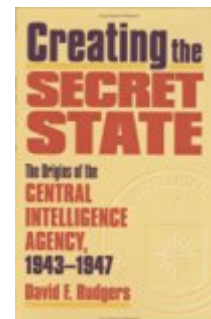


David F. Rudgers. *Creating the Secret State: The Origins of the Central Intelligence Agency, 1943-1947.* Lawrence: University Press of Kansas, 2000. vii + 244 pp. \$35.00, cloth, ISBN 978-0-7006-1024-2.



Reviewed by Charles C. Kolb

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Donovan as "Father" of the Central Intelligence Agency: Myth versus Fact -- Tom Troy and Dave Rudgers

[Disclaimer: The opinions expressed herein are those of the reviewer and not of his employer or any other federal agency.]

This significant volume provides new insights on the creation of the Central Intelligence Agency (CIA) during the transitional years from the end of World War II to earliest phases of the Cold War. The author, David Rudgers, is an independent historian who was formerly a staff archivist at the National Archives and Records Administration (NARA) in Washington, DC, before joining the Central Intelligence Agency as editor and senior intelligence analyst. He is an historian, holding a doctorate from George Washington University, and began his study of the founding of the CIA during his tenure as an archivist at NARA who was charged with CIA, navy, and congressional document declassification. He continued his primary research on his own time from 1990 to 1999 both during and after his CIA employment.

Rudgers' thesis is that that William J. "Wild Bill" Donovan, the former chief of the Office of Strategic Services (OSS) from 1942-1945, was not a prime mover behind the founding of the CIA. This is in direct opposition to the "official" CIA history written by Thomas Troy, who prior to his retirement was Middle Eastern Affairs analyst in the CIA's Office of Training, and who authored several volumes on Donovan's role in establishing the CIA. Rudgers maintains that the creation of the agency was not simply the brainchild of William Donovan but in reality was the result of many months of protracted and delicate negotiations among numerous policy makers, including Secretary of the Navy James Forrestal and Under Secretary of State Dean Acheson. The United States Congress, the Department of State, the Department of Justice, the Joint Chiefs of Staff, and the Bureau of the Budget all played roles in the creation of the "secret state," the CIA that operates at the margin of the American political process (pp. 2-3).

In 1975 Tom Troy completed his monograph, *Donovan and the CIA*, written as a "very limited" two-volume edition (originally marked SECRET)

which provided a history of the formation of the CIA.[1] In this treatise, Troy traces the prewar years (1920s to 1941) including the establishment of the COI (Coordinator of Information), the evolution and activities of the OSS (1942-1945), and the postwar "CIA era" (1945-1947). Troy contends that the origin of the CIA is the result of a plan Donovan devised and sent to President Roosevelt in late 1944 that would establish a permanent, peacetime central intelligence organization. This "first edition" of Troy's monograph was declassified and commercially published in 1981 with the deletion of six pages of typewritten material. [2] Tom Troy more recently argues [3] that it was Donovan, rather than William S. Stephenson, the legendary "Intrepid" who directed British intelligence in the United States during World War II, who was the force behind the creation of the CIA. Troy also notes that "Part 2: The Coordinator of Information and the British Intelligence: An Essay on Origins" [4] was actually written in 1970. A major reason for the publication of Troy's 1996 volume was to disprove the then extant rumor that Donovan was actually a British agent and had been recruited by Stephenson in 1916. Troy condemns and refutes this story, documenting that Donovan and Stephenson first met after July 1940, and that the supposition was a very likely component of a Stephenson deception but that it distorted the history of the American intelligence past. [5]

Interestingly, Stephenson's own suppressed account of the formation and activities of the wartime British Security Coordination (BSC) in the United States, written in 1945, has only recently been published with elucidating prefatory remarks by Nigel West. [6] Only 20 copies of this report were ever made and nearly half were subsequently destroyed. There is nothing in this compilation to suggest a pre-1940 Donovan and Stephenson connection. Rudgers does not cite Stephenson's volume among his sources but the contents have no bearing on his thesis that Donovan had no role in the actual formation of the CIA.

