

A Guiding Hand?

The CIA and Foreign Policymaking in the Early Cold War

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Abstract

This thesis critically examines the Central Intelligence Agency's hand in the decision-making process through a detailed and careful analysis of its daily, weekly and *ad hoc* intelligence reports. The research is significant because, in the early years of the Cold War, particularly during the Berlin blockade and the Korean War, Washington was unsure whether Soviet provocations were local or global. Based on the premise that the CIA had a mixture of successes and failures, this study will demonstrate that, with relative consistency, intelligence analysts provided relatively perceptive assessments of Soviet capabilities and intentions. In part, because of CIA assessments, US policymakers were better able to conclude that the Kremlin was unable and unwilling to risk a direct military confrontation with the United States during these two crises.

Furthermore, much of the literature on the Central Intelligence Agency's early years scarcely addresses, beyond general terms, what analysts were telling policymakers during these two Cold War crises. Too often, it has been argued that the CIA's voice remained removed, uninvolved and had little to no influence in the decision-making process. For this reason, this thesis—through a detailed, critical analysis of the Agency's intelligence reports—will offer a fresh perspective and help to fill an important gap in this critical aspect of history.

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Chapter I

*Nam et ipsa scienta potestas.*¹

Introduction

The intelligence failures of September 11, 2001 and the Iraq invasion of 2003 have again stirred the public's interest in the secret world of the Central Intelligence Agency. For America, the threats from terrorism, weapons proliferation, rogue nations, and extremists represent a new affront to national security. These challenges facing intelligence in the twenty-first century are a dramatic departure from yesterday's legions of communist armies and assured mutual destruction. At the same time though, these new threats highlight the relevance of the not-so-distant history of the Cold War by reminding us of the inseparable, if variable relationship between intelligence and foreign policy. In principle, intelligence begins with the policymakers setting requirements or needs and then moves to the collection of raw data in response to those needs. Analysts then analyze the significance of the collected data and prepare a report—often the most challenging task. How great an impact their analysis makes upon the policymakers' assumptions is a matter for empirical historical research.

The purpose here is to examine the role and impact of the Central Intelligence Agency in the early phases of the Cold War, but always

¹ 'Knowledge itself is power.'—Sir Francis Bacon

mindful that any examination of its record is biased by contemporary standards and expectations. After setting out the purpose of the study, this introductory chapter will outline the research questions I will explore, the primary focus being on the destabilizing crises of the Berlin blockade (1948-1949) and the Korean War (1950-1953). It will then offer a summary of the sources used during my research and their limitations, before setting the study's basic structure and methodology. Finally, the chapter will present a brief historical overview of some of the major Cold War events that gave shape to the fascinating world of America's first peacetime intelligence agency.

Purpose and Research Questions

Numerous well-researched and perceptively written books have been published on Western intelligence in the past fifty years. This proliferation of literature offers a deep pool of knowledge on the CIA's relatively brief history. It also makes it possible for this study to leave the more sensational topics of covert action and espionage aside, as well as the CIA's early organizational and bureaucratic history to other scholars.² Since previous studies have not gone far enough in examining the scope of the CIA's reports during the formative years of the Cold War, this project is timely. In line with a small number of researchers pursuing a similar

² For one of the most recent, thought-provoking studies on the CIA's early Cold War clandestine efforts, see Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, secret warfare and the CIA, 1945-1953*, Halifax: Routledge, 2008.

approach, I will provide a detailed and critical analysis of the declassified intelligence reports that reached policymakers during the Berlin crisis (1948-1949) and the early stages of the crisis in Korea (1950-1951). Throughout the study, I will examine the CIA's hand in the decision-making process through a detailed analysis of the daily, weekly and *ad hoc* intelligence reports, as well as numerous foreign policy documents.³ The thesis will do something new by suggesting that the CIA was an active participant in the process, even serving, at times, as a guiding hand for policymakers.

The central thrust of my argument is on this idea of a guiding hand during times of crisis, particularly on the question of whether the Soviet Union had the ability or intent to provoke a major armed conflict. In doing so, the thesis will move beyond value judgments about whether this influence was good or bad. (The impression often given is that the early CIA was flawed, uninvolved and had little to no influence in the decision-making process).⁴ Likewise, when turning to the second issue to be examined, that of the quality of the CIA's assessments, the premise will be that the CIA had a mixture of successes and failures.⁵ The study will examine the extent to which the Agency succeeded in providing accurate

³ Copies of these intelligence estimates were frequently disseminated to departments outside the Office of the President, including: National Security Council, National Security Resources Board, Department of State, Office of Secretary of Defense, Department of the Army, Department of the Navy, Department of the Air Force, State-Army-Navy-Air Force Coordinating Committee, Joint Chiefs of Staff, Atomic Energy Commission, and Research and Development Board.

⁴ See the selective literature review in the following chapter.

