roles President Reagan and Vice President  
17 George Bush played in the Iran-Contra Affair. They were not "out of the loop" as they  
18 later claimed but were intimately involved in most of the major Iran-Contra decisions.  
19 With Secretary of Defense Casper Weinberger about to go on trail after being indicted by  
20 Walsh, on Christmas Eve 1992 President Bush pardoned Weinberger and most of the  
21 participants on the grounds that they were "true American patriots." The Iran-Contra  
22 Affair was over. Walsh claimed that the Presidential pardons demonstrated "that  
23 powerful people with powerful allies can commit serious crimes in high office - -  
24 deliberately abusing the public trust - - without consequence."<sup>1048</sup>  
25  
26

### 27 **George Herbert Walker Bush**

#### 28 **Dealing with Iraq**

29  
30  
31 When George H. W. Bush became President, after serving eight years as Reagan's Vice  
32 President, U.S. policy toward Iraq was one of "constructive engagement." It was  
33 essentially a by-product of U.S. policy toward Iraq's neighbor, Iran. Iraq's leader  
34 Saddam Hussein had invaded Iran on 22 September 1980. As the war raged back and  
35 forth, by mid-1982 the Iranians took the advantage and invaded southern Iraq. As the  
36 threat to Iraq grew, the United States began to establish closer ties to Hussein. The  
37 United States began sharing intelligence with the Iraqi dictator. The Bush administration  
38 feared that a victory by Iran would prompt Khomeini to spread his Islamic  
39 fundamentalism throughout the Persian Gulf. When it looked as if Iraq might be losing,  
40 as in late 1982 and again in 1986-1987, the United States tilted toward Iraq, when  
41 Hussein seemed to be getting the upper hand, American aid lessened. The Iran-Iraq War

---

<sup>1047</sup> *Iran-Contra Scandal*, pp. 329-331. Only a few of these recommendations were actually incorporated into the 1988 Intelligence Oversight Act. For a review of the Congressional act with regard to the Committee's recommendations see Peter Kornbluh, "Iran-Contra: A Post Mortem," *The World Policy Journal* (Winter 1987-1988).

<sup>1048</sup> *Iran-Contra Scandal*, p. 339.

CIA

1 ended abruptly in August 1988 when each agreed to a UN-sponsored cease-fire. Iraq  
2 emerged from the war intact and well-armed but badly damaged and heavily in debt to  
3 both the west and to Arabs nations.<sup>1049</sup>  
4 For the incoming Bush administration, Iraq was hardly on its radar. The Persian Gulf  
5 held a low priority for U.S. intelligence as well. American intelligence on Iraq was weak,  
6 at best. The United States relied heavily on diplomatic reporting and on the perceptions  
7 of "America's Friends" in the region, especially the Saudi's, Gulf Emirates, and Jordan.  
8 The State Department hoped to "embrace Saddam in a cocoon of Moderation." NSD-26  
9 signed by the President in the summer of 1989, represented a compromise between those  
10 who wanted to use Hussein to support U.S. peace proposals in the Middle East and those  
11 deeply concerned over the scope of his chemical and biological weapons programs. No  
12 one who knew Hussein's reputation believed "he would ever be a potential member of  
13 the Kiwanis Club." The concept was to encourage Hussein to be more moderate.<sup>1050</sup>  
14 The NIE of 1989 "Iraq: Foreign Policy of A Major Regional Power" reflected these  
15 views. It argued that because of the need to rebuild after the war, Iraq and Hussein would  
16 pursue a more moderate course. Overall, the NIE assumed that Iraq under Saddam  
17 Hussein would behave rationally and predictably.<sup>1051</sup>  
18 No one really cared about Iraq among U.S. policymakers. For CIA analysts, the only  
19 reason to pay attention to Iraq was the mounting evidence of Hussein's continued  
20 military buildup. The CIA reported that Hussein had not demobilized his forces at the  
21 end of the Iran-Iraq War. (b)(1), (b)(3) spotted fixed missile sites in Iraq in the fall of  
22 1989. The CIA also informed the White House that Iraq was building its own missile  
23 launchers and crude rockets. In addition, there was evidence that Iraq was engaged in  
24 nuclear research and the development of chemical and biological weapons. The Pentagon  
25 also began to reassess U.S. military strategy with regard to the Persian Gulf as it viewed  
26 Hussein's military buildup. It now saw Iraq as the primary threat to U.S. friends in the  
27 region., Saudi Arabia, Kuwait, and the other Gulf states. It prepared contingency plans in  
28 the event of a Hussein attack south, against Saudi Arabia or Kuwait.<sup>1052</sup>  
29 Despite the new intelligence, Iraq only emerged as a serious concern for U.S.  
30 policymakers when Hussein began to change Iraq's policies toward its neighbors, notably  
31 the oil-rich, cash rich Gulf states. Iraq owed \$10 billion to Kuwait alone. When the CIA  
32 warned that Hussein's increasingly radical rhetoric might be a harbinger of Iraqi  
33 aggression against its neighbors, the State Department urged caution. It recommended  
34 attempting to understand Hussein despite the bluster and to keep the relationship open.  
35 With growing financial problems, Hussein focused his attention on Kuwait. On 15 July  
36 he moved several divisions of Iraqi Republican Guards to the Iraq-Kuwait border.  
37 From 15 July on, the CIA monitored the situation in Iraq on a daily bases. It watched as  
38 Saddam moved more and more troops to the border. On 25 July DCI William Webster  
39 informed President Bush that the intelligence community had issued a "war warning" of a

<sup>1049</sup> Zahary Karabell and Phillip D. Zelikow, "Iraq, 1988-1990: Unexpectedly Heading toward War," in May and Zelikow, eds. *Dealing with Dictators*, pp.166-202.

<sup>1050</sup> Ibid., p. 177.

<sup>1051</sup> See John A. Gentry, *Lost Promise: How CIA Analysis Misserves the Nation: An Intelligence Assessment* (Lanham, Maryland: University Press of America, 1993), p. 149.

<sup>1052</sup> Karabell and Zelikow, "Iraq," pp. 182-183.



1 coming attack by Hussein. Iraq was capable of advancing through Kuwait and deep into  
2 Saudi Arabia, according to the CIA report.  
3 This intelligence was contradicted by Iraq's neighbors, Jordan, Egypt, Saudi Arabia, and  
4 even Kuwait and the UAE. They all urged the United States not to become involved in  
5 the dispute and declared that Hussein was unlikely to carry out his threats. President  
6 Bush telephoned the Egyptian President, the king of Saudi Arabia, and the king of  
7 Jordan. All assured Bush that, knowing Saddam Hussein as they did, no attack was  
8 imminent. CIA stated flatly that these leaders were wrong. Hussein was not bluffing.  
9 Who was Bush to believe. Who knew Hussein better? King Fahd, the Amir of Kuwait,  
10 or some GS-15 analyst at Langley, Robert Gates later speculated.<sup>1053</sup>  
11 April Glaspie, the U.S. Ambassador to Iraq met with Saddam on 26 July and confirmed  
12 to him that the United States had no defense treaty with Kuwait and no opinion on the  
13 substance of a border dispute between Iraq and Kuwait. Hussein was now convinced that  
14 the United States would not act.<sup>1054</sup>  
15 The U.S. Intelligence Community upgraded its formal "warning of war" to a "warning of  
16 attack" on 1 August. The IC believed war was imminent.  
17 On 2 August 1990 Iraqi troops invaded and quickly seized control of Kuwait.  
18

### 19 **The Gulf War**

20  
21 President Bush denounced the invasion of Kuwait and declared "This will not Stand."  
22 Bush called for the "immediate, complete, and unconditional withdrawal of all Iraqi  
23 forces from Kuwait."<sup>1055</sup> The invasion triggered a U.S. response, Operation DESERT  
24 SHIELD to deter any invasion of Kuwait's oil rich neighbor, Saudi Arabia. U.S.  
25 intelligence estimated that Hussein could advance far into Saudi Arabia before the United  
26 States could respond. President Bush ordered a massive build-up of U.S. forces in Saudi  
27 Arabia and the Gulf region. He also sought to build a major coalition of other nations to  
28 oppose Iraqi's incursion in Kuwait. U.S. tactical intelligence support remained small and  
29 tailored to a defensive mission in Saudi Arabia.  
30

### 31 **Operation Desert Storm**

#### 32 **Background**

33  
34  
35 On 17 January 1991, the U.S.-led coalition launched air attacks against Iraqi targets.  
36 According to U.S. commanders, intelligence became a combat operating system to  
37 support combat operations.  
38 On 24 February, coalition ground forces attacked the Iraqi positions. By 27 February  
39 Kuwait City was liberated and Coalition forces had driven well into Iraq. President Bush  
40 halted the war on 28 February 1991 with Saddam still in control of most of Iraq.

---

<sup>1053</sup> Ibid., p. 199.

<sup>1054</sup> Gladspie later claimed that she informed Hussein in no uncertain terms that the United States would respond forcefully to any Iraqi incursion. These claims are not substantiated by what she reported to Washington. See Karabell and Zelikow, "Iraq," pp. 200-201.

<sup>1055</sup> NSD 45, "U.S. Policy in response to Saddam Hussein's invasion of Kuwait," 20 August 1990, printed in National Security Archive, "Operation Desert Storm: Ten Years After."

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

**U.S. Intelligence and the War**

A diverse array of sophisticated intelligence collection systems provided intelligence in Desert Storm. It included national assets (those dedicated to supporting strategic intelligence issues and high-level policymakers) as well as tactical systems designed to provide support directly to tactical commanders. Central Command (CENTCOM) headed by General H. Norman Schwarzkopf was initially unprepared for the intelligence war. At the time of the Iraqi invasion of Kuwait, the CENTCOM intelligence organization had no collection assets under its control, it was a mere shell, with few people and little structure. Schwarzkopf's priority was building up combat forces not intelligence resources. This meant that theater commanders were forced to rely on national intelligence collectors. These national systems were essential to the conduct of the war and, in general, performed extremely well. Early on field commanders relied primarily on national imagery for targeting. Before the ground campaign, for example, U.S. intelligence had an excellent handle on the units, locations, and equipment of Iraqi troops and Iraqi order of battle. The enemy was exactly where U.S. intelligence said he was, there were no surprises. "The intelligence was superb."<sup>1056</sup> National Intelligence agencies such as CIA, DIA, and NSA provided massive quantities of data to the tactical combat commanders.

Military and CIA cooperation did not go as smoothly. When the Pentagon set up a Joint Intelligence Center (JIC) for the war effort, the CIA refused to incorporate its Iraqi analysts in the Center. It claimed it wanted to maintain an independent analysis of the situation for policymakers. CIA did deploy JILE (Joint Intelligence Liaison Element) teams (b)(1), (b)(3) and worked closely with theater commanders on intelligence issues, such as where the Republican Guard was, the locations of SCUD missile launchers, and intelligence on Iraqi minefields and barriers.<sup>1057</sup> Disagreements between CIA analysis and CENTCOM would flare up again with battlefield damage assessments.

The 1991 Gulf War was also the first major conflict in which precision guided weapons, microprocessing, and real-time global communications were used on a large scale. They provide Coalition forces with a major advantage during the war.

The ultimate success of the Coalition campaign to break Iraq's hold on Kuwait should not obscure the fact that the intelligence system supporting the war effort underwent severe strains.<sup>1058</sup>

**Collection**

For the first time since the Cold war began, the Soviet Union took a back seat to another part of the world as an intelligence collection target. With limited Humint sources

<sup>1056</sup> Brig. Gen. John F. Foster, *Operation Desert Storm The Military Intelligence Story: A View from the G-2* (April 1991), p. 9.  
<sup>1057</sup> CIA, "CIA Support to the US Military During the Persian Gulf War," CSI.  
<sup>1058</sup> Michael Warner, "Intelligence in the 1990's: The Inter-War Years in Relief," Unpublished paper delivered at the SHFG Meeting, Shepherdstown, WV, 14 March 2003.

CIA

1 available, U.S. forces relied on imagery during the war. Imagery was the intelligence of  
2 choice of the combat commanders. Pictures were in demand. Unfortunately, the area  
3 occupied by Iraqi forces was nearly 30,000 square miles, the size of New England. There  
4 was no SR-71 or broad satellite coverage. The absence of wide-area coverage was, as  
5 one U.S. commander saw it, "Like searching New York City by looking through a soda  
6 straw."

7 A unique source of intelligence in preparation for the ground war proved to be the  
8 Library of Congress. A group of intelligence officers poured over old archaeological  
9 manuscript to discover geographical features of Iraq before the ground war would  
10 commence. Where the desert sands would be too soft to support heavy equipment and  
11 where defiles might require bridging equipment.<sup>1059</sup>

12 While national collection systems performed well during Desert Storm, tactical collection  
13 system, especially imagery and signals systems, performed poorly. Tactical intelligence  
14 collection systems were not permitted to overfly Kuwait or Iraq before D-day. This  
15 proved to be a major disadvantage. Moreover, the tactical collection platforms available  
16 each had had major shortcomings. Theater commanders resorted to using their own in-  
17 house capabilities for tactical, near-real-time intelligence. The 101<sup>st</sup> Airborne Division,  
18 for example, employed its Apache attack helicopters as reconnaissance aircraft to map  
19 out the battlefield in front of the division. It was "the best if not only accurate and timely  
20 source of 'what is out in front of me' intelligence," according to one officer.<sup>1060</sup>

21 Three exceptions were the Air Force-Army Joint Surveillance and Target Attack Radar  
22 System (JSTARS) the Air Force Advanced Synthetic Aperture Radar System (ASARS),  
23 and the Predator UAV.

24 Air Force command did not want JSTARS in the theater at first for fear that it would  
25 break down. When the developer Gruman stated "it would make it work if it meant the  
26 CEO himself had to come over with a screwdriver," the Air Force relented. It proved a  
27 wise decision. The airborne JSTARS provided combat commanders with near-real-time  
28 information on Iraqi army targets in all weather conditions. The Air Force used it for  
29 target acquisition, the Army to show in real time what was in front of it.<sup>1061</sup>

30 ASARS was used in conjunction with JSTARS to track battlefield movement. Located  
31 on U-2 reconnaissance aircraft, ASARS provided higher resolution and signals  
32 intelligence data as well as images of areas masked by terrain from JSTARS.

33 As for the Predator, it was used for target validation, damage assessment, and  
34 surveillance missions. It proved invaluable at adjusting the accuracy of the navy's 16-  
35 inch battleship guns against Iraqi fortifications. One Iraqi unit actually attempted to  
36 surrender to a Predator loitering over its position.

### 37 38 **Dessemination**

39  
40 Dissemination of the intelligence was more of a problem than the collection. It was the  
41 Achilles heel of the intelligence effort. Timely, useful tactical intelligence came from the  
42 Army Intelligence Agency (AIA). Theater imagery came from the Joint Imagery

---

<sup>1059</sup> House Committee, "Intelligence Successes and Failures in Desert Shield/Storm," p. 12.

<sup>1060</sup> Ibid., p. 10.

<sup>1061</sup> Ibid., p. 8.

1 Processing Complex ("Gypsy").<sup>1062</sup> The first three days of the air campaign benefited  
2 from months of careful planning and preparation. It included full sets of target  
3 intelligence, detailed photographs and maps showing targets and defenses around major  
4 Iraqi installations around the country. The intelligence was invaluable. After the first  
5 three days, however, target imagery decreased dramatically. Intelligence data could be  
6 passed in near real time from Washington to CENTCOM, but because of the lack of a  
7 common imagery data dissemination systems, the forward commands could not receive  
8 the imagery. These systems were rugged, high resolution, high volume, transmissions  
9 systems that encoded the material. They could be thought of by the layman, as fancy fax  
10 machines. The Navy had its own system, which could not interface with the Army's  
11 systems, which could not interface with the Marines, which could not always receive data  
12 from the Air Force. No service was willing to give up its own hardware and adopt the  
13 hardware of another service.<sup>1063</sup> This resulted in restricting timely and accurate tactical  
14 intelligence on battlefield conditions. Many veteran commanders compared the situation  
15 to Vietnam, "where we never got a single piece of useful intelligence."<sup>1064</sup> Because of  
16 the unprecedented volume of intelligence data there were also bottlenecks in its  
17 distribution. U.S. communications were so stressed that U.S. officials considered leasing  
18 time on Soviet communication satellites.<sup>1065</sup> Massive quantities of data flowed into  
19 Riyadh and CENTCOM. At times it simply overwhelmed the commands' intelligence  
20 staff. The Riyadh intelligence staff also shared a mind-set that they were better able to  
21 determine what intelligence field commanders needed.<sup>1066</sup> Even the distribution of maps  
22 was effected. Maps had a low priority on the distribution lists and were often left off key  
23 dissemination projects. They also, at times, ended up as displays at headquarters rather  
24 than in the hands of combat commanders. What it amounted to was the lack of timely  
25 and accurate tactical intelligence on battlefield conditions getting to the fighting forces.

#### 26 27 **Targeting and Battle Damage Assessment**

28  
29 Eliminating Iraqi command and control and intelligence capabilities and severely  
30 restricting Iraqi logistic capabilities was a key goal for U.S. command. Before launching  
31 the ground campaign, U.S. commanders felt they had to reach a key trigger point with  
32 regard to the Iraqi military. The U.S. objective was to reduce Iraqi armor and artillery by  
33 50 percent, overall, and artillery by 90 percent in breach areas before commencing an  
34 assault. Gen. Schwarzkopf assigned this responsibility to the U.S. Army (ARGENT G-2)  
35 rather than the Air Force because he reasoned that the Army would have to face any  
36 surviving Iraqi armor. Unfortunately, the Army had little concept of how to evaluate Air  
37 Force "kills." Pilots were historically much more optimistic about their accomplishments.  
38 Therefore, ARCENT adopted a 75 percent ratio for all the kills reported by A-10 crews.  
39 The kick-off of the ground war was keyed to the objective of a greatly diminished Iraqi  
40 combat capability.

---

<sup>1062</sup> Brig. Gen. John F. Stewart, *Operation Desert Storm, The Military Intelligence Story: A View from the G-2*, (U.S. Army, April 1991), pp. 12-14.

<sup>1063</sup> *Ibid.*, pp. 10-11.

<sup>1064</sup> *Ibid.* p. 15.

<sup>1065</sup> *Ibid.*, p. 4.

<sup>1066</sup> *Ibid.*, p. 16.

1 In Washington, CIA analysts expressed strong reservations about the rapidly mounting  
2 in-field kill counts of battlefield damage. It simply was not accurate.  
3 Gen. Schwarzkopf was vocal in objecting to intelligence people outside the theater  
4 intruding with in-field assessments. For Schwarzkopf, Washington analysts had no  
5 business interfering with the work being done in-theater. In-theater people had access to  
6 more hard data than the people in Washington who saw only satellite and U-2  
7 photography. The in-theater folks had pilot reports and gun camera film.<sup>1067</sup> Despite  
8 Schwarzkopf's complaint, his Army component G-2 came to agree with the reservations  
9 expressed by CIA and decided to accept only one-third of the A-10 claimed kills.  
10 Gen. Schwarzkopf later complained that "on the eve of the ground war [February 1991],  
11 CIA was still telling the President that we were grossly exaggerating the damage inflicted  
12 on the Iraqis. If we'd waited to convince the CIA, we'd still be in Saudi Arabia."<sup>1068</sup>  
13 After the war ended, the CIA had a U-2 fly over the battlefield. CIA photo interpreters  
14 counted the damage to Iraqi tanks. The results showed that even the CIA's more  
15 conservative estimates of pre-ground war damage were high. The review focused on  
16 counting tanks within the Republican Guard heavy divisions. CENTCOM had reported  
17 that 388 of the approximately 846 T-32 tanks were destroyed from the air prior to the  
18 beginning of the ground war. If true, this would have represented 22 percent of all Iraqi  
19 tanks in the Kuwait theatre destroyed during the air war. The post-war examination  
20 revealed that 25 tanks of the republican Guard remained in their deployment areas. This  
21 meant that the CENTCOM estimate of tanks killed was exaggerated by nearly 100  
22 percent. An even more detailed analysis revealed that only 166 of the tanks had been  
23 killed. Thus, the CENTCOM margin of error would be over 134 percent.<sup>1069</sup> Despite  
24 issues with assessing bomb damage, the Coalition forces sliced through the Iraqi army  
25 without a problem. It was perhaps, a wake up call for the next war. The problem of  
26 intelligence assessments of bomb damage was not limited to Iraqi tanks or artillery. One  
27 intelligence officer observed that the number of Iraqi naval vessels reported sunk  
28 eventually totaled three times the number of naval vessels Iraq possessed.<sup>1070</sup>  
29 Schwarzkopf also complained that Washington analysis was militarily obtuse and too  
30 heavily caveated to be of any use. He cited the example during Desert Storm of the  
31 report he received from Washington that a certain bridge was 52 percent destroyed.  
32 Schwarzkopf wanted to know what that meant. Could tanks cross the bridge? No. Could  
33 trucks cross the bridge? No. Then, from an operational military standpoint, the bridge  
34 was 100 percent unusable. For Schwarzkopf almost all analysis from Washington was  
35 unhelpful. It was so heavily caveated and full of disclaimers that "by the time you got  
36 done reading many of he intelligence estimates you received, no matter what happened,  
37 they would have been right. That's not helpful to the guys in the field."<sup>1071</sup> Maj. Gen.  
38 James R. Clapper assistant chief of staff of Air Force intelligence agreed and added that  
39 during Desert Storm the flow of U.S. intelligence operated on a "push" rather than a

<sup>1067</sup> House Committee on Armed Services, Oversight and Investigations Subcommittee, "Intelligence Successes and Failure in Operations DesertShield/Storm," 103 rd Congress, First Session, (Washington: GPO, 1993), p. 19.

<sup>1068</sup> H. Norman Schwarzkopf, *It Doesn't Take a Hero* (New York: Bantam, 1992), p. 432.

<sup>1069</sup> House Committee, "Intelligence Successes and Failures in Operation Desert Shield/Storm," pp. 20-21.

<sup>1070</sup> *Ibid.*, p. 22

<sup>1071</sup> *Ibid.*, pp22-23. In contrast, the U.S. Army lost only two tanks to enemy fire.

1 "pull" system. That is, field units received mostly what the analysts deign to give them  
2 rather than what they needed.<sup>1072</sup>

3  
4 **Scud Missiles**

5  
6 Iraq began launching short-range missiles (SCUDS) at Israel and Coalition forces soon  
7 after the air war campaign began on 17 January 1991. The Soviet Union provided Iraq  
8 with SCUDS during the 1970s and 1980s. Based on the famous German V-2 of World  
9 War II, the SCUDS were Soviet made, mobile, single-stage, single warhead. They were  
10 notoriously inaccurate. The farther they flew, the more inaccurate they became.  
11 Nevertheless, they could cause serious damage.<sup>1073</sup> Pre-war U.S. intelligence judged that  
12 Saddam Hussein might have chemical and biological warheads for the SCUDS. The  
13 Defense Intelligence Agency (DIA) asserted that these warheads would most likely  
14 contain persistent chemical agents such as VX (nerve gas) or mustard gas. While the  
15 CIA agreed that Iraq had the ability to developed or manufactured BW warheads, it had  
16 not confirmed their existence. It added that Hussein might attempt to contaminate areas  
17 with anthrax spores or botulinus toxin. One such missile could cause significant  
18 casualties, the CIA warned, effecting areas as large as 110 square kilometers (42 square  
19 miles). The CIA concluded that Saddam was "almost certain to use chemical weapons  
20 tactically to avoid serious battlefield defeats."

21 Locating and destroying mobile Scud missile launchers in Iraq proved a continuing  
22 problem for U.S. intelligence. It was not very successful. CENTCOM diverted nearly 40  
23 percent of its air sorties to SCUD busting. At the wars end there were no confirmed kills  
24 of mobile SCUDs. While U.S. intelligence was never certain how many SCUDS Iraq  
25 possessed, the total number of SCUD kills reported was four times greater than the upper  
26 end of intelligence estimates for Iraq's total SCUD inventory.<sup>1074</sup> At the conclusion of  
27 the war a CIA assessment concluded that Iraq had not used chemical or biological  
28 weapons against Coalition forces. The Agency found that while Iraq had some SCUD  
29 missile warheads loaded with CW and BW agents and that Hussein planned to retaliate  
30 with CW and BW SCUDS if there was a nuclear attack on Baghdad, the Iraqis' refrained  
31 from using them for fear that the United States would respond with tactical nuclear  
32 weapons. It found no evidence that Iraq's leaders ordered chemical or biological warfare  
33 agents use during the war and no conclusive evidence that Iraq's forces employed these  
34 weapons.<sup>1075</sup>

35 After the Gulf War, the UN created the United Nations Special Commission (UNSCOM)  
36 to inspect and eliminate Iraq's weapons of massive destruction. UNSCOM inspectors  
37 verified that Iraq produced 50 chemical and 25 biological SCUD warheads. Of the 50  
38 chemical warheads, 16 contained the nerve agent sarin and 34 were filled with binary  
39 components of sarin and another nerve agent VX. Iraq officials admitted that Iraq had  
40 produced the biological warfare agents anthrax, botulinum toxin, and sarin. UN

---

<sup>1072</sup> James R. Clapper, "Desert War: Crucible for Intelligence Systems," in Alan D. Campen, ed., *The First Information War: The Story of Communications, Computers, and Intelligence Systems in the Persian Gulf War* (AFCEA International Press, 1992), pp. 81-85.

<sup>1073</sup> DOD, Information Paper, "Iraq's Scud Ballistic Missiles."

<sup>1074</sup> House Committee, "Intelligence Successes and Failures in Operation Desert Shield/Storm," p. 22.

<sup>1075</sup> DOD, "Iraq's Scud Ballistic Missiles."

1 inspectors also found that Iraq had launched a crash program in December 1990 to field  
2 weapons with BW agents including artillery shells and SCUDS.

3  
4  
5 **Tracking Iraq's Nuclear, Biological and Chemical Capabilities (NBC)**

6  
7 A major target of U.S. intelligence had long been Iraq's nuclear, biological, and chemical  
8 warfare capabilities. Nevertheless, intelligence agencies knew little about Iraq's  
9 capabilities in these areas, especially with regard to its nuclear plans and capabilities.  
10 before the war. During the war, U.S. military and civilian officials painted an overly  
11 optimistic picture of the damage caused by Coalition bombing to these capabilities. On  
12 21 January 1991, President Bush, for example, stated that U.S. bombing attacks had put  
13 Iraq out of the nuclear bomb making business. During the war, U.S. intelligence  
14 uncovered eight known or suspected nuclear facilities. Postwar inspections turned up 18  
15 sites that had escaped detection.<sup>1076</sup> U.S. intelligence was totally unaware of more than  
16 50 percent of all the major nuclear weapons installations in Iraq.<sup>1077</sup> U.S. intelligence  
17 simply had a paucity of data available.

18  
19 **Psychological Warfare**

20  
21 The U.S. intelligence community's psychological warfare campaign was a major  
22 contributor to the collapse of Iraqi morale. From the beginning, it sought to collapse  
CIA 23 Iraqi morale and will to fight. Through a leaflet campaign (b)(1), (b)(3) military  
24 intelligence dropped nearly 27 million pamphlets in the Kuwait theater. They warned  
25 Iraqi soldiers of coming bombing attacks, how to surrender, and that the bombing was not  
26 targeted at them. Much like in Vietnam, the greatest damage to Iraqi troop morale came  
27 from B-52 strikes. Iraqi troops were stunned psychologically by the B-52 bombings  
28 because they flew too high to be heard and without warning unleashed massive amounts  
29 of flame, noise, and smoke. Combined the B-52 bombing and psychological warfare  
30 effort produced the destruction of a large part of Iraqi morale. It was a key to the swift  
31 victory with few casualties which followed.

32  
33 **Results**

34  
35 The performance of U.S. intelligence in Operation Desert Storm was mixed. It received  
36 high marks for its collection effort and very poor marks for the distribution of intelligence  
37 to field commanders and air fighting units. The biggest controversy erupted over  
38 intelligence analysis over battle damage assessments. While Gen. Schwarzkopf  
39 complained bitterly about national assessments and the state of the Iraqi military, these  
40 assessments ultimately proved far more accurate than those of theater commanders. The  
41 complaints by the military, nevertheless, had a major impact on the Intelligence  
42 Community. After the war, the U.S. military reformed its combat intelligence support  
43 and these reform efforts affected the larger intelligence community. During the Clinton

<sup>1076</sup> Edward Mann, "Desert Storm: The First Information War," *Airpower Journal*, vol. 8, Number 4 (Winter 1994), p4.

<sup>1077</sup> House Committee, "Intelligence Successes and Failures in Operations Desert Shield/Storm," p. 23.

1 administration, for example, Congress created a new National Imagery and Mapping  
2 Agency (NIMA) which consolidated imagery analysis capabilities ( including the CIA's  
3 NPIC) under the Secretary of Defense and declared it a combat support agency. There  
4 would be no more independent imagery analysis. President Clinton also declared that the  
5 first priority of the IC was to support "the intelligence needs of our military during an  
6 operation." "Support to the War Fighter" became the overriding concern of U.S.  
7 intelligence. Military demands eclipsed intelligence support to national policymakers.

8  
9 The U.S.-led war also had a major impact on the Soviet Union. Not only did Coalition  
10 forces destroy most of the Soviet advanced weaponry sold to Saddam Hussein.  
11 According to the Soviet hardliners, Gorbachev had betrayed the USSR's traditional Arab  
12 allies, insulted its 50 million Muslim citizens in Central Asia, allowed the United States  
13 to deploy substantial military forces within 700 miles of the Soviet Union's southern  
14 border, and served U.S. oil companies while ignoring Soviet interests. Moreover, he had  
15 ended the Soviet Union's existence as a superpower.<sup>1078</sup> The Gulf War was a major  
16 factor in the Soviet coup attempt.

### 17 **The Collapse of the Soviet Union and the End of the Cold War**

18  
19  
20 From 1946-1991, the United States had made the Soviet Union the prime target of its  
21 intelligence effort and foreign policy concerns. When George H.W. Bush entered office  
22 as President in January 1989 he was determined to put his own stamp on U.S. policy, yet  
23 he made U.S.-Soviet relations its main focus. It seemed that little had changed in forty-  
24 five years.<sup>1079</sup> Even with the advent of Mikhail Gorbachev as Soviet leader in 1985, U.S.  
25 intelligence predicted little change. According to an NIE, the Soviets would "retain and  
26 modernize powerful, survivable strategic forces through the next decade." It saw  
27 Gorbachev as adhering to traditional Soviet objectives of enhancing the security of the  
28 homeland, expanding Soviet influence worldwide, and advancing Communism at the  
29 expense of capitalism around the globe.<sup>1080</sup> Suddenly the world was turned upside down,  
30 nothing was as it had been.

31 Soviet Premier Mikhail Gorbachev announced in an address to the UN General Assembly  
32 in December 1988 that the Soviet Union would unilaterally cut its forces by 500,000 men  
33 and withdraw six tank divisions and 5,000 tanks from Eastern Europe. This meant that  
34 Gorbachev was unilaterally giving up the preponderant armored striking capability of the  
35 Warsaw Pact against the West. He also made major concessions on arms control and  
36 withdrew Soviet troops from Afghanistan. He invited the United States to cooperate in  
37 ending the Cold War. In addition, Gorbachev announced new policies of *glasnost*  
38 (openness) and *perestroika* (restructuring).  
39 Gorbachev's actions caught the U.S. Intelligence Community off guard. Douglas  
40 MacEachin, Chief of the Office of Soviet Analysis (SOVA) at CIA, later told Congress

<sup>1078</sup> Fischer, *At Cold War's End*, p. 24.

<sup>1079</sup> George Bush and Brent Scowcroft, *A World Transformed* (New York: Knopf, 1998), pp. 15-16.

<sup>1080</sup> Garthoff, p. 27. See also NIE 11-3/8-91, "Soviet Forces and capabilities for Strategic Nuclear Conflict Through the Year 2000," 8 August 1991, NIE 11-18-87, "Whether Gorbachev: Soviet Policy and Politics in the 1990s," November 1987, and a memorandum by DDCI Robert gates, "Gorbachev's Gameplan: The Longer View," 24, November 1987.



1 that despite Gorbachev's initiatives in domestic and foreign policy, the CIA had never  
2 really considered the Soviet Union as about to transform itself. He stated:

3  
4       Moreover, had [such a study] existed inside the government, we never would have  
5 been able to publish it anyway, quite frankly. And had we done so, people would  
6 have been calling for my head. And I would not have published it. In all honesty,  
7 had we said a week ago that Gorbachev might come to the UN [in December  
8 1988] and offered a unilateral cut of 500,000 in the military, we would have been  
9 told we were crazy.<sup>1081</sup>

10  
11 No NIE had even posed the possibility of a major Soviet unilateral reduction of its forces  
12 in Europe before Gorbachev's speech. By the Spring 1990, a NIC Memorandum finally  
13 and belatedly, acknowledged that "in 1986 and 1987 there was mounting evidence that  
14 the Soviets were reassessing their military doctrine."<sup>1082</sup> It concluded that the prospects  
15 of the Soviets achieving strategic nuclear superiority that could produce a meaningful  
16 victory in an all-out war "seemed unrealistic." This was a direct repudiation of the  
17 position of the military services and the B Team position since the late 1970s. It was an  
18 abandonment of the B Team arguments that the Soviets believed in attaining victory in a  
19 nuclear war.<sup>1083</sup>

20 Many in the Bush administration and in the intelligence community remained skeptical  
21 about Gorbachev's intentions. National Security Adviser Brent Scowcroft worried that  
22 the Soviet Union would induce the United States to disarm while leaving its own military  
23 structure intact. Scowcroft was suspicious of Gorbachev's motives and skeptical of his  
24 ability to carry out his proposed reforms. Scowcroft later wrote,

25  
26 To oversimplify, I believed that Gorbachev's goal was to restore dynamism to a socialist  
27 political and economic system and revitalize the Soviet Union domestically and  
28 internationally to compete with the West. To me, especially before 1990, this made  
29 Gorbachev potentially more dangerous than his predecessors, each of whom, through  
30 some aggressive move, had saved the West from the dangers of its own wishful thinking  
31 about the Soviet Union before it was too late.<sup>1084</sup>

32  
33 The Intelligence Community split on whether Gorbachev could make fundamental and  
34 enduring change. In the spring of 1989 the Intelligence Community produced a new NIE  
35 11-4-89, *Soviet Policy Toward the West: The Gorbachev Challenge*, which laid out

---

<sup>1081</sup> Quoted in Kirsten Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of Getting It Right," Case Study C16-94-1251.0 (Cambridge: Harvard University, 1994), pp. 30-31. MacEachin also insightfully observed that it was important for the intelligence community to recognize that the fundamental changes in the USSR could provoke a similarly profound transformation in U.S. ideology. He told the Congressional committee:

The Soviet Union is so fundamental to our outlook on the world, to our concept of what is right and wrong in politics, to our sense of security, that major change in the USSR is as significant as some major change in the sociological fabric of the United States itself. See Lundberg, "CIA and the Fall of the Soviet Empire," p. 30.

<sup>1082</sup> Garthoff, p. 29.

<sup>1083</sup> Garthoff, p. 30.

<sup>1084</sup> Bush and Scowcroft, *A World Transformed*, p. 13.

1 fundamental disagreements in the Intelligence Community.<sup>1085</sup> Some analysts saw  
 2 Soviet policy changes as largely tactical, driven by the need for breathing space from the  
 3 competition with the West. They believed the ideological imperatives of Marxism-  
 4 Leninism and its hostility toward the capitalist countries was simply engrained in the  
 5 system. Any hoped for gain in the Soviet economic performance would see Moscow  
 6 returning to its traditionally combative behavior. Other analysts thought Gorbachev's  
 7 policies reflected a fundamental rethinking of Soviet interests and ideology. They  
 8 considered the withdrawal from Afghanistan and the shift toward a tolerance for power  
 9 sharing in Eastern Europe were historic and would produce lasting changes in Soviet  
 10 behavior. The NIE went on to claim that the United States could reach favorable  
 11 agreements with the Soviet Union during the next five years but that the USSR would  
 12 remain an adversary for the foreseeable future and would continue to pose a serious  
 13 challenge to NATO unity.<sup>1086</sup> NIE 11-3/8-1988, "Soviet Forces and Capabilities for  
 14 Strategic Nuclear Conflict Through the 1990s," warned that the Intelligence Community  
 15 had not detected any significant changes in Soviet military strengthen and that the Soviets  
 16 would continue to modernize their strategic forces into the late 1990s.<sup>1087</sup>

#### 17 18 **Mikhail Gorbachev**

19  
20 The Bush White House worried that "Gorbymania" would lull the West into a false sense  
 21 of security. Many in the West euphorically considered Gorbachev the great hope for  
 22 ending the Cold War. "Gorbymania" had become a worldwide phenomenon. Gorbachev  
 23 gave the impression that the Cold war was over. Scowcroft, however, still had  
 24 reservations. For the National Security Adviser, *perestroika* looked like a "Brezhnev  
 25 system with a humanitarian paint job."<sup>1088</sup>

26 By late 1989 the Bush administration believed Gorbachev was for real and it "could do  
 27 business with him." The Bush White House closely tied its policy goals relating to arms  
 28 reduction, reducing Soviet presence in Eastern Europe, and unifying the two Germanys  
 29 inside of NATO, to its relationship with Gorbachev. President Bush developed a strong  
 30 admiration for Gorbachev and an appreciation for his efforts to bring change to the Soviet  
 31 Union.<sup>1089</sup>

32 The CIA, however, took a pessimistic view of Gorbachev's future as early as 1989. It  
 33 saw growing and disturbing signs that the Soviet leader was losing control over the  
 34 process he had unleashed. It argued that Gorbachev's reform program was based on  
 35 "questionable premises and wishful thinking," and that the "unrest that had punctuated  
 36 Gorbachev's rule is not a transient phenomenon. Conditions are likely to lead in the  
 37 foreseeable future to continuing crises and instability on a larger scale." The SOVA  
 38 assessment also noted that Gorbachev's most serious challenge would come from ethnic

<sup>1085</sup> According to many analysts, it was extremely difficult to get meaningful discussion into the coordinated NIEs, and the result was usually a sterile standoff of "alternative views."

<sup>1086</sup> Benjamin Fischer, *At Cold War's End* (CIA, CSI, 2001), p. 11.

<sup>1087</sup> NIE 11-3/8-1988, "Soviet Forces and Capabilities for Strategic Nuclear Conflict Through the 1990s," December 1988, printed in Fischer, *At Cold War's End*, Document 22.

<sup>1088</sup> Bush and Scowcroft, *A World Transformed*, p. 155.

<sup>1089</sup> Gates, *From the Shadows*, p. 495.

1 violence, nationalism, and secessionist movements. The emphasis on national and ethnic  
2 tensions as the Achilles heel of the Soviet empire was prescient.<sup>1090</sup>  
3 In general, the Intelligence Community took a more optimistic view of Gorbachev's  
4 chances of survival. It argued that he would persevere even if he had to use force to hold  
5 the country together. In a footnote to this NIE, the CIA argued that Gorbachev would  
6 "progressively lose control of events." He would either have to give up his communist  
7 version of reform in favor of a truly democratic one or back track from *perestroika*.<sup>1091</sup>  
8 SOVA gave Gorbachev a blunt 50-50 chance of survival unless he retreated from his  
9 reforms. It is not what the Bush administration wanted to hear. Ironically, just as the  
10 CIA lost hope in Gorbachev, Bush and his senior advisers took up Gorbachev's cause in  
11 earnest. In June 1989, Bush concluded that Gorbachev was a force for stable change and  
12 should be supported. The Bush administration determined to help Gorbachev remain in  
13 power, keep him on the path to reform, lock in agreements favorable to the United States,  
14 and concede nothing that could prove harmful to the United States in the long run.<sup>1092</sup>  
15 At the same time, responding to SOVA's pessimistic views about Gorbachev and his  
16 chances of survival, Bush set up a secret "contingency planning group" or Deputy  
17 Committee headed by Condoleezza Rice to study the implications of a Soviet collapse  
18 and the fall of Gorbachev. The Bush administration began to wrestle with the  
19 implications of Gorbachev as "would be savior and the potential destroyer of the Soviet  
20 system." Perhaps, the NIO for the USSR, Robert Blackwell, said it best about Gorbachev.  
21 For Blackwell, Gorbachev had the Soviet experts in all field baffled.

22  
23 Gorbachev for us is a discontinuity in our understanding of Russia and the Soviet  
24 Union. And we are having, as a community, as analysts individually, as a  
25 government and as academics, an enormous difficulty coming to terms with that  
26 because by what he is doing, he has broken all of our china.<sup>1093</sup>  
27

## 28 Eastern Europe

29  
30 The impact of Gorbachev's new policies was first seen in Eastern Europe. A 1988 NIE  
31 noted that Gorbachev's efforts to push *perestroika* on the other countries of the Soviet  
32 Bloc had "increased the potential for instability in Eastern Europe." The Estimate laid  
33 out three possible scenarios: (1) popular upheaval in Poland, Romania, or Hungary with  
34 challenges to party supremacy and Soviet control; (2) sweeping reform in Hungary or  
35 Poland that might go beyond *perestroika*; and (3) a conservative backlash in the form of  
36 the repudiation of Gorbachev's reform efforts, especially in East Germany and Romania.  
37 In fact, all three scenarios materialized but with national variations and in more sweeping  
38 forms.<sup>1094</sup> With the exception of Romania, the transition to post-communist governments

<sup>1090</sup> SOVA, September 1989, "Gorbachev's Domestic Gambles and Instability in the USSR," printed in Fischer, *At Cold War's End*, Document 2.

