

C.O.I. to the C.I.A.:

The Development and Nature of United States Intelligence Gathering

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Marcus Aurelius Antonius who lived from A.D. 121 to 180 once said, "The controlling intelligence understands its own nature, and what it does, and where it works." This statement hints at how and why intelligence gathering has become such a significant part of the information which determines national policy around the world. Every world power has an intelligence agency. Great Britain has "Her Majesty's Secret Service," Communist China depends on her "Social Affairs Department" for vital intelligence, and the former Soviet Union used the "Komitet Gosudarstvennoi Bezopasnosti," or "KGB" as its source of for information gathering. Why is it that almost every country in the world has placed such a high premium upon an efficient, uniform intelligence service? The answer is that there is nothing more important in the composition of normal decisions than the interplay between policy and intelligence.¹ Leaders must be able to use the information that is gathered and given to them by their various operations in order to create policy that is consistent with the times and the situation. The best leaders are able to correctly interpret this information and make sound and effective decisions. However, without current, accurate information even the best and the brightest are reduced to guess work and mere opinion.

Before one can have a real grasp on the inner workings of any nation's intelligence system, there is the need to first understand the meaning of the word "intelligence" in this specific context. *The Dictionary of United States Military Terms for Usage* has the following definition for the word, "intelligence":

The product resulting from the collection, evaluation, analysis, reintegration, and interpretation of all available information which concerns one or more aspects of foreign nations or of areas of operations and which is immediately or potentially significant to planning.²

In this definition, one sees not only the contextual definition of the "intelligence," but also a clear and concise explanation of the duties of an intelligence agency. This definition allows us to see beyond the diverse ways in which nations choose to organize their intelligence operations and focus on the characteristics which are essential to all.

This focus helps one realize that there are three main elements germane to most, if not all, efficient intelligence systems. The first is called "strategic" or "national intelligence." This area is concerned with the capabilities, vulnerabilities and intentions of foreign nations. The second is termed "operational" or "tactical intelligence." This information is required on the field of battle. It concentrates on the man power, reserves, weapons, etc. which an enemy might possess in a theater of war. The third element is termed "counter-intelligence." This refers to the intelligence which is devoted to curtailing or "countering" hostile activities and intent as represented through the actions of their foreign intelligence operations.³ All three of these elements are crucial. Whether the agency is China's Social Affairs Department or the Central Intelligence Agency of the United States, these three areas must work efficiently together in order to run an effective operation.

These three elements have always been necessary ingredients in governmental intelligence activities concerning other nations. There are numerous examples throughout history that can help illustrate this point. As written in the Bible's *Book of Numbers*, Moses sent twelve men to the land of Canaan in what was an intelligence gathering operation. He told them to:

See what the land is like, and whether the people who live there are strong, few or many. See whether it is an easy or difficult country in which to live, whether the cities are weakly defended or well fortified; is the land fertile or barren, and does it grow trees or not.⁴

Here Moses seems to be launching what could be viewed as a pre-emptive counter-intelligence operation. He has no idea of the operations or capabilities of the people of Canaan while the information he seeks definitely hints at his own hostile intentions. The information required falls into both the strategic (Canaan's vulnerabilities and capabilities) and the tactical (Canaan's military fortifications) categories. All three elements of an effective intelligence system are present. A further reading of the Bible shows that the men sent by Moses were able to gather the necessary information. Based on their reports and what Moses perceived as divine guidance, a decision was made to attack, successfully as it turned out, Canaan.

With the above background one would think that the United States had established some type of unified intelligence gathering system at least by World War One. Many countries do establish a central intelligence operation very early in their development to aid them in their policy decisions. Interestingly enough, it was not until World War Two that there existed, in the United States, a coordinated intelligence gathering system.⁵ This is not to say that before this time the government did not seek intelligence. Most Americans have grown knowing the story of Nathan Hale who paid with his life for the information he gathered for Washington's army. During the American Civil War, Aline Pinkerton, a famous detective, was hired as head of intelligence by General George McClellan for his Union Army. Unfortunately for McClellan, Pinkerton greatly exaggerated the Confederate Army's troop strength during the Peninsula Campaign. McClellan based his whole campaign strategy on these estimates. Due to them, the General acted with extreme caution leading not only to the ultimate failure of his offensive but to his dismissal as commander of the army.