⁵ Harry Howe Ransom reminds us that intelligence analysts have to move between the factual and speculative properties of intelligence production to deal with 'unknowable questions. In *Central Intelligence and National Security*, Cambridge, Mass: Harvard University Press, 1958, p. 41.

and perceptive assessments, and where it fell short in doing so, it will show why these shortcomings occurred and their impact on the policy process.

The study asks the following questions: First, how well did analysts read Soviet intentions and how effectively did it read each crisis? Much of the time, this means deciphering what actions the CIA believed that the US could pursue without provoking direct Soviet military retaliation. Second, how accurate were its warnings and assessments? Although much more difficult to answer directly, this study is also interested in how much influence the CIA had on the formation of policy decisions during times of crisis. This is the most difficult challenge—to move beyond drawing inferences and show precise connections between the CIA and decision-making. For this reason, the author has been careful not to overstate what can and cannot be claimed. To what extent the intelligence reports influenced policymakers is almost impossible to measure. Looking for an answer to this question is like finding a tea set in a hardware store. Nevertheless, an examination of these questions is necessary, and indeed overdue, because of the level of detail it unearths about the relationship between intelligence and foreign policy-making.

Sources and Limitations

Restricted access to intelligence documents, coupled with the mystery of the declassification process of classified materials, makes it difficult to understand the analysts' thought processes and how they went

about compiling and analyzing information. To complicate matters further, there exists a real paucity of interdepartmental memoranda and communiqués in the intelligence archives. These documents either no longer exist or remain classified. What remains classified today is impossible to ascertain, making it exceedingly difficult to establish the exact extent to which the CIA influenced policy assumptions.⁶ As a result, historians miss an opportunity to adequately examine the opinions expressed and revised before the final official publication intended for dissemination, leaving us, instead, to connect the dots in the historical record.

It has been pointed out that, as historians, we should remain suspicious of the declassification process of intelligence documents in the archives; and that because of the inherent problems with omission, we do not yet know the full story of the Cold War, and ‘indeed we may never know.’⁷ But, of course, this distortion does not mean that we should waver in our determination to understand this fascinating facet of history. Intelligence documents continue to be declassified through the Historical Review Program of the Central Intelligence Agency. In fact, the CIA continues to release millions of pages of historical documents to the National Archives and Records Administration; and has, for over a decade, reduced its backlog of pending Freedom of Information Act (FOIA) and

⁶ The intelligence reports made available for researchers are selected by the CIA’s Historical Review Program. (The guidelines for this program have still not been made clear to the public).

⁷ Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence*, London: John Murray Ltd., 2001, pp.7-8.

Privacy Act requests.⁸ Careful examination of these documents (although pre-selected) can still shine a brighter light onto what the CIA was telling policymakers during the early Cold War.

When first considering the direction of my research, I visited the national archives in Moscow, hoping to carry out more of a comparative research approach of US and Soviet intelligence during the Cold War. During this visit, I met with the head of the Russian archives in Moscow, Tatiana Pavlova, who informed me that my access to intelligence materials was ‘hopeless.’ True to her word, when I requested the intelligence *дело* (files) listed on the *onucu* (inventory or catalogue files) the archivists informed me that intelligence documents were restricted to researchers.

After returning from Russia, I quickly concluded that any comparative history of US-Soviet intelligence would be unbalanced, at best. The summary of sources reflects an adjustment from this early direction of my research. The study drew from a large number of primary sources that, for our purpose, have not been mined as deeply by other scholars, including: a) the declassified Central Intelligence Agency documents at the CIA’s Electronic Reading Room and at the National Archives and Records Administration (NARA) at College Park, Maryland.⁹ This includes documents accessed from the CIA *CREST* database at

⁸ CIA Press Release, “CIA Makes Significant Progress on FOIA and Privacy Act Cases,” November 6, 2007. <https://cia.gov/news-information/press-releases-statements>.

⁹ For access to the CIA’s Electronic Reading Room, see <http://www.foia.cia.gov>. For the most up to date verification on FOIA materials listed, contact: CIA, FOIA Public Liaison, Washington, DC, 20505 or, more directly, by contacting: CIA, Attention: Kathryn I. Dyer, Information & Privacy Coordinator, Room 1107, Washington, DC 20505.

NARA;¹⁰ b) the US State Department publications, to include the *FRUS* (*Foreign Relations of the United States*) series; c) the memoirs of US policy leaders and intelligence officers, and d) a wide range of the existing literature (primarily American and British) relating to intelligence and US foreign policy.