<sup>1091</sup> NIE 11-18-89, November 1989, "The Soviet System in Crisis: Prospects for the Next Two Years," printed in Fischer, *At Cold War's End*, Document 3.

<sup>1092</sup> Kirsten Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of 'Getting It Right'", (Kennedy School of Government, Harvard University, Case Study 16-94-1251.0, 1994).

<sup>1093</sup> *Ibid.*, p. 31.

<sup>1094</sup> NIE11/12-9-88, May 1988, "Soviet Policy Toward Eastern Europe," Document 8 printed in Fischer, *At Cold War's End*.

1 was peaceful. By April 1990 the U.S. Intelligence Community stated flatly that  
2 "Communist rule in Eastern Europe is finished and it will not be revived." It added that  
3 "The Warsaw Pact as a military alliance is essentially dead, and Soviet efforts to convert  
4 it into a political alliance will ultimately fail." Nevertheless, the Estimate continued to  
5 warn that the Warsaw Pact forces were the largest aggregation of military power in the  
6 world and the Soviets remained committed to offensive operations in time of war.<sup>1095</sup> At  
7 the same time an NIC memorandum concluded that Moscow could not rely on Warsaw  
8 Pact forces and that the ability of an unreinforced conventional Warsaw Pact attack on  
9 NATO was virtually eliminated.<sup>1096</sup>

### 10 11 **German Unification**

12  
13 Just as the Warsaw Pact countries began to break away from communism and their ties to  
14 the Soviet Union, the issue of German unification suddenly surfaced. Despite the fact  
15 that President Bush made German unity a major goal of his administration, no one in the  
16 Intelligence Community foresaw the rapid reunification of West and East Germany and  
17 its integration into NATO. It was totally unexpected. The Berlin Wall came down on 9  
18 November 1989. Nevertheless, an inter-agency assessment in February 1990 did not even  
19 consider the possibility of reunification. At the White House on 31 May 1990 during the  
20 second Soviet-American summit, however, Gorbachev unexpectedly agreed in principle  
21 that the Germans had the right to decide their own future. By July 1990 Gorbachev had  
22 discussed with German Chancellor Helmut Kohl the unification of the German state in  
23 NATO. German unification occurred on 3 October 1990.

### 24 25 **The Soviet Union Ceases to Exist and the Cold War Ends**

26  
27 By 1990 the Soviet Union and its empire were "falling to pieces." A new NIE stated  
28 flatly that the "old communist order is in its death throes" and *perestroika* was  
29 threatening "to tear the country apart." It predicted that the continuing poor economic  
30 performance of Gorbachev's reforms would result in "serious societal unrest and  
31 breakdown of political authority" and identified Boris Yeltsin as a "rising star to  
32 watch."<sup>1097</sup>

### 33 34 **Boris Yeltsin**

35  
36 SOVA in 1989 predicted that the growing domestic opposition to Gorbachev would be  
37 headed by Boris Yeltsin. For SOVA, Yeltsin represented the best hope for the future,  
38 despite the fact that he was a heavy drinker. SOVA recommended that the Bush  
39 administration give Yeltsin greater recognition and more support as the leader of the  
40 democratic movement in Russia. The CIA saw in Yeltsin a "coherent Russian

---

<sup>1095</sup> NIE 12-90, April 1990, "The Future of Eastern Europe," printed in Fischer, *At Cold Wars End*, Document 9.

<sup>1096</sup> NIC Memorandum 90-10002, April 1990, "The Direction of Change in the Warsaw Pact," printed in Fischer, *At Cold War's End*, Document 21.

<sup>1097</sup> NIE 11-18-90, November 1990, "The deepening Crisis in the USSR: Prospects for the New year," printed in Fischer, *At Cold War's End*, Document 4.

1 democratic alternative to the imperial authoritarianism of the traditionalists." CIA  
2 predicted that he would promote "rapid marketization" and national self-determination.  
3 Perhaps the most insightful of the intelligence assessments of the Gorbachev era was an  
4 informal SOVA assessment prepared for the NSC in April 1991. It declared that "Anti-  
5 Communist forces are breaking down the Soviet empire and system of governance" and  
6 saw the hardliners in the Soviet Union as prepared to reassert control "with or without  
7 Gorbachev." It also predicted that any coup attempt would probably fail. It saw the drive  
8 for independence and separatism as the major threat to the Soviet system, especially in  
9 the Ukraine, Belarus, Georgia, and the Baltic Republics. According to the SOVA report,  
10 the centrally planned economic system had broken down and was being replaced by a  
11 mixture of republic and local barter arrangements. It also predicted a Boris Yeltsin rise.  
12 Yeltsin, according to SOVA, would challenge the old order and would become the first  
13 popularly elected leader in Russian history.<sup>1098</sup> It advocated greater openness to Yeltsin  
14 and other republican leaders.

15 The majority of the Bush administration did not welcome this assessment. President  
16 Bush and most of the White House staff believed that Gorbachev was still working  
17 toward reform. U.S. national interest continued to lie with supporting Gorbachev, they  
18 believed. They determined to press ahead with a Gorby-centric approach. Scowcroft  
19 told his aides, "We're not going to do anything that looks like we're casting our lot with  
20 Yeltsin against Gorbachev."<sup>1099</sup> Gorbachev was "their guy." CIA assessments received  
21 little heed, at least with regard to Yeltsin. As 1991 unfolded, CIA assessments of  
22 Gorbachev's dwindling chances of survival increasingly came into conflict with Bush  
23 administration officials hopes for his survival.

### 24 25 **The Failed Coup**

26  
27 In April 1991 SOVA alerted the Bush administration that the possibility of a coup by  
28 hardliners in the Soviet Union was growing, Gorbachev was finished and the country  
29 ready to implode. SOVA believed the primary target of the coup plotters would be  
30 Yeltsin because he "is the only leader with mass appeal." Coup leaders moved against  
31 Gorbachev on the eve of the scheduled signing of a union treaty giving greater autonomy  
32 to the Soviet republics. CIA warned that there were growing signs of action against  
33 Gorbachev, although it could find little Soviet military preparations. On 18 August 1991  
34 the coup began. Most senior level U.S. policymakers seemed caught unaware, despite  
35 the intelligence reports. President Bush was on vacation in Kennebunkport, Maine. The  
36 CIA told National Security Adviser Scowcroft only a few hours after the coup began that  
37 it believed there were indications that it would not succeed. By 19 August CIA indicated  
38 that the coup was in trouble. Yeltsin had emerged as the Russian opposition leader to the  
39 coup. The coup was finished by 21 August as Gorbachev returned to Moscow.  
40 The coup did not surprise the CIA or U.S. Ambassador Jack Matlock. They had already  
41 warned the administration of a possible coup attempt.

<sup>1098</sup> SOVA, "The Soviet Cauldron," 25 April 1991, printed in Fischer, *At Cold War's End*, Document 5.

<sup>1099</sup> Quoted in Beschloss and Talbot, p. 350. Yeltsin and Gorbachev hated each other.

1 In the last estimate before the attempted coup, the NIE of July 1991 saw the USSR in the  
2 midst of a revolution that would probably sweep the Communist Party from power and  
3 reshape the country within five years.<sup>1100</sup>

4 In fact, it all happened within six months, the Communist Party of the Soviet Union was  
5 outlawed, the Soviet Union broke apart into fifteen separate states, and Yeltsin assumed  
6 power and formed the Commonwealth of Independent States.

7 On Christmas Day 1991, Gorbachev resigned, the Soviet flag over the Kremlin was  
8 lowered and replaced by a new Russia flag. The Soviet Union ceased to exist on 31  
9 December 1991. The Cold War was over. The ultimate paradox was that détente rather  
10 than confrontation helped lead to the collapse of Soviet power and the breakup of the  
11 Soviet Union.<sup>1101</sup> There would be a new world order.

12  
13 **U.S. Intelligence Assessments and Critics:**

14  
15 **Did the CIA Miss the Forest for the Trees?**

16  
17 U.S. intelligence regularly reported the steady decline in the Soviet economy. From the  
18 mid-1970s to Gorbachev's assumption of Soviet leadership in the spring of 1985, the CIA  
19 portrayed a Soviet Union plagued by a deteriorating economy and intensifying societal  
20 problems. While the Agency presented a picture of a deteriorating Soviet economy, it  
21 believed that the Soviets would "muddle through." By the 1980s, the IC described the  
22 Soviet economy as faltering badly and in a dismal state despite the USSR's status as a  
23 military super power. It was "fourth class" when compared to Western economies.<sup>1102</sup>  
24 For the most part, the IC accurately recorded the Soviet economic stagnation and decline  
25 in the 1980s, and anticipated the failures of *perestroika* and the break-up of the Soviet  
26 Union. Its message was not always welcomed in the White House which had tied its  
27 policies to Gorbachev.<sup>1103</sup>

28 As for Gorbachev's *perestroika* and *glasnost*, the U.S. Intelligence Community saw them  
29 as forces that would probably destroy rather than save the Soviet Union. While most of  
30 the world saw Gorbachev as a miracle worker, the CIA portrayed him more as a  
31 sorcerer's apprentices. Gorbachev was gambling on ill-conceived strategies. According  
32 to SOVA senior analyst, Grey Hodnett, *perestroika* was too limited to fulfill  
33 expectations, "direct and violent confrontation" with the Baltic states was inevitable, and  
34 the failure to push through a free-market system would produce only economic  
35 deterioration, social unrest and perhaps revolution.<sup>1104</sup>

36 Despite such assessments, the intelligence community and especially the CIA, came  
37 under sharp criticism for not predicting the collapse of communism and the Soviet Union.

---

<sup>1100</sup> NIE 11-18-91, "Implications of Alternative Soviet Futures," printed in Fischer, *At Cold War's End*, Document 6.

<sup>1101</sup> Fischer, *At Cold War's End*, p. 29.

<sup>1102</sup> Douglas J. MacEachin, "CIA Assessments of the Soviet Union: The record Versus the Charges," CIA, CSI, 1997, pp. 59-61.

<sup>1103</sup> Bruce D. Berkowitz and Jeffrey T. Richelson, "The CIA Vindicated," *National Interest* 41 (Fall 1995), pp. 36-47.

<sup>1104</sup> Grey Hodnett, "Gorbachev's Domestic Gambles and Instabilities in the USSR," September 1989, SOVA.

1 Daniel Patrick Moynihan (D-NY) led the attack. His assessment was radically different  
2 from most policymakers or the intelligence community.

3 In 1975 Moynihan was one of the first prominent Americans to point out that the Soviet  
4 Union was under tremendous strain and "could blow up."<sup>1105</sup> By 1984 he had come to  
5 believe that the United States "should be less obsessed with the Soviets" because "the  
6 Soviet idea is spent - - history is moving away from it with astounding speed." For  
7 Moynihan, the Soviet Union was weak economically, and so divided ethnically, that it  
8 could not long survive. He wrote "the Soviet empire had no clothes, not to mention no  
9 shoes, butter, meat, living space, heat, telephones, or toilet paper."<sup>1106</sup> Moynihan claimed  
10 that by 1984 the Soviet Union was dying and that the Soviet idea of communism was a  
11 spent force. History was rapidly moving away from the Communist model. Yet,  
12 Moynihan believed that the U.S. Intelligence Community and U.S. policymakers refused  
13 to see the weaknesses. In essence, Moynihan charged that the CIA and the IC had failed  
14 to accurately assess the political, economic, and military state of the Soviet Union. "For  
15 a quarter century, the CIA has been repeatedly wrong about the major political and  
16 economic questions entrusted to its analysis, Moynihan wrote in the *New York Times*.<sup>1107</sup>  
17 He concluded about the Cold War:

18  
19 It was as though two chess grandmasters had pursued an interminable, and highly  
20 sophisticated, strategic of feint and counter-feint, not noticing that for the past 40  
21 or 50 moves, one side not only had been in checkmate, but... had his queen, his  
22 rooks, his bishops, and knights all taken from the board. Only nuclear weapons,  
23 however, kept the game from being completely boring.<sup>1108</sup>  
24

25 Moynihan was not alone in his criticism of the CIA and U.S. intelligence. Former DCI  
26 Stansfield Turner, for example, wrote in late 1991 that "we should not gloss over the  
27 enormity of the [the CIA's] failure to forecast the magnitude of the Soviet crisis. ..."  
28 For most of the intelligence community and decision makers, despite its economic  
29 problems, the Soviet Union was a formidable foe and fundamentally strong and destined  
30 to get stronger even in the late 1980s. Moynihan's claims and other critics, not  
31 withstanding, the IC was probably ahead of most analysis on the issue of tracking the  
32 impending collapse of communism and the Soviet Union. No one ultimately predicted the  
33 timing or the form of the decline and fall of the Soviet Union, but CIA assessments were  
34 more nuanced and more accurate than most.

35  
36 **Summary**

37  
38 **How good was CIA intelligence on the Soviet Union?**

39  
40 Throughout the Cold War, the CIA and the Intelligence Community, in general had a  
41 tendency to overstate Soviet military power and the Soviet ability to develop new

---

<sup>1105</sup> Daniel Patrick Moynihan, *Secrecy, The American Experience*, (New Haven, Yale University Press, 1998), pp. 4-5.

<sup>1106</sup> Moynihan, *Secrecy*, p. 4.

<sup>1107</sup> *New York Times*, May 19, 1991, p. 17.

<sup>1108</sup> Moynihan, *Secrecy*, p.

1 offensive weaponry. The CIA and the IC also overestimated Soviet ICBM deployment  
2 and overstated the basic Soviet threat. Perhaps for intelligence analysts, it was better to  
3 overestimate Soviet capabilities and intentions than to underestimate them. The constant  
4 in all the intelligence assessments was that the Soviet Union was an aggressive state bent  
5 on world domination. It was offensive in its very nature. Capitalism and communism  
6 could not long co-exist. Nevertheless, the CIA came closer to a correct understanding  
7 than the U.S. military with regard to Soviet capabilities. The CIA was not always right  
8 nor were its views always accepted. Increasingly, however, the CIA came to be  
9 respected for its positions with regard to the Soviet Union. How much were NIEs used by  
10 policymakers and their staffs? It is probably fair to say that no one waited for an NIE to  
11 see if war was coming or if the United States should negotiate arms control agreements or  
12 if the Soviet Union was in trouble.

13 The Agency was more correct more often than others in the IC. Over the course of the  
14 Cold War, the CIA came to have a predominant role in the IC. Policymakers looked to  
15 CIA estimates for policy guidance, especially with regard to the Soviet Union and its  
16 intentions and capabilities.

17  
18 **How Effective Were Covert Action Operations?**

19  
20 The prime motive for U.S. policymakers in approving CIA covert action operations  
21 during the Cold War was the fear of external Soviet communist subversion and its  
22 international implications. Each U.S. administration seemed preoccupied with containing  
23 the perceived Soviet threat. Using the CIA, each administration sought to counter  
24 Moscow interests and advance Washington's in Third World areas. The CIA, in turn,  
25 employed a variety of tactics and techniques to promote the U.S. agenda. These ranged  
26 from political propaganda, to the manipulation of labor, student, and women's groups, to  
27 subsidizing political leaders and parties, to political assassination plots, to technical  
28 training of security forces, to supplying arms and communication equipment, to the actual  
29 training of paramilitary forces. CIA covert action programs and later NSC covert  
30 programs, provided the most direct and aggressive U.S. assistance to "friendly" leaders  
31 and supporters in the Third World. Perhaps Senator Frank Church said it best regarding  
32 covert actions during the Cold War:

33  
34 I must lay the blame, in large measure, to the fantasy that it lay within our power  
35 to control other countries through covert manipulation of their affairs. It formed  
36 part of a greater illusion that entrapped and enthralled our Presidents - - the  
37 illusion of American omnipotence.<sup>1109</sup>

38  
39  
40  

---

<sup>1109</sup> Quoted in Prados, *President's Secret Wars*, p. 337.



1

361

1  
2  
3 **Chapter XII**

4 **Early Congressional and Executive Branch Efforts at Oversight, Accountability,**  
5 **and Reform of the U.S. Intelligence Community**

6 Throughout the twentieth century, the U.S. Congress, the Executive Branch and the U.S.  
7 Courts have struggled to provide oversight and accountability to the U.S. intelligence  
8 community, to balance national security concerns and secrecy within a democratic  
9 structure. The very nature of intelligence operations requires a high degree of secrecy  
10 and the protection of sources and methods. Yet, a democratic government is dependent  
11 on openness and access to information. How to deal with this contradiction has puzzled  
12 senior government officials for decades. Periodically, Congress and the Executive  
13 Branch have undertaken to reorganize and reform the Intelligence Community to make it  
14 more accountable and to provide closer oversight of its activities.

15  
16 **Early Congressional and Executive Oversight and Reform Efforts**

17  
18 On 27 July 1947, President Harry S Truman signed into law the National Security Act of  
19 1947, creating a postwar national security framework and the Central Intelligence  
20 Agency.<sup>1110</sup> The CIA was conceived and organized as an agent of the Executive Branch.  
21 Early on, the only formal relationship Congress had with the CIA was through the  
22 appropriations process. The concept of Congressional oversight in the sense of being  
23 kept informed of CIA activities or scrutinizing CIA operations did not exist.<sup>1111</sup> Congress  
24 did not anticipate having to deal with the CIA. When Congress enacted the Legislative  
25 Reorganization Act of 1946, which reduced the number of committees and realigned their  
26 jurisdictions, there was no provision for intelligence oversight. After the passage of the  
27 National Security Act of 1947 and the creation of the CIA, the new committee structure  
28 had to be adapted to handle CIA affairs. In both the House and Senate, the Armed  
29 Services and Appropriations Committees assumed jurisdiction over Agency matters.  
30 The Cold War consensus, Congress' own relationship with the executive branch, and the  
31 Congressional committee structure, determined any action between the Agency and  
32 members of Congress.  
33 Congress maintained a relatively unquestioning and uncritical attitude regarding the  
34 Agency as the Cold War emerged. There was a shared consensus about the role and  
35 direction of the CIA. Congressional members regarded the CIA as a major weapon to be  
36 used against communism. It was a vital tool in the pursuit of U.S. foreign policy  
37 objectives. The perception of the Agency was one of the first line of defense against  
38 communism.  
39 Moreover, the strong committee system which accorded enormous power to committee  
40 chairmen and limited the participation of less senior members in committee business

---

<sup>1110</sup> In addition to creating the CIA, the Act created the position of Secretary of Defense, established the Joint Chiefs of Staff to serve as the principle military advisers to the President, a National Security Council to coordinate national security policy, and a newly independent Air Force.

<sup>1111</sup> See William M. Leary, ed., *The Central Intelligence Agency, History and Documents* (University of Alabama Press, 1984), p. 50. The History of the CIA was prepared for the Church Committee by Anne Karalekas, a staff member of the committee.

1 sharply limited Congressional participation in the intelligence business and resulted in  
2 informal arrangements where senior select members were kept informed of agency  
3 activities in informal one-on-one exchanges with the DCI.  
4 No formal CIA subcommittees were organized until 1956. Until that time, small, ad hoc  
5 groups, composed of a few senior committee members reviewed the budget, appropriated  
6 funds, and received briefings on CIA activities. DCI's Smith and Dulles kept senior  
7 Congressional members informed of large scale covert action programs over lunch or  
8 cocktails. Dulles, for example, reinforced the existing procedures through his casual,  
9 friendly approach to Congress. He secured the absolute trust of senior ranking members.  
10 There was no formal review or approval process involved.<sup>1112</sup> The DCI's simply  
11 considered it a matter of courtesy to the senior members.<sup>1113</sup> Some members preferred  
12 not knowing about Agency activities, Senator Leverett Saltonstall, a ranking member of  
13 the Senate Armed Services and Appropriations Committees, remarked:

14  
15       Dominated by the Committee chairmen, members would ask few questions which  
16 dealt with internal Agency matters or with specific operations. The most sensitive  
17 discussions were reserved for one-on-one sessions between Dulles and individual  
18 Committee chairmen.<sup>1114</sup>  
19

20 For nearly twenty years, a small group of senior members of the House and senate  
21 dominated Congressional relations with the CIA. During the 1950s and much of the  
22 1960s control of Congress rested in the hands of a few, long serving southern Democrats.  
23 In the House, Carl Vinson, Clarence Cannon, and Carl Hayden controlled the Armed  
24 Services Committee and the Appropriations Committee. Cannon organized a small group  
25 to supervise authority over CIA appropriations. In the Senate, Richard Russell dominated  
26 the Armed Services Committee and CIA oversight. There were few challenges to their  
27 positions. They held exclusive control and knowledge of Agency activities and budget  
28 matters. The chairmen certified the intelligence budget from informal briefing by the DCI  
29 and that constituted Congressional approval.  
30 Richard Russell, John Stennis, Leverett Saltonstall, and Hayden were reluctant to share  
31 this sensitive information with other members of Congress. Other members of Congress  
32 simply did not have a need to know. Limited information sharing rather than rigorous  
33 oversight characterized the early relationship between Congress and the CIA.  
34 Acceptance of a Cold War consensus and Congressional procedures would keep  
35 Congress at arms length from true oversight until the 1970s. Despite this informal  
36 arrangement of oversight, or perhaps because of it, there was only one serious attempt to  
37 strength Congress' oversight role and broaden the participation of Congress in  
38 intelligence oversight. In 1955, Senator Mike Mansfield (D, WY), introduced a resolution  
39 to establish a Joint Oversight Committee. In an exchange with Senator Mark  
40 Mansfield, Saltonstall stated that the "difficulty in connection with asking questions and  
41 obtaining information (from CIA) is that we might obtain information which I personally  
42 would rather not have, unless it was essential for me as a Member of Congress to have

<sup>1112</sup> David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Kansas: University of Kansas Press, 2005). pp. 113-134.

<sup>1113</sup> Karalekas, p. 51.

<sup>1114</sup> As quoted in Karalekas, p. 64.

1 it.”<sup>1115</sup> Stennis responded, “If you are going to have an intelligence agency, you have to  
2 protect it as such ... and shut your eyes some, and take what’s coming.”  
3 In response to Mansfield’s proposal, Russell told the Senate, “No, Mr. President we have  
4 not told the country, and I do not propose to tell the country in the future, because if there  
5 is anything in the United States which should be held sacred behind a curtain of classified  
6 matter, it is information regarding the activities of this agency ... It would be better to  
7 abolish it out of hand than it would be to adopt a theory that such information should be  
8 spread and made available to every member of Congress and to the members of the staff  
9 of any committee.” The old guard in the Senate had the support of the Eisenhower  
10 administration and DCI Allen Dulles. President Eisenhower sent word that he was “very  
11 much opposed” to the resolution because intelligence operations were “the most delicate  
12 things in the government... too sensitive for Congress to take up.”<sup>1116</sup> Dulles believed  
13 that “Any investigation, whether by a congressional committee or any other body, which  
14 results in disclosure of our secret activities and operations or uncovers our personnel, will  
15 help a potential enemy just as if the enemy had been able to infiltrate his own agents right  
16 into our shop.”<sup>1117</sup> On 11 April 1956 the full Senate defeated Mansfield resolution 59 to  
17 27.<sup>1118</sup> The old guard prevailed. Nevertheless, in response to the challenge, Russell  
18 established subcommittees of the Senate Appropriations Committee and the Armed  
19 Services Committee to deal with CIA affairs and Carl Vinson formally established a CIA  
20 subcommittee of the House Armed Services Committee and the Appropriations  
21 Committee. These were closely held and met infrequently. cursory review of CIA  
22 activities continued to characterize the subcommittees’ oversight. Despite Agency efforts  
23 to get its Congressional committees to meet more frequently, the SAC subcommittee met  
24 once in 1956 and not at all in 1957. The pattern continued into the 1970s. In 1971 the  
25 CIA subcommittee of the Senate Armed Services Committee did not one formal meeting  
26 to discuss CIA affairs, it met once in 1972 and in 1973. It prompted Congressman  
27 Lucien Nizi (D-MI) in 1973 to state, “Indeed, it is a bit unsettling that 26 years after the  
28 passage of the National security Act, the scope of real Congressional oversight, as  
29 opposed to nominal Congressional oversight, remains uninformed and uncertain.”<sup>1119</sup>  
30 Walter L. Pforheimer, CIA legislative counsel described the situation, “We allowed  
31 Congress to set the pace. We briefed in whatever detail they wanted. But one of the  
32 problems was, you couldn’t get Congress to get interested.”<sup>1120</sup> The situation was about  
33 to change.  
34 By the 1970s CIA’s aging overseers in Congress were passing from the scene. Russell  
35 and Hayden were dead. John Stennis was 71, SAC chairman Allen Ellender (D-LA) was  
36 81, HAC chairman George Mahon (D-TX) was 72 and HASC chairman Edward Hebert  
37 (D-LA) was 71. While they continued to resist change, the old system of CIA oversight  
38 was coming to an end. Demands for change continued to grow. CIA Legislative Counsel  
39 John Maury noted:  
40

---

<sup>1115</sup> Ibid., p. 66.

<sup>1116</sup> Barrett, *CIA and Congress*, pp. 226-227.

<sup>1117</sup> Church Committee

<sup>1118</sup> Leary, *The CIA*, p. 66.

<sup>1119</sup> Quoted in Leary, *The CIA*, p. 100.

<sup>1120</sup> Quoted in Snider, *The Agency and the Hill*, p. 18.

1  
2  
3 The congressional power structure, which has for a quarter of a century served to  
4 shield the Agency from intrusion or attack by the rank-and-file membership, is in  
5 a state of flux....One need not go far down the seniority lists of the committees  
6 over which [the aging leaders] preside to find members of substantially different  
7 temperament and outlook. They include men who have over the years become  
8 increasingly suspicious or jealous of the secretive manner in which the Agency  
9 oversight committees have exercised their responsibilities. And their ranks are  
10 being periodically reinforced by newly elected younger members. Many of these  
11 feel that because of the increasingly important role of the Agency in providing  
12 inputs to crucial policy decisions its information and its activities should be more  
13 broadly accessible to the Legislative Branch, and some of them appear to have  
14 been infected by the anti-establishment and anti-Agency campaigns of the "new  
15 Left." Faced with the resulting pressure, our aging and harassed protectors and  
16 benefactors on the Hill can no longer be expected to hold the old lines.<sup>1121</sup>

17  
18  
19 With the disclosures of the early 1970s, the consensual acceptance of the CIA's right to  
20 secrecy in the interest of national security was, came under attack.

21  
22 **The Commission on the Organization of the Executive Branch of the Government**  
23 **(Hoover Commission)**

24  
25 Just before the passage of the National Security Act in July 1947, the Republican  
26 Congress established the Commission on Organization of the Executive Branch of the  
27 Government, with former President Herbert Hoover as chairman. Hoover, in turn,  
28 established a sub-committee to look at the national security organizations under  
29 Ferdinand Eberstadt, a friend of Secretary of Defense Forrestal, to study the national  
30 security structure. The Task Force concluded that "Intelligence is the first line of defense  
31 in the atomic age" and recognized CIA's "preeminent role in defense planning" and that  
32 the CIA was "the apex of a pyramidal intelligence structure." While it found CIA's  
33 relationship with the other intelligence services "unsatisfactory" and its intelligence  
34 estimates "subjective and bias" and the need for improvement in the field of scientific  
35 and medical intelligence, it recommended no organizational change to CIA or the  
36 Intelligence Community. It reasoned that "CIA and the other Government intelligence  
37 agencies should be permitted a period of internal development free from the disruption of  
38 continual examination and free as possible from publicity."<sup>1122</sup> The Eberstadt Report  
39 received little attention when former President Hoover submitted his entire report to a  
40 new Democratic Congress on 13 January 1949. It was overshadowed by a long, detailed,  
41 and critical survey of the CIA and the intelligence community, The Dulles, Jackson,  
42 Correa Report.

1121 Quoted in Snider, *The Agency and the Hill*, p. 28.

1122 Michael Warner and J. Kenneth McDonald, *US Intelligence Community Reform Studies Since 1947*  
(Washington, DC: Center for the Study of Intelligence, 2005), p. 7.

1  
2 **Dulles, Jackson, Correa Survey**  
3

4 In January 1948, less than a year after the creation of the CIA, the National Security  
5 Council, in its executive branch role of oversight, commissioned three private citizens to  
6 examine U.S. intelligence with a focus on the CIA. Allen Dulles, William Jackson, and  
7 Mathias Correa, three New York lawyers with intelligence experience, undertook the  
8 task.<sup>1123</sup> Declaring that World War II had changed everything and that America was  
9 vulnerable to a "sudden and possible devastating attack," it saw intelligence as not just a  
10 wartime activity but a full-time pursuit. Intelligence was, for the Committee, the first line  
11 of defense for the country. The Dulles, Jackson, Correa Survey contended that America  
12 and its policymakers had overcome their suspicions of secret government and was now  
13 willing to strike a balance between openness and the need "for silence on certain phases  
14 of intelligence."<sup>1124</sup> Stating that the CIA had not yet effectively carried out the vital role  
15 of coordinating intelligence activities, and that it must not duplicate the work of the other  
16 intelligence agencies, the Dulles Report proceeded to sharply criticize the CIA as "just one  
17 more intelligence agency producing intelligence in competition with older established  
18 agencies of the Government departments." Its produce and influence was "questionable".  
19 The Dulles Report pictured the CIA as the weak link in the system. It needed stronger  
20 leadership.<sup>1125</sup>

21 IN June 1950, when the CIA failed to foresee the sudden North Korean invasion of South  
22 Kora, President Truman appointed a new DCI, Lt. Gen. Walter Beddell Smith, who had  
23 been Gen. Eisenhower's chief of staff and Truman's ambassador to the Soviet Union.  
24 The "American Bull Dog" took office as DCI on 7 October 1950 with the determination  
25 and mandate to reshape U.S. intelligence and make it work as a team. When informed of  
26 his appointment, Smith told a friend, "I expect the worst and I am sure I won't be  
27 disappointed."<sup>1126</sup> Smith hired William Jackson as his deputy Director and Allen Dulles  
28 as deputy director for operations. Smith instituted a series of reforms to better coordinate  
29 the intelligence product, tight the coordination process and strength the DCI's authority  
30 to lead the intelligence community.<sup>1127</sup>  
31

32 **Second Hoover Commission and the Doolittle Report**  
33

34 In 1954, with the Republicans back in the majority, Congress again sought to examine the  
35 organization and efficiency of the Executive Branch and revived The Commission on the  
36 Organization of the Executive Branch of the Government with former President Hoover  
37 again as chairman. This Second Hoover Commission formed a sub-committee headed by  
38 Gen. Mark Clark to study the agencies which dealt with intelligence. Its report in 1955,

---

<sup>1123</sup> Correa, a wartime assistant to Secretary James Forrestal, was not an active participant in the survey.

<sup>1124</sup> Intelligence Report Group, "The Central Intelligence Organization and national Organization for Intelligence," 1 January 1949 ( Hereinafter cited as the Dulles Report). A summary of the Report is printed in *FRUS*, pp. 900-904.

<sup>1125</sup> Dulles Report, *FRUS*. The authors of the Dulles Reported were prohibited from examining the functions of the cryptologic services. See Warner and McDonald, p. 11.

<sup>1126</sup> D.K.R. Crosswell, *The Chief of Staff: The Military Career of General Walter Bedell Smith* (New York: Greenwood, 1991), 122.

<sup>1127</sup> On the Smith reforms, see Chapter.

1 recognized for the first time the existence of an "intelligence community." It listed NSC,  
2 CIA, NSA, FBI, the Department of State, Army, Navy, Air Force, and the Atomic Energy  
3 Commission as its members. The Clark Task Force noted that Congress and the White  
4 House created CIA to be "a new agency unique and in many ways strange to our  
5 democratic form of government." The Agency operated without the traditional  
6 Congressional restraints. It worked in secrecy and was "virtually a law unto itself." It  
7 recommended that the DCI appoint a "Chief of Staff" to run the day-to-day operations of  
8 the CIA and that a permanent "watchdog" commission be created to oversee the CIA.  
9 This commission would be composed of members of the House and Senate and  
10 distinguished private citizens appointed by the President.<sup>1128</sup>  
11 The prospect of a survey of the Clandestine service which would be reported to Congress  
12 led President Eisenhower to order a separate classified report on CIA's clandestine  
13 activities.. The report was to be delivered to Eisenhower personally. In turn the Clark  
14 Task Force agreed not to duplicate the activities of the Doolittle Committee. The  
15 arrangement prevented Congress from conducting its own investigation of the CIA and  
16 the Clandestine service.<sup>1129</sup> Moreover, until the Congressional investigations of the  
17 1970s, studies sponsored by Congress of the U.S. intelligence and national security  
18 structure had little impact or influence over the U.S. intelligence structure or how the CIA  
19 operated.

#### 21 **Doolittle Report**

22  
23 The orientation and composition of the Doolittle Committee did not encourage criticism  
24 of CIA's activities or of the policymakers.<sup>1130</sup> Although the Doolittle Report did call for  
25 better coordination between the CIA and the military and better cooperation between the  
26 CIA directorates, the report was principally an affirmation of the need for a clandestine  
27 capability. It declared:

28  
29 It is now clear that we are facing an implacable enemy whose avowed objective is  
30 world domination by whatever means and at whatever cost. There are no rules in  
31 such a game. Hitherto acceptable norms of human conduct to not apply. If the  
32 United States is to survive, long standing American concepts of 'fair play' must  
33 be reconsidered. We must develop effective espionage and counterespionage  
34 services and must learn to subvert, sabotage, and destroy our enemies by more  
35 clever, more sophisticated, and more effective methods than those used against  
36 us. It may become necessary that the American people be made acquainted with,  
37 understand and support this fundamentally repugnant philosophy.<sup>1131</sup>

1128 Hoover Commission Report.

1129 Leary, *The CIA*, p. 64.

1130 Early drafts of instructions to General Doolittle were prepared by the CIA. Doolittle himself was a friend of Frank Wisner, Morris Hadley was an old friend of Allen Dulles, William Pauley was a former ambassador, and William Franke had been an Assistant Secretary of the Navy.

1131 Report of the Special Study Group [Doolittle Committee] on the Covert Activities of the Central Intelligence Agency, 30 September 1954 as printed in Leary, *The CIA*, pp.143-145.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

**Creation of the Intelligence Community**

**The National Security Agency (NSA)**

After World War II the armed services had continued to maintain separate cryptologic efforts under a loose federation concept called the Armed Forces Security Agency, which reported to the Joint Chiefs of Staff. Complaints about signals intelligence support during the Korean War provoked the NSC in 1952 to replace this loose system with a new National Security Agency, subordinate to the Secretary of Defense.<sup>1132</sup> The change did not abolish the cryptologic arms of the services but recognized the “national” importance of their collective effort to provide better cooperation and coordination to the Secretary of Defense.<sup>1133</sup>

**The Defense Intelligence Agency (DIA)**

The general structure of military intelligence within the Defense Department remained essentially unchanged since the creation of DOD in 1947. Each military department maintained a separate vertical intelligence organization which included collection, production, dissemination, and management. The services, for example produced 37 separate intelligence products, all addressing the same issue but geared for different military consumers.<sup>1134</sup> Responding to the Kirkpatrick Report recommendation to centralize military intelligence, the Joint Chiefs of Staff expressed major reservations and urged additional study. Secretary of Defense Robert McNamara nevertheless, in February 1961, directed the Joint Chiefs to submit a concept proposal for a Defense Intelligence Agency which would integrate the military intelligence effort. By March the JCS submitted its concept paper. It called for a Military Intelligence Agency (MIA) responsible to the Joint Chiefs and reserved to the services the mission their intelligence missions.<sup>1135</sup> In August 1961, Secretary of Defense Robert McNamara created the Defense Intelligence Agency (DIA) to consolidate and coordinate the production of intelligence analysis by each of the military services. DIA was also to serve as the principal source of intelligence support to not only the Secretary of Defense but to the Joint Chiefs of Staff and unified commands. The military departments continued, however, to maintain their own analytical capabilities.<sup>1136</sup>

**The National Reconnaissance Office (NRO)**

<sup>1132</sup> See the earlier discussion Chapter

<sup>1133</sup> See earlier discussion, Chapter, pp.

<sup>1134</sup> Deane J. Allen, “Overview of the Origins of DIA,” DIA Website.

<sup>1135</sup> The use of “Military” instead of “Defense” by the JCS was intentional. JCS wanted to control the new agency. See Deane J. Allen, “Overview of the Origins of DIA,” DIA Website.

<sup>1136</sup> McNamara appointed Lt. Gen. Joseph F. Carroll (USAF) as the first director of DIA.



1 Prior to the establishment of the NRO in 1961, the satellite reconnaissance program,  
2 CORONA, operated under a loose, unstructured arrangement between the CIA, the Air  
3 Force, and private industry. The Agency handled the funds, acquired the cameras and the  
4 recovery vehicles and provided the program's security. The Air Force in cooperation  
5 with private companies, built the spacecraft, launched the rockets, and retrieved the  
6 payloads. For a time, the relationship worked well. By the 1960s there were fundament  
7 disagreements between the Air Force and the CIA over the entire satellite reconnaissance  
8 effort. The Air Force was more interested in tactical intelligence, while the CIA paid  
9 more attention to procuring strategic or national intelligence. After discussions between  
10 the CIA and Defense, on 6 September 1961, the CIA and the Air Force officially signed a  
11 charter establishing a National Reconnaissance Program In which a new National  
12 Reconnaissance Office (NRO) would finance and control all overhead reconnaissance  
13 projects. The NRO was to be managed jointly by the Air Force and CIA. The agreement  
14 did not solve the problem. While the first Director of NRO, Joseph Charyk attempted to  
15 deal with the problem by creating separate programs. He established a Program A  
16 (USAF satellite assets); a Program B (CIA assets); a Program C (U.S. Navy assets; and a  
17 Program D (aircraft asses). Bickering between the CIA and the Air Force, however,  
18 continued.<sup>1137</sup>  
19 The growth of the intelligence efforts within the Department of Defense with the creation  
20 of NSA, DIA, and NRO, accentuated the lack of the DCI's control over the rest of the  
21 intelligence community.

### 22 23 **The End of Foreign Policy Consensus**

24  
25 For the first twenty years of its existence, the CIA enjoyed broad acceptance by the  
26 American public and Congress. The CIA was a key player in the Cold War and efforts to  
27 contain the Soviet Union. Bipartisan foreign policy consensus began to break down in  
28 the 1960s with the assassinations of President John F. Kennedy, Robert Kennedy, and  
29 Martin Luther King, the growing Vietnam Anti-war protest movement, and the  
30 emergence of the Civil Rights Movement. The revelations of *Ramparts Magazine* of CIA  
31 sponsorship of cultural and scholarly organizations and groups and the Watergate scandal  
32 increased distrust of the Federal government and the CIA. . The U.S. government came  
33 under increasing criticism for being out of touch with the American people and not to be  
34 trusted. The CIA also attracted criticism for its role in Vietnam and Watergate.

### 35 36 **Ramparts and the Katzenbach Report**

37  
38 A 1967 *Ramparts* magazine article exposed CIA funding of international students groups  
39 such as the National Student Association (NSA), and private cultural organization like  
40 the Congress for Cultural Freedom. Since 1952 the CIA subsidized the NSA and funded  
41 the Congress for Cultural Freedom and its various foreign-language journals along with a  
42 series of international conferences, art exhibits, and musical performances. All of these  
43 activities had begun during the 1950s in response to the Soviet Union's attempts to attract  
44 youth and intellectuals to its cause. The revelations caused President Johnson to appoint

---

<sup>1137</sup> Gerald K. Haines, *The National Reconnaissance Office NRO: Its Origins, Creation, and Early Years* (NRO, 1997).

1 a special committee chaired by Under Secretary of State Nicholas Katzenbach to examine  
2 CIA's covert funding of American institutions operating overseas. The Katzenbach  
3 Committee recommended that no federal agency provide covert financial assistance to  
4 American educational and voluntary groups or institutions. While the CIA complied with  
5 the Katzenbach guidelines, the Katzenbach Report did not affect major CIA operations  
6 with regard to overseas political action, labor, and propaganda programs.<sup>1138</sup>  
7  
8

9 **Executive Oversight of Covert Operations and the Intelligence Community**

10  
11 During the 1950s, the Eisenhower administration made several attempts to improve the  
12 process of Executive coordination and the approval process for covert operations.  
13 Although the changes provided increased accountability, none significantly restricted  
14 CIA activities.<sup>1139</sup> Until 1955 no formal approval mechanism existed outside the CIA  
15 for covert action projects. State Department and Defense Department officials provided  
16 loose policy guidance to the CIA under the assumption that covert action activities would  
17 be infrequent. The Psychological Strategy Board (PSB), an NSC subcommittee  
18 established in 1951, also provided informal guidance for the initiation of covert  
19 operations. The Operations Coordinating Board (OCB) replaced PSB in September  
20 1953. Since the new board included members outside the intelligence establishment, DCI  
21 Allen Dulles was reluctant to share sensitive information about covert operations with  
22 Board members.<sup>1140</sup> Dulles used the OCB primarily to gain backing for requests to the  
23 Bureau of the Budget for the release of unvouchered funds for covert activities.<sup>1141</sup>  
24 In 1955 the NSC attempted to establish grater control procedures over covert operations  
25 issued two policy directives 5412/1 and 5412/2. These directives established a group of  
26 representatives of the President and Secretaries of State and Defense to review and  
27 approve covert action projects. The actual membership of the 5412 Committee or Special  
28 Group varied as ad hoc task forces considered various situations.<sup>1142</sup> It became known as  
29 the 5412 Committee or Special Group, but did not exert control over operations. It did  
30 not feel confident enough to judge CIA capabilities or to determine whether or not a  
31 project was feasible or desirable.<sup>1143</sup>

32 Until 1959 meeting were infrequent and neither CIA nor the Group established  
33 guidelines for the submission of proposals. In 1959 weekly meetings of the Group began  
34 but the initiative for projects continued to rest with the Agency. Special Group members  
35 did not feel confident enough to judge Agency capabilities or to determine the feasibility  
36 of particular projects. President Eisenhower also established the President's Board of  
37 Consultants on Foreign Intelligence Activities (PBCFIA) in 1956 to head off any  
38 Congressional initiative to strengthen Congressional oversight of covert action  
39 operations. Eisenhower was determined "to obviate any tendency for Congressional  
40 groups and their staffs to get into these activities." The Board, chaired by General John E.