During this century, there was an effort by the United States to establish what amounted to a semi-coordinated intelligence system. This occurred during World War One when the country expanded its "Military Intelligence Division" from two officers and two clerks to 1,200 officers and civilians at the time of the armistice in 1918. The duties of the Intelligence Division were:

To maintain estimates, revised daily, of the military situations the economic situation, and of such other matters as the chief of staff may direct, and to collect, collate, and disseminate military intelligence.⁷

One can see from the duty description given above that this intelligence service was limited in both

function and scope. Even so, up to that point in time it was the most advanced and largest American intelligence system that had existed.

The existence of this system, however, was short lived. In subsequent years, the government decreased the Military Intelligence Division both in size and funding. During the 1920's and 1930's, the United States reverted to its isolationist position. Nowhere was this more reflected than in the basic stagnation of its military power and development; as a result, military intelligence was seen as an unnecessary luxury. As far as the nation was concerned, there was no need for any of the services provided by an intelligence organization. There was neither the desire, the money, or the manpower to build an effective intelligence system. Then came the attack on Pearl Harbor.

On 7 December 1941, the Japanese launched a successful surprise attack on the Pacific fleet of the United States based at Pearl Harbor, Hawaii. In the months after the attack, various investigations concluded that there was enough information in the possession of certain civilian and military departments of the United States, that if brought together and analyzed, would have given the military base at Pearl Harbor time to defend itself. The price paid for this lack of coordination of information concerning the Japanese and their intentions in the Pacific made the government painfully aware of the need for a change. This attack showed the need for a coordinated intelligence agency which would operate full-time in the interests of the United States. At that time, the ground work had been laid for such an organization although it was not fully functional. On 11 July 1941, approximately five months before Pearl Harbor, President Franklin D. Roosevelt had added another ingredient to his "New Deal Alphabet Soup." Seeing the precipitous onrush of Europe to war, Roosevelt realized that there soon would be a need for the services provided by an effectively coordinated intelligence system. Thus came into being the office of the Coordinator of Information or the COI.⁹ The head of this office, the Coordinator of Information, as well as those under his authority, were to:

Collect and analyze all information and data which may bear upon national security; to correlate such information and data, and to make such information available to the President and to such departments and officials of the government as the president may determine; and to carry out, when requested by the President such supplementary activities as may facilitate the securing of the nation.¹⁰

Now that Roosevelt had the structure for an intelligence system in place, he needed the right person in charge to make it work. For this he turned to William "Wild Bill" Donovan. Donovan was a "Hoover Republican," a Wall Street lawyer and a self-made millionaire. By many accounts, he did not appear to be the type of person who would head a department which dealt with "... excursion into espionage, sabotage, 'black' propaganda, guerilla warfare, and other 'un-American' subversive practices."¹¹ However, Roosevelt knew better than to base judgment on appearance. Donovan had been a confidant of the President and a hero in World War One. He had also been in close contact with the British Special Operations Executive (SOE) since 1941. With this background as well as his own personal abilities and drive, Donovan seemed the obvious choice as head of the COI.

Donovan devoted himself completely to his new responsibility. He helped sell the idea of a coordinated and central intelligence system to Roosevelt and was fully committed to making it a reality. His basic goal for the COI was to "... beat the Germans at their own game." This meant that it was necessary to demoralize the enemy and then to destroy their industrial and military capabilities. In order to demoralize the enemy, Donovan felt that there had to be a constant flow of up-to-date information concerning one's foe. This came from field operatives placed behind enemy lines and from nationals, co-opted or otherwise. These groups gathered information from simple observation, reading the newspapers, spying and bribery. This information was then sent back to the United States for analysis. After the government had enough information about the enemy, it was time to turn the dirty work over to a small task force of the COI operatives who would do the little things necessary to prepare for a full scale military invasion.

With this game plan in mind, Donovan directed his efforts toward obtaining the manpower and resources needed to make it work. The organization that Donovan had in mind needed massive amounts of money to function, a huge area in which to work and a staff of brilliant and insightful people committed to the COI's success. Donovan was also realistic enough to know that he would have to tackle each need one at a time.