In addition to source limitations, it is also necessary to reflect on the many nuances of the decision-making process, bearing in mind that the cause and effect relationship between the intelligence producer and the policy consumer is often elusive and rarely conclusive.¹¹ The policy process remains a complex amalgam of bureaucratic inertia, special interests, economic considerations, leadership personalities, alliances, institutional credibility, political moods, public and media pressures and personal loyalties.¹² President Harry S. Truman's decisions were based heavily on counsel from his circle of advisors, particularly from his Secretary of State, Dean Acheson, whom represented one of the most important voices of the early Cold War.¹³ As the 33rd President of the

¹⁰ The *CREST* computer database system of declassified documents is released or reprinted by the CIA's Center for the Study of Intelligence and obtained from the CIA Records Search Technology at the National Archives and Records Administration. The documents issued by the CIA can be categorized roughly into three groups. 1) internal memoranda, 2) intelligence from the field on specific topics, and 3) finished intelligence. This final group, disseminated to the policy consumer, encompasses the bulk of the primary source material used for this study.

¹¹ Although dated, Brewster C Denny's *Seeing American Foreign Policy Whole* (Chicago: University of Illinois Press, 1985) provides a superb analysis of these nuances.

¹² For further discussion on this point, see Richard Crockatt, *The Fifty Years War*, London: Routledge, 1995, p. 70. Arthur Darling's book also remains a useful resource on the bureaucratic wrangling during the Truman administration. See, *The Central Intelligence Agency: An Instrument of Government, to 1950*, University Park, PA: Penn State Press, 1990.

¹³ Other important personalities included: Charles Bohlen, Secretary of Defense, James Forrestal, (Forrestal was an unapologetic supporter of covert action, including the Ukraine, China, and the Italian elections of 1948). Robert A. Lovett (Lovett was Marshall's undersecretary of State beginning in 1947 and later, as Truman's Deputy Secretary of Defense, was instrumental in the creation of the CIA), Averall S. Harriman (US ambassador to Moscow from 1943-1946, later serving as special advisor to Truman,

United States, Truman also relied on the Policy Planning Staff (PPS) under George Kennan and Paul Nitze, as well as members of the National Security Council. As a member of the NSC, the CIA's Director weighed in on any major foreign policy issue, either formally through the NSC or through a report passed on to NSC members. Given the many facets of the policy process, then, it would be unwise to suggest that the archival evidence provides unproblematic empirical proof that policy was simply some reflection of intelligence, whether sound or flawed.¹⁴ In actuality, the CIA represented just one of the many voices that shaped policy, and, at times, could be given less weight than other, more readily digested policy inputs. This complexity makes our understanding all the more difficult, but it is also what makes detailed research so important.

Finally, I would like to acknowledge my biases, as I am aware of them. My youth was spent growing up in America during the final decades of the Cold War. Throughout my teenage years, I was aware of the televised political rows between President Ronald Reagan and Premier Mikhail Gorbachev. I observed the collapse of the Soviet Union and the political fallout during my service in the United States Navy. As a PhD

McCloy, and Nitze (Nitze played a key role in drafting the planning guidance document NSC68 in 1950, giving the containment policy a more military dimension). For a more detailed discussion of these influence on policy see, Melvyn Leffler, *A Preponderance of Power: National Security, The Truman Administration and the Cold War*, Stanford: Stanford University Press, 1992. The President continues to draw from a number of information brokers that help to shape American foreign policy, including: the National Security Agency, the Federal Bureau of Investigation, the Defense intelligence organizations, the State Department's Bureau for Intelligence and Research, and the Departments of Treasury and Energy.

¹⁴ Dean Rusk writes about this difficulty in, *As I Saw It*, Daniel S. Papp, ed., New York: W.W. Norton, 1990, pp. 52-53. 'With the constant flow of information, it is difficult to determine the wheat from the chaff. Analysts and policy makers alike tend to interpret information to support their own viewpoints, giving rise to differences.' Rusk's observation touches upon the built-in oppositional component to the CIA's early assessments.

research student studying in the United Kingdom, I hope to have achieved some distance from this not-so-distant political landscape that has shaped so many Americans who grew up during the Cold War.

Methodology

The thesis is based on a case-study approach, examining two early Cold War crises—the Berlin blockade and the Korean War. In particular, it will concentrate on the period during each crisis in which the threat of escalation was elevated, up to the time when the crisis passed its high watermark. Avi Shlaim defines this period as ‘the first trigger event until the return of the perceptions of threat, time, and probability of war to non-crisis level.’¹⁵ There are a number of striking parallels between the two case-studies. First, both Berlin and Korea were political tripwires that threatened to escalate into a broader global war. Second, both crises provided analogous intelligence challenges. Third, both were direct challenges to American policies of containment.¹⁶ Finally, each crisis saw the failure of peaceful cooperation and resulted, instead, in entrenched political and military partition. The first crisis had a profound effect upon the second. In fact, the study will show that for CIA analysts and

¹⁵ Avi Shlaim, *The United States and the Berlin Blockade, 1948-1949: A Study in Crisis Decision-Making*, Berkeley and Los Angeles: University of California Press, 1983, p. 162. The author presents one of the most authoritative studies on the subject but only briefly touches on the CIA’s appraisal of the crisis.