<sup>1138</sup> Leary, *The CIA*, p. 81.

<sup>1139</sup> Leary, *The CIA*, p. 62.

<sup>1140</sup> The OCB included the Under Secretary of State, the Deputy Secretary of Defense, the Special Assistant to the President for Cold War affairs, and the Director of the Mutual Security Administration.

<sup>1141</sup> Leary, *The CIA*, p. 63.

<sup>1142</sup> Karalekas, p. 63.

<sup>1143</sup> *Ibid.*

1 Hull, consisted of a group of private U.S. citizens chosen by The President. It met  
2 monthly in Washington and was briefed by the intelligence agencies. It reported to the  
3 President once or twice a year. As PBCIFIA matured it began to make recommendations  
4 to the President regarding intelligence issues. One of its major concerns was the approval  
5 process for CIA covert activities. The Board felt the procedures "extremely informal"  
6 and that the projects themselves were "too exclusively the responsibility of the Central  
7 Intelligence Agency." It recommended that State and Defense be kept closer in touch  
8 with the implementation of programs and their approval.<sup>1144</sup>

9 Eisenhower also sought to push DCI Allen Dulles to exert more control over the entire  
10 intelligence community. In January 1956, he created the President's Board of  
11 Consultants on Foreign Intelligence Activities (PBCFIA). The Board had no authority  
12 over the DCI or the Intelligence Community. It was to provide the President with advice  
13 on intelligence matters. In 1958 the Board recommended the appointment of a chief of  
14 staff for the DCI to carry out the CIA's internal administration. Also in 1958 Eisenhower  
15 approved the first major revision of the basic policy guidance for the Intelligence  
16 Community. Issued as National Security Council Intelligence Directive Number 1  
17 (NSCID-1) the directive stressed the need for efficiency across the entire national  
18 intelligence effort and discussed the DCI's community responsibilities. Neither  
19 Eisenhower nor the NSC gave the DCI the authority to do so, however. Again, in 1960,  
20 the PBCFIA suggested separating the DCI from the CIA. He would then be better able to  
21 serve as the President's intelligence advisor and coordinator of the intelligence  
22 community, according to PBCFIC. Nothing resulted from these recommendations.  
23 Eisenhower seemed to accept the present arrangements:

24  
25 I'm not going to be able to change Allen. I have two alternatives, either to get rid  
26 of him and appoint someone who will assert more authority or keep him with his  
27 limitations. I'd rather have Allen as my chief intelligence officer with his  
28 limitations than anyone else I know.<sup>1145</sup>

29  
30  
31 **United States Intelligence Board (USIB)**

32  
33 To advise the DCI on intelligence matters, President Truman in 1948 had created the  
34 Intelligence Advisory Committee (IAC). Truman also created the United States  
35 Communications Intelligence Board (USCIB) to advise the Secretary of Defense on  
36 communications intelligence. In 1958, upon the recommendation of PBCFIA,  
37 Eisenhower abolished the IAC and the USCIB and created the United States Intelligence  
38 Board (USIB). The new USIB would assume the duties of the IAC and USCIB. The  
39 military services objected since it meant giving the DCI a role in electronic intelligence  
40 and that they would lose the representational dominance they held on the USCIB.  
41 Despite military protests, USIB had no budgetary authority and was of little help to the  
42 DCI in controlling the other components of the Intelligence Community. They continued  
43 to function independently.  
44

<sup>1144</sup> Prados, *President's Secret Wars*, p145.

<sup>1145</sup> Quoted in Leary, *The CIA*, p. 74.

1  
2  
3  
4

5 **The Kirkpatrick Joint Study Group**

6

7 Just after the May 1960 Soviet shoot down of the Francis Gary Powers and his U-2,  
8 President Eisenhower appointed a senior team of intelligence officials from State,  
9 Defense, and CIA, the Joint Study Group," headed by CIA's Inspector General Lyman B.  
10 Kirkpatrick, Jr., to look at the "organizational and management aspects of the foreign  
11 intelligence community." Eisenhower wanted recommendations he could act on before  
12 he left office. This gave the Group barely seven months to complete its report.

13 According to the Joint Study Group, U.S. decision makers need "the best possible flow of  
14 information" about Soviet intentions and capabilities to meet the continuing threat but  
15 were not getting it. One of the major problems the Joint Study Group saw was that the  
16 intelligence community was addressing new intelligence problems "piecemeal instead of  
17 attacking them together in an integrated fashion." The Group counseled the intelligence  
18 system "must be a community effort in fact as well as name." According the Study, the  
19 DCI needed a permanent staff drawn from across the community and devoted solely to  
20 community management and coordination issues. The Study Group also probed the  
21 Defense Department's role and performance in intelligence issues. It found major  
22 weaknesses and recommended greater control over the effort by the Secretary of Defense.

23 In addition, it recommended the creation of a national center to do imagery analysis.

24 Following the Group's recommendation, shortly before leaving office in January 1961  
25 Eisenhower established the National Photographic Intelligence Center (NPIC) as a joint  
26 CIA-Defense imagery analysis center.<sup>1146</sup>

27

28 **The Taylor Report**

29

30 After the Bay of Pigs, President Kennedy asked General Maxwell Taylor to determine  
31 why the invasion had failed and to examine ways to strength U.S. paramilitary and covert  
32 action capabilities. Taylor's report recommended strengthening top-level direction for  
33 such operations by establishing a review group with permanent high-level membership.

34 Kennedy, taking Taylor's advice, created the Special Group to oversee plan and review  
35 covert operations. Members of the Special Group included McGeorge Bundy, the Special  
36 Assistant for National Security Affairs as chairman; Under Secretary of State, U. Alexis  
37 Johnson, Deputy Secretary of Defense Rosewell Gilpatric , General Lyman Lemnitzer,  
38 Chairman of the Joint Chiefs of Staff, and the DCI. During the Kennedy administration  
39 the Special Group severed as the review body for covert action proposals.

40 Kennedy also attempted to strengthen the DCI's Intelligence Community role. Not only  
41 did DCI McCone have weekly meeting alone with the President but Kennedy in a letter  
42 to McCone of 16 January 1962 emphasized the DCI's function as coordinator for the  
43 intelligence community and as the principal intelligence officers for the President.<sup>1147</sup>

---

<sup>1146</sup> The Report also had some influence with the Kennedy administration and its creation of the Defense Intelligence Agency.

<sup>1147</sup> The letter is quoted in Leary, *The CIA*, p. 85.

1  
2 During the 1962 to 1970 period, the Kennedy, Johnson, and Nixon administrations  
3 attempted to regularize the authorization of covert action proposals and to standardize  
4 procedures for approval. These procedural changes reflected a recognition that covert  
5 operations were no longer exceptional activities but were a key element in the conduct of  
6 U.S. foreign policy. They required formal channels for review and approval.<sup>1148</sup> During  
7 the Johnson administration, the Special Group was renamed the 303c Committee. The  
8 major NSC decisions of the Johnson era, however, were made at the "Tuesday Lunches."  
9 These were luncheon meetings at the White House that included President Johnson,  
10 Secretary of Defense McNamara, National Security Adviser Rostow, the Chairman of the  
11 Joint Chiefs, and the President's Press Secretary. Later DCI Helms joined the group.  
12

13 DCI John McCone established the National Intelligence Program Office (NIPE), a small  
14 but senior staff, to scrutinize the program data from the Pentagon that Secretary of  
15 Defense McNamara, for the first time made available to the DCI.<sup>1149</sup>  
16

#### 17 **Eaton Report**

18

19 In 1967 President Johnson directed that DCI Richard Helms undertake a major study of  
20 the problems related to Sigint. Helms selected former OSD and Air Force officer Robert  
21 Eaton to undertake the task. Eaton broadened his mandate to include a criticism of the  
22 intelligence activities of the DOD. In addition to several recommendations relating to  
23 U.S. Sigint activities, one of the key findings of the Eaton Report was the need for greater  
24 centralization of control over the intelligence functions in the Department of Defense.  
25 The Department had collected an assortment of intelligence organizations and activities  
26 spread throughout the Pentagon, four armed services, and three distinct agencies, the  
27 National Security Agency (NSA), for signals intelligence, the Defense Intelligence  
28 Agency (DIA) for analysis and staff support, and the then ~~secret~~ National Reconnaissance  
29 Office (NRO) which build and managed intelligence satellites. Yet, there was little  
30 coordination. Helms recommended that the incoming Nixon administration's Secretary  
31 of Defense, Melvin Laird, read the Eaton report to gain a fuller understanding of the  
32 managerial problems they both shared in the intelligence filed.  
33

34 The Nixon administration not only wanted to address the problem of oversight of Sigint  
35 and covert operations but to radically reform the entire Intelligence Community,  
36 especially the CIA. In February 1970, Nixon replaced the basic directive governing  
37 covert action authorization, NSC 5412/2 with National Security Decision Memorandum  
38 (NSDM) 40. The directive designated the 40 Committee to replace the Special Group as  
39 the executive decision making body on covert operations and restated the DCI's  
40 responsibility for coordinating and controlling covert operations. It added a provision

---

<sup>1148</sup> Leary, *The CIA*, p. 82. Kennedy also created two additional supervisory groups to deal with expanded paramilitary activities, the Special Group on Counterinsurgency (CI) and the Special Group (Augmented). The Special Group Augmented, headed by Robert Kennedy, oversaw only one operation, Operation Mongoose.

<sup>1149</sup> Douglas Garthoff, *Director of Central Intelligence*, pp. 42-46.

1 that the 40 Committee annually review all covert action projects previously approved.<sup>1150</sup>  
2 A major shortcoming of the review process remained. The vast majority of the covert  
3 action projects were still initiated and approved by the CIA.  
4  
5

#### 6 **Reform Efforts of the Nixon Administration: The Schlesinger Report**

7

8 In the 1970s the CIA became an agency under siege. Distrust and displeasure with the  
9 CIA and its intelligence products began with President Nixon. Nixon wanted intelligence  
10 to serve as an instrument of policy, not an independent voice in its formulation. Nixon  
11 believed that the CIA had become arrogant and partisan in its analysis, it was far to  
12 liberal, often sided with the permanent institutional interests and social culture of  
13 Washington rather than with the elected chief executive of the American people.  
14 According to Nixon's National Security Adviser, Henry Kissinger, Nixon from the  
15 beginning of his term as President considered the Agency "a refuge of Ivy League  
16 intellectuals opposed to him," and referred to the CIA as "those clowns at Langley."<sup>1151</sup>  
17 He had little confidence in the Agency. Nixon told his chief of staff, H.R. Halderman  
18 that, "The CIA tells me nothing I didn't read three days ago in the *New York Times*." He  
19 added, "Intelligence is a sacred cow. We've done nothing [about reducing its budget]  
20 since we've been here. The CIA isn't worth a damn. We have to get at the symbolism."  
21 Nixon suggested a "25% cut across the board" and getting rid of the disloyal types."  
22 Later during the same budget meeting Nixon described intelligence as "how to spend \$5  
23 billion and learn nothing."<sup>1152</sup> Kissinger, echoed Nixon's biased. He didn't like CIA  
24 estimates, especially those focusing on Soviet intentions and capabilities.<sup>1153</sup> According  
25 to Kissinger:

26  
27       The most serious defect is the lack of sharply defined, clearly argued discussions  
28 of the characteristics and purposes of Soviet strategic forces.... Instead, what  
29 discussion of Soviet objectives there is in the NIE is superficial. There is no  
30 analysis of the evidence, no systemic presentation of the alternatives. Indeed,  
31 there is not even a precise definition of what our people [in the Intelligence  
32 Community] disagree about and what evidence would resolve their disputes.<sup>1154</sup>  
33

34 By late 1970 Nixon's frustrations with CIA boiled over. He wanted "a thorough  
35 housecleaning at all levels of CIA," and a "good thinning down of whole CIA personnel

---

<sup>1150</sup> Leary, *The CIA*, p. 83.

<sup>1151</sup> Henry Kissinger, *White House Years* (Boston, MA: Little Brown, 1979), pp. 11 and 36. See also Rhodi  
Jeffreys-Jones, *The CIA and American Democracy* (New Haven, Conn.: Yale University Press, 1989), p.  
177.

<sup>1152</sup> H.R. Halderman notes, White House Special Files, Richard Nixon Presidential Papers, National  
Archives and Records Administration. See also Thomas Powers, *The Man Who Kept the Secrets: Richard  
Helms and the CIA* (New York: Knopf, 1979), p. 15.

<sup>1153</sup> Powers, *Helms*, p. 204.

<sup>1154</sup> Kissinger, Memorandum to the President, NIE 11-8-69, "Soviet Strategic Attack Forces," 26 November  
1969 printed in Department of State, *Foreign Relations of the United States, 1969-1976*, Volume II,  
*Organization and Management of U.S. Foreign Policy, 1969-1976* (Washington, DC: Government Printing  
Office, 2006), pp. 409-410.

1 situation as well as our Intelligence activities generally.” He wanted a real shakeup in  
2 CIA, not just symbolism, he told Kissinger.<sup>1155</sup> At the end of 1970 Nixon assigned James  
3 Schlesinger, assistant director of the Office of Management and Budget to conduct a  
4 major review of the intelligence community and shake up the CIA.<sup>1156</sup> Completed in  
5 March 1971 the Schlesinger Report found “that the Director of Central Intelligence’s  
6 theoretical control of the community was an impolite fiction; that the total cost of  
7 intelligence was at least twice the figure formally submitted to Congress; that intelligence  
8 estimates too often offered only bland judgments; that the CIA’s policy of no lateral entry  
9 of personnel had created an insular institution; and that technical intelligence far  
10 surpassed political intelligence in quality. Despite the enormous cost of intelligence  
11 collection there was no commensurate improvement in the scope and overall quality of  
12 the intelligence product. The intentions and plans of U.S. adversaries remained as  
13 opaque as ever. Raw intelligence had “come to serve as a proxy for improved analysis.  
14 The Report also cited wasteful competition and bureaucratic infighting as serious  
15 problems in the community. The report concluded that the Intelligence Community  
16 needed “a fundamental reform of its decision-making bodies and procedures. It  
17 recommended the creation of a Director of National Intelligence. Intelligence costs also  
18 needed to be controlled and the intelligence product dramatically improved. In addition,  
19 there was a need for greater oversight of intelligence planning, resources, and activities  
20 by the CIA, Defense, and the White House. Ironically, the Report never contemplated  
21 increased Congressional oversight. According to the Report, Congress was not likely to  
22 be helpful.<sup>1157</sup>  
23 Kissinger and George Schultz, Director of the Office of Management and Budget (OMB),  
24 presented the Schlesinger Report to President Nixon on 22 March 1971. They noted in  
25 summarizing the Report that U.S. intelligence had an “absence of authoritative  
26 leadership”, both in the Department of Defense and the Intelligence Community and that  
27 new technologies had sparked costly competition between programs and agencies, with  
28 little guidance or planning. They also noted that these concerns were not new.  
29 According to Kissinger and Schultz:

30  
31       Presidential Commissions, the PFIAB, special study group, and BOB/OMB have  
32       often expressed dissatisfaction with the performance and cost of the intelligence  
33       community and recommended various piecemeal organizational reforms. In the  
34       absence of forceful and persistent leadership and under the impact of continuing  
35       technology change, these reforms have largely failed.<sup>1158</sup>  
36

---

<sup>1155</sup> Nixon, Memorandum to Kissinger, 30 November 1970, *FRUS 1969-1972*, p. 467.

<sup>1156</sup> Schlesinger himself had no direct experience of intelligence issues and activities. Warner, Schlesinger Report, p. 400.

<sup>1157</sup> See Michael Warner, “Reading the Riot Act: The Schlesinger Report, 1971,” *Intelligence and National Security*, vol. 24, no. 3, (June 2009): 387-417. Despite the Report’s sharp criticism of analysis, Schlesinger told CIA officials that he regarded “the CIA analytical capability as being not only the best in town but really the only truly professional competence in town. The complete Schlesinger Report is printed in *FRUS*, 1969-1976, pp. 494-513. It may also be found on line at <http://www.state.gov/documents/organizations/77856.pdf>.

<sup>1158</sup> Quoted in Warner, “The Schlesinger Report,” p. 407.

1 Kissinger and Schultz's cover memorandum urged the President to strengthen the powers  
 2 of the DCI and to create a Director of Defense Intelligence in the Pentagon but not a new  
 3 Director of National Intelligence. They also warned the President that he could expect  
 4 major opposition from the IC, the military, the PFIAB, and the Congress. On 15 October  
 5 1971 Kissinger and Schultz send Nixon several proposals that shifted power from the  
 6 Secretary of Defense to the DCI. Secretary of Defense Melvin Laird, they noted was not  
 7 on board with the suggestions. On 5 November 1971 Nixon implemented several of the  
 8 proposals. With a memorandum to the Intelligence Community principals Nixon directed  
 9 DCI Helms to create a deputy for "community affairs" and Defense Secretary Laird to  
 10 create an Assistant Secretary of Defense for Intelligence. He also ordered the merger of  
 11 the cryptologic organizations of the armed services into a Central Security Service under  
 12 the NSA, the creation of a Defense Mapping Agency to combine the services independent  
 13 map-making activities. Nixon also gave the DCI an "Intelligence Community Staff" to  
 14 support his management of the IC budget, planning, and programs. In addition, Nixon  
 15 told Helms to prepare a consolidated intelligence budget for the coming year (FY  
 16 1974).<sup>1159</sup>

17 To further implement Nixon's memorandum, the National Security Council issued a new  
 18 National Security Council Directive (NSCID) on 17 February 1972 which listed four  
 19 major responsibilities of the DCI: (1) to plan and review all intelligence activities and  
 20 spending submitting annually to the White House, the Community's overall "programs  
 21 budget," (2) to produce "national" intelligence for the President and policymakers; (3) to  
 22 chair all Community-wide intelligence advisory panels which would henceforth serve  
 23 him only in an advisory capacity; and (4) to establish intelligence requirements and  
 24 priorities for the Community within budgetary constraints.<sup>1160</sup>

25 Implementing these reforms proved more difficult than drafting guidance. While  
 26 Secretary of Defense Laird did create an Assistant Secretary for Intelligence, he gave it  
 27 coordinating responsibilities and no authority over operations in the armed services or the  
 28 intelligence agencies and only limited oversight powers.<sup>1161</sup> Laird was also wary of the  
 29 larger role for the DCI in military intelligence affairs. He especially did not want DCI  
 30 Helms meddling in the budget and pressured Helms to "not get into our business and tell  
 31 us what to do." Laird did not enlist DCI Helms as an ally in his reform efforts in the  
 32 Pentagon.<sup>1162</sup>

33 For his part, Helms felt he was not empowered to make major changes or reforms. He  
 34 proceeded very slowly and cautiously with little direction from the White House. The  
 35 White House, especially Nixon, grew frustrated with the pace of change. On 18 May  
 36 1972 Nixon demanded that his aide, H. R. Haldeman do something about the CIA:

37  
 38 One department which particularly needs a housecleaning is the CIA. The  
 39 problem in the CIA is muscle-bound bureaucracy which has completely paralyzed  
 40 its brain and the other is the fact that its personnel, just like the personnel in State,

<sup>1159</sup> Nixon memorandum, "Organization and Management of the U.S. Foreign Intelligence Community," 5 November 1971, *FRUS, 1969-1972*, pp. 539-544.

<sup>1160</sup> NSCID-1, "Basic Duties and Responsibilities," 17 February 1972, printed in Warner, *Central Intelligence*, pp. 83-88.

<sup>1161</sup> Department of Defense Directive 5115.1, "Assistant Secretary of Defense (Intelligence)," 18 January 1972, printed in *FRUS, 1969-1972*, p. 591.

<sup>1162</sup> Warner, *The Schlesinger Report*, p. 412.



1 is primarily Ivy League and the Georgetown set rather than the type of people we  
2 get into the services and the FBI.

3 I want a study made immediately as to how many people in CIA could be  
4 removed by Presidential action. I assume that they have themselves frozen in just  
5 as in the case with State. If that is the case, I want action begun immediately,  
6 through Weinberger [Director of OMB], for a reduction in force of all positions in  
7 the CIA in the executive groups of 50 percent. This reduction in force should be  
8 accomplished by the end of the year so that we can then move to get in some  
9 better people. Of course, the reduction in force should be accomplished solely on  
10 the ground of its being necessary for budget reasons, but you will both know the  
11 real reason and I want some action to deal with the problem.<sup>1163</sup>  
12

13 A few weeks after his reelection, Nixon again noted to Halderman that nothing had been  
14 done. As he prepared major personnel shifts for his second term at Camp David, he took  
15 matters into his own hands. He summoned DCI Helms to Camp David on 20 November  
16 1972 and fired him. He replaced Helms with James Schlesinger. Nixon gave Schlesinger  
17 a mandate to turn the CIA upside down. Within weeks of assuming the post of DCI, the  
18 Watergate scandal broke upon the Nixon administration. Nixon reshuffled his top  
19 advisors, and appointed Schlesinger as Secretary of Defense. This stalled significant  
20 internal efforts at reform.

21 Nevertheless, The Schlesinger Report marked a watershed for the Intelligence  
22 Community as it aided the Nixon administration in its efforts to reform the CIA and the  
23 Community and set the stage for later reform efforts. By the end of Nixon's first term real  
24 change had occurred in the intelligence community. By early 1973 a DCI was for the  
25 first time preparing the overall budget for the Intelligence Community. At the Pentagon,  
26 there was now an Assistant Secretary of Defense for Intelligence, while the NSC now had  
27 greater control of the signals intelligence branches of the services and a new Defense  
28 Mapping Agency consolidating military mapping activities.  
29

### 30 **Watergate and the "Plumbers"**

31  
32 In June 1972 came Watergate, one of the biggest political scandals in U.S. history. It  
33 began with a break-in of the Democratic Party's national headquarters in the Watergate  
34 complex in Washington DC. James McCord, a former high-level security officer at CIA  
35 and Eugenio Martinez, a Cuban exile employed by the CIA, were among those arrested.  
36 The name E. Howard Hunt, a long time CIA operative, surfaced in one of the notebooks  
37 in the possession of two of the Watergate burglars. The Watergate scandal broke upon  
38 the Nixon White House with full force in the spring of 1973. It also exposed the CIA to  
39 charges of involvement in the break-in and with the 'plumbers' a secret unit established  
40 by the Nixon White House to find and punish the source which leaked the classified  
41 Department of Defense Pentagon Papers, a history of U.S. involvement in Vietnam. The  
42 "plumbers" sought to discover information to discredit Daniel Ellsberg, who leaked the  
43 Pentagon Papers to the *New York Times*. Led by E. Howard Hunt and Gordon Liddy,  
44 both former CIA officers, the "plumbers" broke into Ellsberg's psychiatrist's office in  
45 Los Angeles. They received cameras, bugging equipment, and disguises from the CIA

<sup>1163</sup> Nixon, memorandum to Halderman, 18 May 1972, printed in *FRUS, 1969-1972*, pp. 620-621.

1 along with a CIA psychological profile of Ellsberg. Contrary to many reports, the CIA  
2 was not the driving force behind Watergate or the break-in in Los Angeles. It played  
3 only a minor role in aiding Hunt to conduct his illegal burglaries.  
4 President Nixon sought to curb the FBI's investigation of the Watergate break-in by  
5 having the CIA order the FBI to stop its investigation on national security grounds.  
6 Nixon's efforts to enlist the CIA in the cover-up ultimately failed as DCI Helms and his  
7 deputy Vernon Walters refused to stop the FBI investigation. Walters told White House  
8 counsel John Dean, "I am prepared to resign before I do anything that would implicate  
9 the agency in this matter." The White House planned to blame all the illegalities on a  
10 rogue CIA.<sup>1164</sup> The FBI investigation continued.

11  
12 The ensuing investigation led to the resignation of President Richard Nixon in 1974.  
13 Moreover, the Watergate scandal and the Vietnam War helped break down public  
14 confidence in all government institutions and especially the CIA.

#### 15 16 **Hughes-Ryan Act**

17  
18 Reacting to U.S. covert support for anti-communist forces in Angola and fearing another  
19 Vietnam, Congress passed an amendment to the Foreign Assistance Act in December  
20 1974 which for the first time, required that the President report any covert CIA operation  
21 in a foreign country. The act required informing the relevant Congressional committees  
22 which included the armed services committees, the foreign relations committees, and the  
23 appropriations committees in the House and Senate. It formalized the reporting  
24 requirements on covert action. It increased the number of committees to be informed of  
25 any covert operation by adding the Senate Foreign Affairs Committee and the House  
26 International Affairs Committees to the four CIA subcommittees. The amendment did  
27 not provide for prior notification or approval of covert action, however. Thus, Congress  
28 was still a passive recipient of intelligence information.<sup>1165</sup> Nevertheless, it was now part  
29 of the decision-making process for covert action.<sup>1166</sup>

#### 30 31 **Murphy Commission**

32  
33 Congress in July 1972 authorized a study commission to recommend improvements in  
34 the organization and procedures of the government to conduct foreign policy. Led by  
35 retired Deputy Secretary of State Robert Murphy, this blue ribbon panel was not unlike  
36 the Hoover Commissions, in that it was given the charge of looking at U.S. intelligence  
37 activities in connection with U.S. foreign policy objectives. The report's brief chapter on  
38 intelligence defended it as essential to U.S. national security and an effective U.S. foreign  
39 policy. The reports main recommendation was for tighter Presidential and Congressional  
40 supervision of the entire Intelligence Community. It purposed that the DCI move his

---

<sup>1164</sup> Kathryn Olmsted, "Lapdog or Rogue Elephant? CIA Controversies from 1947 to 2004," in Theoharis, *The Central Intelligence Agency, Security Under Scrutiny*, pp. 200-201.

<sup>1165</sup> Leary, *The CIA*, p. 101.

<sup>1166</sup> Lock K. Johnson, "Covert Action and Accountability: Decision-Making for America's Secret Foreign Policy," in Loch K. Johnson and James J. Wirtz, eds., *Strategic Intelligence, Windows Into a Secret World, An Anthology* (Los Angeles, California: Roxbury Publishing, 2004), p. 381.

1 desk closer to the White House to enjoy “direct access” to the President and that the DCI  
2 delegate day-to-day supervision of the CIA to his deputy. It also purposed changing the  
3 CIA’s name to Foreign Intelligence Agency and making the DCI the Director of Foreign  
4 Intelligence. It also recommended tighter control of covert operations by the NSC and  
5 the President’s Foreign Intelligence Advisory Board ( a revised version of Eisenhower’s  
6 PBCFIC). Congress, the report concluded should create a select, joint committee on  
7 “national security” to review and coordinate oversight of foreign policy and national  
8 security.<sup>1167</sup> Delivered to Congress in 1975, the Murphy Commission report had little  
9 impact as Congress became consumed with the Church and Pike investigations.

10  
11 **Seymour Hersh**

12  
13 DCI Schlesinger, responding to allegations that the CIA was deeply involved in  
14 Watergate, asked all Agency employees to report any past or existing illegal activities.  
15 The result was a report of possible CIA violations or possible violations of laws or  
16 directives. Known as the “Family Jewels,” the report revealed that the CIA had carried  
17 out dozens of illegal activities, including wiretapping, break-ins, mail openings, spying  
18 on Americans, and drug experiments.  
19 Journalist Seymour Hersh’s *New York Times* headliner article on December 24, 1974,  
20 “CIA Involved in Domestic Spying” caused a public outcry. Based, in part, on leaks  
21 about the “Family Jewels,” Hersh claimed the CIA was deeply involved in spying on  
22 American citizens. His charges stunned the White House and Congress. His expose  
23 touched off several investigations of the CIA and the U.S. intelligence community. For  
24 the first time in CIA’s history, the Agency faced hostile Congressional committees bent  
25 on the exposure of abuses by the intelligence community and on major reforms. There  
26 would be no blind support or consensus about intelligence activities. The old  
27 Congressional seniority system and its leadership began to give way. The CIA became a  
28 focal point in the ongoing battle between Congress and the executive branch over foreign  
29 policy issues and the “imperial presidency.”  
30 Within the Ford Administration, National Security Adviser, Henry Kissinger, noted that  
31 Hersh’s article had the effect of “a burning match in a gasoline depot.”<sup>1168</sup> Kissinger  
32 wanted to narrowly limit any investigation. On Christmas day President Ford issued  
33 Executive Order 11828 establishing an investigative commission and restricting its scope.  
34 The Commission’s mandate included only CIA activities within the United States.

35  
36  
37  
38  

---

<sup>1167</sup>The Commission included members of Congress as well as distinguished citizens appointed by the White House. The Commission’s members were Robert D. Murphy, chairman, David M. Absire, Anne Armstrong, Rep. William Broomfield, William Casey, Mrs. Charles E. Engelhard, Jr., Rep. Peter Frelinghuysen, Arend D. Lubbers, Rep. William S. Wagner, Sen. Mike Mansfield, Frank C.P. McGlenn, Sen. James B. Pearson, Vice President Nelson Rockefeller, Stanley P. Wagner, and Rep. Clement J. Zablocki. *Commission on the Organization of the Government for the Conduct of Foreign Policy*, (Washington, DC: Government Printing Office, June 1975).

<sup>1168</sup> John Prados, *Lost Crusader, The Secret Wars of CIA Director William Colby* (Oxford University Press, 2003), p. 295.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**Investigation of Intelligence Community Abuses**

**Rockefeller Commission**

President Gerald Ford established the Commission on CIA Activities Within the United States, chaired by Vice President Nelson Rockefeller (The Rockefeller Commission) on 4 January 1975 in response to Hersh's revelations of illegal CIA activities. It found that the CIA had indeed been involved in several illegal activities including drug testing, mail opening, and domestic spying on anti-war groups and civil rights activities. The Commission found that "the vast majority of the CIA's domestic activities comply with its statutory authority." It concluded that the CIA had no involvement in President Kennedy's assassination

It also found that PFIAB did not exert control over the CIA. In fact, the CIA itself was the board's only source of information about CIA activities.<sup>1169</sup> Under pressure from Kissinger and the White House, the Rockefeller Commission dropped its study of assassination attempts.<sup>1170</sup> Looking to the future, the Rockefeller Commission called for a joint congressional oversight committee and stronger executive oversight. It recommended two new deputies for the CIA, one for management and one to advise the DCI on military matters. It further recommended that the DCI serve no more than ten years.

While the Rockefeller Commission was investigating the intelligence community, Congress, not satisfied with an executive branch commission, set up its own investigative committees and attempted to reassert or strengthen its oversight responsibilities for U.S. intelligence. Under increasing pressure for major reforms and greater Congressional oversight, Congress acted.

**Church Committee**

On 27 January 1975 the U.S. Senate created its own investigative body to look into CIA domestic activities, covert action operations, abuses by the FBI and U.S. military regarding domestic spying and illegal interceptions of U.S. citizens' conversations by the NSA. For the first time Congress had access to CIA and U.S. intelligence agencies records. The Committee uncovered a number of CIA illegal activities. Under the leadership of the young Senator of Idaho, Frank Church, the committee focused its attention on possible intelligence abuses and covert action activities. With regard to covert action, the Committee stated,

The Committee was struck by the basic tension-if not incompatibility- of covert operations and the demands of a constitutional system. Secrecy is essential to covert operations; secrecy can, however, become a source of power, a barrier to

<sup>1169</sup> *Report to the President by the Commission on CIA Activities Within the United States* (The Rockefeller Commission), p. 299. See also Stephen Flanagan, "Managing the Intelligence Community," *International Security* 10, no. 1 (1985), p. 70.

<sup>1170</sup> Prados, *Colby*, p. 302.

1 serious policy debate within the government, and a means of circumventing the  
2 established checks and procedures of government. The Committee found that  
3 secrecy and compartmentation contributed to a temptation on the part of the  
4 Executive to resort to covert operations in order to avoid bureaucratic,  
5 Congressional, and public debate.”  
6

7 Nevertheless, the Committee did not recommend doing away with all covert operations.  
8 While it considered “proposing a total ban on all forms of covert action” it concluded that  
9 the United States needed to retain such a capability “to react to extraordinary threats  
10 through covert means.”

11 The Committee also documented several of these illegal activities:

12  
13 **CIA Mail Opening Programs**  
14

15 According to the Church Committee investigation, the CIA conducted four mail opening  
16 programs within the United States. The stated purpose of the mail opening programs was  
17 to obtain useful foreign intelligence and counterintelligence information. Despite the  
18 stated purpose, numerous domestic dissidents, including anti-war and civil rights activists  
19 were targeted. All of the programs were illegal and an invasion of the privacy of  
20 American citizens.  
21

22 **HTLINGUAL**  
23

24 HTLINGUAL was the CIA’s mail intercept project run out of New York City by the  
25 Agency’s Counterintelligence staff. It operated for over twenty years, more than 215,000  
26 letters to and from the Soviet Union were opened and photographed by CIA officers.  
27 Nearly 57,000 were also disseminated to the FBI once it learned of the program.<sup>1171</sup> The  
28 project originated in the spring of 1952 to scan exteriors of all letters to the Soviet Union.  
29 In November 1955 James Angleton, Chief of Counterintelligence proposed that the  
30 program be expanded and include the opening of the mail. The CIA informed Arthur E.  
31 Summerfield, the Post Master General during the Eisenhower administration, of the mail  
32 opening project in 1954 and he assented to the photographing of the mail by the CIA.  
33 Summerfield was not informed, however, nor did he approve of the actual opening of  
34 mail by the Agency. The FBI became aware of this CIA operation and began to levy  
35 requirements on the CIA concerning the product. The FBI’s collaboration effort, known  
36 as “Project Hunter” tasked the CIA for information on peace organizations, anti-war  
37 protestors, black activist leaders, and women’s groups. The joint effort continued until  
38 1973 when DCI Colby terminated it because he believed it was producing very little in  
39 the way of useful information.

40 The CIA also conducted (b)(1), (b) other domestic mail opening projects; in San Francisco  
41 from 1969-1971, in New Orleans in 1957, (b)(1), (b)(3)  
42

CIA

<sup>1171</sup> Church Committee, *Final Report, Intelligence Activities and Rights of Americans*, p. 300. Known as HTLINGUAL by the Counterintelligence staff, the mail opening program had the codename SRPOINTER by the CIA Office of Security. Most mail between the United States and the Soviet Union passed through the Port of New York.

CIA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

**WESTPOINTER** (b)(1), (b)(3)

The San Francisco mail intercept project known as WESTPPONTER by the office of Security (b)(1), (b)(3) by the Directorate of Plans involved the examination of the exterior of letters and opening and reading the content of the mail from East Asian countries, primarily China. The CIA desired to know the extent of mail censorship and possible recruitment opportunities. It was terminated because of the "risk factor" or "flap potential."

**Project** (b)(1), (b)(3)

The CIA established Project (b)(1), (b)(3) in New Orleans for two and one-half weeks during 1957. The project involved the screening and opening of first class international mail transiting New Orleans enroute to or from Latin America. The project was a joint (b)(1), (b)(3)

According to the CIA, (b)(1), (b)(3) produced no useful intelligence information and was terminated.<sup>1172</sup>

(b)(1), (b)(3)

(b)(1), (b)(3)

however, it involved cooperation with (b)(1), (b)(3)

When the CIA officer was transferred (b)(1), (b)(3) the project ceased.

**FBI Mail Opening Programs**

The FBI, like the CIA, conducted several mail opening programs of its own within the United States. The FBI initially directed such programs against the Axis powers immediately before and during the Second World War. During the 1950s and the 1960s these programs were directed toward communist activities within the United States. The FBI programs were, in the main, narrowly focused on the detection and identification of foreign illegal agents rather than the collection of foreign intelligence. The FBI programs were in some respects even more intrusive than the CIA's. Often they involved the interception and opening of entirely domestic mail, that is, mail sent from one point within the United States to another point within the United States.

<sup>1172</sup> No formal termination of the project was recorded or found by the Church Committee.

FBI

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

**Domestic Spying**

**MHCHAOS**

Under President's Johnson and Nixon, the CIA launched a massive domestic surveillance program, code-named Operation MHCHAOS. The Agency initiated this program in response to pressure from the Johnson administration in 1967 to find evidence that the anti-Vietnam War protesters and the civil rights movement were being financed by the Soviet Union, China, and/or Cuba. Run by the CIA's Counterintelligence Division, CHAOS failed to develop any links between the protesters and foreign espionage efforts. DCI Helms, informed President Johnson on 15 November that the Agency had uncovered "no evidence of any contact between the most prominent peace movement leaders and foreign embassies in the U.S. or abroad." Helms concluded that the movements were indigenous and their activities determined by their members opposition to the administration's foreign and domestic policies. Helms repeated this evaluation to President Nixon in 1969. Despite the CIA assessment, both Presidents remained unconvinced. The CIA was not trying hard enough. Reacting to White House requests,

<sup>1173</sup> Church Committee, *Final Report, Intelligence Activities and the Rights of Americans*, p. 357-372.

CIA

1 the CIA beefed up its attempts to find a link between the protesters and communist  
2 influence in the movement.<sup>1174</sup> Only in 1973 did DCI William Colby stop the program.

3  
4 **Drug Programs**

5  
6 (b)(1), (b)(3)

7  
8 During the 1950s and 1960s the CIA initiated a number of programs to develop a  
9 chemical and biological warfare capacity. To aid its clandestine operational requirement,  
10 the CIA stockpiled several incapacitating and lethal materials. Under this program the  
11 CIA's Technical Services Division maintained, in operational readiness, special and  
12 unique items for the dissemination of biological and chemical materials. It also tested  
13 and evaluated these substances. In 1952 CIA asked the Special Operations Division

14  
15  
16 (SOD) of the U.S. Army to assist in developing, testing, and maintaining these biological  
17 and chemical agents and delivery systems. Together, the CIA and SOD developed darts  
18 coated with biological agents and lethal pills. They also developed a special dart gun to  
19 incapacitate guard dogs, allowing CIA assets to enter and leave a building undetected. In  
20 addition, the CIA and SOD studied the use of biological agents against crops and  
21 animals. On 25 November 1969, President Nixon renounced the use of any form of  
22 biological weapons that could kill or incapacitate. The President also ordered the  
23 disposal of existing stockpiles of biological weapons. In response the CIA discontinued  
24 Project (b)(1), (b)(3).<sup>1175</sup>

25  
26 **MKULTRA**

27  
28 Another CIA drug program, MKULTRA, sought chemical, biological, and radiological  
29 materials which could control human behavior. As early as 1947, the CIA began  
30 experimentations with different types of mind-altering chemicals and drugs. One Project  
31 CHATTER, involved the testing of "truth drugs" for interrogation and agent evaluations.  
32 The research included laboratory experiments on mice as well as human volunteers. The  
33 researchers looked at scopolamine, mescaline, and Anabasis aphylla. With the outbreak  
34 of the Korean War the project expanded. Given reports that the Soviet Union, the  
35 People's Republic of China, and North Korea were using chemical and biological agents  
36 in interrogations of POWs, DCI Allen Dulles instructed the CIA's Scientific Division,  
37 headed by Dr. Sidney Gottlieb, to launch yet another drug program, Project MKULTRA.  
38 The project soon took on offensive capabilities as well as defensive ones against certain  
39 drugs. Accord to a CIA memorandum given to the Church Committee,

40  
41 The purpose of MKULTRA was to develop a capability in the covert use of  
42 biological and chemical materials... Aside from the offensive potential, the

<sup>1174</sup> Athan Theoharis, "A New Agency: The Origins and Expansion of CIA Covert Operations," in Athan Theoharis, Richard Immerman, Loch Johnson, Kathryn Olmsted, and John Prados, eds., *The Central Intelligence Agency, Security Under Scrutiny* (Westport, Connecticut, Greenwood Press, 2006), p. 175.

<sup>1175</sup> Church Committee. The CIA retained a small quantity of a deadly shellfish toxin until 1975.