The COI was originally housed in a three-room office located in the old State-War-Navy Building in Washington. However, within twenty days Donovan had secured thirty-two rooms at the Apex Building, located at the base of Capital Hill. Within the same period the COI had placed offices in New York and on the west coast of the United States. Additionally, it had sites in London as well as at other overseas

locations.¹⁷

Now that Donovan and his COI had sufficient work space, he needed sufficient funds to run his organization. Roosevelt had initially given Donovan \$450,000 to get the operation off the ground.¹⁸ This money came directly from the President's security fund.¹⁹ However, such a sum fell far below the needs of the COI. Donovan went to work and in the months leading up to Pearl Harbor was able to achieve an allocation of \$1.7 million with \$12 million coming three months after.²⁰

Nevertheless money and space are useless without a talented staff to take advantage of them. This was the final element necessary to make the COI the organization that Donovan had envisioned. Although he had spent his first few months at the helm of the COI traveling, Donovan was able to assemble an "... astonishing group with wide ranging foreign expertise. . ."²¹

At the forefront of this staff were three men. These were James R. Murphy, who became Donovan's right hand man; William Whitney, who ran the COI office in London; and Col. G. Edward Buxton, who was an old war friend of Donovan.²² All three worked closely with Donovan and promoted his vision of the COI. Donovan also searched for and found scholars whom he sent straight to work at the Library of Congress doing research and analysis.²³ Finally, Donovan recruited and trained his field operatives, those whose responsibility was to gather the information for which the COI existed. The reason that Donovan was able to organize and attract such a highly intellectual and skilled group of individuals can be directly attributed to his previous service in World War One and to his connections on Wall Street.²⁴ These men knew what Donovan stood for and what he could do. With their help, Donovan was able to organize the COI under his own terms and vision.

Now that Donovan had the COI set up to his liking, it was time for the agency to get to work and accomplish its mission. At the time, the COI decided to concentrate on two main areas of the world, Asia and North Africa.²⁵ Unfortunately, while the idea of a coordinated intelligence system seemed an excellent one, operating it effectively was far from easy, as the COI found, in these two areas.

The COI was able to gain access to the Pacific area through an organization known as the Foreign Information Service. However, Donovan and his staff had to struggle in order to install an intelligence system in Asia. The problem that the COI first encountered was General Douglas MacArthur, who was in charge of operations in the area. MacArthur's obstinacy, desire to have his own way, and be completely in charge have been well documented. At

first, he wanted to use the COI to help with propaganda, but by the time Donovan was able to give assistance in this area MacArthur had already "... developed his own intelligence and subversive and warfare operations, first in the Philippines and then in Australia."²⁶

Frustrated by MacArthur's actions in the South Pacific, which in essence ran counter to the idea of a coordinated intelligence system, Donovan and his COI operatives turned their attention to Korea, Burma and China. Of these three, the staff of the COI felt that only Korea offered any real opportunities.²⁷

Once again these "real opportunities" never materialized. The COI developed a plan which would organize a resistance movement in Korea. However, before any such resistance could be established, General John Magruder went to Washington to circumvent the COI's efforts and block their plan. He argued that the COI's actions in Korea could be seen by General Chiang Kai-Shek as gross and offensive interference. The last thing the government of the United States wanted to do at that time was to offend the General whose cooperation and support was seen as crucial to victory in the Pacific. Furthermore, the COI was frustrated because it pulled out of the area for the time being.²⁸

Halfway around the world, in northern Africa, Washington was extremely concerned with intelligence gathering operations. During the first years of World War Two, the United States was extremely worried about the German activity in the area. After the establishment of the COI, Donovan immediately sent men to Africa under the command of World War Marine hero, Lt. Col. Eddy. From the beginning, events went badly for Eddy and his band of COI operatives. There were many problems with the joint Anglo-American command that was in control in the area. Each wanted to handle the German buildup in different ways. The British were more concerned with an invasion of North Africa. The United States favored a scaled down military force which would bother and harass the Germans while plans were formulated for an allied assault on the European continent by early 1943. The COI tried to stay under the constraints of the American plan. Eddy's on site evaluation of the situation lead him to believe that the Germans were about to attack Morocco and Algeria and that time was of the essence. He requested that Washington send "... 500 motorcycles, 150 artillery and antitank guns, 45 tanks, 150 additional vehicles, and ammunition for all weapons."²⁹ Washington declined Eddy's request since they believed that a German attack would not come anytime soon. Washington was proven correct

in this evaluation and once again the COI was perceived in an unfavorable light. American generals, especially George Marshall, were not willing to support the COI when they personally believed that a German invasion was not forth coming.³⁰ The COI was undergoing a crisis of credibility. In all three areas, the COI operatives had made serious miscalculations. This was especially true in North Africa where Eddy's evaluation of the information available was erroneous, a grievous mistake for an organization whose main purpose was to analyze gathered information correctly.