Rudgers, who employs the most recently declassified documents on this issue, has without doubt written the definitive assessment that supplants Darling's history of the CIA written in 1953 (but published in 1990) and Bradley F. Smith's *Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (1993).[7] The Darling volume according to Rudgers is "discursive, colorless, and outdated" (p. 213) and he further contends (p. 219) that the best overall histories of the CIA are written by British nationals John Ranleigh and Rhodri Jeffreys-Jones. [8] This reviewer would argue that Rudgers's own evaluation also surpasses these works.

Structurally, *Creating the Secret State* contains an introductory essay, ten chapters, endnotes (558 total), an extensive bibliography (over 120 entries), and a 16-page double-column index of predominantly proper noun rather than topical entries. In the main, Rudgers employs archival and other primary documents in preparing his assessment. These include 29 archival sources comprising 9 record groups from National Archives and Records Administration, 16 from Presidential Libraries (2 from the Franklin Delano Roosevelt Library, 13 from the Harry S. Truman Library, and 1 from the Herbert C. Hoover Library), the papers of Edward Stettinius, George C. Marshall, and William J. Donovan, and documents in the Air Force Historical Research Agency. Donovan's pa-

pers, which Rudgers reports are in need of archival care, are deposited in the collections of the U.S. Army Military History Institute, Carlisle Barracks, Pennsylvania. In addition, Rudgers also uses 5 published primary sources, 12 official publications, 15 congressional documents, 17 first-person accounts, 26 secondary sources, 13 journal or magazine articles, and 5 (New York and Washington) newspaper titles. Among the documents he consulted were Tom Troy's own working papers now declassified and available at NARA (Troy, Thomas F., Papers. RG [Record Group] 263, Records of the CIA). As Rudgers stated during his 8 June 2000 lecture at the National Archives and Records Administration (and in other "book talks" in the Washington, DC area): "If he [Troy] used all the material he had collected, I wouldn't be here." [9]

The CIA's web site (<http://www.cia.gov/>) currently briefly covers among other topics the history of the agency from its creation with the signing of the National Security Act by President Truman in 1947, through the naming of The George Bush Center for Intelligence, to current agency missions and activities. The web site's "Genesis of the CIA" includes the statement that "most of the specific assignments given to the CIA by the National Security Act, as well as on police and internal security functions, closely follow the Presidential directive creating the Central Intelligence Group and were influenced by Donovan's 1944 plan" (<http://www.cia/publications/facttell/genesis.htm>). However, the "Key Events in CIA's History" do not mention Donovan after his military promotion in 1944 (<http://www.cia/publications/facttell/keyevent.htm>).

In his first chapter, Rudgers summarizes the "dual road" -- domestic and military -- leading to the formation of the CIA. According to Troy [*Donovan and the CIA*, p. 211) and Rudgers (p. 150), the first use of the name Central Intelligence Agency dates to a 24 March 1942 U.S. Marine Corps memo. On the domestic side, arguments for

an independent agency (not unlike the FBI) reporting to the President are advanced versus a military organization combining features of the ONI, SIS, OSS, and MID/G-2 (Office of Naval Intelligence, Special Intelligence Services, Office of Strategic Services, and the Military Intelligence Division, which became Army Intelligence, G-2). Rudgers also reviews the 25 August 1942 plan developed by Brigadier General John Magruder entitled "Proposed Plan for Joint Intelligence Bureau," and the 23 October 1944 "Post-war Intelligence Policy of the United States" authored by the Joint Intelligence Staff. The ideas expressed in the latter document "stood in direct opposition to the revolutionary ideas developed by William J. Donovan" (p. 17).