¹⁶ John Lewis Gaddis’ *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 1982) remains one of the best studies on Containment.

policymakers the face-off in Germany served as a model in Korea. The geopolitical divisions followed a remarkably similar pattern of provisional partition caused by the failure of the US and the Soviet Union to agree on the terms of unification and the establishment of governments in both fragments of the divided countries.

However, there were also important differences between the two crises. Berlin was a likely Soviet target and a primary interest for America. Korea, on the other hand, seemed an improbable hot spot, yet emerged as a central battleground. And though it was a lower priority for policymakers, a line was breached in Korea that was unacceptable. Additionally, the crisis in Berlin never required a military draft, and casualties never had to be factored into the conflict. In contrast, Korea, an old-fashioned kind of war, though fought along twentieth-century lines, was far more violent.¹⁷

It is also important to emphasize that these particular case studies enable us to observe Cold War dynamics and the interplay between intelligence and policy-making under the continuity of leadership of Joseph Stalin and Harry Truman. The elimination of any change in the supreme political leadership of the two superpowers enhances the value of the two case studies. It makes it possible to isolate, with some precision, the degree to which the CIA's role remained constant in the two situations, and the ways in which it differed. This, in turn, increases the scope for more general conclusions based on the comparative case-study method.

¹⁷ Although the use of bombers, tanks, naval power and fighter aircraft were implemented during combat, the fighting was more often carried out with machine guns, field artillery, rifles, bayonets and hand grenades.

Structure

The study is presented in seven chapters. After a brief introduction, the second chapter will offer a selective review of the intelligence literature. This historiography will focus on the key historians, the former policy and intelligence officials and the journalists who have struggled with the difficult questions surrounding the CIA's history. The main body of work consists of the original case studies—the Berlin blockade and the Korean War. Chapters three and four will center on the CIA's influence on the policy-making process in the Berlin crisis, while chapters five and six will focus on Korea. The thesis will demonstrate that, with respect to Soviet intentions, the CIA was most effective and accurate at answering the question: Will the Cold War turn hot? Many policymakers at the time believed that it was about to do so. Cold War historian, John Lewis Gaddis, reminds us that, in retrospect, we can see that though Stalin ran risks in initiating the Berlin blockade and in sanctioning the North Korean invasion, he behaved cautiously.¹⁸ This study will show that the CIA, perhaps better than anyone in Washington, understood this at the time. Finally, chapter seven will present my conclusions arising from the two case studies.

¹⁸ John Lewis Gaddis, 'The Intelligence Revolution's Impact on Postwar Diplomacy.' See, *The Intelligence Revolution, A Historical Perspective*, from the Proceedings of the Thirteenth Military History Symposium, 12-14 October 1988, Washington DC: Office of Air Force History, 1991, p. 262.

Historical Overview

It is difficult to overstate how dire the international situation appeared to US policymakers immediately following the Second World War. America was eager to demobilize its military forces after the war and to disengage from international conflicts, even at a time when its overseas interests had been markedly broadened. In addition, policy priorities were directed elsewhere in the world. The United States' demobilized war machine and diminished presence overseas left it ill prepared to confront the spread of Soviet influence across Europe, the Far and Near East and the Mediterranean. This reality colored the political mood with 'fear of another depression, fear of the emergence of a new dictator, and fear of a third world war.'¹⁹ Moreover, a series of events in 1946 all but guaranteed a chilling of relations between the US and Soviet Russia, leaving Washington with an air of anxiety and uncertainty.²⁰ And as relations soured, economic problems abounded and the spread of communism threatened governments overseas.²¹ The escalation of confrontational

¹⁹ Robert J. Donovan, *Conflict and Crisis: The Presidency of Harry S. Truman, 1945-1948*, New York: W.W. Norton & Company, 1977, p. 144.

²⁰ On February 9: Stalin delivers a speech in which he states that war between the Soviet Union and the United States and England was inevitable. Feb. 22: Kennan's first delivered his view of containment in his 'long telegram' from Moscow. Feb. 28: US Secretary of State James Byrnes unveils new, tougher policy towards the Soviet Union. March 5: Winston Churchill delivers his 'Iron Curtain speech' in Fulton, Missouri. March: the Soviet Union's refuses to depart Iran. The U.S. fears this foreshadows Soviet tactics of exerting political and economic pressure as a means of coercing concessions from vulnerable nations. August 7: The Soviet Union demands joint control of the Turkish straits. US policy leaders fear a Soviet invasion of Turkey and a subsequent seizure of the Black Sea Straits. In response, Washington calls for Turkish opposition with the assistance of US military and economic aid. September 24: The *Clifford Report* urges Truman to oppose Soviet expansion.