1 development of a comprehensive capability in this field of covert chemical and  
2 biological warfare gives us a thorough knowledge of the enemy's theoretical  
3 potential, thus enabling us to defend ourselves against a foe who might not be as  
4 restrained in the use of these techniques as we are.<sup>1176</sup>

5  
6 **MKULTRA** also involved testing the hallucinogenic drug LSD on human subjects. CIA  
7 officials administered LSD to numerous subjects, both witting and unwitting. One of the  
8 tragic results of this program was the death of Dr. Frank Olson. A biological warfare  
9 specialist for the U.S. Army, Olson was give LSD unwitting by a CIA officer as part of an  
10 experiment conducted by Gottlieb. Shortly thereafter, Olson exhibited symptoms of  
11 paranoia and schizophrenia. The CIA took him to New York for treatment. While in  
12 New York, Olson fell to his death from a hotel window while receiving treatment.

13  
14 In January 1973 DCI Helms ordered the destruction of all **MKULTA** documentation.<sup>1177</sup>

15  
16 **BLUEBIRD and ARTICOKE**

17  
18 Another drug program initiated in the early 1950s was Project **BLUEBIRD**. The program  
19 aimed to protect agents in the field from special interrogation techniques, especially the  
20 use of drugs. **BLUEBIRD** was renamed **ARTICOKE** in August 1951 and came to  
21 include experiments involving numerous interrogation techniques. The CIA conducted  
22 "in-house experiments under medical and security controls to ensure that no damage was  
23 done to the individuals who volunteered for the experiments." Conducted by the Office  
24 of Security and the Office of Medical services these experiments continued into the  
25 1960s.

26  
27 **COINTELPRO**

28  
29 **COINTELPRO** is the FBI acronym for a series of covert action programs directed against  
30 domestic groups. In these programs, the Bureau went beyond the collection of  
31 intelligence to secret action designed to "disrupt" and "neutralize" these targeted groups  
32 and individuals. From 1956 to 1971 when it ended, the FBI conducted operations which  
33 violated U.S. citizens First Amendment rights of free speech and association, in an effort  
34 to protect U.S. national security interests. These operations were clearly illegal in a  
35 democratic society. The Bureau justified them as part of its duty to do whatever was  
36 necessary to combat perceived threats to the social and political order. The Bureau's  
37 **COINTELPRO** program was aimed at five perceived threats. In 1956, the FBI  
38 developed the initial **COINTELPRO** operations, which it used to disrupt and discredit  
39 Communist Party activities in the United States.<sup>1178</sup> When the Supreme Court drastically  
40 curtailed the Smith Act which allowed the FBI to prosecute communist party members,  
41 the Bureau developed the program to counter what it believed to be a major threat to U.S.  
42 national security. As the chief of the **COINTELPRO** unit explained:

<sup>1176</sup> Church Committee Hearings

<sup>1177</sup> Church Committee Report, pp. 403-404.

<sup>1178</sup> **COINTELPRO** stands for Counterintelligence Program. There is a more detailed discussion of this program in Chapter on Counterintelligence.

1  
2 We were first to develop intelligence so we would know what they were doing  
3 [and] second, to contain the threat....To stop the spread of communism, to stop  
4 the effectiveness of the Communist Party as a vehicle of Soviet intelligence,  
5 propaganda and agitation.<sup>1179</sup>  
6

7 The CPUSA program targeted not only party members but also sponsors of the National  
8 Committee to Abolish the House Un-American Activities Committee, civil rights leaders  
9 allegedly under Communist influence, and people who were simply not "anti-  
10 communist." According to the Church Committee report, the FBI program led to  
11 massive collection of information on law abiding citizens. The program extended beyond  
12 known or suspected Communist Party members. The Bureau included, for example,  
13 individuals who regarded the Soviet Union as the "champion of a superior way of life,"  
14 and persons who shown sympathy for communist objectives and politics. By 1960, the  
15 FBI had opened approximately 432,000 files on individuals and groups regarded as  
16 "subversive." In the 1960s the program was increasingly widened to other targets,  
17 especially domestic dissenters. In March 1960, the Bureau expanded the COINTELPRO  
18 program to "fellow travelers." In 1961 it included the Socialist Workers Party. Although  
19 the SWP had contacts with foreign Trotskyite groups, there was no evidence that the  
20 SWP was involved in espionage. It ran candidates in elections, supported "such causes as  
21 Castro's Cuba and integration in the South," did not advocate the violent overthrow of  
22 the U.S. government, nor operate outside the law. While the Bureau admitted that the  
23 SWP were "home grown tomatoes," it targeted the SWP because it followed the  
24 revolutionary principles of Marx, Lenin, and Engles, as interpreted by Leon Trotsky. In  
25 1964, under pressure from the Johnson White House and Attorney General Robert  
26 Kennedy, the Bureau added The Klan COINTELPRO aimed at Klan-type and white hate  
27 groups. The objective was "to expose, disrupt, and otherwise neutralize the activities of  
28 the various Kans and hate organizations, their leadership and adherents." The long hot  
29 summer of 1967 with riots in Detroit and Washington produced the Black Nationalist  
30 Hate Groups COINTELPRO. The stated goals for the program were:  
31

- 32 (6) To prevent the "coalition of militant black nationalists groups," which might be  
33 the first step toward a real "Mau Mau" in America;  
34 (7) To prevent the rise of a "messiah" who could "unify, and electrify," the  
35 movement, naming specially Martin Luther King, Stokely Carmichael, and Elijah  
36 Muhammed;  
37 (8) To prevent violence on the part of black nationalist groups, by pinpointing  
38 "potential troublemakers" and neutralizing them "before they exercise their  
39 potential for violence;"  
40 (9) To prevent groups and leaders from gaining "respectability" by discrediting them  
41 to the "responsible" Negro community, to the white community (both the  
42 responsible community and the "liberals," and to Negro radicals; and

---

<sup>1179</sup> U.S. Senate, Select Committee to Study Governmental Operations with respect to Intelligence Activities, *Final Report, Supplementary Detailed Staff Reports on Intelligence Activities and the Rights of Americans*, Book II (Washington, DC: GPO, 1976) , p. 3.

1 (10) To prevent the long range growth of these organizations, especially among  
2 youth, by developing specific tactics to "prevent these groups from recruiting  
3 young people."<sup>1180</sup>

4 In late 1968 the Bureau added the Black Panther Party to the program ordering its field  
5 offices to submit "imaginative and hard-hitting" proposals to cripple the BPP. On 28  
6 October 1968 the Bureau added the final CONINTELPRO The New Left. For the  
7 Bureau, the unrest of college campuses an anti-war protest movement were of grave  
8 concern:

9  
10 Our nation is undergoing an era of disruption and violence caused to a large  
11 extent by various individuals generally connected with the New Left. Some of  
12 these activists urge revolution in America and call for the defeat of the United  
13 States in Vietnam. They continually and falsely allege police brutality and do not  
14 hesitate to utilize unlawful acts to further their so-called causes. Moreover, the  
15 New Left has on many occasions viciously and scurrilously attacked the Director  
16 and the Bureau in an attempt to hamper our investigation of it and to drive us off  
17 the college campuses.<sup>1181</sup>

18  
19 FBI agents were to prevent targeted individuals from public speaking or teaching and  
20 provide "misinformation to confuse demonstrators.

21 In all, the CONINTELPRO took in a staggering range of targets, from the violent  
22 elements of the Black Panther Party to Martin Luther King, to the Ku Klux Klan to the  
23 Weathermen, to the Southern Christian Leadership Conference. The Bureau adopted  
24 extralegal methods to counter these perceived threats to national security and public order  
25 because it believed the ordinary legal processes were insufficient to do the job. In  
26 essence, the Church Committee concluded, the Bureau secretly took the law into its own  
27 hands by conducting a sophisticated vigilante operation against U.S. citizens. It went  
28 beyond the collection of counterintelligence information and beyond its law enforcement  
29 function to act outside the legal process altogether and to covertly disrupt, discredit, and  
30 harass domestic groups and individuals. Such programs had no place in a democracy.<sup>1182</sup>

31  
32 **Huston Plan**

33  
34 In 1970, pressures from the Nixon White House and from within the intelligence  
35 community led to the formulation of a plan for better coordination and expansion of  
36 domestic security activities. The spring invasion of Cambodia brought major  
37 demonstrations and student "strikes" on college campuses, including the Kent State  
38 incident in which four students were killed by the National Guard. In response, H.R.  
39 Haldeman, Nixon's Chief of Staff, ordered staff assistant Tom Charles Huston to develop  
40 a plan to provide for expanded domestic intelligence collection and to authorize illegal  
41 intelligence techniques. The Nixon White House was convinced that the demonstrations  
42 and unrest had foreign influence and financing. Huston, in turn, arranged a meeting  
43 between President Nixon and the directors of the FBI, CIA, NSA, and DIA on 5 June

<sup>1180</sup> Ibid., pp. 14-15.

<sup>1181</sup> Quoted in Senate Staff Report, p. 16.

<sup>1182</sup> See Church Committee, *Final Report*, p. 150.

1 1970. This became known as the Interagency Committee on Intelligence (Ad Hoc). The  
2 President stressed at the meeting that he wanted improved coordination among the  
3 agencies and better capabilities to collect intelligence about "revolutionary activism" and  
4 the connection between these groups and foreign powers.<sup>1183</sup> Following the meeting,  
5 members from the intelligence agencies produced a Special Report which presented the  
6 President with several options and recommendations for improving domestic intelligence.  
7 Huston recommended that the President approve the following:

- 8
- 9 (8) "coverage by NSA of the communications of U.S. citizens using international
- 10 facilities;"
- 11 (9) "Intensification of electronic surveillances and penetrations" directed at
- 12 individuals and groups "who pose a major threat to the internal security" and
- 13 foreign nationals in the United States of interest to the intelligence
- 14 community;
- 15 (10) Removal of restrictions on "legal" mail coverage and relaxation of
- 16 "restrictions on covert coverage [mail opening] on "selected targets of priority
- 17 foreign intelligence and internal security interests;"
- 18 (11) Modification of present restrictions on "surreptitious entry" to allow
- 19 procurement of vitally needed foreign cryptographic materials and to permit
- 20 "selective use" against high priority internal security targets;"
- 21 (12) Relaxation of present restrictions on the development of campus sources
- 22 to permit "expanded coverage of violence-prone and student-related groups;"
- 23 (13) Increased coverage by CIA of American students (and others) traveling or
- 24 living abroad;
- 25 (14) Appointment of a "permanent committee consisting of the FBI, CIA,
- 26 NSA, DIA, and the military counterintelligence agencies to evaluate domestic
- 27 intelligence and to carry out the other objectives specified in the report.<sup>1184</sup>
- 28

29 Huston advised the intelligence agencies the next week that Nixon had approved all the  
30 recommendations. With Presidential authority, the intelligence community could now  
31 intercept international communications of Americans, eavesdrop electronically on anyone  
32 deemed a "threat to the internal security," read the mail of U.S. citizens, break into the  
33 homes of anyone regarded as a security threat, and monitor the activities of student  
34 political groups at home and aboard. There is no indication in the record that the  
35 President was informed that NSA was already covering international communications of  
36 Americans and had been doing so since 1967 or that the CIA was opening the mail of  
37 Americans. What the Huston Plan did was to supply Presidential authority for such  
38 operations, previously undertaken in secret without authorization from the President. It  
39 also gave the FBI "Presidential authority" to resume (b) (7)(E)<sup>1185</sup>

FBI

<sup>1183</sup> The CIA and Defense Department were increasingly concerned with FBI Director J. Edgar Hoover's restrictions on their performance of foreign intelligence functions in the United States. Hoover, for example, in a "flap" with the CIA over the CIA's refusal to share certain information with the FBI, cut off all contact with the Agency and eliminated the FBI "liaison agent" at CIA headquarters. Church Committee, *Intelligence Activities and the Rights of Americans*, p. 83.

<sup>1184</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 84.

<sup>1185</sup> *Ibid.*, p. 85. (b) (7)(E)  
Hoover had suspended such activities in 1966.

1 FBI Director Hoover wanted more. He wanted specific approval from the Attorney  
2 General and the President before he would undertake such activities. Hoover took up the  
3 issue with Attorney General John Mitchell, who had not known of the plans to expand  
4 domestic intelligence. Hoover stated that he would implement the plan, but only with the  
5 explicit approval of the Attorney General or the President. Mitchell unhappy about the  
6 entire plan and the fact that he had been excluded, advised the President to withdraw his  
7 approval. Nixon did. Despite the President's withdrawal of approval for the Huston  
8 Plan, it did not, in fact, result in the termination of either the NSA program or the CIA  
9 mail-opening program. They continued until 1973.<sup>1186</sup>

### 11 NSA Intercept Programs

13 The Church Committee investigated three NSA intercept programs; MINARET, a "watch  
14 list" containing the names of American citizens; Operation SHAMROCK, whereby the  
15 NSA received copies of millions of telegrams leaving or transiting the United States, and  
16 the monitoring of certain telephone links between the United States and South America.

### 18 MINARET

20 In the early 1960s the NSA began intercepting and disseminating international  
21 communications of selected American citizens and groups on requests from other  
22 government agencies. These agencies supplied NSA with names, groups and  
23 organizations. In 1967, under increased pressure from the White House and other  
24 intelligence organizations to collect intelligence on civil disturbances and peace  
25 demonstrations, NSA responded by expanding its watch list program. These lists came to  
26 include names of individuals, groups, and organizations involved in the Vietnam War  
27 protest movement and civil rights demonstrations. The concept was an attempt to find  
28 the "foreign influence" in these movements. In 1969, NSA formalized the watch list  
29 program under the codename MINARET. The program now applied not only to alleged  
30 foreign influence on domestic dissent, but also to American groups and individuals  
31 whose activities "may result in civil disturbances or otherwise subvert the national  
32 security of the U.S." NSA Director General Lew Allen suspended the dissemination of  
33 messages under the program in late 1973 when Attorney General Elliot Richardson  
34 concluded that the watch lists were of "questionable legality."<sup>1187</sup>

### 36 SHAMROCK

38 SHAMROCK was the codename for a program run by the NSA in which the NSA  
39 received copies of most international telegrams leaving the United States between August  
40 1945 and May 1975. During World War II, under the wartime censorship laws, all  
41 international message traffic was provided to military censors for review. Pertinent  
42 foreign messages were turned over to military intelligence. With the end of the war this  
43 practice ended. In August 1945, however, the Army sought to continue the program with

<sup>1186</sup> Mitchell created the Intelligence Evaluation Committee (IEC) within the Justice Department to consider expanding the authorities of NSA, CIA, FBI, and the military counterintelligence.

<sup>1187</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, pp. 388-389.

1 regard to foreign traffic. The Army Signals Security Agency controlled the collection  
2 program until 1949 when the Armed Forces security Agency took over the program. The  
3 NSA inherited the program in 1952 with its creation. Obtaining the international  
4 telegrams of American citizens by NSA and its predecessors was a violation of Section  
5 605 of the Communications Act of 1934 which stated:

6 No person receiving, assisting in receiving, transmitting, or assisting in  
7 transmitting, any interstate or foreign communication by wire or radio shall  
8 divulge or publish the existence, contents, substance, purport, effect, or meaning  
9 thereof....<sup>1188</sup>  
10

11 All three international telegraph companies, RCA Global, ITT World Communications,  
12 and Western Union International participated in the program although they questioned its  
13 legally. SHAMROCK, according to the Church Committee, was probably the largest  
14 government interception program effecting Americans ever undertaken. While no total  
15 numbers are available, NSA estimated that during the last to or three years of its  
16 existence, 1972-1975 over 150,000 telegrams per month were analyzed by NSA. It  
17 should be noted that all the message traffic that the companies provided was international  
18 in nature. None of the companies engaged in domestic communications and there was no  
19 evidence that NSA ever received domestic telegrams from any source.<sup>1189</sup>  
20 Secretary of Defense James Schlesinger terminated Operation SHAMROCK on 15 May  
21 1975. NSA claimed the program was terminated because it no longer provided valuable  
22 foreign intelligence information and the risk of its exposure was too great.  
23

#### 24 **South America**

25

26 From 1970 to 1973, at the request of the Bureau of Narcotics and Dangerous Drugs, NSA  
27 also monitored selected telephone circuits between the United States and certain  
28 countries in Latin America to obtain information relating to drug trafficking. The BNDD  
29 believed that drug deals were being arranged by calls to South America from public  
30 telephone booths in New York City. The BNDD determined that it did not have the right  
31 to tap public telephones. It enlisted the help of NSA. The NSA had access to  
32 international calls placed from, or received in cities all over the United States that were  
33 switched to New York. In addition, the BNDD gave the NSA the names of 450  
34 Americans for a "drug watch list." The NSA terminated this activity in June 1973.<sup>1190</sup>  
35

#### 36 **Assassinations**

37

38 President Ford complicated the already delicate issue of intelligence abuses by hinting of  
39 CIA involvement in assassination attempts against foreign leaders. Just as the Church  
40 investigations seemed to be wending down, President Ford himself rekindle the probe  
41 when, at a luncheon for editors and columnists he let escape that there might be much  
42 bigger secrets involving the CIA such as assassination attempts. Ford's bombshell was

---

<sup>1188</sup> As quoted in Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 408.

<sup>1189</sup> *Ibid.*, p. 416.

<sup>1190</sup> Church Committee Report, *Intelligence Activities and the Rights of Americans*, p. 390.

1 quickly in the media as journalist Daniel Scorr broadcast the President's remarks that  
2 evening despite President Ford' plea that his remarks were off the record.

3  
4 The Church Committee began to look into allegations of CIA involvement in  
5 assassination plots. The evidence uncovered by the Church Committee implicated the  
6 CIA in several assassinations plots. It detailed CIA attempts to kill Fidel Castro, Patrice  
7 Lumumba, and Rafael Trujillo.<sup>1191</sup> Despite much research, the Committee could never  
8 pin down the authorizing authority for these attempts although clearly President's  
9 Eisenhower and Kennedy seemed involved. As Senator Walter Mondale (D-MN)  
10 remarked during the Church Committee inquiry, pinning down responsibility for covert  
11 action was "like nailing jello to a wall."<sup>1192</sup>

### 12 13 **Executive Action**

14  
15 In addition to assassination attempts of foreign leaders, the Committee discovered that  
16 the CIA in the late 1950s and early 1960s developed an "Executive Action" capability to  
17 assassinate foreign leaders. Richard Bissell in 1961 directed William Harvey, Chief of  
18 the CIA's Foreign Intelligence Staff the CIA, to established an "executive action  
19 capability" which included the assassination of foreign leaders. The project was given  
20 the code name ZR/RIFLE. According to Bissell, It covered "a wide spectrum of actions  
21 to eliminate the effectiveness of foreign leaders." Harvey did recruit a single asset  
22 QJ/WIN to spot individuals with criminal and underworld connections in Europe for  
23 "possible multi-purpose use," but ZR/RILFE was never used.<sup>1193</sup>

### 24 25 **Fidel Castro**

26  
27 When Castro took power in Cuba in January 1959, the Eisenhower administration made it  
28 a top priority to remove him. Early cover operation planning including assassinating  
29 Castro. The CIA advocated the "elimination of Fidel Castro" as early as December 1959  
30 and the matter was taken up by the Special Group in early 1960 which suggested the  
31 assassination of Castro, his brother Raul, and Che Guevara. On 16 August 1960 the  
32 CIA's Office of Medical Services treated a box of Castro's favorite cigars with a  
33 botulinum toxin that would cause death if placed on the lips. The cigars were passed to  
34 a CIA operative but there is no record of what became of them.  
35 After the failure of the Bay of Pigs, President Kennedy wanted more than ever to dispose  
36 of Castro. According to CIA Deputy-Director Ray Cline, The Kennedy's had "an  
37 obsession with Cuba" and it was widely believed that the Kennedy administration would  
38 view the assassination of Castro "as not much different in the benefits that would have  
39 accrued from the assassination of Hitler in 1944." The CIA devised numerous strategies

<sup>1191</sup> The Committee also examined the killing of General Rene Schneider of Chile, and South Vietnam President Ngo Dinh Diem but found no direct connection between the CIA and their deaths. The Church Committee missed assassination planning of Guatemalan President Jacobo Arbez and his cabinet in the Operation PBSUCCESS. This section is based primarily on Church Committee, *Alleged Assassination Plots Involving Foreign Leaders*.

<sup>1192</sup> See Loch K. Johnson, "Covert Action and Accountability: Decision-Making for America's Secret Foreign Policy," in Johnson and Wirtz, ed., *Strategic Intelligence*, p. 421.

<sup>1193</sup> Church Committee, *Assassination Plots*, pp. 181-190.

1 to carry out the assassination of Castro. These included developing highly poison pills to  
2 be placed in Castro's food or favorite drink; contaminating a wet suit with a fungus that  
3 would cause a chronic skin disease; constructing an exotic seashell that could be placed  
4 in reefs where Castro went diving ( the shell could be detonated by remote control; and  
5 providing a CIA asset with a poison pen that contained a hypodermic needle filled with  
6 the deadly poison Blackleaf 40. The CIA also attempted to use the Mafia to murder  
7 Castro. Since the Mafia still operated the casinos in Havana, the CIA made contact with  
8 Mafia figures such as John Rosselli, Santos Trafficante, and Sam Giancana to carry out  
9 the "disposal of Castro." The Mafia offered anyone \$150,000 to kill Castro and sought  
10 island residents close enough to Castro to poison him. None of the plans worked. The  
11 CIA also recruited a highly placed Cuban official AM/LASH to "execute" Castro. When  
12 AM/LASH objected to the term, the CIA changed it to "eliminate." As AM/LASH  
13 became more and more insistent that Castro's assassination was necessary to participate a  
14 revolution in Cuba, the CIA passed him weapons with silencers and put him in touch with  
15 the leader of an anti-Castro group in Cuba, B-1. Assassination efforts involving  
16 AM/LASH continued until 1965.<sup>1194</sup> Castro warned the Kennedy brothers that he could  
17 play this game as well.<sup>1195</sup>

#### 19 **Patrice Lumumba**

21 In late 1960, the Eisenhower administration viewed with increasing concern the role of  
22 Patrice Lumumba in the Congo. U.S. policymakers believed Lumumba, with his  
23 charismatic personality and magnetic public appeal, would lead all of Africa into the  
24 Soviet camp. When the Congo declared its independence from Belgium on 30 June  
25 1960, Lumumba' serving as Foreign Minister, threatened to invite Soviet troops in to  
26 hasten the withdrawal of Belgium forces. Lumumba visited Washington in late July  
27 1960, but the visit did not go well. Secretary of State Christian Herter and Undersecretary  
28 of Sate C. Douglas Dillion, found Lumumba "messianic and not rational." After his visit  
29 to Washington, Soviet equipment began to arrive in the Congo. In July, the UN  
30 dispatched troops to the Congo to preserve order. By September Lumumba had lost a  
31 power struggle with President Joseph Kasavibu and Joseph Mobuto, Chief of Staff of the  
32 Congolese armed forces and sought protection with UN forces in Leopoldville. Even  
33 with Lumumba out of power , Eisenhower's Special Group considered ways of "getting  
34 rid of Lumumba." Administration officials continued to view him as a major threat. The  
35 removal of Lumumba by any means, including assassination, became a priority. As early  
36 as the summer of 1960 Richard Bissell, DDP, asked the Chief of the African Division,  
37 Bronson Tweedy, to explore the feasibility of assassinating Lumumba. Bissell believed  
38 he had been authorized to pursue assassination by the President. Bissell also asked CIA  
39 scientist, Joseph Scheider, to prepare lethal toxins to be taken to the CIA station in  
40 Leopoldville. In late September, Scheider deliver the lethal substances to the station. The

<sup>1194</sup> According to the Church Committee, there was no evidence that the CIA attempted to kill Castro during the Johnson administration. In 1966 DCI Helms sent a memorandum to Dean Rusk, Secretary of State, reporting the CIA's relationship with AM/LASH. Helms stated that the CIA's contact with AM/LASH was for "the express purpose" of intelligence collection. He further claimed, "The Agency was not involved with[AM/LASH] in a plot to assassinate Fidel Castro ...nor did it ever encourage him to attempt such an act." Church Committee Report, *Assassinations*, p. 178.

<sup>1195</sup> Church Committee Report, *Assassinations*.



1 plan was to place the toxin in Lumumba's food. It never took place. When Bissell asked  
 2 CIA officer Michael Mulroney, to carry out the assassination, Mulroney refused.  
 3 According to Mulroney, when he raised the question whether Bissell had considered "that  
 4 conspiracy to commit murder being done in the District of Columbia might be in  
 5 violation of federal law", Bissell, "airily dismissed" the concept. Although he refused to  
 6 be a part of any assassination planning regarding Lumumba, Mulroney agreed to go to  
 7 the Congo to help facilitate "neutralizing Lumumba as a political factor." Shortly after  
 8 Mulroney's arrival in the Congo, he was joined by QJ/WIN, a CIA asset with a criminal  
 9 background and a station operative, WI/ROGUE, to possibly set up an "execution  
 10 squad." Meanwhile, Mulroney planned to draw Lumumba out of UN custody and turn  
 11 him over to Congolese authorities. He had little doubt what the Congolese government  
 12 would do with Lumumba. Events soon overtook CIA planning. Lumumba escaped by  
 13 his own devices only to be captured by Mobutu's troops. On 17 January 1961, Mobutu's  
 14 men placed Lumumba and two of his supporters, Maurice Mpolo and Joseph Okito,  
 15 aboard a plane bound for Bakwanga, Bakawanga was know as "the slaughtouse." When  
 16 Congolese authorities leaned that UN troops would be at the Bakwanga airport, they  
 17 diverted the plane in midflight to Elisabethville in Katagana Province, the home of  
 18 Lumumba's most bitter rivals. . The UN Commission reported that the Katanga  
 19 government ordered Lumumba and his assistants killed upon landing in the Province on  
 20 17 January 1961. The Church Committee concluded that the CIA was not involved in the  
 21 events that led to Lumumba's death.

22  
 23 **Rafael Trujillo**

24  
 25 Rafael Trujillo came to power in the Dominican Republic in 1930. He was seen as a  
 26 close supporter and protégé of the United States. His increasingly brutal regime,  
 27 however, led both the Eisenhower and Kennedy administrations to encourage his  
 28 overthrow by Dominican dissidents. Eisenhower and Kennedy feared a Castro-style  
 29 revolution if Trujillo continued in control. U.S. policymakers considered various plans to  
 30 remove Trujillo from power. During the spring of 1960, the U.S. Ambassador to the  
 31 Dominican Republic, Joseph Farland, made initial contact with dissidents on the island  
 32 who asked for sniper rifles. While the State Department and CIA both approved the  
 33 request, the rifles were never sent. In August 1969, the United States broke diplomatic  
 34 relations with Trujillo. The Eisenhower administration recalled the ambassador and  
 35 basically closed down (b)(1), (b)(3) Deputy Chief of Mission, Henry  
 36 Dearborn remained as the communications link with the dissidents. Dearborn also  
 37 became the de facto CIA Chief of Station. This was highly unusual and caused concern  
 38 among high level State officials of State involvement in clandestine activities. (b)(1), (b)(3)  
 39 Dearborn continued to serve as  
 40 a link to the dissidents and used CIA communication channels. It was clearly another  
 41 example of quiet diplomacy by the CIA. Dearborn came to believe that no effort to  
 42 overthrow the Trujillo government could be successful unless in involved Trujillo's  
 43 assassination. He advised both the CIA and the State Department of his views. Again,  
 44 senior State officials raised concerns about using official State channels to discuss such  
 45 sensitive subjects and suggested that Dearborn confine his communications to "the other  
 46 channel." In December 1960, the Special Group approved a broad plan of covert support

CIA

CIA

1 to anti-Trujillo forces. On the last day of the Eisenhower administration, 19 January  
 2 1961, the Special Group approved the supplying of small arms to the dissidents.  
 3 Kennedy administration officials discussed assassination planning with the Dominican  
 4 resistance groups prior to the Bay of Pigs on several occasions and the dissidents  
 5 requested pistols, carbines and explosive devices including fragmentation grenades. High  
 6 level Kennedy administration officials, including the President himself, became aware of  
 7 these plans by February 1961. Dearborn backed these requests for arms with his  
 8 assessment that the Dominican government could not be overthrown without the  
 9 assassination of Trujillo. He asked for three .38 caliber pistols to give to the dissidents.  
 10 After cabling Dearborn that diplomatic pouch regulations prohibited the shipment of  
 11 arms, the CIA, coordinating with State, pouched the pistols and ammunition to the  
 12 Dominion station for "worthy purposes." The Station also provided the dissidents with  
 13 three 30 caliber M1 carbines left behind by the Navy when the U.S. broke relations with  
 14 Trujillo.<sup>1196</sup>

15 By April, perhaps because of the Bay of Pigs planning, Kennedy administration officials  
 16 wanted Dearborn to turn off the assassination attempt. A White House cleared cable to  
 17 Dearborn advised, "...we must not run the risk of U.S. association with political  
 18 assassination, since U.S. as a matter of general policy cannot condone assassination. This  
 19 last principal is overriding and must prevail in doubtful situation." Dearborn responded,  
 20 It was "too late to consider whether United States will initiate overthrow of Trujillo."

21 Late in the evening of 30 May 1961, Trujillo was ambushed and assassinated coming out  
 22 of his mistress house near San Cristobal, Dominican Republic. The assassination closely  
 23 parallel the planning discussed with Dearborn and passed to Washington. Whether the  
 24 dissidents used the small arms provided by the CIA or not is still up for debate. CIA  
 25 headquarters wanted U.S. tracks covered. Immediately after the assassination, Langley  
 26 (b)(1), (b)(3) Dearborn was recalled to  
 27 Washington and the State Department ordered all records concerning contacts with the  
 28 dissidents and any related matters destroyed. The project was described by the CIA as a  
 29 "success" in that it moved the Dominican Republic from a totalitarian dictatorship to a  
 30 Western-style democracy.<sup>1197</sup>

31  
 32 The Church Committee concluded that, short of war, assassination is incompatible with  
 33 American principles, international order, and morality. It should be rejected as a tool of  
 34 U.S. foreign policy.

35  
 36 **Pike Committee**

37  
 38 The investigations of the Pike Committee, headed by Democratic Representative Otis  
 39 Pike of New York, parallel those of the Church Committee.<sup>1198</sup> While the Church  
 40 Committee centered its attention on the more sensational charges of illegal activities of  
 41 the IC, the Pike Committee set about examining the CIA's effectiveness and its cost to

<sup>1196</sup> Church Committee Report, *Assassinations*, pp. 191-215. The dissidents also requested sub machine guns which the CIA pouched to the Dominican station. They were never given to the dissidents however.

<sup>1197</sup> Church Report, *Assassinations*, p. 215.

<sup>1198</sup> Most of this section is based on Gerald K. Haines, 'Looking for the Rogue Elephant: The Pike Committee Investigations and the CIA,' *Studies in Intelligence* (Winter 1998-1999).

1 the American taxpayer. It asked such key questions as How good was U.S. intelligence?  
2 How much did it cost? Was it worth it? It took a detailed look at perceived failures and  
3 successes of the intelligence community.

4 Unfortunately, the committee soon was at odds with the CIA and the White House over  
5 questions of access to documents and the declassification of materials. Relations  
6 between the Agency and the Pike Committee became confrontational. CIA officers came  
7 to detest the committee and its efforts at investigation. According to CIA officer Richard  
8 Lehman, the Pike Committee staffers were "absolutely convinced that they were dealing  
9 with the devil incarnate." For Lehman, the Pike staffers "came in loaded for bear."  
10 Donald Gregg, the CIA officer responsible for coordinating Agency responses to the Pike  
11 Committee, remembered, "The months I spent with the Pike Committee made my tour in  
12 Vietnam seem like a picnic. I would vastly prefer to fight the Viet Cong than deal with a  
13 polemical investigation." An underlying problem was the large gap between CIA  
14 officers trained in the early years of the Cold War and the young staffers Pike hired  
15 reared in the anti-Vietnam and civil rights movements.

16 The White House viewed Pike and his committee as "unscrupulous and roguish."  
17 Kissinger, while appearing to cooperate with the committee, worked hard to undermine  
18 its investigations and to stonewall the release any documents to it. Relations between the  
19 White House and the Pike Committee were even worse than the relations the committee  
20 had with CIA. Pike and his fellow committee members were just as frustrated. Getting  
21 information from the Agency or the White House was "like pulling teeth."  
22

### 23 **Budget**

24  
25 Initially convinced that the entire IC was out of control, Pike focused his committee's  
26 investigations on the cost of U.S. intelligence, its effectiveness, and who controlled it. In  
27 a personal letter to DCI William Colby, Pike told Colby that knowledge of intelligence  
28 expenditures should be open and available to the public. Pike justified his focus on the  
29 budget by citing Article I, Section 9 of the Constitution: "No money shall be drawn from  
30 the Treasury but in consequence of appropriations made by law; and a regular statement  
31 and account of the receipts and expenditures of public money be published from time to  
32 time." Pike then became sarcastic. He wrote:

33  
34 I would assume that a reasonable place to look for the statement of account would  
35 be in the Budget of the United States Government and while it may be there, I  
36 can't find it. I hope that Mr. Lynn [James Lynn, Director of the Office of  
37 Management and Budget] may be able to help me. The Index of the Budget for  
38 fiscal year 1976 under the "C's" moves from Center for Disease Control to  
39 Chamizal Settlement, and to a little old country lawyer, it would seem to me that  
40 between those might be an appropriate place to find the CIA but it is not there.  
41 It's possibly in there somewhere but I submit that it is not there in the manner  
42 which the founding fathers intended and the Constitution requires.<sup>1199</sup>  
43  
44  
45

---

<sup>1199</sup> Quoted in Haines, "Pike Committee," p. 85.

1  
2 DCI Colby testified before the committee in executive session and outlined the  
3 expenditures of the IC in some detail. He stressed that the largest portion of the budget  
4 was justifiably devoted to the Soviet Union and to China. Colby argued that revealing  
5 the total of the CIA budget would do substantial harm to the U.S. intelligence effort. He  
6 told the committee, "To the best of my knowledge, no other intelligence service in the  
7 world publicizes its intelligence budget." Colby argued that releasing budget figures  
8 would not help the American people understand IC programs. CIA officials believed  
9 Colby had effectively countered Pike's arguments. It had not. The final report argued  
10 that "taxpayers and most of Congress did not know and cannot find out how much they  
11 spend on spy activities." It concluded that the foreign intelligence budget was three or  
12 four times larger than Congress had been told; that the money appropriated for the IC was  
13 hidden throughout the entire Federal budget; that the total amount of funds expended on  
14 intelligence was extremely difficult to determine; and that Congressional and executive  
15 scrutiny of the budget ranged between "cursory and nonexistent." The result was  
16 insufficient executive and legislative branch oversight. In addition, the Pike Committee  
17 report found that the DCI, who was nominally in charge of the entire Community budget,  
18 controlled only 15 percent of the total intelligence budget. The Secretary of Defense had  
19 a much greater portion of the intelligence budget than the DCI. The report recommended  
20 full disclosure of the intelligence budget.

21  
22 **Analysis**

23  
24 The budget issue was not the only question raised by the Pike Committee. The  
25 committee also wanted to know just how effective the CIA and U.S. intelligence had  
26 been over the past ten years. This probe also touched off a major confrontation between  
27 the committee, the Agency, and the White House. On 19 September 1975, the Pike  
28 committee formally requested "all CIA estimates, current intelligence reports and  
29 summaries, situation reports, and other pertinent documents" that related to the IC's  
30 ability to predict "the 1973 Mideast War; the 1974 Cyprus crisis; the 1974 coup in  
31 Portugal; the 1974 nuclear explosion in India; the 1968 Tet Offensive in Vietnam; the  
32 1972 declaration of martial law in the Philippines and Korea; and the 1968 soviet  
33 invasion of Czechoslovakia." The committee wanted all of this material by the next  
34 morning. The request outraged CIA officers.  
35 Nevertheless, the Pike Committee began hearings on the 1973 Middle East War on 11  
36 September. The hearings almost immediately degenerated into open warfare over  
37 classification issues. Pike was a firm believer that the classification system was strictly  
38 that of the executive branch and that Congress and his committee had the right to  
39 unilaterally declassify and release information. During the hearing, Pike released part of  
40 a CIA summary of the situation in the Middle East prepared 6 October 1973 that had  
41 seriously misjudged Egyptian and other Arab intentions. The CIA and the White House  
42 objected to the release maintaining that it compromised sources and national security.  
43 The released portion read:

44  
45  
46

1 The (deleted) large scale mobilization exercise may be an effort to soothe internal  
2 problems as much as to improve military capabilities. Mobilization of some  
3 personnel, increased readiness of isolated units, **and greater communication**  
4 **security** are all assessed as part of the exercise routine.... There are still no  
5 military or political indicators of Egyptian intentions or preparations to resume  
6 hostilities with Israel.<sup>1200</sup>

7  
8 According to CIA officials and the White House, the release of the four words “and  
9 greater communications security” meant that the United States had the ability to monitor  
10 Egyptian communications. The Agency and the White House were on shaky ground.  
11 Henry Kissinger himself had leaked the same information to Marvin and Bernard Kalb  
12 for their book on Kissinger. Discussing the Yom Kippur War, the Kalb brothers wrote:

13  
14 Finally, from a secret U.S. base in southern Iran, the National Security Agency,  
15 which specializes in electronic intelligence, picked up signals indicating that the  
16 Egyptians had set up a vastly more complicated field communications network  
17 than mere “maneuvers” warranted.<sup>1201</sup>

18  
19  
20 On 12 September 1975, President Ford ordered that the Pike Committee be cut off from  
21 all access to classified documents and forbade administration officials from testifying  
22 before the Pike Committee.<sup>1202</sup>

23 The near war over the declassification issue detracted from the committee’s work of  
24 evaluating the overall performance of IC analysis. In general, however, the committee  
25 was critical of the performance of U.S. intelligence in predicting the 1973 Mideast war;  
26 the 1968 Tet offensive in Vietnam; the 1974 coup in Cyprus; the 1974 coup in Portugal;  
27 the 1974 testing of a nuclear device by India; and the 1968 Soviet invasion of  
28 Czechoslovakia.

29 For example, using the Agency’s own postmortems on the Yom Kippur War, the  
30 committee found that the “principal conclusions concerning the commencement of  
31 hostilities... were – quite simply, obviously, and starkly- wrong.” In earlier testimony  
32 before the committee, DCI Colby admitted that, “We did not cover ourselves with glory.  
33 We predicted the day before the war broke out that it was not going to break out.”  
34 Despite Colby’s forthright assessment, the Agency fought the release of this section.  
35 They wanted the entire section on the Middle East War deleted. They argued that parts  
36 which described the Arab fighting units as inferior would “confirm Arab belief that the  
37 US view of them was degrading, thereby exacerbating relations,” and that the report  
38 provided too much detail on the U.S. capability to read Soviet traffic to Egypt. The Pike  
39 Committee basically ignored CIA requests for deletions.

40  
41  
42  

---

<sup>1200</sup> Quoted in Smist, *Congress Oversees the United States Intelligence Community*, p. 186.

<sup>1201</sup> See Marvin and Bernard Kalb, *Kissinger* (Boston: Little Brown, 1974), p. 454.

<sup>1202</sup> Ford agreed to lift the ban at a meeting at the White House with members of the Pike Committee on 26 September.

1  
2  
3 **Covert Action**  
4

5 When the Pike Committee announced that it would investigate 10 years of covert action  
6 operations, warfare between the committee and the Ford administration began again.  
7 Pike wanted to examine CIA activities with regard to the 1972 Italian elections, U.S.  
8 covert support to the Kurds in Iraq from 1972-1975, and CIA covert operations in  
9 Angola. Under orders from the White House, CIA officers refused to testify in open  
10 session before the committee on these operations. The White House declared such  
11 hearings would only benefit foreign intelligence services. The committee found that, in  
12 general, covert actions "were irregularly approved, sloppily implemented, and at times,  
13 had been forced on a reluctant CIA by the President and his national security advisers.  
14 Nevertheless, the committee did not recommend a total ban on covert operations. The  
15 committee did recommend that the DCI notify Congress in writing with a detailed  
16 description of the nature, purpose, and cost of all covert actions within 48 hours of initial  
17 implementation. It also proposed that the President certify in writing that such a covert  
18 operation was necessary to protect the national security. These recommendations would  
19 be revived during the Iran-Contra investigations. They were not radical proposals.  
20

21 **The Final Report**  
22

23 When the committee announced that it was releasing its final report without substantial  
24 changes, DCI Colby denounced the report and the committee as "totally biased and a  
25 disservice to our nation." Supported by the White House and the Republicans on the  
26 committee, the Agency took the fight to suppress the report to the House floor on 26  
27 January 1976, arguing that the report would endanger the national security of the United  
28 States. On 29 January 1976, the full House voted 246 to 124 to direct the Pike  
29 Committee not to release its report until it "has been certified by the President as not  
30 containing information which would adversely affect the intelligence activities of the  
31 CIA." Democratic Representative Wayne Hays (OH) reflected the basic feelings of the  
32 majority in the House when he commented just before the vote:  
33

34 I will probably vote not to release it, because I do not know what is in it. On the  
35 other hand, let me say it has been leaked page by page, sentence by sentence,  
36 paragraph by paragraph to *The New York Times*, but I suspect, and I do not know  
37 and this is what disturbs me, that when this report comes out it is going to be the  
38 biggest non-event since Brigitte Bardot, after 40 years and four husbands and  
39 numerous lovers held a news conference to announce that she was no longer a  
40 virgin.<sup>1203</sup>  
41

42 Bitter over the vote, Pike announced to the House, "The House just voted not to release a  
43 document it had not read. Our committee voted to release a document it had read." Pike  
44 was so upset that he threatened not to file a report at all because "a report on the CIA in

---

<sup>1203</sup> See *Congressional Record*, House, 94<sup>th</sup> Congress, 2<sup>nd</sup> Session, 29 January 1976, p. 1639.