Chapter 2 considers the initial formal paper submitted by Donovan to General Walter Bedell Smith (General Eisenhower's Chief of Staff) on 17 September 1943 in which the future needs of overt and covert intelligence operations are explicated. On 18 November 1944 Donovan sent President Roosevelt his formal proposal to establish a peacetime central intelligence organization (pp. 20-22; see also Darling, pp. 20-29; Troy Wild Bill and Intrepid, p. 210), and FDR ultimately passed the proposal to Admiral William D. Leahy, his personal military advisor and presiding officer of the Joint Chiefs of Staff (JCS). The JCS critiqued the plan, particularly for its references to "subversive operations abroad," and by January had developed a "constructive counterproposal." It may be that the reputation of the OSS as an elitist organization may have colored the assessment (see also Kermit Roosevelt [10] for the "in-house" view). Detractors often termed the OSS as "Oh So Social" because of the sociocultural backgrounds of many of its personnel which included motion picture stars, college athletes, society "playboys," etc. In the first weeks of February 1945, newspaper reporter Walter Trohan published a series of articles about Donovan's "Super Spy System," including the entire text of Donovan's November proposal, setting off a political and public furor. The discussion

about the "leak" and who provided Donovan's report to the press makes interesting reading. Nonetheless, Roosevelt wrote to Donovan on 5 April granting him the opportunity to present his plan, but Roosevelt's death a week later in Warm Springs, Georgia left the proposal in the hands of President Truman.

We are informed in the third chapter that Harry Truman was "a marked contrast to his predecessor" and that he possessed considerable knowledge of both the federal government and the military. Donovan and Truman met face-to-face on 14 May 1945-- the only time that they ever met -- and Rudgers states that "they never got along and had no regard for each other" (p. 36). Hence, the issuing of Executive Order 9621 of 20 September 1945 dissolving the OSS as of 1 October came as no surprise, and the assets of the OSS were transferred to the departments of State and War. An endnote provides a salient assessment (p. 194): "With Roosevelt dead, rejection of Donovan's plan by the State, War, Navy, and Justice Departments became largely a formality. In a crisp memo informing him of the April 12 [1945] decision, Secretary of War Stimson commented that, although there was a need for a 'vigorous and coordinated system of intelligence' after the war, he did not consider Donovan's proposal 'sound,' but rather as running counter to the 'strong system of intelligence for national security' envisioned by the War Department. He believed that the secretaries of state, war, and navy had primary foreign intelligence responsibility and therefore 'should either themselves constitute the coordinating authority, or acting jointly they should directly create and supervise the coordinating authority.' In his view, Donovan's proposed agency 'would subject departmental intelligence operations to the control of officers outside the departments and not responsible to the heads of those departments.' This, Stimson thought, was 'dangerous and impractical'" (Stimson to Donovan, undated, PPD 350.05, Section XI, Cases 314-333, Operations Division Decimal File, 1942-1945, Record Group 165,

NARA). Readers should note the April 12, 1945 date -- the day of FDR's death -- and may speculate as to when the rejection was actually formulated and if Roosevelt had authored or condoned it. By 22 January 1946, Truman issued a directive for the establishment of a new central intelligence system.

Rudgers then assesses the role of Dean Acheson, the opposition to a CIA by FBI Director J. Edgar Hoover, the role of Alfred McCormack and the Intelligence Advisory Board. Intrigues and infighting, dismantling the wartime bureaucracy, eliminating the duplication of effort, and debates over centralized versus decentralized intelligence operations during this budget-cutting postwar period are reviewed. A research and intelligence need was perceived, particularly the collection and analysis (decryption and translation) of communications as the Cold War formalized.

Bureaucratic infighting among the Joint Chiefs of Staff, National Intelligence Authority, Intelligence Coordinating Committee, and Interdepartmental Security Coordinating Committee, among others is considered in Chapter 5. Rudgers examines the 15 September 1945 JCS proposal, the 21 September 1945 Justice Department proposal (based on the FBI's Latin American operations model), and the State Department's plan which was ultimately rejected. In the meantime, McCormack prepared a "Central Intelligence Agency" proposal submitted on 6 January 1946 in which he wrote (p. 85) that "while the OSS accomplished a great deal during the war, it came nowhere near to filling the role that it desired, chiefly because of its remoteness from the operating units. Reports were frequently based on less than all the available information, not because the information was withheld but because OSS tried to cover too large a field of intelligence that it could not maintain adequate machinery for getting all the available information." The need for secret intelligence and strategic intelligence reports became clear as the inadequacies of America's prewar intelligence

apparatus, which provided a false sense of security in pre-Pearl Harbor days.