²¹ At the same time, the Soviet Union was strengthening its postwar intelligence that had been damaged by demobilization, defections and the Venona decrypts.²¹

rhetoric and provocative actions from both sides had primed mindsets in the US, potentially on track for extreme behavior, to react strongly to Soviet actions.

Gaddis notes that although President Harry S. Truman and his key advisors were determined to secure the United States against whatever dangers it might confront, ‘they lacked a clear sense of what those might be or where they might arise.’²² In this situation, intelligence would begin to become an increasingly valuable tool for an administration that struggled to understand its new adversary. Douglas F. Garthoff notes:

In a world increasingly seen as threatening and at times even dangerous because of Moscow’s ambitions and actions, Agency analysts sought to understand and explain Soviet behavior to a US policymaking community anxious to make the right moves to ensure US national security.²³

By 1947 the US-Soviet relationship had emerged as the single most important factor dominating national security priorities. On the one hand, the United States’ emphasis on economic assistance elicited anger and frustration from the Kremlin. On the other hand, the Soviet Union challenged and frustrated US postwar reconstruction efforts. Moreover, Joseph Stalin was hard to read: policymakers often held conflicting points of view about likely acceptable levels of Soviet cooperation. This left

²² John Lewis Gaddis, *We Now Know: Rethinking Cold War History*, Oxford: Clarendon Press, 1997, pp. 5-6.

²³ Douglas F. Garthoff, ‘Analyzing Soviet Politics and Foreign Policy,’ *Watching the Bear: Essays on CIA’s Analysis of the Soviet Union*, Washington DC: Center for the Study of Intelligence, 1996. Garthoff worked for the CIA from 1972 to 1999, starting out in the Office of National Estimates as an analyst of Soviet affairs.

policymakers—the president, his senior advisors, important political appointees such as the secretaries of state and defense, and the National Security Council—unsure just how much the Soviet Union was prepared to risk. Policy leaders from both sides knew little of the other’s intentions and scrambled to utilize intelligence to better understand its adversary.

Initially, Truman’s ignorance on intelligence matters left the White House in the dark about the nation’s national security priorities. At the time of his predecessor’s death in April 1945, Truman was arguably one of the least qualified and informed people in Washington to deal with intelligence. This initial lack of experience appears to have led to a general supposition that he was not ‘attuned to intelligence’s expanded role as an instrument of policy and power.’²⁴ In fairly short order, though, his administration was looking to intelligence as a means of projecting power and securing influence to counter threats by the least antagonistic means.

Before the establishment of the CIA, US intelligence was primarily the responsibility of the military services and the State Department; and these organizations operated to provide only the specific tactical and operational information that their sponsors required. The Central Intelligence Group (CIG), established by President Truman in January 1946, was the first postwar attempt to provide strategic warnings and conduct clandestine operations in an attempt to address growing concerns about Soviet intransigence. However, the prevailing wisdom in

²⁴ Charles D. Ameringer, *U.S. Foreign Intelligence: The Secret Side of American History*, Toronto: Lexington Books, 1990, p. 175.

Washington by 1947 was that the CIG was providing little in the way of hard intelligence and had broken no new ground.²⁵

Anxious then to avoid another surprise like the attack on Pearl Harbor,²⁶ President Truman dissolved the Central Intelligence Group (CIG) and, through the National Security Act of 1947, created the Central Intelligence Agency on 18 September.²⁷ The CIA was tasked with addressing this gap and providing the top US leadership with the comprehensive intelligence that could be considered independent of the views of the military services and the State Department.²⁸ Specifically, the CIA was expected to have the following:

- An ability to collect intelligence on the Soviet target to enable analysts to fulfill their requirements
- An operational ability to help blunt Soviet expansion
- An ability to weaken the Soviet Union and its allies and surrogates
- A counterintelligence capability to deal with Soviet espionage and possible subversion²⁹

²⁵ Stansfield Turner, *Burn Before Reading: Presidents, CIA Directors and Secret Intelligence*, New York: Hyperion, 2005, p. 49. The CIG was the successor of the World War II Office of Strategic Services (OSS).

²⁶ The views on Pearl Harbor vary widely. On the question of surprise, Thomas Schelling notes, "...it is not true that we were caught napping at Pearl Harbor. Rarely has a government been more expectant. We just expected wrong." See, "Foreword: Roberta Wohlstetter," in *Pearl Harbor: Warning and Decision*, Stanford: Stanford University Press, 1962, p. vii.

²⁷ President Truman established the CIG in January 1946 to provide strategic warnings and conduct clandestine operations to address growing concerns about Soviet intransigence. It was dissolved 18 September 1948.

²⁸ *CIA History Staff Notes*, in Arthur Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, p. xv.