1 which the CIA would do the final rewrite would be a lie.”<sup>1204</sup> In the turmoil surrounding  
2 the release of the report, the Pike Committee recommendations for improving the  
3 organization, performance, and oversight of the IC were ignored, forgotten, or simply  
4 lumped in with the report as “outrageous.” They were not. The recommendations of the  
5 Pike Committee were solid ideas for improving Congressional and executive oversight of  
6 the Intelligence Community. Despite its failures, the Pike Committee inquiry was a new  
7 and dramatic break with the past. It was the first significant House investigation of the  
8 Intelligence Community since the creation of the CIA in 1947.

9  
10 **Conclusions and Recommendations of the Committees**

11  
12 The Church Committee inquiry lasted for almost a year and resulted in a six volume  
13 report, released in April 1976. The Pike Committee’s report has never been officially  
14 released.<sup>1205</sup>

15 The committees laid out key findings that pointed to a pattern of wrongdoings and  
16 misjudgments. Both the Church and Pike Committees concluded that the CIA was not “a  
17 rogue elephant,” out of control, however. The committees viewed the CIA as carefully  
18 followed executive branch requests and orders. The CIA had become a key tool in the  
19 struggle with the Soviet Union. Both committees placed responsibility for CIA actions  
20 squarely in the Oval Office. Even Pike concluded:

21  
22 I wound up the hearings with a higher regard for the CIA than when I started. We  
23 did find evidence, upon evidence, upon evidence where the CIA said: “No, don’t  
24 do it.” The State Department or the White House said, “we’re going to do it.”  
25 The CIA was much more professional and had a deeper reading on the down-the-  
26 road implication of some immediately popular act than the executive branch or  
27 administration officials. One thing I really disagreed with [Senator Frank] Church  
28 on was his characterization of the CIA as “a rogue elephant.” The CIA never did  
29 anything the White House didn’t want. Sometimes they (sic) didn’t want to do  
30 what they did.<sup>1206</sup>

31  
32 The Church Committee presented 96 proposals for reform of domestic intelligence alone.  
33 Among the proposals was a single eight year term limit on the directorship of the FBI. It  
34 wanted no more imperial czars like Hoover, who served forty-eight years.<sup>1207</sup> It proposed  
35 that all non-consensual electronic surveillance, mail-opening be conducted with the  
36 authority of a judicial warrant.<sup>1208</sup> The Pike Committee, in addition to its  
37 recommendation to prohibit assassinations, recommended opening the IC budget figures,  
38 introducing stricter oversight of covert operations, and improved analytical processes.

39  
<sup>1204</sup> David E. Rosenbaum, “House Prevents release of Report,” *New York Times*, 30n January 1976, p. 2 and Smist, *Congress Oversees the United States Intelligence Community*, p. 162.

<sup>1205</sup> Journalist Daniel Schorr obtained a copy of the report and gave it to *The Village Voice*, which published it in full on 16 February 1976 under the title *The Report on the CIA that President Ford Doesn’t Want You to Read*.

<sup>1206</sup> Pike as quoted in Smist, *Congress Oversees the United States Intelligence Community*, p. 197.

<sup>1207</sup> Congress eventually settled on a ten year term.

<sup>1208</sup> Congress passed the FICA Act in 1980.

1 Both Congressional investigative committees recommended in their final reports that  
2 permanent intelligence committees be created to provide continuing and greater oversight  
3 of the intelligence community. The Senate, in May 1976, created the Senate Select  
4 Committee on Intelligence (SSCI). Over a year later, the House formed the Permanent  
5 Select Committee on Intelligence (HPSCI). They were to be the watchmen of America's  
6 civil liberties. The committees emphasized that security and liberty were compatible in a  
7 democracy and that the hidden side of government was, nevertheless, accountable to the  
8 American people. Soon after the investigations, historian Henry Steele Commager  
9 observed that the indifference of the intelligence agencies to constitutional restraint was  
10 "perhaps the most threatening of all evidence that emerged from the findings."<sup>1209</sup>  
11 Over time, Congress became a new consumer of intelligence. The committees also be  
12 came increasing supporters of the IC and advocates for intelligence rather than real  
13 watchdogs over intelligence as staffers moved easily from the halls of Congress to the  
14 intelligence agencies and vice versus.  
15 Both the CIA and the investigative committees were caught up in the  
16 power struggle between the legislative and executive branches in which Congress in the  
17 late 1970s attempted to regain control over U.S. foreign policy. The CIA got caught in  
18 the middle of this struggle.  
19 The inquiries also foreshadowed , although it was not clear at the time, that Congress  
20 would become a far greater consumer of the intelligence product.<sup>1210</sup>  
21  
22  
23  
24  
25

---

<sup>1209</sup> Quoted in Johnson, "Congressional Supervision of America's Secret Agencies," p. 423.

<sup>1210</sup> Haines, "Pike Committee," p. 90.



1

401

1 **Chapter XIII**

2  
3 **U.S. Intelligence Community Reform Efforts**  
4 **From Ford to Bush**

5  
6 Pressures to provide greater oversight of the Intelligence Community and to make it more  
7 accountable to both the executive branch and Congress continued from the Church and  
8 Pike investigations of the late 1970s until the 9/11 disaster in 2001. Numerous  
9 commissions, Congressional investigations, panels, study groups, and executive branch  
10 efforts to improve U.S. intelligence occurred from the Gerald Ford administration to the  
11 administration of George W. Bush. They provided suggestions and recommendations on  
12 how to make U.S. intelligence more effective. Only after major crisis or periods of  
13 turmoil did they have much impact. Even today, Congress and the executive branch  
14 continued to struggle with the issue of how to make a secret intelligence organization  
15 and structure compatible with a democratic society.  
16

17  
18 **Ford Administration Reaction to Congressional Reform Efforts**

19  
20 Even as the Congressional committees, Church and Pike, continued their investigations,  
21 the Ford White House sought to head off Congressional action by implementing  
22 executive branch reforms. By implementing some of the Rockefeller Commission  
23 recommendations, the White House hoped to protect the prerogatives of the executive  
24 branch against Congress in the intelligence arena and to head off any new intelligence  
25 legislation. Ford also directed the NSC to report in one month on the "organization and  
26 management of the foreign intelligence community." It was a crash study designed to  
27 support White House concepts for a new Executive Order on intelligence matters.  
28 Donald G. Ogilvie, from OMB headed the project and its members were drawn from  
29 across the intelligence community.<sup>1211</sup>  
30

31 **The Ogilvie Report**

32  
33 The hastily prepared report noted three areas for improvement with regard to intelligence,  
34 (1) enhancing policy oversight to create proper safeguards against future intelligence  
35 abuses, (2) providing better intelligence support to policymakers and military  
36 commanders, and (3) ensuring that intelligence activities (from budgeting to covert  
37 action) were "well directed." The report also noted that the various intelligence  
38 departments should continue to produce "intelligence tailored to their own needs." The  
39 finished study warned that "while the communist target would continue to absorb the  
40 bulk of the nation's intelligence resources," emerging technologies, international  
41 economic problems, and the proliferation of weapons of mass destruction would  
42 increasingly need attention. The report fit the objectives of the Ford White House.  
43

44 **Executive Order 11905 *United States Foreign Intelligence Activities***

---

<sup>1211</sup> See Draft Report to the President on the Organization and Management of the Foreign Intelligence Community," 16 December 1975. The Ogilvie team was called the "Intelligence Organization Group."

1  
2 Supported by the Olilvie Report, President Ford sought to head off more radical  
3 Congressional action with regard to intelligence community abuses by issuing an  
4 executive order. He sought to balance the interests of national security while preserving  
5 and protecting the concepts of privacy and civil liberties. In February 1976, Ford issued  
6 Executive Order 11905 which prohibited the opening of U.S. mail except by warrant,  
7 outlawed drug experimentation on human subjects without their permission, prohibited  
8 intelligence organizations from infiltrating U.S. organizations and groups unless they  
9 were believed to be acting on behalf of a foreign power and forbid the intercept of  
10 communications made from or intended by the sender to be received in the United States.  
11 All of these activities had been ended by the intelligence community itself prior to the  
12 issuance of the executive order. Ford also prohibited U.S. government officials from  
13 "engaging in, or conspiring to engage in, political assassinations." With regard to the  
14 legality or propriety of intelligence activities, Ford established the Intelligence Oversight  
15 Board to review foreign intelligence operations. This board consisted of three members  
16 chosen from outside the government and who also served on the PFIAB. In addition,  
17 Ford set up a Operations Advisory Group to oversee covert operations. It consisted of the  
18 Adviser for National Security Affairs, the Secretary of State, the Secretary of Defense,  
19 the Joint Chief of Staff, and the DCI. Ford also ordered that the NSC provide him with a  
20 semi annual review of intelligence policies and established a Committee on Foreign  
21 Intelligence (CFI), chaired by the DCI which was to report to the NSC on the intelligence  
22 budget for the National Foreign Intelligence Program and general intelligence policy.  
23 Giving way to pressure from the military services, the CFI was excluded from any  
24 responsibility for technical intelligence. The Order also abolished the United States  
25 Intelligence Board (USIB) created by Eisenhower and replaced it with the National  
26 Foreign Intelligence Board (NFIB).  
27 Ford' Executive Order also modestly bolstered the DCI's role as intelligence community  
28 manager and suggested that the DCI delegate the day-to-day operations of the CIA to his  
29 deputy. It established the DCI as the head of CIA and of the IC Staff and enumerated his  
30 duties. The Order officially established the membership of the Intelligence Community  
31 as: CIA, NSA, DIA, special DOD reconnaissance office (NRO), the intelligence elements  
32 of the military services, the FBI, the Department of State, the Treasury Department, and  
33 the Energy Research and Development Administration (ERDA).<sup>1212</sup>

### 34 35 **Carter Administration**

36  
37 Jimmy Carter won the Presidential election 1976 on a platform of reform and repent. He  
38 campaigned against the government in Washington and the activities of the CIA which he  
39 pictured as out of control. With Carter in the White House there would be a new foreign  
40 policy based on respect for human rights, the CIA would be brought under control.  
41 Carter's DCI Adm. Stansfield Turner shared the President's distaste for much of the CIA  
42 and its activities. He pared the budget for clandestine operations and fired a number of  
43 long-term DO operatives, calling them relics of an irrational Cold War mindset. He  
44 supported Carter's abolishment of the PFIAB and reorganized the analytical directorate,  
45 renaming it the National Foreign Assessment Center (NFAC) rather than the (DI)

<sup>1212</sup> See Garthoff, *Leaders of the U.S. Intelligence Community*, p. 116.

1 Directorate of Intelligence (Reagan reversed this change). He also established a new  
2 National Intelligence Council to review NIEs.<sup>1213</sup> Turner considered himself the leader  
3 of the entire U.S. Intelligence Community.

4 Turner had a bold vision for the DCI in running the Intelligence Community but found  
5 little support in the White House where he came into conflict with Carter's National  
6 Security Adviser, Zbigniew Brzezinski. Carter declined to give Turner the full  
7 authorities he requested to manage the intelligence community. In fact, it was Brzezinski,  
8 who delivered the President's Daily Brief (PDB) to the President, not DCI Turner.  
9 Brzezinski renamed it the "National Security Briefing." Brzezinski also limited Turner's  
10 direct contact with the President. Turner rarely attended, for example, the national  
11 security lunch Carter held on Fridays. All CIA reporting was funneled through the  
12 National Security Adviser.<sup>1214</sup> Upon leaving office, Turner penned a note to himself for a  
13 possible conversation with President Carter. It read, "Twice in the early weeks of your  
14 Administration you urged me to be 'bold' in designing a proposed reorganization of the  
15 Intelligence Community. I was. You, in turn, were not when the final decision was made  
16 on the new Executive Order."<sup>1215</sup>

17  
18 On 24 January 1978, soon after assuming office, Carter signed Executive Order 12036  
19 which remodeled and strengthened the decision makers process for covert action program.  
20 Carter established two new committees in the NSC to review and guide the conduct of all  
21 national foreign intelligence and counterintelligence activities. The Policy Review  
22 Committee (PRC) set the requirements for collection and evaluated the intelligence  
23 product. The Special Coordination Committee (SCC) was to be the central authority for  
24 the approval of all covert action proposals before they went to the President for final  
25 approval.<sup>1216</sup> These Committees replaced Ford's Operations Advisory Group. Carter  
26 also created the National Foreign Intelligence Board (NFIB) to assist the DCI in the  
27 production, and coordination of intelligence. The new Executive Order on Intelligence  
28 also reaffirmed the DCI's community-wide authority over tasking, and the budget. In  
29 addition, it reiterated the ban on assassinations. The new order was intended to be  
30 temporary until Congress enacted new legislation regarding the mission and authorities of  
31 the intelligence community. In a related matter Carter abolished the PFIAB because he did  
32 not consider its reviews any different from those conducted by the National Security  
33 Council, the Congressional committees, or the intelligence community itself. Carter<sup>1217</sup>  
34 did retain, however, the IOB which could initiate inquiries into covert operations. With  
35 the world in crisis, the Iran hostage situation, the Soviet invasion of Afghanistan, and the  
36 problems in Nicaragua, intelligence became increasingly important to the Carter  
37 administration.

<sup>1213</sup> Immerman, A Brief History, p. 53.

<sup>1214</sup> Richard Immerman, "A Brief History of the CIA," in Theoharis, Immerman, Johnson, Olmsted, and Prados, eds., *The Central Intelligence Agency*, (Westport, Connecticut: Greenwood Press, 2006), pp. 53-54.

<sup>1215</sup> Quoted in Garthoff, *Leaders of the U.S. Intelligence Community*, p. 147. Garthoff cautions that this note may have been simply a record of Turner's own frustrations.

<sup>1216</sup> Loch K. Johnson, "Covert Action and Accountability: Decision-Making for America's Secret Foreign Policy," in Johnson and Wirtz, *Strategic Intelligence*, pp. 370-389.

<sup>1217</sup> Carter was the first President since Eisenhower not to have a PFIAB. See Miller Center of Public Affairs, *Synopsis of PFIAB*.

1 **Charter legislation**  
2

3 Soon after its creation in 1976, the SSCI began developing detailed charter legislation to  
4 implement the Church Committee's recommendations to develop mission statements and  
5 authorities for the Intelligence Community. The proposed legislation would have defined  
6 in law precisely the mission of each intelligence agency and the activities each could and  
7 could not undertake. It was designed to tell the intelligence agencies what "they may do  
8 and what they may not do." Initially, the Carter White House and the CIA supported the  
9 concept. As the draft bill became increasingly detailed and restrictive, it reached over six  
10 hundred pages, the Carter administration withdrew its endorsement. The draft bill  
11 entitled "National Intelligence Reorganization and Reform Act of 1978" called for the  
12 creation of a Director of National Intelligence and contained a long list of restrictions or  
13 banned activities. It also provided specific descriptions of missions and functions for  
14 each intelligence agency, stipulated rigorous review and notification procedures for  
15 covert action operations, and instituted numerous requirements for reporting to  
16 Congress.<sup>1218</sup> The draft reform charter for the IC was finally abandoned. It died as  
17 Congress came to believe that intelligence agencies were under too tight a rein with the  
18 Soviet invasion of Afghanistan and the Iranian hostage crisis. The Carter White House  
19 and the oversight committees were, nevertheless, able to reach agreement on legislation  
20 dealing with electronic surveillance undertaken within the United States for foreign  
21 intelligence purposes. Largely developed by the Carter Justice Department, the bill  
22 became the Foreign Intelligence Surveillance Act of 1978.  
23

24 **Foreign Intelligence Surveillance Act of 1978**  
25

26 Following the Church Committee findings regarding the illegality of certain domestic  
27 surveillance techniques as violations of the Fourth Amendment, Congress passed the  
28 Foreign Intelligence Surveillance Act in 1978. The new law provided exclusive  
29 procedures for conducting electronic surveillance within the United States for foreign  
30 intelligence purposes. The law aimed to provide Judicial and Congressional oversight of  
31 covert surveillance activities of foreign powers or individuals in the United States,  
32 (enemy agents or spies) while maintaining the secrecy necessary to protect national  
33 security concerns. It allowed surveillance, without a court order, within the United States  
34 for up to one year. If a U.S. citizen was involved, judicial authorization was required  
35 within 72 hours from the time the surveillance began. Alternatively, the U.S. government  
36 could seek a court order permitting surveillance using the FISA court. This court, located  
37 in the Justice Department, hears applications for warrants in such cases. The proceedings  
38 are secret. The special court has eleven members selected by the Chief Justice and each  
39 serves a seven year term. Denials of FISA applications by the FICA court, may be  
40 appealed to the Foreign Intelligence Surveillance Court of Review. This court consists of  
41 a three judge panel. Since its creation, the review court has held one session. It is

---

<sup>1218</sup> Phyllis Provost McNeil, "The Evolution of the U.S. Intelligence Community – An Historical Overview," in Johnson and Wirtz, *Strategic Intelligence*, p.15. This piece was originally written for the Aspen-Brown Commission.

1 equivalent to a Circuit Court of Appeals.<sup>1219</sup> With the FICA Act, the third branch of  
2 government, the judiciary, was now firmly in the business of intelligence oversight.  
3 Intelligence and intelligence issues became increasingly important in the Carter period  
4 despite Carter's campaign promise to reign in the CIA.

5  
6 **Intelligence Oversight Act of 1980**

7  
8 In this act Congress established general reporting requirements for the Intelligence  
9 Community. The law required the Executive Branch to keep the two Congressional  
10 oversight committees "fully and current informed" of intelligence activities. While  
11 committee approval was not required to initiate covert activities, Congress believed it  
12 would be advised, via the committees, in advance of "significant activities" being  
13 undertaken by the Intelligence Community. With regard to covert action operations, the  
14 law required the President to inform the committees in "a timely fashion." What made the  
15 proposed law acceptable to the Carter administration was that it limited the reporting  
16 requirement to the two intelligence committees, reducing the number of committees that  
17 required notification from eight, as required by the Hughes-Ryan amendment, to two.  
18 The new law also provided that when the President determined it "essential...to meet  
19 extraordinary circumstances affecting vital interests of the United States" he could give  
20 notice to the so called "Gang of Eight," instead of to the full membership of the two  
21 committees. The Gang of Eight consisted of the chairs and vice chairs of the two  
22 intelligence committees and the leadership of both parties in the House and Senate.  
23 It was the beginning of the end of the major reform efforts of the intelligence community.

24  
25 **Reagan Administration**

26  
27 President Ronald Reagan made the revitalization of intelligence part of his political  
28 campaign. Under Reagan the intelligence budget increased and new personnel were  
29 added. He made his DCI William Casey an official member of his cabinet (the first DCI  
30 to so serve). Despite the rhetoric, the vast majority of rules and guidelines adopted  
31 during the Ford and Carter administration remained in place. Reagan did, however,  
32 abolish Carter's SCC Committee and replaced it with the National Security Planning  
33 Group (NSPG).

34 While the new group retained the Vice President, the Secretaries of State and Defense,  
35 the Assistant for National Security Affairs, and the DCI, it excluded the Joint Chiefs and  
36 added three White House political advisers. Reagan's 1981 Executive Order 12333  
37 reaffirmed the ban on assassination. President Reagan was the last President to directly  
38 address the topic of political assassination. Since no subsequent Executive Order or  
39 legislation has repealed the prohibition, it remains in effect. Reagan also revived PFIAB  
40 by appointing a board of twenty-one members. In 1985, he reduced its size by half,  
41 claiming it was too unwieldy.<sup>1220</sup>

42 There would be no other intelligence reform proposals during the Reagan years.

---

<sup>1219</sup> The complete text of the act may be found at 50 U.S. Code, Chapter 36  
<http://www.law.cornell.edu/uscode/50/usc>.

<sup>1220</sup> Critics claim Reagan and Casey reduced the Board as part of a cover-up of the Iran-Contra scandal.  
See Miller Center, *PFIAB Synopsis*.

1 In 1982, in response to the assassination of Chief of Station in Athens Richard Welch,  
2 Congress passed the Intelligence Identities Protection Act which made it a crime to reveal  
3 the identity of intelligence agents. Former CIA officer Phillip Agee revealed Welch's  
4 identity in the magazine *Counter Spy*. Presidential candidate Reagan had made passage  
5 of this legislation a priority as a presidential candidate. Although some criticized the  
6 legislation as violating the First Amendment guarantees of free speech, Congress passed  
7 the bill with overwhelming majorities.<sup>1221</sup> The Reagan administration, as part of its effort  
8 to rebuild the Intelligence Community, also made relief from the FOIA a priority. In  
9 1981 DDCI Bobby Inman appealed to Congress for a total exemption for the Agency  
10 from the act. DCI Casey went even further and asked for an exemption for the entire  
11 Intelligence Community. He noted that there was an inherent contradiction involved in  
12 applying a law designed to ensure openness to agencies whose work was necessarily  
13 secret. Casey related how CIA officers spent as much as 5 percent of their day on FOIA  
14 requests, often more time than they spent on the Agency's central mission. Receptive to  
15 providing the Agency some relief, in 1984 Congress exempted CIA's operation files from  
16 FOIA disclosure with the CIA Information Act.<sup>1222</sup> Despite these supportive acts  
17 relations between the Agency, especially the DCI Bill Casey, and the Congress were  
18 anything but close. Casey believed Congress should stay out of CIA's business. It was  
19 simply "meddling" in intelligence matters, while he was trying to fight a war against the  
20 Evil Empire. Casey attacked the SSCI and HPSCI approach to oversight as "off-the-  
21 cuff," miss directed, and micromanaging. He believed politicians were "grandstanding"  
22 in their criticisms of U.S. intelligence. For Casey, Congress also leaked sensitive  
23 information to the press and could not be trusted with sensitive material. Congress was,  
24 for Casey, egotistical and self-serving. He was convinced that Congress could not keep a  
25 secret. He resented the time he had to spend stroking Congressional committees on the  
26 Hill. In short, he had little positive to say about Congressional oversight and had a  
27 general contempt of Congress.<sup>1223</sup>

28  
29 **Iran-Contra**

30  
31 Despite all of the new Congressional oversight procedures put in place to provide  
32 oversight of the decision making process with regard to covert operations, the Iran-  
33 Contra activities of the Reagan administration managed to avoid full accountability.  
34 The final report of the Iran-Contra investigations therefore recommended a number of  
35 changes to Congressional oversight to correct the problem. Most involved notification  
36 issues regarding covert operations. The joint committee recommended that:

37  
38  
39  
40  
41

- (1) Congress be notified, without exception, no later than 48 hours after a covert "finding" had been approved.
- (2) All findings should be in writing and personally approved by the President.
- (3) Retroactive findings should be prohibited.

<sup>1221</sup> L. Britt Snider, *The Agency and the Hill, CIA's Relationship with Congress, 1946-2004* (Center for the Study of Intelligence, 2008), pp.145-146.

<sup>1222</sup> Snider, *The Agency and the Hill*, p. 146.

<sup>1223</sup> Robert M. Gates, *From the Shadows, The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York: Simon and Schuster, 1996), pp.

- 1 (4) Findings should specify their funding source(s).
- 2 (5) All findings shall lapse after a year unless the President renewed them.<sup>1224</sup>

3  
4 While the joint committee rejected the notion of a joint oversight committee, it did  
5 recommend the creation of an "independent CIA inspector general and general  
6 counsel."<sup>1225</sup>

7  
8 **George H. W. Bush**

9  
10 The Presidency of George H. W. Bush saw profound changes in the world. In the fall of  
11 1989, the Berlin Wall came down and Germany began the process of reunification. Soon  
12 after the fall of the wall, the communist regimes in Eastern Europe crumpled. By late  
13 1989 the Soviet Union was coming apart, as many former Soviet Republics declared their  
14 independence. In 1991, the Soviet Union officially ended as did the Cold War. All of  
15 these changes had a profound impact on the U.S. Intelligence Community and U.S.  
16 intelligence.

17  
18 **PFIAB**

19  
20 At first, Bush proceeded cautiously with regard to intelligence matters. Bush distrusted  
21 the PFIAB from his days as DCI. He considered it a group of outsiders who second-  
22 guessed his decisions and reported directly to the President. Many expected Bush to  
23 abolish the Board. Instead, Bush reduced its membership from fifteen to six, and rarely  
24 called upon it for advise.<sup>1226</sup>

25  
26 **CIA Inspector General Act 1989**

27  
28 Although the Church and Pike Committees criticized the Inspector General's Office of  
29 CIA (IG), for not being aggressive in its investigations within the Agency, it was not  
30 until the Iran-Contra affair that Congress took up the issue of an independent inspector  
31 general for the Agency. Most government departments and agencies have "independent"  
32 inspector generals, appointed by the President with reporting requirements to Congress.  
33 The CIA had been exempt from the law although it had an inspector general since 1952.  
34 The Iran-Contra joint committee recommended the CIA have an "independent" statutory  
35 IG like most of the rest of the government. DCI William Webster adamantly opposed the  
36 idea, believing that an IG operating outside his control had the potential to "wreck the  
37 Agency." The SSCI agreed and simply required the CIA IG provide it with semiannual  
38 reports of its activities. When Senator John Glenn announced in the fall of 1988 that he  
39 planned to offer a bill to bring the CIA IG under the Inspector general Act of 1978, SSCI  
40 chairman Boren acted. He offered his own bill for a "statutory Agency IG. It provided  
41 for a less independent IG from the DCI than an IG would have under the 1978 Act.  
42 Glenn decided to support Boren's proposal. Webster wanted President Bush to veto the  
43 legislation but the President chose to sign the bill. The CIA now had a IG appointed by

<sup>1224</sup>Congressional Report, *The Iran-Contra Affair*, pp. 423-427.

<sup>1225</sup>Ibid..

<sup>1226</sup>Miller Center, *PFIAB Synopsis*.



1 the President and confirmed by the Senate.. The IG would report to and be under the  
2 general supervision of the DCI, but would have independent authority to carry out any  
3 investigations, audits, or inspections of his/her choosing. The DCI could prevent, "to  
4 protect vital security interests," the IG from undertaking these activities, but would have  
5 to report his action to the oversight committees. Moreover, the IG would make  
6 semiannual reports to the two committees.<sup>1227</sup>

7  
8 **A New Mission for Intelligence and a Flap with the SSCI**

9  
10 U.S. intelligence increasingly showed that Panamanian President Manuel Noriega was  
11 not only corrupt but that he had a direct hand in the drug trade and supplies coming into  
CIA 12 the United States. Despite is long ties with the CIA, (b)(1), (b)(3)  
13 (b)(1) the Reagan administration and than the Bush administration  
14 wanted him removed from office. (b)(1)

NSC 15 (b)(1)  
16 (b)(1)  
17 (b)(1)  
18 (b)(1) The  
19 objective was to get Noriega to step aside. When a State Department official suggested  
20 the idea to Noriega, he rejected it out of hand. (b)(1)

NSC 21 (b)(1)  
22 (b)(1)  
23 (b)(1)  
24 (b)(1) The SSCI refused to support this finding. The Reagan  
25 administration told the committee that if the CIA learned of any assassination planning  
26 against Noriega, it would tell the Panamanian strongman about the plots. When the  
27 presidential election took place in Panama in May 1989, it looked as if the opposition had  
28 won. Noriega, however, remained in control. The new Bush administration wanted a  
29 stepped up action plan for the removal of Noriega. This included working more closely  
30 with elements of the PDF. DCI Webster remained the White House of Reagan's earlier  
31 pledge to warn Noriega of assassination plots against him. Bush wrote to the SSCI that  
32 the earlier understanding no longer pertained. In early October 1989, a group fo PDF  
33 officers, who had rejected CIA help, attempted a coup. The coup failed and Noriega  
34 ordered the officers executed. SSCI faulted the Bush administration for not supporting  
35 the coup. National Security Adviser, Brent Scowcroft had had enough. On a Sunday  
36 morning talk show he pointed out that the SSCI opposition to CIA plans was a key factor  
37 in stopping the administration "from doing what they're now saying we should have  
38 done." SSCI David Boren shot back that the committee had given the administration "all  
39 the money and authority" it sought with regard to Panama. Only the personal  
40 intervention of the President prevented the issue from escalating.<sup>1228</sup>

41 In early 1990, the Bush administration undertook a military operation known as JUST  
42 CAUSE to capture Panamanian President Manuel Noriega, bring him to the United  
43 States, and try him on drug trafficking charges. After the operation, the SSCI conducted  
44 a review of the CIA's support to the operation. It looked into the Agency's assets in

<sup>1227</sup> Snider, *The Agency and the Hill*, p. 149 and Smist, *Congress Oversees the CIA*, p. 277.

<sup>1228</sup> Snider, *The Agency and the Hill*, pp. 299-301.

1 Panama as well as the quality of its reporting on the Panamanian situation before and  
2 during the military operation. It saw a serious disconnect between the Agency and the  
3 military commands responsible for planning and carrying out JUST CAUSE. In the FY  
4 1991 Intelligence Authorization Bill it required the DCI to create a new position within  
5 his staff to improve the flow of information between the Agency and military  
6 commanders around the world. The position was to be filled by a general or flag officer.  
7 The bill became law in November 1990.<sup>1229</sup>  
8 Bush wanted to move “away from old Cold War concerns.” It was a new world order.  
9 He began to stress new economic intelligence targets developed. The Agency responded  
10 with the daily Economic Intelligence Briefing for the White House.

### 11 12 **Intelligence and the First Gulf War**

13  
14 The 1991 Gulf War demonstrated how developments in weaponry and military doctrine  
15 also brought major changes to intelligence and its support to military operations.<sup>1230</sup>  
16 Precision weapons, microprocessing, and real-time communications created the need for  
17 a revolution in intelligence support. As the Defense Department explained to Congress:

18  
19 [The] revolutionary changes in the way American forces conducted combat  
20 operations during Operation Desert Storm outstripped the abilities of the [battle  
21 damage assessment] system. Analysts were unable to meet the requirements for  
22 timely data on a variety of new types of targets or targets struck in new ways.<sup>1231</sup>

23  
24 The larger problem of how Intelligence Community elements, originally formed to assist  
25 Washington policymakers and fight the Cold War, could be adapted to support modern  
26 military operations in the field proved even more difficult to resolve. This question  
27 would drive much of the debate over intelligence reform in the 1990s as military  
28 demands faced national intelligence priorities.

### 29 30 **New Reforms Robert Gates as DCI**

31  
32 With the Cold War coming to a close, Senate Daniel P. Moynihan (D, NY) and vice  
33 chairman of the SSCI suggested that the CIA may no longer be needed. The chairman of  
34 SSCI, David Boren, believed the time was right for Congress to review the organization  
35 of the Intelligence Community in terms of meeting the demands of the post Cold War.  
36 DCI Robert gates attempted to preempt these efforts. Once confirmed as DCI, Gates  
37 instituted a comprehensive reexamination of the post-Cold War Intelligence Community.  
38 Utilizing 14 separate task forces, Gates set about making significant changes in U.S.  
39 intelligence. In reality, Gates, supported by the Bush White House, wanted to preempt  
40 unwanted legislation that might saddle the executive branch with new structures and  
41 processes. National Security Adviser, Brent Scowcroft thought, “Charter legislation is  
42 not necessary or helpful” and mat create “an unfortunate distraction from more important  
43 issues.” Secretary of Defense, Dick Cheney, feared Congress would saddle the

<sup>1229</sup> Snider, *The Agency and the Hill*, p. 242.

<sup>1230</sup> See the discussion in Chapter VI.

<sup>1231</sup> Quoted in Warner and McDonald, *US Intelligence Community Reform Studies*, p. 33.

1 administration and the Intelligence Community with “mischievous amendments.” In  
2 reforming intelligence Gates attempted to make the analysis more responsive to  
3 policymakers, formalized the requirements process, created a new office for “open  
4 source” intelligence, improved CIA support to the military, and created a new Central  
5 Imagery Office under the joint direction of the DCI and Secretary of Defense, to better  
6 coordinate collection, interpretation, and dissemination of imagery intelligence. Gates  
7 also replaced the IC Staff with a new Community Management Staff (CMS) and  
8 reorganized NRO along functional lines rather than agency lines. On 30 March 1992,  
9 President Bush signed National Security Directive 67 approving Gates changes.<sup>1232</sup>

10  
11 **Boren-McCurdy Proposals**

12  
13 While Gates’ Task Forces were at work, in 1991, Senator David Boren, chairman of the  
14 SSCI and Representative David McCurdy, chairman of the HPSCI, developed legislation  
15 calling for the creation of a new Director of National Intelligence with authority over the  
16 intelligence budget and over personnel. The new DNI would serve as the President’s  
17 intelligence adviser. The draft legislation also called for the analytical element of the  
18 CIA (the DI) to be transferred to the DNI. The remainder of the CIA would be  
19 administered by a separate agency director. The draft legislation also proposed a  
20 National Imagery Agency to coordinate imagery tasking, collection, processing and  
21 dissemination. Given Gates actions, Boren and McCurdy did not push their proposed  
22 reforms when DCI Gates testified that the Bush administration would not support the  
23 bill.<sup>1233</sup>

24  
25 **Intelligence Reorganization Act of 1992**

26  
27 Dropping the more controversial proposals, Congress enacted the Intelligence  
28 Reorganization Act as part of the FY 1993 Intelligence Authorization Act. The revised  
29 bill set forth, for the first time, the responsibilities and authorities for all the individual  
30 parts of the Intelligence Community. The mission of the CIA, for example, explicitly  
31 included gathering human intelligence and coordinating such intelligence within the  
32 executive branch. The DCI was now responsible by law for foreign intelligence liaison.  
33 Covert action was more clearly defined and the CIA given a preminent role in covert  
34 operations. The DCI’s authorities with regard to the IC were also enhanced. Moreover,  
35 for the first time Congress officially and publicly recognized the existence and functions  
36 of the NRO.<sup>1234</sup> It was not radical reform.

37  
38  
39  
40  
41  
42 **William Clinton 1992-2000 Support to the War Fighter**

1232 McNeil, “The Evolution of the U.S. Intelligence Community,” p. 18.

1233 Ibid.

1234 Snider, *The Agency and the Hill*, p. 150.

1 The new Clinton administration was still grappling with the end of the Cold War as it  
2 assumed office. Intelligence issues were not a priority. In fact, the Clinton White House  
3 sought sizable cuts in intelligence spending as part of the "peace dividend" from the end  
4 of the Cold War. The Clinton White House wanted the CIA scaled back. Clinton  
5 selected R. James Woolsey, a neocon conservative as his new DCI. While experienced in  
6 national security matters, Woolsey had no prior relationship with the President. The  
7 relationship remained distant through his term as DCI. He rarely saw the President.  
8 Under difficult conditions, with little support from the White House, Woolsey sought to  
9 justify the IC programs in the post Cold War and to sustain elements of continuity  
10 between the Bush administration and the new Clinton administration in intelligence  
11 matters. He retained Gates' Community Management Staff (CMS), for example.  
12 Testifying before the SSCI on 2 February 1993 Woolsey remarked, "We have slain a  
13 large dragon. But we live in a jungle filled with a bewildering variety of poisonous  
14 snakes. And in many ways the dragon was easier to keep track of."<sup>1235</sup> Woolsey was  
15 attempting to justify intelligence in a new era and protect existing intelligence  
16 capabilities. For Woolsey, the world was more dangerous than ever.  
17 Woolsey used the same argument with the Pentagon. National intelligence assets were  
18 essential in an era of multiple intelligence targets and limited military engagements.  
19 Woolsey sought a close collaboration with the U.S. military and a new DOD partnership.  
20 He sought to use DOD as an ally in preparing and defending the IC budget. Initiating  
21 joint reviews of major intelligence programs with Defense, Woolsey sought an integrated  
22 effort on intelligence issues. He did not always succeed. The Pentagon created a new  
23 Defense Airborne Reconnaissance Office (DARO) in 1993 which challenged DCI  
24 authorities in setting reconnaissance requirements and clashed with Lt. Gen. James  
25 Clapper head of DIA, who wanted a new title as Director of Military Intelligence.  
26 Woolsey believed it might encroach on DCI authorities and fought to discourage its  
27 adoption.<sup>1236</sup> Clinton, officially made the IOB a standing committee of PFIAB. This  
28 changed little since it was common practice for members to serve on both committees in  
29 the past.<sup>1237</sup>  
30 Congressional elections of 1994 brought the Republican party to power in Congress. The  
31 new Majority Speaker Newt Gingrich (R-GA) wanted a stronger U.S. intelligence effort  
32 and a stronger U.S. military. He wanted more covert action operations around the world  
33 to protect American interests. The role of Congress with regard to intelligence would  
34 increase under the new Republican leadership. When Woolsey resigned over the Ames  
35 espionage case in January 1995, President Clinton turned to John M. Deutch, the Deputy  
36 Secretary of Defense and former MIT professor, to become DCI.<sup>1238</sup> He made Deutch a  
37 member of his cabinet.<sup>1239</sup> Deutch sought to use the renewed Congressional interest in  
38 intelligence and military matters to foster renewed resources and to promote greater  
39 cooperation between the U.S. military and the CIA and IC. Deutch saw intelligence  
40 support to the U.S. military as a high, if not highest, priority. Indeed, DOD influence

<sup>1235</sup> Quoted in Garthoff, *Directors of Central Intelligence*, p. 231.

<sup>1236</sup> See Garthoff, *Directors of Central Intelligence*, pp. 226-227. Clapper did not get his new title.

<sup>1237</sup> Miller Center, *PFIAB Synopsis*.

<sup>1238</sup> For a discussion of the Ames case see Chapter

<sup>1239</sup> Deutch was the second DCI to have cabinet status.

1 over national intelligence agencies would grow stronger under Deutch leadership. He did  
2 little to allay CIA's fears about Pentagon influence over the DCI.  
3 Deutch brought with him from DOD an entire team of subordinates to run the Agency.  
4 Moreover, he did not endear himself to CIA employees when he told a reporter from the  
5 *New York Times Magazine* that he did not find many first-class intellects at the Agency,  
6 "Compared to uniformed officers they certainly are not as competent or as understanding  
7 of what their relative role is and what their responsibilities are."<sup>1240</sup> Deutch wanted to  
8 "aggregate, integrate, and fuse" national intelligence activities in support of the military.  
9 He saw himself as a real CEO for the Intelligence Community. He was the agent in  
10 charge. He would integrate intelligence as DCI. In short, Deutch would be the conductor  
11 at the head of the "The Symphony."<sup>1241</sup> President Clinton whole heartedly supported  
12 Deutch's efforts. Two months before Deutch became DCIU, Clinton signed Presidential  
13 Decision Directive 35 (PDD-35) which made the provision of intelligence to American  
14 military commanders his "highest priority." Clinton's new Directive changed the major  
15 mission of intelligence to support to the war fighter.<sup>1242</sup> While some in Congress  
16 questioned the loss of intelligence support to policymakers on national issues, the new  
17 focus continued.

18  
19 **Creation of the National Intelligence and Mapping Agency (NIMA)** <sup>1243</sup>  
20

21 Deutch was determined to move quickly to consolidate the management of all imagery  
22 collection, analysis and distribution under one agency, similar to Sigint and NSA. On 1  
23 October 1996 Congress created the National Intelligence and Mapping Agency (NIMA)  
24 within the Department of Defense. The new Agency combined the Defense Mapping  
25 Agency with the CIA's National Photographic Interpretation Center (NPIC) as a combat  
26 support agency under the Secretary of Defense. "Imagery" was a longtime DCI  
27 responsibility, whereas "mapping" for national security purposes was done by the  
28 Defense Mapping Agency within DOD. The CIA, essentially gave up imagery analysis  
29 as an agency function. There would no longer be civilian independent analysis of  
30 imagery. The DCI did retain tasking authority over national imagery systems in  
31 peacetime. In a private letter to Deputy Secretary of State Strobe Talbot, former DCI  
32 Richard Helms questioned whether NIMA was such a good idea. "That big gorilla  
33 [DOD] controls enough assets," Helms wrote, "and needs no addition to its large  
34 Intelligence Community holdings." Helms went on to say that he believed CIA was a  
35 better place for imagery analysis.<sup>1244</sup> Others questioned whether modeling NIMA after  
36 NSA was such a good idea. A journalist asked Deutch whether NIMA might not be "the  
37 next lemon of the decade, a hide-bound NSA?" Deutch responded that he thought it  
38 would be "the lemonade of the decade."<sup>1245</sup>

<sup>1240</sup> Quoted in George Tenet, *At the Center of the Storm, My Years at the CIA* (New York: HarperCollins, 2007), p. 4.

<sup>1241</sup> Garthoff, *Directors of Central Intelligence*, pp. 237-240. Talbot shared the letter with Deutch.

<sup>1242</sup> The Directive also established intelligence priorities in a tiered system where intelligence focused attention on rogue states or major strategic powers. See Garthoff, *Directors of Central Intelligence*, p. 240.

<sup>1243</sup> In the fall of 2003, at the insistence of Gen James Clapper, Director of NIMA, Congress changed the name of NIMA to The National Geospatial-Intelligence Agency (GNA).