In his sixth chapter, Rudgers reviews a variety of popular and scholarly journal articles that engaged in the postwar intelligence debate. Among these are articles in *Life*, *Time*, *Harper's*, and *Collier's* magazines, and *Virginia Quarterly Review* and *Yale Review*. Articles and columns by journalists Joseph and Stewart Alsop, and books by retired Admiral Ellis Zacharias [11] and the military writer Hanson Baldwin [12] helped to color public and political opinions. As a minor criticism, Rudgers does not sufficiently consider the public and political effects the ongoing Pearl Harbor attack hearings in opinion formation.

Quoting from a Senate report, Rudgers reports (p. 96) that "intelligence of scientific, technological, and ideological developments affecting the war-making potential of foreign countries cannot be obtained wholly by overt methods. If the importance of an adequate peacetime intelligence service is not recognized and adequate provision made for the utilization of sufficiently trained personnel in the reduced military forces of the postwar era, retrogression to the situation which existed during the period following World War I is a likely result. All of the considerations herein brought forth are, of course, heavily underscored by the pivotal position, which the United States has come to occupy in world affairs. As the sphere of our responsibilities has widened, and our relationships with other nations have been extended, our need for accurate, comprehensive, and up-to-date information has become more acute." (U.S. Senate Committee on Naval Affairs, *Unification of the War and Navy Departments*, pp. 159-163, 1946).

In Chapter 7 Rudgers summarizes diverse opinions on the structure and organization of the proposed CIA and considers the role of the Central Intelligence Group as a transitional organization. He evaluates the importance of Sidney Souers who served as the interim DCI (Director of Central

Intelligence) and Souers's role in laying the groundwork for the assignment and assessment of personnel, and plans to produce daily intelligence summaries. The selection of Army G-2 Lieutenant General Hoyt Vandenberg as Souers's successor was critical, and we are informed that Vandenberg (p. 114) "wasted no time initiating his quest for empire" and that he was "a dynamic operator" (p. 127). Rudgers also writes that "thanks to Souers's careful preparation work, Vandenberg left with only loose ends to wrap up" (p. 118) so that he was able to gather up remnants of the OSS and other intelligence units being disbanded in the postwar era. Espionage and counterespionage, and clandestine foreign intelligence operations were established, and the Office of Special Operations (OSO) was created and acquired the FBI's wartime intelligence network in Latin America with Hoover's blessing. The Foreign Broadcast Intelligence Service (originally in the Federal Communications Commission) was also acquired and renamed the Federal Broadcast Information Service, and the Washington Document Center was charged with the translation of captured foreign documents. Vandenberg left the CIA to head a now independent U.S. Air Force, and turned over the DCI duty to Admiral Roscoe Hillenkoetter. Nonetheless, there was still a need for legislation to bring the CIA into legal existence.

The eighth chapter begins with an assessment of the Central Intelligence Group as a "disorganized assemblage of parts." President Truman, we are informed, had little personal interest and left the formalization of the CIA to his staff, especially to a young Clark Clifford. The State Department soon began to perceive the emerging CIA as a threat to its own prerogatives and became concerned with the domination of the agency -- now with 1800 employees -- by the military and a staff which included some of Donovan's "disciples," among them Alan Dulles. Rudgers also reviews in detail the important congressional hearings and the anti-CIA testimony given by Frederick Libby of the National Council for the Prevention of War,