²⁹ Mark M. Lowenthal, *Intelligence: From Secrets to Policy* (2nd ed.), Washington DC: CQ Press, 2002, p. 176. The National Security Act established the Central Intelligence Agency and placed it under the authority of the National Security Council and the President, rather than under the Department of State or Department of Defense. (The NSC

It also seems likely that Truman's most trusted advisor, Secretary Acheson, was eager for a centralized intelligence agency to play a dominant role in the coordination of national intelligence estimates and even welcomed 'the closest possible relationship at all levels with the CIA.'³⁰ Truman's right-hand man understood that the existing National Intelligence Authority needed to be strengthened and centralized;³¹ although he would later reflect that he had the 'gravest forebodings about this organization and warned the President that as set up neither he, the National Security Council, nor anyone else would be in a position to know what it was doing or to control it.'³²

About the time the Central Intelligence Agency was established, a number of high profile indictments seemed to justify the growing fear and apprehension in Washington. In a growing frenzy, the investigative organization, the House Un-American Activities Committee (HUAC),³³ fed

supervised the work of the CIA until 1950. It also created the position of the Director of Central Intelligence. The DCI served as the President's principal intelligence adviser).

³⁰ Acheson, State Department Memorandum, *INT 479/9*, 'Comments by the Department of State on Dulles Committee Report.' Acheson believed that the CIA's responsibilities for coordinating intelligence had not been 'fully discharged,' because of the 'difficult conditions' that confronted the intelligence agency. CIA, Internal Memorandum, *INT 479*. Although Acheson had initial reservations about the creation of the CIA, he was more receptive to the CIA's efforts than his predecessor, George C. Marshall. (Marshall retired from public life after his position at the State Department).

³¹ The NIA was the early advisory administrative form for central intelligence.

³² Dean Acheson, *Present at the Creation, My Years at the State Department*, New York: W. W. Horton, 1969, p. 214. Acheson replaced George C. Marshall in 1948, serving until the end of Truman's presidency in 1953.

³³ The HUAC public hearings served as a political arena in which a number of government personnel were publicly accused of being Soviet agents. On July 20, 1950 General Secretary Eugene Dennis and eleven other CPUSA leaders were indicted for conspiring to advocate the violent overthrow of the U.S. Government. (Alger Hiss was indicted by a federal grand jury on December 16, 1948). Klaus Fuchs confessed to espionage in January 1950 and convicted in Britain on March 1, 1950. See Robert Chadwell Williams, *Klaus Fuchs, Atom Spy*, London: Harvard University Press, 1987. Later that year, the FBI arrested Harry Gold (22 May) and Julius Rosenberg (17 July) for espionage. In 1951 the British Foreign officials Donald Maclean and Guy Burgess fled Great Britain to defect to

off newspaper headlines that exploded with sensational reports about Soviet espionage in America.³⁴ Republican Senator Joseph R. McCarthy, intent on capitalizing on the political momentum of HUAC, sent a letter to the President in February 1950, in which the Senator advised Truman that he had the names of 57 communists who were in the State Department and challenged the President to expose the traitors.³⁵ Although his accusations were unfounded, McCarthy seemed to voice the current distrust from a segment of Americans about not just the supposed Soviet influence in government but about the men who ran American foreign policy.³⁶

In addition to domestic trouble, the first major challenge to create anxiety about the possibility of military confrontation came in 1948 as policy leaders focused much of their attention on the destabilizing events in Berlin. The situation in Germany remained tense and uncertain during the

the Soviet Union. These indictments placed considerable pressure on the administration to prove that it was fervently anti-Communist. For a detailed study on HUAC, see Kenneth O'Reilly, *Hoover and the Un-Americans: the FBI, HUAC and the Red Menace*, Philadelphia: Temple University Press, 1983.

³⁴ For greater understanding on domestic pressures on decision-making, see Bernard C. Cohen, *The Public's Impact on Foreign Policy*, Boston: Little, Brown and Company, 1973. ³⁴ Soviet Russia had a long and cherished intelligence history. The first intelligence organization established in Russia was the *Oprichnina*. Set up in 1565 by Ivan the Terrible, the *Oprichnina* consisted of about 6,000 men who were largely responsible for carrying out Ivan's reign of terror. See Jeffrey Richelson, *Sword and Shield: The Soviet Intelligence and Security Apparatus*, Cambridge, Mass: Ballinger Publishing Company, 1986. pp. 1-2. This was in sharp contrast with Soviet intelligence. The KGB was vital to Stalin because the Soviet dictator saw dangers from everywhere, viewing US policies as provocative and even hostile to Soviet interests and security. (This position made it difficult for the Kremlin to establish threat priorities). Recognizing its relative weakness, Stalin placed a premium on its covert intelligence capabilities as a means of obtaining secrets that would level the disparity of influence and power and as a means of minimizing cost to the Soviet government. Although its analytical arm remained limited in scope, the KGB was successful in infiltrating Washington's inner circles through deception and espionage. (The KGB had more success at penetrating low and mid levels of government). Stalin's anxiety was also fueled by his limited first-hand knowledge of the outside world. For a leader of a major world power, Stalin was not well traveled. Except for brief travels to Potsdam, he never left the borders of the Soviet Union.