<sup>1244</sup> Quoted in Garthoff, *Directors of Central Intelligence*, p. 245.

<sup>1245</sup> *Ibid.*, p. 245.

1 After President Clinton's re-election, Deutch resigned as DCI in December 1996.  
2 Clinton selected Deutch's deputy George Tenet as the new DCI.<sup>1246</sup> Little changed as the  
3 focus continued to be on providing support to the war fighter.

4  
5 **The Aspen-Brown Commission**

6  
7 The collapse of the Soviet Union and the end of the Cold War brought Congressional  
8 demands for spending cuts in defense and intelligence budgets. The new military  
9 doctrine after the Gulf War heightened interest in better battlefield intelligence. In the  
10 Fall of 1994, Congress created a blue ribbon panel to study the intelligence community  
11 for areas to obtain greater efficiencies, The Commission on Roles and Capabilities of the  
12 United States Intelligence Community, Preparing for the 21<sup>st</sup> Century: An Appraisal of  
13 U.S. Intelligence.<sup>1247</sup> President William Clinton appointed a team of members from  
14 Congress and distinguished private citizens, much like the Murphy Commission of the  
15 1970s. Former Defense Secretary Les Aspin chaired the commission. When Aspin died  
16 in May 1995, former Secretary of Defense, Harold Brown, assumed the chairmanship.  
17 The commission became known as the Aspin-Brown Commission. The Commission's  
18 final report devoted much space to justifying the continued need for intelligence in the  
19 post Cold War world. It argued that the new world order would "likely be fraught with  
20 peril and uncertainty" and that American leaders needed more than ever the best  
21 information "to maximize the range of choices." It released its report in 1996. It did not  
22 believe the system was broken and recommended no major changes. It did, however,  
23 echo earlier studies which called for enhancing the powers of the DCI. It did not  
24 recommend separating the DCI from the CIA nor altering the "fundamental relationship  
25 between the DCI and the Secretary of Defense." While it endorsed the concept of a new  
26 "National Imagery and Mapping Agency" to facilitate closer combat support and  
27 applauded the creation of joint intelligence centers at U.S. military Commands, it  
28 questioned Clinton's assertion that "support to the war fighter" was or should be "the  
29 highest priority for U.S. intelligence agencies." It also recommended improved  
30 coordination between intelligence agencies and law enforcement. It foresaw this as a  
31 necessity given the need to deal with global problems such as terrorism, drug trafficking,  
32 and global criminal activities, which posed a growing danger to the American public.

33  
34 **HPSCI's "IC21" Staff Study**

35  
36 In January 1995, HPSI, under the chairmanship of Larry Combest (R-TX), offered a bold  
37 new approach to the shape and direction of the U.S. Intelligence Community. Going  
38 beyond simply setting up NIMA, the committee recommended, in its study "IC21: The  
39 Intelligence Community in the 21<sup>st</sup> Century," that the DCI study the possibility of creating  
40 a new HUMINT agency and a new single agency for "conducting technical intelligence  
41 collection" activities. In effect, the proposal called for combining NSA, NIMA, and all  
42 MASINT activities in a new "technical Collection Agency" under the Secretary of  
43 Defense. It envisioned a new "CIA" that would be the nation's premier all-source

<sup>1246</sup> Tenet was the third and last DCI to have cabinet rank. He did not have it under George W. Bush.

<sup>1247</sup> Much of this section is based on Loch Johnson, "The Aspin-Brown Intelligence Inquiry: Behind Closed Doors of the Blue Ribbon Commission, *Studies in Intelligence* 48, no. 3 (2004).

1 intelligence analysis agency, and recommended two DCI positions, one for the CIA and  
2 one for the community. It also proposed a DMI within DOD. It was a radical proposal  
3 that went nowhere.<sup>1248</sup> For the Intelligence Community, despite the end of the Cold war,  
4 it appeared as if business was being conducted as usual. All this would soon change.

#### 6 **Rumsfeld Commission 1998**

8 Early in his tenure, DCI Tenet faced a number of outside critiques of the performance of  
9 the Intelligence Community.<sup>1249</sup> With the Republicans again in control of Congress,  
10 Speaker of the House, Newt Gingrich (R-GA), and several right-wing think tanks such as  
11 the Center for Security Policy (CSP) and the American Conservative Union (ACU),  
12 pushed for a study of U.S. missile defenses. They wanted increased defense spending  
13 and support for new weapons programs. In 1997 Congress established the Commission  
14 to Assess the Ballistic Missile Threat to the United States, chaired by Donald Rumsfeld.  
15 Strong advocated of increased U.S. missile defense dominated the commission. The  
16 membership included, in addition to Rumsfeld, William Graham, Paul Wolfowitz,  
17 William Schneider, and R. James Woolsey. It was much like the Team B experiment of  
18 the 1970s. The Commission concluded that the ballistic missile threat to the United  
19 States was much greater than previous reported. It was so great that “the United States  
20 might have little or no warning before operational deployment” by a hostile Third World  
21 country. It stated that “rogue states” such as Iraq, North Korea, or Iran could deploy  
22 ballistic missiles within “five years of a decision to do so.” The Commission report  
23 contradicted the 1995 NIE which stated that it would take at least 10-15 years for rogue  
24 nations to develop a missile capacity that could threaten the United States. DCI George  
25 Tenet initially challenged the finding of the Commission, but in September 1999, a new  
26 NIE was substantially more alarmist than the previous NIE. It predicted that North Korea  
27 could test a ballistic missile capable of hitting the United States “at any time” and that  
28 Iran could test such a weapon “in the next few years.” It was much like the IC response to  
29 the critical Team B report in 1976. Viewed from the 21<sup>st</sup> Century, the 1995 NIE held up  
30 better than the later one.<sup>1250</sup>

#### 32 **Jeremiah Panel 1998**<sup>1251</sup>

34 Following the surprise nuclear weapons tests by India in 1998, DCI Tenet set up another  
35 group, this time headed by Adm. David Jeremiah, to examine the failure of the  
36 Intelligence Community to warn U.S. policymakers of the impending tests. Perhaps to  
37 head off SSCI hearings, Tenet set up the panel to examine “how and why we had missed  
38 the boat so badly.”<sup>1252</sup> Jeremiah’s team concluded that the identification of the Indian  
39 nuclear test preparations was a difficult intelligence collection and analytical problem.  
40 The U.S. overhead satellite collection capability was limited because much of it had been

<sup>1248</sup> Garthoff, *Leadership of the U.S. Intelligence Community*, p. 246.

<sup>1249</sup> *Ibid.*, p. 272.

<sup>1250</sup> For the Executive Summary of the Report of the Commission to Assess the Ballistic Missile Threat to the United States see Commission to Assess the Ballistic Missile Threat to the United States.

<sup>1251</sup> The Jeremiah Panel Report remains classified.

<sup>1252</sup> George Tenet, *At the Center of the Storm*, p.44.

1 diverted from the Indian subcontinent to focus on Iraq and the no fly zone around  
2 Baghdad. Moreover, the panel saw the preconceptions of U.S. policymakers and analysts  
3 as a serious problem. The underlying mind-set was one in which U.S. officials believed  
4 the Indian government would behave as they would. The Jeremiah Panel recommended  
5 alternative analysis as part of the warning process. A more aggressive thinking on how  
6 the other side might behave, "playing the enemy," using competing hypotheses.,  
7 "playing the Devil's Advocate." In response, Tenet set up "red team analyses" to offer  
8 divergent views within the Intelligence Community.

9  
10 **Commission to Assess the Organization of the Federal Government to Combat the**  
11 **Proliferation of Weapons of Mass Destruction**

12  
13 Concerned about the proliferation of nation's possessing nuclear weapons and WMD  
14 Congress established the Commission on Proliferation, headed by former DCI John  
15 Deutch in January 1998. The Commission warned of "a new chilling reality for the  
16 United States, WMD. The Commission stated that the U.S. government was not  
17 effectively organized to combat the new reality. It lacked a comprehensive policy and  
18 plan to meet the threat. Deutch's Commission recommended the appointment of a  
19 proliferation czar, National Director for Combating Proliferation, and the creation of a  
20 Combating Proliferation Council to deal with the problem. DCI Tenet had to make sure  
21 that the administration or Congress did not undercut his authorities with regard to  
22 intelligence matters in the proposals. The proposals went nowhere.<sup>1253</sup>

23  
24 **U.S. Commission on National Security (Hart/Rudman) /21<sup>st</sup> Century**

25  
26 Secretary of Defense William Cohen, concerned with the military's preparation for a post  
27 Cold War world ordered a comprehensive review of U.S. national security requirements  
28 in the 21<sup>st</sup> Century. Established in 1998, the Commission was headed by former Senators  
29 Gary Hart and Warren Rudman. It released its report on 31 January 2001. A perceptive  
30 and insightful report, it saw the United States as increasingly vulnerable to hostile attack  
31 on the homeland and predicted that U.S. military superiority would not help. According  
32 to the report, Weapons of Mass Destruction (WMD) and terrorism would be the gravest  
33 threat to U.S. national security in the 21<sup>st</sup> Century. There would be new vulnerabilities  
34 for U.S. security and U.S. intelligence would face more challenging adversaries and  
35 would not be able to prevent all surprises. U.S. borders would be more porous and  
36 terrorizing of civilian populations would increase. In such a world, the report concluded  
37 the U.S. military would be called upon frequently to intervene. The Report was released  
38 seven months before 9/11.

39  
40  
41  
42  
43 **National Commission on Terrorism 2000**  
44

---

<sup>1253</sup> Garthoff, *Directors of Central Intelligence*, p. 273.



1 In response to what it perceived as a growing terrorist threat, Congress created a bi-  
2 partisan National Commission on Terrorism with L. Paul Bremer as chairman. It issued  
3 its report, "Countering the Changing Threat of International Terrorism," on 5 June 2000.  
4 It stated that combating terrorism had emerged as one of the most important priorities of  
5 U.S. foreign policy and national security. The report was essentially a blueprint for a  
6 new, more aggressive, U.S. strategy to deal with terrorist activities. It warned that the  
7 United States needed to prepare for a catastrophic terrorist attack. It needed to confront  
8 states like Iran, Syria, Pakistan, and Greece about supporting terrorist groups using  
9 sanctions if necessary. It recommended that existing CIA guidelines restricting  
10 recruitment of unsavory, criminal sources, be lifted with regard to recruiting  
11 counterintelligence sources and that electronic surveillance techniques be fully utilized.  
12 It warned that these methods might require restrictions on individual liberties but this  
13 might be necessary in the struggle with this new threat.<sup>1254</sup> The Commission even  
14 questioned whether the U.S. ban on assassinations should be reviewed given the new  
15 threat. Despite the perceived growing threat, the commission report had little impact. It  
16 would take the events of 9/11 to jolt the policymakers into action.

17 **President George W. Bush and Demands for Reform**

18 **Scowcroft Review 2001**

19  
20  
21  
22 Despite the numerous commission reports and recommendations, the incoming Bush  
23 administration wanted to take a fresh look at the Intelligence Community and better  
24 coordinate its efforts with the Pentagon. In May 2001 President Bush, in National  
25 Security Directive 5, authorized such a study under the direction of Brent Scowcroft.  
26 Scowcroft had been George Bush senior's National Security Adviser. The attacks of 9/11  
27 soon diverted the policymakers and the Intelligence Community's attention from the  
28 Scowcroft Study. It was never released. Press accounts, however, suggest that it called  
29 for the creation of a collection management agency that would combine the NSA, NRO,  
30 and GPA functions. Secretary of Defense Ronald Rumsfeld was strongly opposed to the  
31 concept. Perhaps to counter the proposal, Rumsfeld in April 2003 created a new post of  
32 Under Secretary of Defense for Intelligence as his principal adviser on intelligence  
33 matters.<sup>1255</sup>

34  
35 **9/11**

36  
37 On a clear Tuesday morning, 11 September 2001, shortly before 9:00 A.M., a hijacked  
38 American Airline plane, Flight 11, slammed into the North Tower of the World Trade  
39 Center in New York. Another hijacked plane, United Flight 175, crashes into the South  
40 Tower at 9:03 A.M. At 9:37 A.M. a third hijacked commercial flight, American Airlines  
41 Flight 77, dives into the Pentagon. A fourth hijacked plane, United Flight 93 crashes in a  
42 field near Shanksville, Pennsylvania at 10:03 A.M. after a passenger revolt. The terrorist  
43 attacks claimed almost as many American victims (2,973) as the Japanese attack on Pearl

<sup>1254</sup> Raphael F. Perl, *National Commission on Terrorism Report: Background and Issues for Congress* (Washington, DC: Congressional research service, 6 February 2001).

<sup>1255</sup> Waner and McDonald, *US Intelligence Community Reform Studies Since 1947*, p. 36.

1 Harbor on 7 December 1941. The CIA quickly identified the terrorist organization al  
2 Qaeda as responsible for the attack and President Bush proclaimed a War on Terrorism.  
3 On 7 October 2001 the Bush administration launched Operation ENDURING  
4 FREEDOM to clear Afghanistan of allied Taliban and al Qaeda forces.<sup>1256</sup>  
5 Just as the Pearl Harbor attack was the catalyst for the creation of the CIA, the 9/11  
6 disaster would transformed the CIA, the U.S. Intelligence Community and U.S. national  
7 security.

### 9 **Creation of the Department of Homeland Security**

10  
11 In response to the 9/11 attacks, President Bush in October 2001, established the Office of  
12 Homeland Security (OHS) to coordinate homeland security efforts. He appointed former  
13 Pennsylvania Governor Tom Ridge as the OSH director. In 2002 Congress combined  
14 under one organizational roof domestic security functions of several agencies associated  
15 with the domestic security of the United States by the Homeland Security Act. Its stated  
16 goal was to prepare for, prevent, and respond to domestic emergencies, primarily terrorist  
17 attacks. It was the biggest government reorganization since the 1947 National Security  
18 Act which brought the various military departments under the control of a new Secretary  
19 of Defense. It combined 22 agencies into one cabinet level agency, including the U.S.  
20 Custom Service, the Coast Guard, Secret Service, and Immigration and Naturalization  
21 Service. It did not achieve the hoped for greater integration of intelligence for domestic  
22 security. Instead, the Bush administration created a new Terrorist Threat Integration  
23 Center (TTIC) under the DCI in an effort to connect the “dots” and to help protect against  
24 terrorist attacks both at home and abroad.<sup>1257</sup>

### 26 **Lone Wolf Amendment to Surveillance Act**

27  
28 In another response to the 9/11 attacks, , in 2004, Congress amended the Foreign  
29 Intelligence Surveillance Act to include a “lone wolf” provision. Congress defined a  
30 “lone wolf” as a non-U.S. citizen who engages in or is preparing to engage in  
31 international terrorism. The amendment allowed the FISA courts to issue surveillance  
32 warrants without having to find a connection between the individual (lone wolf) and a  
33 foreign government or terrorist group.<sup>1258</sup>

### 35 **9/11 Commission**

36  
37 The attacks of 11 September 2001 prompted new calls for intelligence community reform  
38 Immediately after the terrorist attack on the World Trade Center and the Pentagon,  
39 Congress demanded to know what went wrong with U.S. intelligence. Congress  
40 appointed a joint House-Senate committee to investigate the attacks. Democratic Senator  
41 Robert Graham and Republican Porter Goss headed the committee. Its report, issued in  
42 July 2003 singled out the failures of both the CIA and FBI to prevent the attack.  
43 According to the joint committee, both agencies missed opportunities to disrupt the 9/11

<sup>1256</sup> Operation ENDURING FREEDOM was a CIA plan not one developed in the Pentagon.

<sup>1257</sup> Garthoff, *Leadership of the U.S. Intelligence Community*, p.275.

<sup>1258</sup> Lone Wolf Amendment may be found on <http://www.fas.org/irp/crs/RS22011>.

1 plot by not sharing information. To help solve the problem, the Committee  
2 recommended creating a new cabinet-level position of Director of National Intelligence.  
3 The joint committee's inquiry did not end the investigation into what went wrong.  
4 Families of the 11 September attack victims demanded the establishment of an  
5 independent, blue-ribbon commission to investigate the terrorist attack.  
6 Although reluctant to do so because he claimed it would be a distraction for his national  
7 security team, President Bush finally agreed to create the commission in November 2002.  
8 The 9/11 Commission, officially the National Commission on Terrorist Attacks Upon the  
9 United States, was chaired by former Republican Governor of New Jersey Thomas H.  
10 Kean, with former Democratic Representative Lee Hamilton (D, IN) as vice chair.  
11 The 9/11 Commission released its final report on 22 July 2004. It detailed the missed  
12 opportunities to discover the plot and tied the failure to predict and prevent the attacks to  
13 organizational problems both within the Intelligence Community and between its  
14 organizations. The report's major recommendations were to establish a strong "National  
15 Intelligence Director" within the White House and separated from CIA, to coordinate  
16 intelligence matters better and to oversee national intelligence centers on WMD  
17 Counterterrorism, International Crime and Narcotics, China/East Asia, Middle East, and  
18 Russia/Eurasia. The report recommended that the DNI have the authority to reprogram  
19 funds among the national intelligence agencies and nominate the directors of the DIA,  
20 NSA, NRO, and NGA.

21  
22 **Creation of the Director of National Intelligence (DNI)**  
23

24 The Bush administration, while supportive of the idea of a new Director of National  
25 Intelligence position, envisioned a position with less authority than the Commission  
26 proposed. According to the White House, the DNI would have "significant input into the  
27 development of a budget" and "a coordinating role in the selection of people who are  
28 going to serve our intelligence community."<sup>1259</sup> Opposition to the new position quickly  
29 surfaced from the Pentagon.. Secretary of Defense Donald Rumsfeld noted his concern  
30 that the day-to-day management of the NSA, NGA, and NRO should not be placed  
31 outside the Defense Department. "We wouldn't want to place new barriers or filters  
32 between the military Combatant Commanders and those agencies when they perform as  
33 combat support agencies."<sup>1260</sup>  
34 As an interim measure, until legislation to establish a Director of National Intelligence  
35 could be passed, President Bush issued Executive Order 12333 to augment the authority of  
36 the current DCI. It called for the DCI to develop, with the advice of the heads of the  
37 intelligence community, the annual National Foreign Intelligence Program budget and to  
38 report to the President on the effectiveness of its implementation.  
39 Congress enacted the Intelligence Reform and Terrorism Prevention Act in December  
40 2004 following the issuance of the 9/11 Commission Report. The act created a Director  
41 of National Intelligence (DNI) to manage the planning, policy, and budgets of the  
42 Intelligence Community. The DNI would serve as head of all fifteen intelligence

---

<sup>1259</sup> White House , National Intelligence Director Press Briefing, 2 August 2004, National Security Archive  
*From Director of Central Intelligence to Director of National Intelligence Briefing* Book 144, 2004.

<sup>1260</sup> Statement by Donald Rumsfeld, Secretary of Defense Before the Senate Armed Services Committee,  
17 August 2004, National Security Archive, Briefing Book 14.

1 agencies and control most of their budgets. The DNI assumed the responsibility for  
2 producing the President's Daily Brief. The law abolished the position of Director of  
3 Central Intelligence and established a new national counterterrorism center to coordinate  
4 intelligence on terrorism. Porter Goss, the serving DCI became the Director of the  
5 Central Intelligence Agency. With its enactment, the position of DCI, established 58  
6 years earlier, ceased to exist. The director of CIA would now report to the DNI rather  
7 than to the President. The law did not, however, centralize all intelligence functions.  
8 The Secretary of Defense remained a major player and separate intelligence agencies  
9 maintained their separate missions. The new DNI was not given the authority to direct  
10 the defense intelligence agencies, primarily DIA, NSA, NRO, or NGA.  
11 On 17 February 2005 President Bush selected John Negroponte, an experienced  
12 diplomat, then serving in Iraq, as the first DNI. He was quickly followed by Michael  
13 McConnell, Dennis Blair, and James Clapper. The job appeared to be an impossible  
14 one. Upon his departure as the first Director of National Intelligence, John Negroponte  
15 characterized the development of the office as "a work in progress."<sup>1261</sup>  
16

### 17 **Iraq War**

18  
19 While Operation UNDURING FREEDOM was a major military success, the Taliban and  
20 al Qaeda forces were quickly defeated, with only remnants escaping into Pakistan, the  
21 Bush administration turned its attention to Saddam Hussein's regime in Iraq. The Bush  
22 White House claimed that Hussein had weapons of mass destruction and had assisted al  
23 Qaeda and Osama bin Laden in executing the 9/11 attacks. The administration ramped  
24 up its campaign against Hussein. On 19 March 2003 the Bush Administration launched  
25 Operation Iraqi Freedom, a preemptive attack on Iraq. In a massive display of military  
26 "shock and awe," the United States and its allies devastated the Iraqi army sending  
27 Saddam into hiding. Soon after President Bush declared "Mission Accomplished,"  
28 major doubts began to appear concerning Hussein's WMD program and his  
29 collaboration with bin Laden.  
30

### 31 **The Silberman-Robb Commission**

32  
33 President Bush created The Commission on the Intelligence Capabilities of the United  
34 States Regarding Weapons of Mass Destruction, headed by Judge Laurence Silberman  
35 and former Senator Charles "Chuck" Robb, by Executive Order 13328 in February  
36 2004.<sup>1262</sup> This followed a growing controversy over whether or not the Intelligence  
37 Community had erred in its judgments regarding Iraq's WMD programs before the start  
38 of Operation Iraqi Freedom. Bush directed the commission to "specifically examine the  
39 Intelligence Community's intelligence prior to the initiation of Operation Iraqi Freedom  
40 and compare it with the findings of the Iraq Survey Group. The Silberman-Robb C  
41 Commission reported on 31 March 2005 that U.S. intelligence agencies had been "dead  
42 wrong" in their assessments of Iraqi weapons of mass destruction. It wrote:  
43

---

<sup>1261</sup> Jeffrey T. Richelson, *The U.S. Intelligence Community*, p. 540.

<sup>1262</sup> At the same time, the British government, the U.S.'s major ally during the Iraq war, announced a similar commission to investigate British intelligence. It was known as the Butler Inquiry.

1 The Intelligence Community's performance in assessing Iraq's pre-war weapons  
2 of mass destruction programs was a major intelligence failure. The failure was  
3 not merely that the Intelligence Community's assessments were wrong. There  
4 were also serious shortcomings in the way these assessments were made and  
5 communicated to policymakers.<sup>1263</sup>  
6  
7

8 The Silberman-Robb Commission essential agreed with the findings of the Iraq Survey  
9 Group headed by David Kay, Saddam Hussein had no weapons of mass destruction prior  
10 to the U.S. invasion. Specifically, the report criticized the NIE of October 2002 that  
11 concluded Iraq "has" biological weapons. This NIE was based almost exclusively on  
12 information supplied by an informant named Curveball. Curveball was handled by the  
13 German intelligence agencies and American intelligence never interviewed him until  
14 after the war. His information was suspect. Regarding the claim that the Iraqi's were  
15 using aluminum tubes as centrifuges in a nuclear weapons program, the Commission  
16 found them to be used for conventional rockets. Investigating the Niger Yellowcake  
17 scandal, the commission found that U.S. intelligence used forged documents,  
18 "transparently forged documents" in its analysis. The Commission also noted in its  
19 report, that its mandate did not allow it "to investigate how policy makers used the  
20 intelligence they received from the Intelligence Community on Iraq's weapons programs.  
21 The Commission recommended various structural and organizational changes to improve  
22 intelligence analysis."<sup>1264</sup>  
23

#### 24 **Protect America Act 2007 (Patriot Act)**

25

26 On 27 July 2007, President Bush called on Congress to pass legislation to reform the  
27 FISA in order to ease restrictions on surveillance of terrorist suspects where one party or  
28 both parties to the communication are located overseas. Congress responded with the  
29 Protect America Act of 2007. It provided that communications that begin or end in a  
30 foreign country may be wiretapped by the U.S. government without supervision by the  
31 FISA Court. The Act empowered the Attorney General or Director of National  
32 Intelligence to authorize for up to one year, the acquisition of communications  
33 concerning "persons reasonably believed to be outside the United States" if the Attorney  
34 general or DNI that it did not involve solely domestic communications. The Act also  
35 authorized the Attorney General or DNI to direct communications providers to assist in  
36 the operation. Critics claim that the Act "poses a serious threat to the very notion of  
37 government of the people, by the people, and for the people." The debate of portions of  
38 this act and either to renew them continues.<sup>1265</sup>  
39

#### 40 **Warrantless wiretaps NSA**

---

<sup>1263</sup> The unclassified version of the Silberman-Robb report may be found at  
<http://www.gpoaccess.gov/wmd>.

<sup>1264</sup> For a detailed look at U.S. intelligence and Iraq see Chapter X U.S. Intelligence faces a new  
Challenge, Terrorism.

<sup>1265</sup> Elizabeth Bazan, "The Protect America Act," Congressional Research Service, 2008 and James Risen  
and Eric Lichtblau, "Concerns raised on Wider Spying Under New Law," *New York Times*, 19 August  
2007.

1 Secret prisons  
2 Torture

3  
4 **Judicial Oversight of Intelligence**

5  
6 The judicial branch of the government is a latecomer to the world of intelligence. Yet,  
7 today, it is very much a part of the oversight process.<sup>1266</sup> Judicial oversight is another  
8 check on intelligence activities, especially with regard to domestic affairs and  
9 counterintelligence. The open world of American jurisprudence and the closed world of  
10 U.S. intelligence operations come into contact in a variety of ways, as judicial review  
11 touches on intelligence matters. Until the 1970s, the courts had little to say about  
12 intelligence. The Federal judiciary was reluctant to exert jurisdiction in the intelligence  
13 field. In general, judges have been deferential to the executive branch in intelligence  
14 matters.

15 The need for secrecy clashes directly with conventional U.S. trial procedures. This is  
16 evident in matters which are referred to as Gray-Mail cases.

17  
18 **The Gray-Mail Problem and the Classified Information Procedures Act**

19  
20 The U.S. Government often encountered problems prosecuting espionage cases. It had to  
21 forgo prosecution because it did not want to reveal in open court the classified  
22 information that had allegedly been passed to an unauthorized person. Defendants often  
23 threatened to reveal classified information in open court or they requested classified  
24 material as evidence, believing the government would be unwilling to make the material  
25 available in open court. For example, Oliver North invoked the graymail argument  
26 successfully to dismiss the more serious charges against him.<sup>1267</sup> To counter these  
27 practices, in 1980, Congress passed the Classified Information Procedures Act that  
28 allowed the government to redact certain information or summarize it so long as the  
29 courts agreed that a defendant's rights were protected by the process. The act allowed  
30 judges to review classified material in secret so that the prosecution could proceed  
31 without the disclosure of sensitive intelligence information.

32  
33 The Courts have also scrutinized intelligence activities in surveillance cases. The FISA  
34 Act in 1978 and the creation of the FICA Court provide that judges review foreign-  
35 intelligence related electronic surveillance operations before their inception.<sup>1268</sup>  
36 Federal judges also examine First Amendment protections of free speech and the press as  
37 they relate to intelligence matters. CIA employees, for example, must sign a  
38 nondisclosure of classified information contract when they are granted access to

---

<sup>1266</sup> Much of this section is based on Frederic F. Manget, "Another System of Oversight: Intelligence and the Rise of Judicial Intervention," in Loch K. Johnson and James J. Wirtz, eds., *Strategic Intelligence: Windows Into a Secret World, An Anthology* (Los Angeles, California: Roxbury Publishing Company, 2004), pp.407-413.

<sup>1267</sup> More recently, Dick Cheney's aide, Lewis "Scooter" Libby requested 10 months of the President's Daily Brief (PDB) in his trial regarding the release of a CIA officer's name. The U.S. government refused to release the material. Libby was, nevertheless found guilty. Murray Waas, "Cheney 'Authorized' Libby to Leak Classified Information," *National Journal*, 9 February 2006.

<sup>1268</sup> See the earlier discussion, pp.

1 sensitive, classified information. The contract requires prepublication review of non-  
2 official writings to protect sensitive information. This prior restraint on publication was  
3 challenged by former CIA employees Victor Marchetti and Frank Snepp. Both lost their  
4 cases as the courts ruled that the contract restrictions on freedom of speech were  
5 reasonable and constitutional. IN general, however, judicial oversight remains limited.  
6 The courts continue to defer to the executive branch in intelligence matters.

## 7 8 **Summary**

9  
10 Ever since the establishment of the CIA, there have been controversy and conflict over  
11 the role of the DCI in managing the various parts of the intelligence community and over  
12 the question of oversight and the role of Congress in intelligence. There have been a  
13 multitude of studies undertaken by Congress, the executive branch and private citizens  
14 which offered an array of recommendations and reforms. In general, it has been pressure  
15 from the outside for changes rather than internally generated reform efforts have been the  
16 greatest factor in the evolution of the U.S. intelligence system. The White House and  
17 Capitol Hill have been the chief drivers of intelligence reform. For almost thirty years  
18 the primary instigator of intelligence reform was the executive branch. Congress would  
19 not take up the issue until the 1970s and the Watergate scandal and then again in the early  
20 1990s with Iran-Contra. The Dulles Jackson Correa Survey, the Church/Pike Committee  
21 Investigations, the Schlesinger Study, and the 9/11 Commission Report had the greatest  
22 impact on the structure and organization of U.S. intelligence and oversight authorities and  
23 practices.

24 Since the Cold War, both branches of government, under both political parties, have  
25 urged greater intelligence centralization, coordination and cooperation. Another factor  
26 driving concerns about the Intelligence Community was the spiraling costs involved with  
27 developing and deploying advanced collection systems. While there was a general  
28 consensus regarding the notion of central management of U.S. intelligence, the concept  
29 of centralizing IC management was honored more in the breach than actual fact.  
30 The long-term trend was to increase the concentration of power over intelligence by  
31 placing more and more power in the hands of the DCI and the Secretary of Defense,  
32 regardless of whether Democrats or Republicans controlled the White House or  
33 Congress. Slowly power gravitated away from the Department of State, and the military  
34 services which had dominated American intelligence until mid-century.

35  
36 In the wake of the terrorist attacks on 11 September 2001, many critics believed it was  
37 an issue of "not connecting the dots." Available pieces of intelligence were not properly  
38 correlated and evaluated. The same reasoning had been reached 60 years before in the  
39 assessment of the Pearl Harbor attack. In both cases, the conclusion reached that changes  
40 in organization and process would solve the problem. In 1947, the solution was the  
41 creation of a DCI and the Central Intelligence Agency to centralize the process of  
42 connecting the dots. After 9/11 it was the creation of a new Department of Homeland  
43 Security and a new Director of National Intelligence. Many critics have judged the  
44 changes as not really addressing the problem and unnecessary. Michael Scheuer, a  
45 former CIA officer, for example, claimed that the 9/11 reforms were directed at the  
46 wrong target. He used the following analogy to illustrate his point. The 9/11 attacks

1 were akin to an automobile accident where the police came out to investigate. They  
2 immediately arrested the vehicle involved, put the car in jail, tried the car for negligence,  
3 and sentenced the car to prison. Meanwhile the driver of the car was never  
4 investigated.<sup>1269</sup> Looking at the reforms of the 1970s, Walter Laqueur found them  
5 “unnecessary and even harmful. The real problem for Laqueur was the “growing  
6 bureaucratization of modern intelligence and the unhealthy preoccupation with  
7 managerial reform efforts.” He saw it as a tendency to turn substantive problems into  
8 problems of management and administration.<sup>1270</sup> Historian Earnest May, having looked  
9 at intelligence organizations in several European countries, concluded that the “type of  
10 organization appears to have had little effect on the quality of assessment...” May went  
11 on to agree with Laqueur, that reorganization can actually be harmful. Perhaps, May  
12 wrote, “it may be a mistake to change organizations - - that it is better to live with the ills  
13 one has than fly to others which one has no built-up immunity.”<sup>1271</sup> The struggle for  
14 control of U.S. intelligence continues.  
15

---

<sup>1269</sup> Author notes from conference on intelligence held at Ohio University.

<sup>1270</sup> Walter Laqueur, *A World of Secrets*, pp. 312-313.

<sup>1271</sup> Ernest R. May, ed., *Knowing One's Enemies: Intelligence Assessment before the Two World Wars*, pp. 532-533.



1

425

1 **Chapter XIV**

2 **U.S. Intelligence Confronts a New Target:**

3 **Terrorism**

4 **Background: A New Target**

5

6

7

8

9 During the 1960s, the concept of international terrorism had not yet emerged. Although

10 troubled by insurgencies and air plane hijackings, U.S. policymakers believed that only

11 the Soviet Union was capable of exploiting U.S. domestic security. The Nixon

12 administration would be the first in U.S. history to confront international terrorism as a

13 national problem. In August 1969 two Palestinians terrorists hijacked TWA Flight 840,

14 from Los Angeles to Tel Aviv. During the Munich Olympics in 1972 a Palestinian group

15 attacked the Israeli team. There was a new menace in the world, international

16 terrorism.<sup>1272</sup> In response, partly to placate the Jewish lobby, Nixon set up a new cabinet

17 level committee to coordinate intelligence about possible terrorist attacks. Nixon wanted

18 both, the FBI Director, L. Patrick Gray, and DCI Richard Helms to be part of the

19 committee. He told Kissinger, "I don't want a bunch of .. jerks from State, "No, no,"

20 assured Kissinger, "this is a cabinet-level committee... lots of prestige."<sup>1273</sup> The

21 committee would meet only once in early October 1972. It was replaced by a different

22 executive organization by President Gerald Ford in 1977. Nixon's idea did help create

23 an active working group, however, chaired by the State Department's new coordinator of

24 combating terrorism. Composed of midlevel officials from nine other agencies, it

---

<sup>1272</sup> Timothy Naftali, *Blind Spot, The Secret History of American Counterterrorism* (New York: Basic Books, 2005), p. 54. In an attempt to rescue the athletes, the West Germans mounted an armed attack on the hostage takers, five of the eight terrorist died and all nine of the remaining Israeli athletes were killed in the attempt.

<sup>1273</sup> As quoted in Naftali, *Blind Spot*, p. 59.

1 constituted the first interagency study group to think about terrorism. While midlevel  
2 counterterrorist experts were becoming increasingly concerned about the growing level of  
3 activity of international terrorists such as the PLO, the Irish Republican Army (IRA) and  
4 Carlos the Jackal, Ford's senior advisors advocated dismantling the modest  
5 counterterrorism structures established by Nixon, including the Cabinet Committee to  
6 Combat Terrorism and its working group. During the Church Committee investigations,  
7 Attorney General Edward Levi drafted a set of guidelines that carefully restricted the  
8 FBI's ability to collect intelligence outside of a criminal investigation. Known as the  
9 Levi Guidelines, they prohibited the FBI from investigating any individual before a crime  
10 was committed. This sharply restricted the FBI's ability in the anti-terrorist field. With  
11 the bicentennial celebration looming, Associate Deputy Attorney General Rudolph W.  
12 Giuliani warned that the new Privacy Act and Levi's guidelines would complicate  
13 terrorism reporting. "Under the new guidelines," Giuliani wrote, "there [is] difficulty in  
14 collecting domestic intelligence unless there was some indication that there had been a  
15 violation of the law."<sup>1274</sup> The Ford White House remained deeply skeptical about the  
16 threat of terrorism. The incoming Carter administration was likewise little interested in  
17 terrorism. For Carter's national security advisor, Zbigniew Brzezinski, terrorism was not  
18 of great concern. His attention was riveted on the Soviet Union. Even DCI Stanfield  
19 Turner saw terrorism as a foreign problem not an American one. Despite the skepticism,  
20 President Carter signed Presidential Security Memorandum 30 (PSM 30) on 16  
21 September 1977 which gave the NSC an active role in counterterrorism. State  
22 remained the lead role in overseas terrorist incidents and the FBI in domestic incidents.  
23 The Memorandum abolished the Nixon era cabinet-level committee and created a new

<sup>1274</sup> As quoted in Naftali, *Blind Spot*, p. 93.

1 Working Group on Terrorism which reported to a new NSC Committee on Combating  
2 Terrorism. Despite the reorganizations, terrorism “was not a great deal of concern,”  
3 according to DCI Turner. The principals had little interest in the counterterrorist shop.  
4 The NSC believed that the chance of a terrorist attack against the United States was  
5 actually decreasing. During the Iran hostage crisis, the State counterterrorist team was  
6 firmly pushed to one side.<sup>1275</sup>

7

### 8 **State Sponsored Terrorism**

9

10 After the election of Ronald Reagan, his new Secretary of State, Alexander Haig,  
11 worked to put counterterrorism at the top of the Reagan administration’s foreign policy  
12 agenda. At the Reagan administration’s first NSC briefing, Haig arranged to feature a  
13 briefing on terrorism. Reagan, however, “was fast asleep within fifteen minutes of the  
14 briefing.” Haig, himself, tended to view terrorism as a by-product of the Cold War. The  
15 Soviet Union was still the major focus. Haig linked terrorism to the superpower conflict.  
16 William Casey, Reagan’s new DCI, also believed that Soviet-sponsored terrorism was a  
17 real threat. Casey directed the CIA to begin work on a Special National Intelligence  
18 Estimate (SNIE) on Soviet sponsored international terrorism. The draft SNIE, prepared  
19 by the Office of Soviet Analysis (SOVA) declared that the Soviets did not organize or  
20 direct international terrorism. Casey was “greatly disappointed” in the draft. He asked  
21 DIA to prepare a completely new draft. According to Robert Gates, Casey’s aide at the  
22 time, “a donnybrook inside the intelligence community” ensued. Only after weeks of  
23 debate was a new estimate issued. It acknowledged that the Soviets were deeply engaged

---

<sup>1275</sup> Ibid., p. 113.

1 | in support of "revolutionary violence" world-wide in an effort to weaken unfriendly  
2 | societies, destabilize hostile regimes, and advance Soviet interests.<sup>1276</sup> In 1981 FBI  
3 | Director William Webster also promoted counterterrorism to one of the main missions of  
4 | the Bureau. In April 1982, President Reagan signed NSDD 30 which reaffirmed the  
5 | NSC's leading role in the management of terrorist incidents and established a Terrorist  
6 | Incident Working Group. (TIWG). State still had the lead on overseas terrorism. There  
7 | would not be an aggressive antiterrorism policy, however, until a series of events in  
8 | Lebanon shocked the Reagan administration into action.

9 |  
10 |  
11 | **Lebanon**

12 |  
13 | Civil war erupted in Lebanon in 1975 between the Lebanese Christians backed by Israel  
14 | and the PLO supported by Syria. In 1982 Israel mounted a full scale invasion of Lebanon  
15 | to clear southern Lebanon of PLO militia. In response, the radical Shia militias formed  
16 | the Hezbollah or "Party of God." Hezbollah received training and support from Iran.  
17 | Fearful that the Soviet Union might take advantage of the situation, the Reagan  
18 | administration negotiated a cease fire that involved the withdrawal of the PLO from  
19 | Lebanon. The cease fire did not hold. President Reagan then decided to deploy U.S.  
20 | Marines to Beirut as part of a multilateral force to maintain the peace. The hope was that  
21 | the United States could play the honest broker. It was not to be. The Reagan  
22 | administration was soon confronted with its first terrorist challenge. In April 1983, a  
23 | group calling itself Islamic Jihad blew up the U.S. embassy in Beirut, killing sixty-three

<sup>1276</sup> Gates, *From the Shadows*, pp. 203-205.

CIA

1 | people, including seventeen Americans.<sup>1277</sup> ~~This was not state-sponsored terrorism. It~~  
2 | ~~was the work of Islamic extremists.~~ Reagan called the bombing “a vicious...cowardly  
3 | act” and vowed that terrorism would not deter the United States from seeking a peaceful  
4 | settlement in the Middle East. The incident was a major intelligence failure (b)(1), (b)(3)



10 | The U.S. government had what it needed to prevent the terrorist attack but the  
11 | intelligence organization failed to alert the policymakers.<sup>1278</sup>

13 | -On 23 October 1983 two truck bombs struck the U.S. Marine barracks (b)(1), (b)(3)  
14 | paratroops barracks in Beirut. 220 U.S. Marines, 18 U.S. Navy personnel and three U.S.  
15 | Army service men died. 58 French paratroops perished in the attack. Reagan called it “a  
16 | despicable act.” He wanted to retaliate with military force and to coordinate this action  
17 | with the French. The NSA had intercepted a message from Tehran that clearly implicated  
18 | the Iranians and Hezbollah in the attack. Reagan signed NSDD 109 on 23 October which  
19 | held Iran and Hezbollah responsible for the barracks attack and authorized military action  
20 | against them. Richard Armitage, a Defense Department official, later stated, “We wanted  
21 | to put a cruise missile into the window of the Iranian ambassador in Damascus.” On 14

<sup>1277</sup> The bombing of the U.S. embassy dealt a serious blow to the CIA’s counterterrorist effort in the Middle east. Among the seventeen Americans killed were (b)(1), (b)(3) employees, including (b)(1), (b)(3) (b)(1), (b)(3) and the CIA’s foremost expert on the PLO, Robert Ames. See Naftali,

*Blind Spot*, p. 135.

<sup>1278</sup> Naftali, *Blind Spot*, pp. 142-143.