as well as testimony by Chief of Staff Dwight Eisenhower, technocrat Vannever Bush, and retired Admiral Zacharias. Anti-CIA concerns centered on the issue of the CIA's role in collecting intelligence versus its role in policymaking. Ultimately, "the responsibility of the agency were generally described as follows: coordinating government intelligence activities, advising the NSC [National Security Council] on intelligence matters, evaluating and distributing intelligence information, performing services of 'common concern' in the intelligence field as determined by the NSC, and 'such other functions and duties related to intelligence affecting the national security' as directed by the NSC" (p. 146). The legislative process was complete by 26 July 1947 and President Truman signed the National Security Act establishing the agency. *New York Times* reporter Samuel Tower wrote on 3 August that (p. 148) "one of the final steps before adjournment, largely overlooked in the avalanche of last minute legislation, was the stamp of approval Congress placed on the creation, for the first time in American history, of an effective world-wide American intelligence service of its own." The CIA official opened for business on 18 September 1947 and Hillenkoetter was sworn in as DCI on 26 September.

Rudgers reminds the reader in Chapter 9 that he is not writing a comprehensive history of the agency but is focusing on significant developments that transformed the nature and purpose of the CIA. Among the key elements he discusses are the "collapse of the grand alliance" and the Sovietization of Eastern Europe, escalating instability in the Far East, concern about nuclear proliferation, friction and resentment of the CIA by "older" organizations (e.g., FBI and Department of State), and the need for the clandestine collection of information. The roles of James Forrestal, Carl Vinson, George Kennan, and Allen Dulles are also considered, and the author observes that many civilians left the CIA during the late 1940s and the military began to dominate among the key personnel. Significant to the agency was the formal

definition of covert action (pp. 167-171), the NSC 10/2 seminal document drafted by Kennan (18 June 1948), and the selection of General Walter Bedell Smith as the DCI replacing Hillenkoetter on 7 October 1950. The Office of Policy Coordination (OPC), America's first peacetime covert organization, was also established.

The outbreak of the Korean War forced the United States to focus on building a modern intelligence system. Smith, the former Chief of Staff to General Eisenhower, had the full support of President Eisenhower, and Smith had the prestige and persuasive powers needed to influence military commanders, ambassadors, and congressmen. According to Rudgers (p. 177), the CIA would assume its present structure under Smith's plan for reorganization. Structurally, the position of DDCI (Deputy Director of Central Intelligence) was established (and filled by Allen Dulles), a Directorate of Plans was created, and the Office of National Estimates (a long-range covert/clandestine analysis group) was revitalized. In sum, Smith "in his tenure as DCI had changed history and finally brought about the intelligence empire that Donovan had envisioned" (p. 180). Smith left the agency in 1953 to become Under Secretary of State in Eisenhower's administration.

Rudgers suggests in his tenth chapter that the CIA never came to dominate the U.S. government intelligence apparatus as Donovan had envisioned, and that the FBI and military retained major intelligence operations (p. 181). Likewise, concern remained about the "absence of satisfactory machinery for surveillance of the stewardship of the CIA" (p. 183), as noted in the Second Hoover Commission of 1955 chaired by retired General Mark Clark, but the CIA, Rudgers contends, became what Donovan wished it to be, unencumbered by its own OSS past. Hence, the author concludes that any resemblance of the CIA to the OSS is coincidental -- a point he also made in his oral presentation in June 2000.

Why did Donovan fail in his attempt? It appears that he was out of step with both the Executive and Legislative branches of government, and was overseas at a critical juncture in the assessment of his November 1944 proposal. Rudgers does not consider Donovan to be the CIA's lineal "Father", but he stated in his 8 June 2000 lecture that "Donovan could be the Godfather of the CIA but, like Moses, remained outside of the Promised Land."

In sum, reflecting his training as an historian and archivist, David Rudgers has written a provocative, well-documented assessment of the founding of the CIA. He has taken the "unpopular" position that is contrary to the generally-accepted version of agency history that William J. Donovan played a significant role in establishing the CIA, the "secret state" that remains independent of the mainstream federal government. To be clear about Rudgers's position and his critiques of Tom Troy's writings, this reviewer also reread key sections and chapters in Troy's *Donovan and the CIA* and *Wild Bill and Intrepid* volumes. *Creating the Secret State* is carefully crafted, eloquently written, and meticulously researched book and its persuasive, compelling arguments make it essential reading on the issue of the creation of the Central Intelligence Agency. The author has succeeded in his objective to document that the idea of a postwar intelligence organization developed institutionally among federal government policy makers in response to a perceived need. The exigencies of the Cold War, nuclear proliferation, and the fear of another "Pearl Harbor," I believe, exacerbated this need, because the nation lacked an appropriate proactive intelligence agency.