³⁵ The relatively large number of Soviet agents entrenched in the US government was also a wake up call for the CIA's own intelligence capabilities.

³⁶ Rhodri Jeffreys-Jones, *Cloak and Dollar: A History of American Secret Intelligence*, New Haven: Yale University Press, 2002, p. 164. Jeffreys-Jones never discloses how large this 'segment' of the American public.

first face-to-face confrontation between the US and the USSR. The emerging crisis in Berlin signified the first irrevocable fracture between East and West that threatened to spiral out of control and escalate into a major armed conflict. The crisis also represented ‘the most concrete manifestation’ of the early Cold War and a defining phase in the formative years of the Central Intelligence Agency.³⁷

During this time Washington was busy participating in the North Atlantic collective security alliance and implementing a policy of containment in a range of theaters including, Greece, Italy, Eastern Europe, the Middle East and the Far East. Policymakers were becoming increasingly aware of the need for accurate assessments that could clarify for an already anxious administration whether or not the Soviet Union desired or was prepared for a military confrontation with the West. Such assessments could better contextualize security threats and show whether or not the Kremlin’s actions necessarily reflected a wider strategy for a direct military confrontation.

The crisis in Berlin had left US policymakers more suspicious, disillusioned and anxious about Soviet intentions. Though the airlift to Berlin was a success, Washington became increasingly alarmed about the developing situation in the Far East. With little political or military risk, Soviet involvement in Asia was gathering momentum, leaving Washington unsure whether the communist actions were regional or more global. Whereas communism was losing ground in Western Europe by early 1949, it was rapidly gaining power throughout Asia as the Kremlin was stepping

³⁷ Jeffrey Richelson coined this phrase in *American Espionage and the Soviet Target*, New York: William Morrow and Company, Inc., 1987, p. 36.

up pressure in the region. Historian Kathryn Weathersby points out that the ‘specter of World War III never loomed larger or more corporeal than it did in 1950.’³⁸

In response to the domestic challenges (mentioned earlier) and foreign policy challenges (like Berlin, Korea and the Soviet Union’s explosion of an atomic device), Paul Nitze, the principal author of *National Security Council Resolution 68 (NSC68)*, drafted a policy blueprint in spring 1950 that addressed the Soviet problem by bridging the gap between American needs and efforts. Referred by Charles Bohlen as ‘the most significant anti-communist statement of 1950,’³⁹ NSC68’s militarization of America’s foreign policy concerns not only led the White House to view communism in increasingly threatening terms, but also gave Washington a clearer mandate for a peacetime intelligence agency.⁴⁰

This new direction is also significant because it specifically provided for an ‘improvement and intensification’ of intelligence activities and the ‘intensification of affirmative and timely measures by covert means in the fields of economic, political, and psychological warfare with a view to fomenting and supporting unrest and revolt in selected strategic satellite

³⁸ Katherine Weathersby, ‘Should We Fear This?’ “Stalin and the Danger of War with America,” *Working Paper No. 39*, CWIHP. Washington DC, July 2002.

³⁹ Jeffreys-Jones, *Cloak and Dollar*, p. 164. The *NSC20/4 Directive* was replaced with *NSC68*. Truman approved *NSC68* on 30 September 1950. *NSC68* was more of an expansion of Kennan’s containment doctrine, than an actual change of policy for the Truman administration.

⁴⁰ Peacetime or ‘strategic’ intelligence is very different from tactical or ‘battlefield’ intelligence, where the immediate disasters are at least confined to the parameters of the battlefield of the day. For a compelling study of military intelligence, see John Keegan’s *Intelligence in War: Knowledge of the Enemy from Napoleon to Al-Qaeda*, New York: Alfred A. Knopf, 2003.

countries;⁴¹ and called for the intensification of US efforts in research and development and an improvement in ‘the handling of intelligence matters when there was a crisis situation.’⁴² By the time hostilities in Korea had ended, the CIA’s footing as an important voice for policy decision-making seemed all but secured.⁴³ However, its record and reputation up to that point, both in terms of providing accurate and perceptive intelligence and its impact on policy formation, has continued to be debated by historians.

⁴¹ *Foreign Relations of the United States: 1950*, Vol. 1, pp. 237-292. Chapter IX, Part 7. NSC68 never specified *how* intelligence capabilities should be improved. From this point referred to as *FRUS*.

⁴² Hillenkoetter, ‘Memorandum for the National Security Council, 28 December 1949.’ CIA Electronic Reading Room.