Formatted: Font: Italic

1 November Reagan approved the air strike plan. Casper Weinberger, according to  
 2 McFarlane and Poindexter, canceled the mission. Reagan, in his memoirs only states that  
 3 he changed his mind about the attack. The French proceeded without the Americans,  
 4 with little effect. After weeks of assuring the American public that the United States  
 5 would continue to support the multilateral force in Lebanon, Reagan "redeployed" the  
 6 Marines out of Lebanon on 7 February 1984. The multinational force left soon after.  
 7 There would be no serious retaliation for the Beirut bombings.

8

9 **Training "Hit Men"**

Formatted: Font: Bold

10

11 The Reagan administration's counterterrorism policies in Lebanon had two objectives:  
 12 (1) reducing the capabilities of Hezbollah to prevent future attacks and (2) securing the  
 13 release of American hostages held by Hezbollah. As part of this program, in October  
 14 1984, the deputies committee discussed funding and training the Lebanese army to go  
 15 after Hezbollah. (b)(1), (b)(3)

CIA, NSC

16

17

18

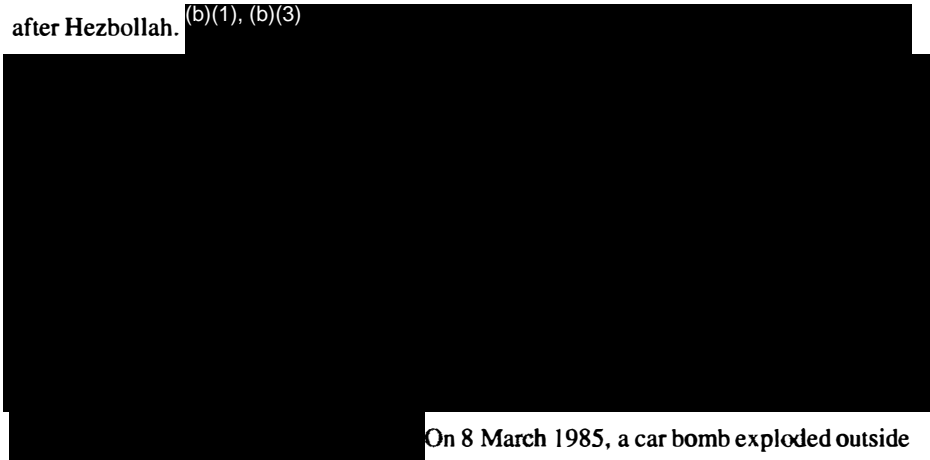
19

20

21

22

23



On 8 March 1985, a car bomb exploded outside

the residence of the spiritual leader of Hezbollah, Skeikh Mohamed Fadlallah. The bomb

<sup>1279</sup> Naftali, *Blind Spot*, pp. 147-149.

CIA, NSC

1 killed eighty people but not Fadlallah. (b)(1), (b)(3)

2 [Redacted]

3 ~~Iran sponsorship~~

4  
5

6 ~~Bombing of U.S. Marine Barracks October 1983~~

7 ~~February 7, 1984, Reagan "redeployed" U.S. Marines out of Beirut~~

8

9 **Other Terrorist Incidents**

10

11 Terrorists killed Malcolm Kerr, President of American University in Beirut, Lebanon in

12 January 1984. Four days later, Secretary of State George Shultz officially designated

13 Iran as a sponsor of international terrorism. Iran could no longer receive U.S. military

14 aid. Nevertheless, terrorism remained a secondary matter at the CIA. Hezbollah activity

15 increased as it began kidnapping Americans as part of a campaign "to rid Muslim

16 regions of foreign spies."

17

18

19 **Kidnappings**

20

CIA

21 (b)(1), (b)(3) Casey asked his long time friend and

22 DO officer, William Buckley to take over the Beirut station. On 16 March 1984,

1280 (b)(1), (b)(3)



1 members of Hezbollah took Buckley hostage. Buckley was the third American  
2 kidnapped by Hezbollah. Informed of the kidnapping, Casey shouted, "I want him  
3 found. I don't care what it takes." Casey ordered the DO to turn the Middle East upside  
4 down to find Buckley. Buckley's capture, more than any other event, prompted the  
5 Reagan administration to begin organizing itself to fight international terrorism.  
6 Casey established a DCI Hostage Locating Task Force. President Reagan signed NSDD  
7 138 on 3 April 1984 which laid out a new counterterrorist policy. It recognized terrorism  
8 as an international problem and was designed to  
9 fake the fight to the terrorists.  
10  
11  
12 \_Despite CIA efforts, Hezbollah , after torturing Buckley, executed him. By the end of  
13 the Reagan administration there were nine Americans being held captive by Hezbollah.  
14 The kidnappings by Hezbollah revealed the ineffectiveness of the Reagan  
15 administration's approach to state sponsored terrorist acts. While the CSG met  
16 frequently to discuss the hostage issue and Delta Force remained on high alert to perform  
17 a rescue operation, "actionable intelligence" remained a serious problem.<sup>1281</sup>

18  
19  
20  
21  
22

---

<sup>1281</sup> Naftali, *Blind Spot*, p. 208. For a detailed look at the hostage crisis during the Reagan period see Chapter.

1 **TWA Flight 847**

2

3 On June 14, 1985 Hezbollah radicals hijacked TWA flight 847 from Athens to Rome.

4 After stops in Beirut and Algiers, the plane returned to Beirut where the hijackers

5 murdered U.S. Navy diver Robert Stethem and threw his body out on the tarmac.

6 Finally, on 30 June, the hijackers released the last of the passengers and disappeared.

7 Despite its stated policy of "no negotiations with terrorists," the Reagan administration

8 put pressure on the Israelis to release hundreds of prisoners demanded by the hijackers.

9 Iran's mediation ~~eventually solved~~ eventually solved the crisis as it convinced the

10 Hezbollah to release the hostages. With the passengers safe, Israel released nearly 500

11 Palestinians in return. The TWA incident was heartbreaking for the Reagan

12 administration. A U.S. sailor had been killed and there would no retribution.

13 By 1985, over thirty agencies were part of the counterterrorism mission and the U.S.

14 government was spending nearly 43 billion a year on counterterrorist programs.<sup>1282</sup> "It

15 was time to go on the offensive against the terrorists," a CIA officer wrote. It was

16 essential for the CIA to have a unit that focused solely on counterterrorism. When Duane

17 "Dewey" Clarridge suggested the creation of a Counterterrorist Center (CTC), DCI Casey

18 jumped at the idea. The new center would have both an analytic and an operational

19 capability. The CTC began operations in February 1986. There were still no ongoing

20 CIA offensive covert operations against international terrorist organizations, however.

21

22 **Achille Lauro Incident**

23

---

<sup>1282</sup> Naftali, *Blind Spot*, p. 177.

1 The *Achille Lauro* was an Italian cruise ship that in October 1985 was on a tour of the  
2 Mediterranean. Most of the 750 passengers were touring the pyramids on 7 October.  
3 Only 97 passengers, twelve Americans, remained on the ship. Four Palestinian  
4 Liberation Front (PLF) members took the crew and the passengers hostage. They  
5 demanded the release of 51 Palestinians held by Israel. They killed a wheel-chair-bound  
6 American passenger, Leon Klinghoffer and dumped him over the side of the ship.  
7 Reagan's counterterrorism team recommended sending a Joint Special Operations  
8 Command (JSOC) force to prepare for a rescue attempt.<sup>1283</sup> Reagan ordered the U.S.  
9 special forces to stand down as the Egyptians offered to negotiate with the terrorists.  
10 When the Reagan administration learned of Klinghoffer's death, it asked the Egyptians to  
11 hold the hijackers. The Egyptians told the Americans that the plane carrying the  
12 hijackers had already left Egypt. Learning from the Israelis that the plane had not  
13 departed Egypt, President Reagan ordered U.S. fighter jets to force the Egyptian  
14 passenger plane to land at a NATO base in Italy. They did, but the Italians insisted on  
15 trying the hijackers.<sup>1284</sup> Congress also responded to the *Achille Lauro* incident. In 1986  
16 Congress authorized the FBI to investigate terrorist attacks against Americans that  
17 occurred outside the United States. In 1989 Congress authorized the FBI to make arrests  
18 abroad without the consent from the host country.<sup>1285</sup>

19  
20

21 **Libya, Muammar Gadhafi, and Pan Am Flight 103**

<sup>1283</sup> The JSOC force included U.S. Navy Seals and Delta Force personnel.

<sup>1284</sup> Naftali, *Blind Spot*, p. 174. In 1999 the *Achille Lauro* caught fire and sank in the Indian Ocean off the coast of Somalia.

<sup>1285</sup> *9/11 Commission Report*, p. 75.

Formatted: Font: Italic

1

2 By 1985 terrorism had become a major issue for the Reagan administration, especially  
3 terrorist acts committed by or on behalf of the governments of Iran, Syria, and Libya.  
4 Secretary of State George Shultz wanted the CIA to develop more aggressive action plans  
5 against terrorist. Under increasing pressure to do something about terrorism, Casey  
6 ordered a CIA assessment of Iranian, Syrian, and Libyan support to terrorism and their  
7 respective vulnerability to retaliation. The report eliminated direct military action against  
8 Iran and Syria arguing that it would be extremely complex and would drive them closer  
9 to the Soviets for protection and "just piss them of." Libya was another matter. The  
10 Reagan administration wanted to make an example of Libya. Libya became the clear  
CIA 11 focus of any retaliatory action. (b)(1), (b)(3)

12 [REDACTED]

13 [REDACTED] At the same time, the NSC, lead by McFarlane, Poindexter, and  
14 North, proposed a preemptive military strike against Libya in concert with Egypt,  
15 Operation Rose. Casper Weinberger, the Secretary of Defense and the Joint Chiefs  
16 through the whole idea was "ludicrous" and wanted no part of it. The CIA also opposed  
17 the plan. As Robert Gates put it, "the costs and risks included a huge outcry globally  
18 against U.S. imperialism, a strong reaction against a U.S. invasion of an Arab country,  
19 potentially significant Soviet gains in the Middle East and elsewhere in the Third World,  
20 a probable short-term upsurge in terrorism against U.S. citizens and installations, and a  
21 potential setback in U.S.-Soviet relations. Gates concluded that actions by Libya were  
22 still "below the threshold for a major invasion of an Arab country."<sup>1286</sup> The principals at  
23 the NSC all opposed the proposal. The NSC staff would not let go of the idea. In August

<sup>1286</sup> Robert Gates, *From the Shadows*, pp. 352-353.

1 2010, Poindexter visited Egypt to discuss the proposal with Egyptian President Hosni  
2 Mubarak. George Schultz considered the mission "a fool's errand." Mubarak bluntly  
3 told Poindexter "When we decide to attack Libya it will be our decision and on our  
4 timetable." The idea was dropped although Poindexter continued to work for regime  
5 change in Libya.

6 On 8 January 1986 Reagan signed NSDD 205 which declared that Libya posed "an  
7 unusual and extraordinary threat" to the United States because of its support for  
8 international terrorism. In March 1986 the NSA intercepted a Libyan message to  
9 dispatch special teams to Western European cities and Ankara, Turkey, to attack U.S.  
10 facilities. Despite the alert passed to allies and U.S. commands, a Libyan team, on 5  
11 April, bombed a nightclub in Berlin popular with Black U.S. military personnel. The  
12 blast at the La Belle discotheque killed one U.S. soldier and injured over one hundred  
13 people. Reagan ordered an air raid on Tripoli, Operation El Dorado. F-111 bombers from  
14 Britain and carrier-based fighters struck military targets in Libya and Gadhafi's  
15 residence. For the first time, the Reagan administration used military force in response to  
16 a terrorist attack. Most of the U.S. intelligence community believed the attack would  
17 lead to Gadhafi's overthrow. It did not. Gadhafi vowed revenge. The CIA reported that  
18 Gadhafi continued "to build links to terrorist groups around the world." Although the  
19 American press believed that the raid had succeeded in putting Gadhafi "in a box," the  
20 CIA warned in October 1988 that "Libya continues to pose the greatest threat to U.S.  
21 interests."

22 On 21 December 1988, Pan Am flight 103, from London to New York exploded over  
23 Lockerbie, Scotland, killing all 259 passengers and crew. The administration chose to

1 regard the Lockerbie bombing as a crime and not an act of war. The FBI was assigned  
2 responsibility as the lead agency in the investigation. The FBI, from the start, believed  
3 that the Iranians had brought down the Pan Am plane as an act of revenge. By 1990 the  
4 evidence shifted to Libya and Gadhafi. The bombs timing device had been built by the  
5 Libyan intelligence service. Gadhafi was the guilty party.

6  
7 The Reagan administration continued to struggle with the problem of how to deal with  
8 terrorism. After the Iran-Contra scandal, Reagan shook up the NSC. Frank Carlucci  
9 replaced Poindexter as National Security Adviser and Lt. Gen. Colin Powell became  
10 Carlucci's deputy. Carlucci believed that the NSC should be a coordinating body, not an  
11 operational agency. He renamed the Operational Sub-Group (OSG) which consisted of  
12 counterterrorism specialists at the assistant secretary level, the Coordination Sub-Group  
13 (CSG). Carlucci also created an Office of Counterterrorism and Narcotics. There would  
14 be a much quieter counterterrorism strategy.<sup>1287</sup> For Carlucci, "terrorism was a problem,  
15 it was not a war." He wanted the terrorism issue handled by the CIA not the NSC. By the  
16 fall of 1988, the U.S. intelligence community concluded that the threat from terrorism had  
17 subsided significantly.

18  
19  
20  
21  
22 **The Bush Administration Deals with the Terrorist Threat**  
23

<sup>1287</sup> Naftali, *Blind Spot*, p. 190.

CIA

1 There would be no structural changes to the U.S. counterintelligence structure, both  
 2 domestically and foreign, during the Bush presidency. ~~Nevertheless, Terrorism appeared~~  
 3 ~~to be on the decline and U.S. reaction took an increasingly important part of the~~  
 4 ~~intelligence and policymaking process. There seemed to be no real threat against the~~  
 5 ~~United States at home. Hezbollah released its last American hostage, Terry Anderson in~~  
 6 ~~December 1991 as well as the body of William Buckley. The seven year ordeal was~~  
 7 ~~over. In 1992, Peruvian authorities arrested Abimael Guzman Reynoso, the leader of the~~  
 8 ~~Shining Path. (b)(1), (b)(3) in hunting down Guzman, whose~~  
 9 ~~organization the State Department described as "the most violent and vicious terrorist~~  
 10 ~~group that has ever existed."~~ In 1994, the Sudanese government gave up Ilich Ramirez,  
 11 the notorious Carlos the Jackal, to the French. (b)(1), (b)(3) in his  
 12 capture. By 1991 Abu Nidal's terrorist organization had been effectively neutralized,  
 13 (b)(1), (b)(3) With these successes, the CIA even considered shutting down its  
 14 CTC because the terrorist problem has been "solved."<sup>1288</sup> Terrorism seemed a dead  
 15 issue.<sup>1289</sup>

**Iraq as a Terrorist Threat**

18  
 19 After Saddam Hussein invaded Kuwait on 2 August 1990, the CIA and the  
 20 counterterrorism community concluded that he would likely resort to unorthodox  
 21 warfare, especially terrorism to hold on to Kuwait and disrupt the coalition against him.  
 22 Saddam himself called for holy war against the United States. The CIA believed he

<sup>1288</sup> Naftali, *Blind Spot*, p. 226.

<sup>1289</sup> Abu Nidal died in Baghdad in 2002. See Naftali, *Blind Spot*, pp. 213-215.

Formatted: Font: Italic

1 would use the "terrorism option." The Intelligence Community had little doubt that  
2 terrorist attacks would accompany the war with Iraq. Moreover, President Bush raised  
3 the specter of Saddam pursuing nuclear weapons as part of his reason for taking decisive  
4 action against Iraq. The U.S. Intelligence Community exaggerated the terrorist  
5 capabilities of the Iraqi intelligence service.  
6

### 7 **The New Clinton Administration and Terrorism**

8

9 The incoming Clinton administration shared the expectation that counterterrorism would  
10 not be a major focus of U.S. foreign policy. In fact, foreign policy was not near the top  
11 of President Clinton's agenda when he assumed office on 20 January 1993. Terrorism  
12 was considered a dead issue. Half the members of the NSC staff that dealt with terrorism  
13 issues were let go. The new administration would stress economic recovery, health care,  
14 and welfare reform. Warren Christopher, President Clinton's first Secretary of State even  
15 proposed merging terrorism into a new bureau that would also deal with narcotics and  
16 crime.<sup>1290</sup> The bombings of the New York World Trade Center in 1993 and the Murrah  
17 Federal Building in Oklahoma City in 1995 focused the Clinton administration's  
18 attention on domestic terrorism. Clinton entrusted primary responsibility for  
19 counterterrorism with the FBI. At the same time in 1993, the NSC's International  
20 Programs, referred to as "Drugs and Thugs" handled foreign terrorist issues. Terrorism  
21 was not a major priority. The FBI continued to handle terrorism as a matter of domestic  
22 law enforcement and while the CIA established a CIA Counterterrorism Center, it was  
23 viewed as a low priority problem. For its part, the NSA did not seek FISA Court

---

<sup>1290</sup> Congressional opposition stopped the effort. See *9/11 Commission Report*, p. 95.



1 warrants to collect communications between individuals in the United States and foreign  
2 countries because it believed that this was an FBI role. The NSA focused on foreign  
3 intelligence and strictly avoided anything domestic.<sup>1291</sup> All of this would quickly  
4 changes with a series of terrorist events.

5

6 **Mir Aimal Kanshi**

7

8 Mir Aimal Kanshi, angry about U.S. policy toward the Palestinians, got out of his pick up  
9 truck at the turn in to CIA Headquarters in Langley Virginia, and started shooting at the  
10 people in the cars lined up to enter the CIA. With his AK-47, which he had recently  
11 purchased in Virginia, Kanshi methodically killed two people and shot another three. It is  
12 was 25 January 1993. He flew to his native Pakistan the next day. The FBI, learning of  
13 his identity, instituted a manhunt for Kanshi. Four years later, the FBI captured Kanshi in  
14 Pakistan after offering a major award for his arrest. There would be no request to the  
15 Pakistan government for his extradition. U.S. authorities renditioned Kanshi out of  
16 Pakistan and back to the United States to stand trial. Found guilty, the state of Virginia  
17 executed Kanshi by lethal injection on 14 November 2002.

18

19 **World Trade Center**

20

21 On 26 February 26, 1993 an explosion rocked the World Trade Center in New York City.  
22 Al Qaeda trained terrorists, masterminded by Ranzi Yousef, sought to collapse the World  
23 Trade Center Towers by blowing up a truck van under one of the towers. The Joint

<sup>1291</sup> 9/11 Commission Report, pp. 87-88.

1 Terrorism Task Force in New York (JTTF) immediately took the lead in the  
2 investigation. The JTTF was an experiment in partnering local and Federal agencies,  
3 including the New York Police Department, the FBI, the Immigration and Naturalization  
4 service, the FAA, the Bureau of Alcohol, tobacco, and Firearms, and the U.S. Marshals  
5 Service, to pursue terrorism investigations. FBI forensic specialists soon made a major  
6 breakthrough in the case. The left axle of the bomber's van survived the blast. The FBI  
7 found a vehicle identification number was on the axle. The FBI traced the number to a  
8 car rental agency. The night before the attack, a man named Mohammed Salameh had  
9 reported the van stolen. Incredibly, on 27 February he returned to the car rental company  
10 to claim his down payment. The FBI was waiting. Salameh was part Sheikh Omar  
11 Abdel Rahman's radical group in Brooklyn. An FBI informant, Emad Salem, was also  
12 part of Rahman's group. Over the next several months, they provided the FBI with  
13 detailed information of the plot to bring down the WTC. In addition, they provided  
14 investigators with information that the Rahman group intended to bomb the George  
15 Washington Bridge, the United Nations building, the Holland Tunnel, and the Queens  
16 Midtown Tunnel.<sup>1292</sup> The FBI subsequently arrested Sheikh Rahman. He was convicted  
17 of plotting terrorism in 1995 and given a life sentence. The bombing was a wake up call  
18 for the Clinton administration,

19  
20  
21

22 **Domestic Terrorism**

---

<sup>1292</sup> For his information Emad Salem received \$1.5 million from the FBI. See Naftali, *Blind Spot*, pp. 232-233.

1

2 Despite of increasing number of terrorist attacks, U.S. intelligence still viewed them as a  
3 foreign phenomenon and isolated incidents. On the morning of 19 April 1995 a truck  
4 bomb exploded in front of the Alfred P. Murrah Federal Building in Oklahoma City  
5 killing 169 people. It was the most destructive act of terrorism in the United States until  
6 9/11. Many in the intelligence community assumed it was the work of Islamic  
7 extremists. Perhaps the same people who had attempt to blow up the WTC. Oklahoma  
8 City had a large Muslim population. Richard Clarke didn't think so. The FBI treated it  
9 as a domestic law enforcement issue. Internal security concerns were the FBI's  
10 responsibility. The case became known as OKBOMB. FBI forensic experts, soon linked  
11 the truck, through the VIN number to a Ryder rental agency. The manager identified  
12 Timothy McVeigh as the person who had rented the truck. The hunt was on for Timothy  
13 McVeigh and his accomplice, and Terry Nichols. Quickly apprehended, they claimed  
14 their hatred of the federal government and FBI drove them to retaliate for the FBI Ruby  
15 Ridge standoff in 1992 and the Waco standoff with the Davidean sect in 1993. They  
16 selected the Murrah Building because it housed 14 Federal agencies including the DEA,  
17 ATF, Social Security Administration, and recruiting offices for the Army and Marine  
18 Corps.<sup>1293</sup> Terrorism had come to U.S. soil.

19

## 20 **The Clinton Administration Reacts**

21

22 Although Hezbollah and the Iranians remained the major focus of the counterterrorism  
23 efforts of the Clinton administration in 1995-1996, there seemed to be a new terrorist

---

<sup>1293</sup> McVeigh was executed for his part in the bombing on 11 June 2001. Nichols received a sentence.

1 threat. The attacks on the CIA headquarters and the World Trade Center did not seem to  
2 fit the traditional pattern of terrorist activity. The terrorist could not be tied to any  
3 particular country. They did not need any states to sponsor them. This was a new kind of  
4 terrorism. In response, President Clinton signed Decision Directive 39 "U.S. Policy on  
5 Counterterrorism" in June 1995. It directed the CIA to undertake an "aggressive program  
6 of foreign intelligence, collection, analysis, counterintelligence, and covert action"  
7 against terrorists and stated that terrorism was a national security concern.<sup>1294</sup>  
8 Clinton established a Set-up Counterterrorism and Security Group (CGS) in the NSC with  
9 Richard Clarke as its head. Clarke became the White House counterterrorism "czar."  
10 Along with Clarke's CGS, Embassy bombings a watershed  
11 he CIA became the linchpin of the Clinton administration's efforts to aggressively  
12 confront terrorism, the proliferation of weapons of mass destruction (WMD), and other  
13 unconventional threats to U.S. security. The State Department created a world-wide,  
14 real-time electronic database of visa, law enforcement, and watchlist information to deal  
15 with counterterrorism matters as well. This system became the core of the post-9/11  
16 border screening system.<sup>1295</sup> Clinton basically left the Justice Department and the FBI in  
17 charge of domestic terrorism and put the CIA, State, and NSA in authority abroad. Sandy  
18 Berger, the National Security Adviser, and Clarke would coordinate the Clinton  
19 administration's response to terrorism. Terrorism was now a top priority.

20

21 **Confronting a New Type of Terrorism**

22

<sup>1294</sup> Immerman, "A Brief History of CIA," p. 67.

<sup>1295</sup> 9/11 Commission Report, p. 95.

1 The U.S. intelligence community now confronted a new kind of enemy who was fanatical  
2 and could not be deterred by the threat of death. It was the beginning of new type of  
3 terrorism, Islamic Terrorism. It was not state sponsored This new terrorism sought to  
4 intimidate and instill fear. There appeared to be a shift in terrorist tactics, now there  
5 would be acts of wanton slaughter with no discernible political aim. The new terrorism  
6 goals were vague religious and ideological ones. The Soviet withdrawal from  
7 Afghanistan inspired a new generation of Islamic men and clerics to advance their  
8 religious and cultural beliefs in a violent struggle with the West and Western values, Still,  
9 U.S. intelligence and U.S. policymakers viewed the new threat as primary a foreign  
10 phenomenon.

11  
12  
13

14 **Osama bin Laden**

15

16 The youngest son of wealthy Saudi family, Osama bin Laden joined the Afghan  
17 resistance in December 1979 to fight the Soviets. He provided financing and training of  
18 Arab nationals for the struggle. After the defeat of the Soviets he returned to Saudi  
19 Arabia but was exiled in 1992. Moving to Sudan, Bin Laden founded Al-Qaeda "The  
20 Base," to train Sunni Islamic extremists in Sudan., \_Announcing a violent jihad to right  
21 injustices against Muslims perpetrated by the United States and the West, bin Laden  
22 sought to: (1) Drive U.S. out of Arabian Peninsula, (2) Overthrow Saudi government, (3)  
23 Liberate Palestine, (4) Support Islamic Revolutionary Groups around the world, and (5)

1 Kill Americans anywhere. In 1996 bin Laden , in an ABC interview stated, “Wee certain  
2 that we shall—with the grace of Allah – prevail over the Americans.” He went on to warn  
3 that “If the present injustice continues..., it will inevitably move the battle to American

4 soil.”<sup>1296</sup> Under increased pressure to leave Sudan, in May 1996 bin Laden moved al  
5 Qaeda to Afghanistan and set up training camps for Islamic terrorists. He would institute  
6 a new kind of war to destroy America and bring the world to Islam. ~~Afghanistan 1996~~  
7 ~~Clinton appointed Richard Clarke as the White House counterterrorism “czar.”~~

8 **Clarke named National Coordinator**

9 **~~Career Civil Servant, abrasive~~**

10 **Khobar Towers**

11  
12 On 25 June 1996 a terrorist truck bomb exploded outside the northern perimeter of a  
13 housing complex in Saudi Arabia. The complex housed U.S. airmen. Nineteen  
14 Americans died. The U.S. Intelligence Community believed it was the work of Hezbollah  
15 and the Iranians. The Saudi government refused to cooperate with the FBI investigation.

16 So there was no conclusive proof of Iran’s role until 1998. Nevertheless, the Clinton  
17 administration discussed plans for war against Iran. Terrorism was back as a major  
18 issue.<sup>1297</sup> Saudi Arabia 1996

21 **U.S. Embassies in Africa 1998**

22

<sup>1296</sup> Quoted in *9/11 Commission Report*, p. 48.

<sup>1297</sup> Richard A. Clarke, *Against All Enemies, Inside America's War on Terror* (New York: Free Press, 2004), pp. 112-113.

Formatted: Font: Italic

CIA

1 On 7 August 1998 two huge bombs exploded in front of the U.S. embassies in Nairobi,

Formatted: Font: Not Bold

2 Kenya and Dar es Salaam, Tanzania. (b)(1), (b)(3)

3 (b)(1), (b)(3)

4 the FBI provided detailed evidence that the operation had been al Qaeda. DCI Tenet told

5 President Clinton "This is a slam dunk, Mr. President. There is no doubt this was an al

6 Qaeda operation." <sup>1298</sup> (b)(1), (b)(3)

7 (b)(1), (b)(3) The

Formatted: Font: Not Bold

8 ~~Nairobi Kenya and Dar es Salaam Tanzania~~

9 Embassy bombings would be a watershed for the Clinton administration. President

10 Clinton ordered a military response. Tomahawk cruise missiles hit al Qaeda camps in

11 Afghanistan and a chemical plant in Sudan suspected of producing chemical weapons on

12 20 August. The missile attacks rendered the training facilities unuseable but did not kill

13 bin Laden. In the midst of the Monica Lewinski scandal, many in the press accused

14 Clinton of launching the military strike to divert attention from his domestic

15 problems.<sup>1300</sup> Undeterred, Clinton also imposed sanctions against Osama bin Laden and

16 al Qaeda . The fight against terrorism would now include al Qaeda's financial network.

17 Even before the bombings, The Clinton administration reorganized its counterterrorism

18 structure. Clarke's Counterterrorism Security Group (CSG) received budgetary authority

19 and policymaking responsibilities. Clinton signed Presidential Directive 62, in June

20 1998, which created the position of national counterintelligence coordinator and Clarke

21 became the first coordinator. In also defined unconventional threats as a major national

22 security priority and promoted interagency coordination

<sup>1298</sup> Quoted in Clarke, *Against All Enemies*, p. 184.

<sup>1299</sup> Naftali, *Blind Spot*, p. 265.

<sup>1300</sup> Clarke, *Against All Enemies*, P. 189.

1  
2 In addition, after the bombings, Clinton wanted an overall plan to deal with al Qaeda.  
3 Clarke quickly drafted A Pol-Mil Plan for al Qaeda. Borrowing a line from Cato, the  
4 Roman Senator in 201 BC, who encouraged war with Carthage by ending every speech  
5 with the phrase "Carthage must be destroyed," ("*Carthago delenda est*") Clarke outlined  
6 a multifaceted plan for the intelligence community to break up al Qaeda cells, find its  
7 money sources, train and arm its enemies, and eliminate its leaders. The plan also called  
8 for a sustained bombing campaign of al Qaeda sites in Afghanistan. In short, it was a plan  
9 to destroy al Qaeda, *Delenda Est*.<sup>1301</sup> Absence was any call for strengthening domestic  
10 security. It was still a foreign problem.

11  
12

13 **Bin Laden "Highest Priority"**

14

15 ~~DCI Tenet s~~In June 1995 Clinton signed Presidential Directive 39, "U.S. policy on  
16 Counterterrorism." It instructed the CIA to undertake "an aggressive program of foreign  
17 intelligence collection, analysis, counterintelligence, and covert action" to combat the  
18 growing terrorist threat.<sup>1302</sup> ~~None of the plans by the Counter~~ set up a Counterterrorist  
19 Center (CTC) to go after al Qaeda and Bin Laden. In addition, in ~~were ever implemented~~  
20 1996 CIA established the Alec station led by Michael F. Scheuer to track the finances of  
21 bin Laden. By 1996, the Clinton administration had identified the new wave of non-state  
22 sponsored terrorism and had singled out bin Laden as the prime enemy. Within the CIA

<sup>1301</sup> Ibid., p. 198.

<sup>1302</sup> Immerman, "A Brief History of CIA," p. 67.



1 | and the FBI were units dedicated to catching bin Laden and collecting intelligence on his  
2 | network. Nevertheless, bin Laden was viewed as a faraway threat. As early as 1997, the  
3 | CIA's Alec station developed a plan to capture bin Laden in his Afghan sanctuary. The  
4 | Alec station turned to the anti-Taliban tribal groups in northern Afghanistan to assist in  
5 | the operation against bin Laden. U.S intelligence placed bin Laden in Khandahar  
6 | province in a town called Tarnak Farms. The Alec station idea was to use the Northern  
7 | tribes to break into the compound and snatch bin Laden. After several months of  
8 | planning, DCI Tenet aborted the operation. He did not trust the tribal Afghans to conduct  
9 | the mission.<sup>1303</sup>

10

11 | On 23 February 1998 Osama bin Laden issued a declaration of war on the United States.  
12 | "To kill Americans and their allies- civilian and military- is an individual duty for every  
13 | Muslim who can do it in every country in which it is possible to do it," bin Laden  
14 | declared.

15 | In November 1998 DCI Tenet wrote President Clinton a letter in which he requested a  
16 | massive infusion of funds to fight Osama bin Laden and al Qaeda. He wanted "roughly  
17 | \$2 billion more per year for the intelligence budget above the FY 2000-2005 budget."  
18 | Tenet received only a small portion of the request. At the same time, Tenet directed the  
19 | Counterterrorism Center to develop a plan to attack bin Laden and al Qaeda. "The Plan"  
20 | sought to acquire intelligence about bin Laden by penetrating his organization in terrorist  
21 | sanctuaries such as Sudan, Lebanon, Yemen, and Afghanistan.<sup>1304</sup> Tenet was determined  
22 | to call attention to the new threat. Allied with Tenet was Richard Clarke at the NSC.

---

<sup>1303</sup> Ibid., pp. 113-114

<sup>1304</sup> Tenet, *At the Center of the Storm*, p.117-118.

1

2 The Clinton administration's counterterrorism efforts intensified during the late 1990s  
3 but to little avail. DCI Tenet was convinced that more~~More~~ attacks on American  
4 facilities were a "virtual certainty." Frustrated with the quality and lack of depth of U.S.  
5 intelligence regarding bin Laden and al Qaeda, on 3 December 1998, Tenet drafted a  
6 memo titled "We Are at War." He wanted no resources or people spared in the effort to  
7 go after al Qaeda. Bin Laden and his infrastructure would be a top priority.<sup>1305</sup> Planning  
8 included military strikes against Afghanistan and Sudan, elimination of the sanctuary for  
9 Bin Laden, covert action programs to disrupt terrorist cells, a freeze on Bin Laden funds,  
10 missile attacks to kill Bin Laden, support for Northern Alliance against the Taliban in  
11 Afghanistan

12 The amount of data collected on al Qaeda exploded but the CIA still had no on-the-  
13 ground presence in Afghanistan. Furthermore, the memo had little impact in the  
14 Intelligence Community.<sup>1306</sup> None of the plans developed by the Counterterrorist Center  
15 (CTC) to go after bin Laden and al Qaeda were actually implemented. The intelligence  
16 was discounted as "not actionable." President Clinton was also frustrated at the inability  
17 of either the CIA or the Pentagon to provide him with realistic options to eliminate bin  
18 Laden.

19

20 **Millennium Alerts**

21

---

<sup>1305</sup> Ibid, pp. 118-119.

<sup>1306</sup> *The 9/11 Report*, p. 357.

CIA

1 In 1987 FBI Director William Webster believed that the U.S. homeland was largely  
2 immune from a terrorist attack. He emphasized the distance from terrorist centers and the  
3 fact that American institutions and installations overseas were easier targets. By the late  
4 1990 as the United States approached the millennium, all that had changed. DCI Tenet  
5 was convinced that more terrorist attacks were coming including attacks on the United  
6 States itself. The CIA warned that al Qaeda terrorists might be planning attacks around  
7 the time of the millennium. U.S. intelligence was no longer confident that terrorism was  
8 a faraway threat. On 30 November 1999, (b)(1), (b)(3) [REDACTED]  
9 [REDACTED]  
10 [REDACTED] plot was probably part of a larger series of attacks intended for the millennium,  
11 the CIA reported. On 14 December a U.S. Customs official started to question an Arab  
12 man as he got off the ferry from Victoria, Canada. The man, Ahmed Rissan, broke and  
13 ran. In the trunk of his car, U.S. Customs found explosives. An Arab extremist, Rissan  
14 wanted to blow up Los Angeles International Airport. This was the first of several  
15 terrorist plots around the millennium. Sandy Berger, Clinton's National Security  
16 Adviser, took the warning seriously. The "Small Group," headed by NSDC National  
17 Security Adviser Berger, included DCI George Tenet, Secretary of State Madeleine  
18 Albright, Secretary of Defense-Def. William Cohen, Joint Chief of StaffCS Hugh  
19 Shelton, White HouseH Chief of Staff John Podesta, Vice Presidential P-Foreign Policy  
20 Adviser Leon Fuerth, Attorney General Janet Reno, FBI Director Louis Freeh, and  
21 Richard Clarke, met regularly to coordinate U.S. counterterrorist efforts. "They're here,"  
22 Clarke reported. The Small group listened to intelligence reports and prepared for the  
23 worst. It became known as the Millennium Terrorist Alert of December 1999. More

1 than half the world celebrated the new century without incident. The intelligence  
2 community breathed a sigh of relief. The Small Group asked Clarke to prepare a  
3 Millennium After Action Review. Clarke recommendations focused on the threat of  
4 foreign terrorists in the United States. To improve domestic security Clarke wanted to  
5 create a North American common zone with Canada and Mexico. He also wanted to  
6 establish FBI-led JTTF teams in each FBI field office. Clarke found the FBI, in general,  
7 unresponsive.<sup>1307</sup> It would not share information and its emphasis remained on drugs,  
8 organized crime, and issues that generated arrests and prosecutions. On 11 January 2000  
9 Clarke wrote to Berger that the CIA, the FBI, Justice and the NSC staff had come to two  
10 main conclusions. First, U.S. intelligence efforts to disrupt al Qaeda thus far had “not put  
11 too much of a dent” in bin Laden’s network. If the United States wanted to “roll back”  
12 the threat, the U.S. intelligence community had to proceed at a “markedly different  
13 tempo.” Second, “sleeper cells” and a variety of terrorist groups had turned up in the  
14 United States.<sup>1308</sup> The NSC also advised Berger that the United States had only been  
15 “nibbling at the edges” of bin Laden’s network and that more terror attacks were a  
16 question not of “if” but rather of “when” and “where.”

17 The Clinton administration did request \$9 billion for counterterrorism funding in the  
18 2001 budget. This was an increase of 40 percent over three years. In the spring of 2000,  
19 a joint CIA-Defense project, “Afghan Eyes,” began to search for an overhead capability  
20 that could provide real time images in Afghanistan. By September, the first unmanned

<sup>1307</sup> Clarke, *Against All Enemies*, p. 217.

<sup>1308</sup> *9/11 Commission Report*, p. 182.

1 | drone, the Predator, began operations over Afghanistan. The Predator was now a new  
2 | weapon in the war on terrorism.<sup>1309</sup>

7 | **Attack on the USS Cole**

9 | On 12 October 2000, Islamic terrorists blew a huge hole in the *U.S.S. Cole* in Aden,  
10 | Yemen, nearly sinking the destroyer. 17 U.S. sailors died. U.S. intelligence believed that  
11 | bin Laden was behind the attack but lacked definite proof. Surprised that the U.S. Navy  
12 | was even making ports calls in Yemen because "Yemen is a viper's nest of terrorists," the  
13 | counterterrorist specialists urged action. The Clinton administration refused to act. There  
14 | was not enough "actionable" intelligence. No one could say for sure that al Qaeda did it.  
15 | Mike Sheehan, a counterterrorist expert at the State Department and Richard Clarke were  
16 | disgusted. "What's it gong to take, Dick?" Sheehan demanded. "Who the shit do they  
17 | think attacked the *Cole*, funk'in' Martians? The Pentagon brass won't let Delta go get bin  
18 | Laden. Hell, they won't even let the Air Force carpet bomb the place. Does al Qaeda  
19 | have to attack the Pentagon to get their attention?"<sup>1310</sup>

Formatted: Font: Italic  
Formatted: Font: Not Italic  
Formatted: Font: Not Italic  
Formatted: Font: Not Italic  
Formatted: Font: Not Italic

21 | ~~Osama Bin Laden~~

22 | ~~Spending dramatically increased~~

<sup>1309</sup> The Predator would not be armed until after 9/11.  
<sup>1310</sup> Clarke, *Against All Enemies*, p. 224.

1 | ~~Use of Predator authorized~~

2 |

3 |

4 |

5 | **The George W. Bush Administration**

6 |

7 | **Terrorism as an Intelligence Issue**

8 |

9 | The new Bush policy foreign team was convinced that Clinton's foreign policies were  
10 | fatally flawed. The Clinton administration had a misplaced obsession with bin Laden, the  
11 | Taliban, and terrorism. Osama bin Laden and al Qaeda were, at best, a far away threat.  
12 | Saddam Hussein was, in their view, a far more serious threat than the 'little terrorist in  
13 | Afghanistan." A strong missile defense against nuclear missiles was to be the  
14 | cornerstone of the Bush administration's foreign policy, not terrorism. Nevertheless,  
15 | Bush kept the Clinton counter terrorism team in place. Richard Clarke remained at the  
16 | NSC as its counterterrorist expert and George Tenet stayed on as DCI. Louis Freeh  
17 | remained as FBI Director. Terrorism simply was not a  
18 | ~~Not a priority,~~  
19 | ~~Neoecons dominate foreign policy~~  
20 | Tenet and Clarke attempted several times to elevate the attention of the Bush  
21 | policymakers to the issue of terrorism. In the spring of 2001, the level of reporting on  
22 | terrorist threats and planning attacks increased dramatically. DCI Tenet was briefed  
23 | regularly regarding terrorist threats and operational information relating to Osama Bin

1 | Ladein. Tenet, in turn, met daily with President Bush and provided him with the  
2 | President's Daily Brief (PDB) on an array of topics. More than 40 intelligence articles  
3 | in the PDB from 20 January to 10 September related to Bin Ladein.<sup>1311</sup> The Interagency  
4 | Counterterrorism Security Group (CSG) headed by Clarke reinforced this focus with  
5 | briefings to top officials on the Bin Ladein threat. On 19 April, for example, Clarke  
6 | briefed top Bush administration officials on "Bin Ladin planning multiple operations." In  
7 | May CIA CTC Chief Cofer Black told Rice that the current threat level was a 7 on a scale  
8 | of 1 to 10, as compared to an 8 during the millennium.<sup>1312</sup> A terrorist threat advisor in  
9 | late June indicated a high probably of near-term "spectacular" terrorist attacks. On 28  
10 | June Clarke wrote to Rice that the pattern of al Qaeda activity indicated attack planning  
11 | over the past six weeks "had reached a crescendo." The system was "blinking red",  
12 | according to DCI Tenet, it could not "get any worse."<sup>1313</sup> President Bush questioned  
13 | whether any of the threats pointed to the United States. The CIA responded with a PDB  
14 | that the threat of a bin Laden attack in the United States remained both current and  
15 | serious.