While Donovan had established what he felt was the best intelligence organization possible, like all organizations it had to go through growing pains and learn from its mistakes. Unfortunately for the COI, these occurred at a time of extreme national distress and urgency. The operations in Asia and northern Africa showed that problems did indeed exist in the infrastructure of the COI. It was definitely not accomplishing anything which seemed to be worthwhile and, while Donovan felt that eventually the COI could and would work efficiently, many people in Washington felt that the COI's performance showed that the organization was a waste of time and money. Many traced the problems of the organization to the feeling that Donovan could not coordinate research and analysis, propaganda, secret intelligence, special operations and the war room under one department. In fact William Whitney, the head of the COI office in London, advised Donovan by the end of 1941 to "... pick one horse and ride it as well as your very great talents will enable you to ride it."³¹ The young organization experienced personal conflicts especially in the leadership positions. While Donovan had done his best to choose men whom he felt were best suited to the job, this did not guarantee that these men could fulfill their responsibilities in a way Donovan thought best. For example, Robert Sherwood, a successful and honored playwright by profession, was head of the COI's propaganda wing. Sherwood did not get along with Donovan and had major problems working under the constraints placed upon his department. Sherwood worked slowly, at his own pace and Donovan disliked the way Sherwood ran things. This conflict was never resolved and as a result the propaganda wing never functioned properly.³²

These problems and others caused the COI to run inefficiently and prevented it from reaching its potential. Donovan eventually realized that he could not administer an organization that was so big. Thus in August of 1943, Donovan struck a deal with the then Under-Secretary of State, Sumner Wells.³³ These

two men agreed that the COI was to be disbanded and its propaganda division moved to the new Office of War Information. Donovan would head this new department and name it the Office of Strategic Services or the OSS.³⁴

Donovan learned well from his experiences at the COI and OSS ran more smoothly than its predecessor. This is not to say that COI did not accomplish anything. The COI set the standard for the American intelligence organizations that would follow. Rather than debunk the need for a

coordinated intelligence system, its failures showed the crucial necessity of such a system for the security of the United States. The problems it faced in its formation and short existence made the organizations that followed it stronger and wiser for the experience. Unknowingly in July of 1941, Roosevelt's support of Donovan's brain child started a process which laid the groundwork for what would eventually become the CIA, one of the most powerful central intelligence organizations in the world.

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Endnotes

¹ Harry Howe Ransom, *Central Intelligence and National Security* (Cambridge: Harvard University Press, 1959), 2

² *Ibid.*, 7.

³ *Ibid.*, 12-14.

⁴ Scott D. Breckinridge, *The CIA and the U.S. Intelligence System* (Boulder and London: Westview Press, 1986), 3.

⁵ *Encyclopedia Americana* (Danbury: Grolier Inc., 1991), S.V. "Intelligence, Strategic" by Harry Ransom.

⁶ Ransom, *Central Intelligence and National Security*, 49.

⁷ *Ibid.*, 49-50.

⁸ Breckinridge, *CIA and the U.S. Intelligence System*, 5.

⁹ R. Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley, Los Angeles, and London: University of California Press, 1972), 1.

¹⁰ *Ibid.*, 1.

¹¹ *Ibid.*, 1-2.

¹² Harold W. Chase et al., eds., *Dictionary of American History*, (New York: Charles Scribner and Sons, 1976), S.V. "Office of Strategic Services", by John E. Jessup, Jr.

¹³ Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency*, (Frederick: University Publications of America, Inc., 1981), 74.

¹⁴ *Ibid.*, 74.

¹⁵ Ransom, *Central Intelligence and National Security*, 13-19.

¹⁶ Troy, *Donovan and the CIA*, 74.

¹⁷ *Ibid.*, 77.

¹⁸ Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.*, (New York: Basic books, Inc., Publishers, 1983), 69.

¹⁹ *Ibid.*

²⁰ Cline, *Intelligence*.

²¹ Troy, *Donovan and the CIA*, 78.

²² Cline, *Intelligence*.

²³ Troy, *Donovan and the CIA*, 77-78.

²⁴ Smith, *Shadow Warriors*, 129.

²⁵ *Ibid.*, 129.

²⁶ *Ibid.*, 130.

²⁷ *Ibid.*, 130-134.

²⁸ *Ibid.*, 136.

²⁹ *Ibid.*, 133-139.

³⁰ Troy, *Donovan and the CIA*, 117.

³¹ Smith, *OSS*, 8.

³² Cline, *Intelligence*.

³³ Smith, *OSS*, 8.