Notes

[1]. Troy, Thomas F. *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency*. CIA Center for the Study of Intelligence, 1975.

[2]. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence*

Agency. Frederick, MD: Alethia Books, University Publications of America, 1981.

[3]. Troy, *Wild Bill and Intrepid: Donovan, Stephenson, and the Origin of the CIA*. New Haven and London: Yale University Press, 1996

[4]. Ibid., pp. 19-135

[5]. Ibid., pp. 165, 176, 177, 192

[6]. See Stephenson, William S., editor. *British Security Coordination: The Secret History of British Intelligence in the Americas, 1940-1945*. New York: Fromm International Publishing, 1998.

[7]. Darling, Arthur B. *The Central Intelligence Agency: An Instrument of Government to 1950*. University Park: The Pennsylvania State University Press, 1990; Smith, Bradley F. *Shadow Warriors: O.S.S. and the Origins of the C.I.A.* New York: Basic Books, 1993.

[8]. Ranleigh, John. *The Agency: The Rise and Decline of the CIA*. New York: Simon and Schuster, 1986; Jeffreys-Jones, Rhodri. *The CIA and American Democracy*. New Haven, Conn.: Yale University Press, 1989.

[9]. Because Rudgers was a former NARA archivist and had used documents now located in that repository in writing his book, he was invited to give a presentation at the National Archives and Records Administration on 8 June 2000. This reviewer had the opportunity to attend Rudgers's lecture in which he outlined his arguments and presented the results of his primary document research. Among the members of the audience that day was Tom Troy, who took exception to some of Rudgers's remarks, and especially the book's dust jacket "blurb" written by Wesley Wark (listed on the jacket as the author of *The Intelligence Revolution: Espionage and International Relations Since 1900*). Wark, known for his writings on security and intelligence [Wesley Wark, A. Stuart Farson, and David Stafford, editors. *Security and Intelligence in a Changing World: New Perspectives for the 1990s*. London: Frank Cass, Canadian Association for Security and Intelligence Studies, 1991;

Wark, (ed.) *Espionage, Past, Present, Future?* Newberry Park, Ilford, Essex: Frank Cass, Intelligence and National Security 8(3), 1994.], praised Rudgers's volume, stating that "This book is a gem. It out-trumps Thomas Troy's *Donovan* and should easily achieve the status of the standard account of CIA origins." Troy, who was accompanied by several of his colleagues, was indignant and accused Rudgers of being iconoclastic and having a liberal bias, which Rudgers readily admitted. However, there is more than semantics and book "blurbs" involved in this confrontation -- Rudgers has carefully dismantled the creation myth, and debunks Donovan's supposed key role in the creation of the CIA. This challenges Tom Troy's deification of Donovan, the cult of personality, and the myth that the CIA is the direct lineal descendant of the OSS (p. 190). Rudgers also stated during his lecture that it is considered "treason, blasphemy, and sacrilege if one does not consider Donovan as the CIA's 'founder'." As a sidebar, the actual title of Wark's book that was cited in the cover blurb is *The Intelligence Revolution : Espionage and Statecraft since 1879* (Toronto: Canadian Scholars' Press, 1992)

[10]. Roosevelt, Kermit. *War Report of the OSS (Office of Strategic Services)*. New York: Walker, 1976.

[11]. Zacharias, Ellis M. *Secret Missions: The Story of An Intelligence Officer*. New York: G.P. Putnam's Sons, 1947.

[12]. Baldwin, Hanson W. *The Price of Power*. New York: Harper and Brothers, 1947

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