16

17

18

19

20 | **6 August 2001 PDB "Bin Ladin Determined to Strike in the United States "**

21

---

<sup>1311</sup> Ibid., p. 254.

<sup>1312</sup> *9/11 Commission Report*, p. 256.

<sup>1313</sup> Ibid., p. 259

1 While on vacation at his ranch in Crawford, Texas, the President received from a CIA  
2 officer the PDB for 6 August 2001. Entitled "Bin Laden Determined to Strike in U.S."  
3 the PDB warned that bin Laden "wanted to conduct terrorist attacks in the U.S," that he  
4 planned his operations years in advance, that sleeper cells of al Qaeda existed in the  
5 United States, and that some intelligence sources believed these plans included hijacking  
6 U.S. commercial aircraft. Bush administration officials did not believe this represented  
7 any "actionable intelligence." No CSG or NSC meeting took place to discuss the possible  
8 threat of a strike in the United States. There were few specifics regarding time, place, or  
9 target in the PDB. The perception of the Bush administration was that the targets would  
10 still be overseas. President Bush found the item uninformative. In an interview with the  
11 9/11 Commission, the president explained that it "told him that al Qaeda was dangerous,  
12 which he said he had known since he had become president."<sup>1314</sup>

13

#### 14 **Pieces of the Puzzle**

15

16 According to the 9/11 Commission Report, preventing the 9/11 attacks was highly  
17 unlikely even given good intelligence and the sharing of pieces of the puzzle between the  
18 FBI and the CIA. Nevertheless, the U.S. intelligence community failed to act when  
19 presented with key bits of intelligence relating to the attacks.

20

21

22

#### 23 **Kuala Lumpur Meeting**

---

<sup>1314</sup> 9/11 Commission Report, p. 260.



CIA

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

(b)(1), (b)(3) several  
suspected terrorists would be traveling to Kuala Lumpur, Malaysia in January 2000  
It turned out to be the first operational meeting of the 9/11 terrorists. Kuala Lumpur was  
the financial and planning center for the regions main al Qaeda terrorist network. The  
CIA trailed two suspected terrorist, Nawaf al Hazmi and Khalid al Mihdhar to Malaysia  
but then lost them. Both were Saudi nationals and key terrorists in the 9/11 attacks. The  
CIA had information that Mihdhar and Hazmi had U.S. visas and could be in the United  
States. The CIA did not share this information with the FBI until August 2001. The FBI  
assigned only one agent to finding the two men. They were not found before the attack.

**Phoenix Memo**

In July 2001, an FBI agent in the FBI field office in Phoenix, Arizona, sent a  
memorandum to FBI headquarters and the New York field office advising of the  
“possibility” of a coordinated effort by Osama Bin Laden; to send students to the United  
States to attend civil aviation schools. The agent recommended compiling a list of civil  
aviation schools, establishing a liaison with these schools, and seeking authority to obtain  
visa information on persons applying to flight schools. FBI headquarters took no  
action.<sup>1315</sup>

---

<sup>1315</sup> 9/11 Commission Report, p. 272.

1 **Khalid Sheikh Mohammed (KSM)**

2

3 Khalid Sheikh Mohammed, the principal architect of the 9/11 attacks grew up in Kuwait,  
4 his parents were from the ethnic Baluchistan area, a region straddling Iran and Pakistan.  
5 Region. He attended school in North Carolina and achieved a degree in mechanical  
6 engineering in 1986. He was involved in the anti-Soviet jihad in Afghanistan and played  
7 a small role in the first World Trade Center Bombing. His nephew was Ramzi Yousef.  
8 He violently disagreed with U.S. policy favoring Israel. KSM proposed to train pilots to  
9 crash planes into building in the United States. Initially, he suggested stealing small  
10 private aircraft and filling them with explosives. Bin Laden gave him the "green light" to  
11 proceed in 1998 in what became known as "The Planes Operation." Osama bin Laden  
12 reportedly asked KSM, "Why do you use an axe when you can use a bulldozer." KSM  
13 altered the plan to use commercial airliners full of passengers.<sup>1316</sup>

14 The CIA saw Khalid Sheikh Mohammed (KSM) as another free lance terrorist associated  
15 with Ramiz Yousef. In 1997 he was targeted for arrest and put on the Counterterrorist  
16 Center's (b)(1), (b)(3)

CIA

17 In September 2000, a CIA source reported that an individual named Khalid al Shaykh al  
18 Ballushi" was a key lieutenant in al Qaeda. Al-Ballushi means "from Baluchistan." The  
19 Bin Laden unit sought additional information on the individual but none was  
20 forthcoming. The Bin Laden unit dropped the matter. Another piece of intelligence in  
21 April 2001 involved a person known as "Mukhtar." The CIA did not know who Mukhtar  
22 was at the time, only that he associated with al Qaeda and was involved in planning  
23 possible terrorist attacks. Another CIA report on 12 June reported that "Khaled" was

<sup>1316</sup> Tenet, *At the Center of the Storm*, p.251.

1 actively recruiting people to travel outside Afghanistan, including the United States, to  
2 carry out terrorist-related activities for bin Laden. CIA assumed this was KSM. Shown a  
3 photograph of KSM, the source identified KSM as "Khaled." On 28 August a CIA cable  
4 reported that KSM's nickname was Muhhtar. No one made the connection. Only after  
5 9/11 would the CIA discover that KSM had used a cell phone to communicate with  
6 Mossaoui and other terrorists. Another opportunity was missed. By early 2002, the CIA  
7 had traced KSM to a city in Pakistan, Rawalpindi. Pakistani intelligence stormed the  
8 house and arrested KSM on 1 March 2003.<sup>1317</sup>

9

10 **Zacarias Moussaoui**

11

CIA 12 On 15 August 2001, FBI agent (b)(6), (b)(7)(c) in the Minneapolis, Minnesota FBI Field  
13 Office, initiated an intelligence investigation on Zacarias Moussaoui. He had entered the  
14 United States in February 2001 and had taken flight lessons in Norman, Oklahoma. He  
15 resumed his training at the Pan Am International Flight Academy in Eagan, Minnesota in  
16 August. He was interested in flying 747s but not in learning how to land or take off. He  
17 paid for the lessons in cash. He wanted to know if the 747 doors could be opened during  
18 flight and wanted training on London-JFK flights. The flight instructors notified the FBI.  
19 The FBI agent assigned the case, (b)(6), (b)(7)(c) quickly learned that Moussaoui had  
20 jihadist beliefs. (b)(6), (b)(7)(c) concluded that Moussaoui was "an Islamic extremist preparing  
21 for some future act in furtherance of radical fundamentalist goals." The Minneapolis  
22 field office asked FBI Headquarters to issue a criminal warrant to search Moussaoui's  
23 laptop commuter. FBI Headquarters denied the request. There was insufficient probable

---

<sup>1317</sup> Ibid., p.251.

1 cause. The Field Office then sought a special warrant under FISA and also requested  
2 assistance from the FBI legal attaché in Paris since Moussaoui was a French national.  
3 The French provided information that linked Moussaoui to the Muslim leaders in  
4 Chechnya. This should have been enough information to initiate a FICA warrant since  
5 the information showed a connect to a foreign power. However, FBI headquarters still  
6 believed there was not sufficient cause to request a FICA warrant. There was a major  
7 disagreement between the Minneapolis field office and FBI headquarters over  
8 Moussaoui's plans. Headquarters believed the Field Office was just getting people "spun  
9 up." The Field Office contented that it was "trying to keep someone from taking a plane  
10 and crashing it into the World Trade Center." FBI Headquarters concluded that that there  
11 was not enough evidence to ensure that Moussaoui was a terrorist. Nevertheless, the INS  
12 arrested Moussaoui on 17 August 2001 on an immigration violation. He had overstayed  
13 his visa and could be deported.<sup>1318</sup>

14 On 23 August DCI Tenet learned of the case. Seeing it as an FBI case, he did not discuss  
15 the matter with anyone at the White House, the FBI or Clarke or NSC. No connection  
16 was made between Moussaoui and the threat reporting during the summer of 2001.

17 After the 9/11 attacks, (b)(1), (b)(3) information that Moussaoui  
18 had attended an al Qaeda training camp in Afghanistan. The FBI also learned that the  
19 millennium terrorist Ressay, recognized Moussaoui as someone who had been in the  
20 Afghan camps. (b)(1), (b)(3) the Ressay identification might have  
21 broken the logjam. Moussaoui's luggage, examined after 9/11, contained information

<sup>1318</sup> 9/11 Commission Report, pp.273-276. Moussaoui was in prison on 9/11. He was later charged and convicted as part of the 9/11 attacks. He received a life sentence.

CIA

1 that pointed to the first operational meeting in the planning for 9/11 in Kuala Lumpur.

2 The opportunity was missed to disrupt al Qaeda planning.<sup>1319</sup> Time had run out.

3

4 **September 11, 2001**

5

6 On 11 September 2001 hijacked airliners slammed into the World Trade Center towers  
7 and the Pentagon. A fourth hijacked plane, probably in route to the U.S. capitol, crashed  
8 in a Pennsylvania field thanks to the heroic actions of its passengers. The attacks claimed  
9 almost as many victims (2,973) as the Japanese attack on Pearl Harbor. The CIA quickly  
10 identified al Qaeda as responsible for the attacks.

11 Right after 9/11 the White House established a “domestic consequences” group to look at  
12 how to restore the American economy. The review underscored the absence of any  
13 effective government organization dedicated to assessing vulnerabilities and mounting an  
14 effective protection and preparedness program. By 14 September Bush created a  
15 homeland security adviser and a Homeland Security Council, paralleling the NSC  
16 system. The government’s ability to collect intelligence inside the United States and the  
17 sharing of this information between intelligence agencies and domestic law enforcement  
18 groups prior to 9/11 was virtually non-existent. The 9/11 attacks changed everything.  
19 With the passage of the Patriot Act, “the wall” on information sharing between the  
20 intelligence and law enforcement communities fell.

21

22 The 11 September attacks fell into the void between foreign and domestic threats. The  
23 CIA was watching overseas. The FBI was waiting for evidence of a domestic threat from

---

<sup>1319</sup> Tenet, *At the Center of the Storm*, pp.199-204.

1 sleeper cells within the United States. No one was looking for a foreign threat to  
2 domestic targets.<sup>1320</sup>

3

4 **Afghanistan: Planning for War**

5

6 Officials in both the Clinton and Bush administrations regarded a full scale invasion of  
7 Afghanistan as inconceivable prior to 9/11. It was never the subject of formal  
8 deliberation. The Military prior to the 9/11 attacks not fully engaged in the mission of  
9 countering al Qaeda or hunting for bin Laden. After 9/11, President Bush called for a  
10 strategy to eliminate terrorists and punish those who supported them. He ordered  
11 Secretary of Defense Donald Rumsfeld to develop a military plan against the Taliban in  
12 Afghanistan. The State Department detailed specific U.S. demands for the Taliban.:  
13 surrender bin Laden and his chief lieutenants, tell the U.S. what it knew about al Qaeda,  
14 close all terrorist camps, free imprisoned foreigners, and comply with all UN Security  
15 Council resolutions. After reviewing his options over the weekend of 15-16 September,  
16 Bush convened his war council at Camp David.<sup>1321</sup> DCI Tenet presented a CIA plan for  
17 collecting intelligence and mounting covert operations inside Afghanistan. He proposed  
18 inserting CIA teams to work with Afghan warlords who would join the fight against al  
19 Qaeda. These CIA teams would act jointly with the military's Special Operations units.  
20 President Bush approved military operations, "Operation Enduring Freedom," against the  
21 Taliban in Afghanistan on 21 September 2001. On 25 October 2001, after the fighting in

---

<sup>1320</sup> The 9/11 Commission Report, *Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: W.W. Norton, 2003), p. 263.

<sup>1321</sup> Present were Vice President Cheney, National Security Adviser Rice, her assistant Stephan Hadley, Colin Powell, Richard Armitage, Secretary Rumsfeld, Attorney General Ashcroft, FBI Director Mueller, DCI Tenet, Deputy Secretary of Defense Paul Wolfowitz of the CIA's Counterterrorist Center.

CIA

1 Afghanistan had already begun, Bush issued Presidential Directive 9 “Defeating the  
2 Terrorist Threat to the United States” to end al Qaeda sanctuary in Afghanistan. The goal  
3 was the “elimination of terrorism as a threat to our way of life.”

4 The general plan adopted to overthrow the Taliban government in Afghanistan, was a  
5 (b)(1), (b)(3) On 21 September Bush approved military  
6 plans for “Enduring Freedom,” to liberate Afghanistan from the Taliban and eliminate al  
7 Qaeda’s sanctuary.

8 Within two months of the start of combat operations, hundreds of CIA operatives and  
9 Special Forces combined with Afghan militias to destroy the Taliban regime and disrupt  
10 al Qaeda. In addition to intelligence, the CIA provided expertise, finances, covert action  
11 experience, firearms, communications, logistics and entrée to Afghan tribal allies.<sup>1322</sup>

12 Major combat operations ended in March 2002 following Operation ANACONDA,  
13 which defeated the remnants of al Qaeda and the Taliban. The survivors, including bin  
14 Laden and Mullah Omar, escaped into Pakistan.

15

16 **Iraq War**

17

18 After 9/11, President Bush wondered immediately whether Saddam Hussein had a hand  
19 in the attack. Was there a possible Iraqi link to 9/11? Responding to the President,  
20 Richard Clarke stated in a memorandum to Condoleezza Rice on 18 September 2001,  
21 titled “Survey of Intelligence Information on Any Iraq Involvement in the September 11  
22 Attacks” that he found “no compelling case” that Iraq had either planned or participated  
23 in the attack. Wolfowitz disagreed. For him, Iraq was ultimately the source of the

---

<sup>1322</sup> *The 9/11 Report*, p. 338.

1 terrorism problem and should be attacked. While the immediate focus would be  
2 Afghanistan, Bush ordered the Defense Department to be ready to deal with Iraq.<sup>1323</sup> The  
3 Bush administration redirected its War on Terrorism to Saddam Hussein's regime in Iraq.  
4 The Bush administration assumed, without reliable intelligence, that Saddam Hussein  
5 assisted bin Laden in planning the attack on 9/11. The Bush team began to develop war  
6 plans against Iraq as early as November 2002.<sup>1324</sup> It was soon committed to "regime  
7 change in Iraq." Saddam Hussein had to go.

8

### 9 **Intelligence and Weapons of Mass Destruction**

10

11 As the Bush administration ramped up its campaign for a military attack on Iraq, the CIA  
12 and the Intelligence Community became an accomplice. In the fall of 2002, under  
13 pressure from the White House, the NIC produced a new NIE, "Iraq's Weapons of Mass  
14 Destruction Programs." It concluded that Iraq had continued its WMD programs in  
15 defiance of UN resolutions and restrictions. Hussein had chemical and biological  
16 weapons and if left unchecked would have a nuclear weapons within a decade. With  
17 regard to both chemical and biological weapons, the NIE reported not only that Iraq had  
18 stocks of the weapons but was actively engaged in production. Iraq also possessed  
19 mobile facilities for producing bacterial and toxin warfare agents. The estimate also  
20 examined Iraq's possible willingness to engage in terrorist strikes against the U.S.  
21 homeland and whether Saddam would assist al-Qaeda in conducting such attacks in the  
22 United States. The NIE stated that Iraq would probably attempt clandestine attacks in the

---

<sup>1323</sup> Ibid., p. 335

<sup>1324</sup> Richard Immerman, "A Brief History of the CIA," in Athan Theoharis, ed., *The Central Intelligence Agency, Security Under Scrutiny* (Westport, CT: Greenwood Press 2006), p. 71.



1 United States if the survival of the regime was in danger. The NIE did state that the  
2 Intelligence Community had “no specific intelligence information” that Saddam Hussein  
3 had in any way contributed to al Qaeda’s attack on the United States. The State  
4 Department’s Bureau of Intelligence and Research (INR) added a footnote that there was  
5 little evidence that Iraq is currently pursuing an “integrated and comprehensive approach  
6 to acquire nuclear weapons.”<sup>1325</sup> The Department of Energy questioned whether the high-  
7 strength aluminum tubes Iraq had been attempting to acquire could be used in the  
8 uranium enrichment process.<sup>1326</sup>

9 DCI George Tenet in a meeting at the White House in December 2002, offered no  
10 reservations about the intelligence regarding the case of invading Iraq. He called it a  
11 “slam dunk.” CIA analysts, in fact, harbored serious reservations about much of the  
12 intelligence.

13

14 **Yellow Cake**

15

16 In his State of the Union address of 28 January 2003, President Bush claimed that Iraq  
17 had tried to acquire uranium (Yellow cake) from Africa, specifically, the Republic of  
18 Niger, in its quest for nuclear weapon. (b)(1), (b)(3)

CIA

19 [REDACTED] CIA objected to the inclusion of this statement in the speech

<sup>1325</sup> As quoted in Immerman, “A Brief History of CIA,” p. 73.

<sup>1326</sup> NIE “Iraq’s Continuing Programs for Weapons of Mass Destruction, October 2002, National Security Archive Electronic Briefing Book No. 80 *Iraq and Weapons of Mass Destruction*.”

CIA

1 because the intelligence had not been confirmed. Later, the FBI determined that the  
2 documents presented (b)(1), (b)(3) were all forgeries.<sup>1327</sup>

3

4 **Curveball**

5

6 An Iraqi agent known as Curveball charged that Iraq possessed stockpiles of biological  
7 weapons and the mobile plants to produce them. Curveball became the main source of  
8 U.S. intelligence on the biological issue. (b)(1), (b)(3) Curveball, appeared at a  
9 German refugee center in 1999 and brought himself to the attention of German  
10 intelligence. The German intelligence service Bundesnachrichtendienst (BND), in turn  
11 shared its reporting with DIA in the spring of 2000. DIA subsequently shared the  
12 information with the CIA. All of the intelligence services doubted Curveball's reliability.  
13 According to the CIA, the source was "probably a fabricator." Nevertheless, Curveball's  
14 information relating to Iraqi biological weapons production was included in Colin  
15 Powell's speech to the UN Security Council. Powell cited an Iraqi defector whose "eye-  
16 witness account of these mobile production facilities has been corroborated by other  
17 sources." It had not.<sup>1328</sup> Most U.S. intelligence officials considered the information  
18 problematic from the beginning.

19

20 DCI Tenet compounded the problem when he presided over the publication of a "White  
21 Paper" in May 2003, written jointly by CIA and DIA. The "White Paper" claimed that

<sup>1327</sup> Jeffrey Richelson, ed., "Iraq and Weapons of Mass destruction," *National Security Archive Electronic Briefing Book*, 11 February 2004.

<sup>1328</sup> See CIA/DIA, "Iraqi mobile Biological Warfare Agent Production Plants," 28 May 2003, *National security Archive Briefing Book Number 80, Iraq and Weapons of Mass Destruction*. See also John Prados, "The CURVEBALL Affair," *The Record of CURVEBALL*, National Security Archive 5 November 2007.

1 mobile weapons laboratories had actually been found in Iraq. The CIA and DIA  
2 concluded that the discoveries constituted “the strongest evidence to date that Iraq was  
3 hiding a biological warfare program.” Within days of the issuance of the “White Paper”  
4 the State Department’s Bureau of Intelligence and Research (INR) objected to the  
5 characterization of the trailers found as weapons labs. State was soon proved right.  
6 According to the department of Defense, the vehicles were probably used to produce  
7 hydrogen for artillery weather balloons.<sup>1329</sup>  
8 Paul Wolfowitz set up a small office of Special Plans in the Pentagon to produce  
9 intelligence assessments on Iraq independent of those of the CIA. Rumsfeld had earlier  
10 established a similar group, the Policy Counterterrorism Center, for the same purpose.<sup>1330</sup>  
11 In the fall of 2002 DCI Tenet agreed to produce a new NIE on Iraq.

12

13 On 5 February 2003, Secretary of State Colin Powell, in a major address to the UN  
14 Security Council, indicted Iraq for possessing WMD. Citing intelligence sources, his  
15 case seemed conclusive. On 19 March 2003, the Bush administration launched operation  
16 “Iraqi Freedom, a preemptive attack on Iraq. In less than three months Bagdad fell and  
17 Hussein and his henchmen went into hiding. The stockpiles of WMD and the chemical  
18 factories and labs that produced biological and chemical weapons were not found. The  
19 administration’s and the CIA’s and the entire Intelligence Community’s credibility came  
20 into question.

21 In response, President Bush appointed David Kay, a former UN arms inspector in the  
22 190s, to discover the WMD. Bush predicted that this group would soon discover the

---

<sup>1329</sup> John Prados, *Hoodwinked: The Documents that Reveal How Bush Sold Us a War* (New York: New Press, 2004).

<sup>1330</sup> Immerman, “A Brief History of CIA,” p. 72.

1 WMD. The Iraq Survey Group spent six months in Iraq looking for WMD. In January  
2 2004 Kay concluded that Saddam Hussein had “got rid” of his WMD programs long  
3 before the war. Referring to the expectation that they would find substantial stocks of  
4 and production lines for, chemical and biological weapons in Iraq, Kay stated, “we were  
5 almost all wrong, and I certainly include myself here.”<sup>1331</sup> The U.S. intelligence  
6 Community had relied on out-of-date and unreliable intelligence. Later, Kay stated,  
7 “Iraq was an overwhelming systemic failure of the Central Intelligence Agency.”<sup>1332</sup>  
8 Charles Duelfer, David Kay’s successor as head of the Iraq Survey Group, submitted a  
9 900 page *Comprehensive Report of the Special Advisor to the DCI on Iraq’s WMD* on 30  
10 September 2004. The report concluded that Hussein had not made any attempt to restart  
11 his nuclear program after its destruction in 1991, and that Hussein had shut down the last  
12 Iraqi factory that produced illicit weapons in 1996. Duelfer told the SSCI, with regard to  
13 Iraq’s WMD, “We were almost all wrong.”<sup>1333</sup>  
14 In June 2003, the SSCI also began to investigate “the accuracy of our pre-war  
15 intelligence and the use of that intelligence by the Executive.” It concluded that the  
16 intelligence was “fatally and unconscionably flawed.” The Senate report pointed its  
17 finger at the CIA and the Intelligence Community, not the White House and the  
18 policymakers.

19

20 **After the Invasion**

21

---

<sup>1331</sup> Statement of David Kay before the HPSCI and the SSCI, 2 October 2003, National Security Archive Electronic Briefing Book, Number 80.

<sup>1332</sup> The Silberman-Robb Commission confirmed Kay’s conclusions. See Immerman, “A Brief History of the CIA,” p. 77.

<sup>1333</sup> As quoted in Immerman, “A Brief History of CIA,” p. 79.

1 Michael Scheuer, the former CIA counterterrorist specialist, considered the U.S. invasion  
2 of Iraq “a Christmas present” to Osama bin Laden with regard to Islamist recruitment  
3 efforts and a validation of bin Laden’s claims that the United States was at war with  
4 Islam.<sup>1334</sup> Two months prior to the preemptive strike against Iraq, an Intelligence Report  
5 produced by the NIC, “Principal Challenges in Post-Saddam Iraq” predicted a U.S.  
6 invasion would generate violent faction within Iraq. The warning, however, about a  
7 potential insurgency was buried deep in the report. In contrast, the CIA repeatedly  
8 expressed optimistic predictions that Iraqis would greet U.S. troops as liberators. Not  
9 until July 2004 did a new NIE suggest that the invasion might spark a civil war or a  
10 major reaction to the U.S. occupation. That is exactly what happened. The United States  
11 would remain in Iraq for the foreseeable future in an attempt to build a new nation. U.S.  
12 intelligence would become a key part of this nation building effort. The war on terrorism  
13 continues as the United States military and U.S. intelligence combat a resurgence of al  
14 Qaeda and the Taliban in Afghanistan.

15

16 **Summary**

17

18 Counterterrorism efforts emerged during the Reagan presidency as the Reagan  
19 administration struggled with mounting terrorist attacks. Reagan officials focused on  
20 state sponsored terrorism and sought to deal with Hezbollah and Mommar Gadhafi. The  
21 bombings of the U.S. embassy and the U.S. marine barracks in Lebanon shocked the  
22 Reagan administration into action. The hostage crisis, however, revealed the  
23 ineffectiveness of its counterterrorist programs which focused on state sponsored

---

<sup>1334</sup> Michael Scheuer

1 terrorism. By the end of the Reagan era, terrorism, nevertheless, appeared to be on the  
2 wane. The terrorist issue seemed "solved." A series of terrorist events during the Clinton  
3 administration changed everything. U.S. intelligence would have a new target, non-state  
4 sponsored terrorist acts. The World Trade Center bombing in 1993, the Khobar Towers  
5 bombing in 1996, and the bombing of the U.S. embassies in Africa in 1998 confronted  
6 U.S. intelligence with a new enemy. Osama bin Laden emerged to lead a violent jihad  
7 against the United States and the West. His al Qaeda organization would direct Islamic  
8 terrorist to kill Americans. Bin Laden and al Qaeda became the focus of U.S. intelligence  
9 efforts. DCI George Tenet determined to go after al Qaeda and bin Laden. For tenet they  
10 were the major treat to the United States and the American way of life. The Clinton  
11 administration counterterrorist efforts intensified after the *USS Cole* bombing but with  
12 little effect. There was little "actionable" intelligence. The attack on the USS Cole went  
13 unanswered. DCI Tenet and Richard Clarke, head of the NSC's Counterterrorism Center  
14 attempted to focus the attention of the Bush administration on the issue of terrorism but  
15 to little avail. In the final analysis, the CIA and the Intelligence Community failure to  
16 combat al Qaeda effectively in the years leading to 9/11 and to provide effective  
17 warnings of the terrorist plots. This proved disastrous. The CIA and FBI missed key  
18 clues that may have prevented the attacks as the void between foreign and domestic  
19 threats prevented close cooperation and communication between the intelligence  
20 agencies.

21 The 9/11 attacks produced a new "war on terrorism" and the invasion and Afghanistan  
22 and Iraq. Despite intelligence that stated that Saddam Hussein had little connection with

1 al Qaeda or bin Laden, the Bush administration invaded Iraq citing Hussein possession of  
2 weapons of mass destruction. These WMD were never found.  
3 The SSCI investigation of the Iraq War and the 9/11 Commission on the terrorist attack  
4 followed a similar pattern of blaming the intelligence producers for the errors and  
5 mistakes rather than the intelligence consumers, the policymakers.  
6 The terrorist threat to the United States continues to grow as Islamist and anti-American  
7 sentiment increases around the world. In Iraq and Afghanistan, the United States is seen  
8 as a "foreign, infidel occupier." The wars in Iraq and Afghanistan are perceived in the  
9 Arab world as an infidel power invading and occupying a Muslim country. The ability of  
10 the U.S. intelligence community and the U.S. government to win "hearts and minds" in  
11 the Arab world remains a serious challenge. Terrorism and possible threats to the U.S.  
12 homeland remain the primary focus of the U.S intelligence effort.

13

14

15

**CONCLUSION**

16

17 During the twentieth century, U.S. policymakers believed in the efficacy of force,  
18 supplemented by material largesse. They were extremely confident in the world needing  
19 and desiring "freedom, democracy, and American capitalism." They had an extreme  
20 confidence in the transforming power of American resources and managerial techniques.  
21 The U.S. Intelligence Community, and especially the CIA, became an increasingly  
22 important tool in promoting these U.S. foreign policy objectives. The CIA became the  
23 action arm of the executive branch as various Presidents pursued a Pax Americana.

1

**2 Structure of the Intelligence Community**

3 There was little structure to U.S. intelligence early on. The military dominated what  
4 passed for intelligence. During times of crisis, intelligence activities and their budgets  
5 expanded dramatically only to see major reductions and retrenchments after the crisis had  
6 passed. The field of intelligence in the military was not a way to advancement. With the  
7 creation of the Black Chamber following World War I, the United States had its first  
8 peace time intelligence service. (It was abolished in 1928). During World War II, despite  
9 the existence of the OSS, the U.S. military dominated intelligence activities and seldom  
10 shared its take with the OSS. The services jealously protected and guarded their data  
11 even with the other military services. Only with the creation of the CIG and the CIA did  
12 U.S. authorities create a permanent non-military intelligence service. The National  
13 Security Act of 1947 was meant to unify the armed forces and centralize intelligence in  
14 the CIA. It did nether. Intelligence activities were fragmented and no one had  
15 centralized authority. During the Cold War, the Intelligence Community expanded  
16 dramatically with the creation of NSA, DIA, NRO, and NGA. With the growth came a  
17 growing consensus that the IC needed centralization and a concentration of authority.  
18 Even the reforms following 9/11 however, failed to create a centralized intelligence  
19 organization. Today, the Intelligence Community is still fragmented with yet another  
20 layer of bureaucracy imposed by reforms. The military still remains the dominate player.

21

**22 Collection**



1 Technological changes have driven the intelligence collection effort. From the use of  
2 balloons during the Civil War, to the introduction of the telegraph and radio during  
3 World War I, to the dominant use of machine encryption techniques with World War II,  
4 to the introduction of the computer, cell phones and the internet, technology has driven  
5 the communication revolution and with it the intelligence attacks on it. Intelligence has  
6 had to adjust and adapt to the communications revolution. Today the frontier of the  
7 intelligence war is cyber space.

8

#### 9 **Technical intelligence**

10 During the Cold War a unique and extremely important partnership emerged. It was a  
11 close working partnership between U.S. corporate interests and the U.S. Intelligence  
12 Community, especially the CIA. U.S. science and technology were harnessed to U.S.  
13 national security interests as the CIA promoted a partnership with private industry and  
14 fostered and encouraged private sector expertise in developing technical solutions for  
15 intelligence collection and national security needs. It was driven by the need to obtain  
16 intelligence data on the Soviet Union, a closed society. This intelligence-business  
17 partnership produced a revolution in intelligence collection and a close liaison between  
18 corporate America and the government. It harnessed American technological knowledge  
19 to national security issues. The development of the U-2, the SR-71, manned  
20 reconnaissance systems, the revolutionary CORONA imagery satellite system, near real  
21 time imagery and drone reconnaissance vehicles all came from this partnership. These  
22 "national technical means" gave U.S. policymakers a clear advantage in the intelligence  
23 war with the Soviet Union and allowed U.S. officials to monitor the Soviet Union's

1 intercontinental ballistic missile forces and produce verifiable arms control agreements.  
2 During the "war of Terrorism" these assets continue to be invaluable.  
3 Aerial drones have become a fixture of U.S. reconnaissance in the wars in Iraq and  
4 Afghanistan. The *Predator*, with its surveillance capabilities and ability to deliver a  
5 lethal payload, has changed the nature of warfare itself. Expanding the use of drones in  
6 Afghanistan, in 2011 the Air Force introduced a new reconnaissance drone, the *Gorgon*  
7 *Star*, capable of surveying an entire town. Drones appear to be the future in collection.  
8 The other part of intelligence collection is Humint, the use of human sources for the  
9 collection of intelligence information. While the United States has had some successes in  
10 this field, notably Oleg Penkosky, it has not been as successful as others in recruiting  
11 human assets. The United States had no one inside the Soviet Politburo during the long  
12 Cold War, for example. While today the U.S. concentrates on the recruitments of human  
13 assets to track bin Laden and al Qaeda, the results remain thin.

14

#### 15 **Analysis**

16 The unique contribution the Americans have made to the intelligence business has been  
17 the development of an analytical process that provides policymakers with finished  
18 intelligence. That is, intelligence which has been evaluated and refined for policymakers.  
19 The policymakers are not simply presented with raw intelligence data. Early on the  
20 Department of State and the U.S. military dominated this process and competed for  
21 access to the President and his advisors. With the creation of the OSS then CIG, and  
22 finally CIA, came a new competitor. The new kid on the block played only a minor role  
23 in early analysis. State and the military blocked CIA attempts to provide intelligence to

1 the White House on political or military concerns. Moreover, without key information,  
2 the CIA analysis was often simply wrong. CIA analysts missed the timing of the Soviet  
3 atomic bomb, the Berlin crisis, the North Korean invasion of South Korean, and the  
4 Chinese intrusion into Korea. Gradually with better collection efforts and more  
5 experience, the CIA came to be relied upon for its analysis and estimates, especially with  
6 regard to the Soviet Union. By the late 1960s, U.S. intelligence was able to predict the  
7 introduction by the Soviets of every major weapons system. Even during the collapse of  
8 the Soviet Union, IC analysis was close to the mark, despite contrary opinions. Today,  
9 imagery analysis is part of NGA, a military organization. CIA has lost control of the NIC  
10 to the Office of the Director of National Intelligence. There are major analytical centers  
11 dealing with non-proliferation, counter terrorism, and counterintelligence, not at CIA but  
12 as part of the DNI. The CIA is no longer the predominate agency in the analytical field.

13

14 **Covert Action Programs**

15 Beginning with World War II and the OSS, the United States developed covert action  
16 programs to further its war and foreign policy aims. The Jedburgh teams in Europe and  
17 Detachment 101 in Burma aided resistance forces against the fascist powers. As the Cold  
18 War expanded into a global war, U.S. Presidents from Truman to Reagan, authorized  
19 covert action operations to contain communist expansion. Major covert operations in  
CIA 20 (b)(1), (b)(3) Guatemala in 1954, (b)(1), (b)(3) Tibet in the 1960s, the Bay of Pigs  
21 in 1961, British Guiana, Chile, Angola, and (b)(1), (b)(3) were part of a sweeping U.S.  
22 policy to check the perceived growing influence of the Soviet Union around the world.  
23 The United States also used covert operations to infiltrate the Iron Curtain countries after

CIA

1 World War II, during the Korean war, and as an element during the Vietnam conflict.  
2 The CIA became the major player in these operations. Despite the growing evidence that  
3 these programs contributed little, the CIA presented a positive "can do" attitude which  
4 added to policymakers determination to continue such operations and programs.  
5 What comes across from these ventures is the near impossibility of operating or abetting  
6 insurgents in a tightly controlled police state. Most were failures.  
7 There was also a price to pay for major covert operations. While (b)(1), (b)(3) and  
8 PBSUCCESS in Guatemala were seen as successful, for example in the short term, they  
9 had major unforeseen consequences in the long term. The Islamic Revolution of the  
10 1970s was, at least, in part, anti-American in nature. Islamic fundamentalists blamed the  
11 United States for maintaining the Shah in power. U.S. covert operations in Guatemala to  
12 remove Arbenz from the presidency and create a modern model state in Central America,  
13 touched off a long bitter civil war. Nevertheless, U.S. policymakers continue to employ  
14 covert action operations to further U.S. aims.

15

16 **Counterintelligence Efforts**

17 During the Cold War the threat from the Soviet Union was real. Free institutions were  
18 being suppressed by Soviet controlled organizations and allies. Communism posed a real  
19 threat to democracy and democratic institutions. The Soviets were masters of the  
20 intelligence game. The Soviet Union was astonishingly active, aggressive, and successful  
21 at penetrating Western society. The espionage assault on the United States was on a  
22 stunning scale and scope. McCarthyism was a "witch-hunt with real witches." Not all  
23 the victims of McCarthyism were harmless, idealists of the left. As revealed by

1 VENONA, the Soviet Union had engaged in aggressive espionage against its American  
2 partner all during World War II. The American Communist Party was not twentieth  
3 century Americanism but treason. The Soviet Union heavily subsidized the CPUSA,  
4 prominent American radicals laundered money for the Comintern, the CPUSA  
5 maintained a secret espionage network in the United States with direct ties to Soviet  
6 intelligence. The testimony of former communists Whittaker Chambers and Elizabeth  
7 Bentley with regard to Soviet activities within the United States was accurate. American  
8 communists within the United States government stole key documents and passed them  
9 to the CPUSA which forwarded them to the Soviet Union. The Rosenbergs, though  
10 perhaps unjustly executed, were guilty as charged. Julius had been a principal and Ethel  
11 his accomplice in one of the most important Soviet espionage networks and they  
12 delivered valuable information about the Manhattan Project and the atomic bomb to  
13 Stalin and the Soviet Union. The FBI successfully blunted Soviet espionage efforts in the  
14 late 1940s and early 1950s. Rebuilding its espionage network in the 1960s and 1970s,  
15 however, the Soviets ran many successful operations against the United States. Soviet  
16 spies such as Ronald Pelton at NSA, the Walkers in the U.S. Navy, Rick Ames at CIA,  
17 and Robert Hanssen at the FBI provided the Soviet Union with key intelligence during  
18 the latter part of the Cold War. Today, Russia, China, and Cuba pose a continuing threat  
19 to U.S. secrets.

20

### 21 **Civilian/Military Competition over Intelligence**

22 The competition between the civilian and military organizations for control and influence  
23 over U.S. intelligence activities was a long running affair in the twentieth century as the

1 military sought to dominate all aspects of the intelligence process. Gradually, the CIA  
2 managed to carve out a niche for itself in collection, analysis, and running covert  
3 operations. CIA analysis became dominant in the latter part of the Cold War. The  
4 competition never ceased however. After the collapse of the Soviet Union, the Pentagon  
5 reasserted, what it believed was its primary role in intelligence. The wars in Kosovo,  
6 Afghanistan, and Iraqi enhanced the military's role in intelligence. President Clinton  
7 made "support to the war fighter" the primary mission for all U.S. intelligence.  
8 In December 2004 Congress created the Director of National Intelligence as  
9 recommended by the 9/11 Commission. President George W. Bush nominated John D.  
10 Negropointe, a conservative diplomat as the new intelligence czar. The law poorly  
11 drafted, hurriedly debated, gave the new director responsibility but little real power over  
12 intelligence matters. The U.S. military still controlled most of the intelligence budget and  
13 the intelligence assets. President Bush, following the precedent set by President William  
14 Clinton, wanted U.S. intelligence to "support the war fighter." In response, the Pentagon  
15 expanded its influence and power over espionage activities, covert action programs, and  
16 collection. The militarization of intelligence accelerated. What the impact of this will  
17 be remains to be seen. The CIA is no longer the prominent agency in the intelligence  
18 business.

19

## 20 **Oversight and Accountability**

21 Policymakers have long struggled with the issue of how to make a secret organization  
22 accountable in a democratic society. Presidents have sought to provide guidance and  
23 oversight of the Intelligence Community by various committees and the National

CIA

1 Security Council. They have also employed outside consultants in the form the  
2 President's Foreign Intelligence Advisory Board (PFIAB) to carry out oversight  
3 responsibilities. The primary focus has been on covert action programs and espionage  
4 activities. In intelligence matters and national security concerns, Congress has often  
5 provided a large amount of flexibility to the executive branch and the President to carry  
6 out these activities, especially during the Cold War.

7 Control over the budget for the Intelligence Community is the fundamental lever of  
8 Congressional oversight. Congress has, for example, attempted to limit executive covert  
9 activities in (b)(1), (b)(3) Angola by cutting off funding for the operations. A recurring  
10 issue for Congress has been whether to reveal some aspects of the intelligence budget.

11 The Constitution itself requires an accounting of all public monies spent. Today, the  
12 overall budget figure for intelligence is available, \$53.2 b in 2010. It is about one tenth  
13 the size of the defense budget. What this tells potential adversaries is debatable. The  
14 argument over whether to release the information continues however.

15 Congress is also eager to be kept informed of intelligence issues. It continually pushes  
16 for increased access to intelligence information and notification of covert action  
17 programs. With the Iran-Contra scandal and reform recommendations, Congress how  
18 receives advance notice of covert action program in the form of written Presidential  
19 Findings. Many Findings have become so general and vague that they tell Congress little  
20 about the actual operations approved by the President. Since the creation of SSCI and the  
21 HPSCI Congress has become a major player in the intelligence process as well as a  
22 consumer of the intelligence product. The oversight committees, have, in general, like  
23 most Congressional committees with regard to their area of expertise, , become advocates

1 and supporters of the Intelligence Community. There is a healthy exchange of personnel  
2 between the committees and the Intelligence Community. The debate remains however,  
3 over how much oversight and at what cost.

4 With 9/11 and the war on terrorism, the courts have taken on additional responsibility  
5 with regard to intelligence issues as well. The Judicial branch now plays a key role in  
6 the issuing of warrants for wiretaps and the possible curtaining of civilian liberties.

7

8 **How good has U.S. intelligence been?**

9 The U.S. Intelligence Community served America well during the Twentieth Century,  
10 especially during the Cold War. CIA acquired insights that came closer than most other  
11 intelligence agencies in developing a comprehensive understanding of the world and the  
12 threats that the United States faced.

13 Despite its numerous failures, the U.S. Intelligence Community and the CIA consistently  
14 got it right more often than not. The CIA and the Intelligence Community were not only  
15 vital players in U.S. policy decisions but among the good guys. Even during the wars in  
16 Iraq, the Intelligence Community was more right more often than most. Intelligence  
17 played a key role in the wars and continues to play an essential part in the war on  
18 terrorism. Today, intelligence remains vital to understanding a dramatically changing  
19 world and offering policymakers clear alternatives and clear information upon which to  
20 make their policy decisions. One may develop the best intelligence organization in the  
21 world, but if the policymakers ignore or do not believe the intelligence provided, or  
22 choose not to act on it, it has little value.

23  
24