⁴³ The CIA’s Office of Reports and Estimates (ORE) rapidly expanded with personnel from 60 employees in June 1946 to 709 staff employees by the end of 1950, 332 of whom were responsible for analysis of intelligence. Woodrow J. Kuhns, ed., *Assessing the Soviet Threat: The Early Cold War Years*, Washington, DC: Center for the Study of Intelligence, 1997, p. 12.

Chapter II

Demystifying the Rogue Elephant:⁴⁴ Changing Interpretations of CIA History

The policymaker-intelligence relationship has not received as much attention as the other parts of the process.⁴⁵—Mark M. Lowenthal

While the general public might reference *The Complete Idiot's Guide to the CIA* for an understanding of America's notorious spy agency, those requiring a more scholarly examination of the subject will need to look beyond this kind of popular treatment of the secret world of intelligence.⁴⁶ The CIA's history may be much discussed, yet it is still clouded with controversy, misperceptions and complexities that lead to contradictions. At times, the literature can seem like a kaleidoscope of shifting perceptions that threaten to obscure the truth and obfuscate history. Moreover, the methodologies used are often narrowly based—restricted to

⁴⁴ A term coined by US Senator Frank Church when labeling the CIA during congressional hearings into intelligence community abuses in the mid-1970s.

⁴⁵ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 2nd ed., Washington DC: CQ Press, 2002, p. 152.

⁴⁶ Allan Swenson and Michael Benson, *The Complete Idiot's Guide to the CIA*, Indianapolis: Alpha Books, 2003. This is not to suggest that exemplary introductory texts on intelligence don't exist for practitioners and students of intelligence history. In *Intelligence: From Secrets to Policy*, Washington DC: CQ Press, 2000 Mark M. Lowenthal provides both praise and criticism for the intelligence community, as well as a first-rate overview of requirements, collection, analysis, dissemination, and policy-making. *From Secrets to Policy* asserts that there has been a greater degree of influence from the intelligence community than has been heretofore acknowledged. See also, Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, Westport, CT: Praeger, 1992. Lowenthal was an intelligence official for more than twenty-three years before working as a professor and continuing his involvement in the US intelligence community.

histories written about covert action, signals intelligence, espionage, counterintelligence, intelligence personalities and domestic security, rather than engaging in the larger picture of intelligence's role in policy decision-making.

Above all, we must keep in mind that the intelligence literature is, in many ways, a subset of the wider history of the Cold War. As American foreign policy was shaped for forty-three years by the East-West struggle, intelligence was always a large part of what made the Cold War hot or cold. One must be careful not to give way to confusion between the historiography of the CIA and the general historiography of the Cold War, although we can broadly categorize intelligence history according to the general historiography picture. In particular, the CIA has 'defenders and critics' from participants and historians that tend to fit in with the Cold War. However, intelligence history has some special features of its own.

Broadly speaking, we can identify schools of intelligence historiography which overlap with the history of the Cold War. This intelligence literature can be divided into three major categories based on Cold War history: orthodox, revisionist and post-revisionist, although certain imbalances and gaps in the historical mosaic are present in each of these schools of thought. It is also possible that the CIA requires a different categorization of history. As we gain distance from the Cold War, these categories—orthodox, revisionist and post-revisionist—might feel worn out. Alternatively, we may want to begin to think of the intelligence literature by more fresh categorizations: a) biographies, b) institutionalists, c) contextualists, and d) those authors that jump the species barrier.

Particularly striking about the literature is the limited attention devoted to the Agency's analytical role in the Berlin crisis. It is helpful to start with a guiding hypothesis to test how each of the three Schools treats the questions explored in this study. We might expect to learn that, as a general rule, the orthodox authors have been close to the CIA and, although often silent on issues of the CIA's influence during the two crises, have tended to overstate its role. While often quick to point to the Agency's missteps and blunders, the revisionists have not been particularly exercised on pinpointing the CIA's specific influence. We might also expect to learn that post-revisionists have begun to problematize and analyze the issue, but that they have not devoted much detailed attention to the very early period where these two crises are concerned; nor have they arrived at a firm estimate, one way or the other. To an extent, these general trends can serve as a guide in constructing a framework of the literature.

This chapter is not designed to outline the staggering number of volumes of intelligence history that have been written since the CIA's creation.⁴⁷ Hence, the authors treated do not represent any definitive list, but rather a careful selection from the relevant literature of the CIA's history, including publications by historians, retired government officials and journalists. Whether writing as participants or observers, intelligence historians have shed a great deal of light on important questions, to include: How and why did the CIA evolve as a bureaucratic institution? How did

⁴⁷ A few of the books worth mentioning: 1) Ray S. Cline, *The CIA: Reality vs. Myth*, rev. ed., Washington, DC: Acropolis, 1982. 2) Evan Thomas, *The Very Best Men, For Who Dared: The Early Years of the CIA*, New York: Simon & Schuster, 1995. 3) Jeffrey Richelson, *A Century of Spies: Intelligence in the Twentieth Century*, New York: Oxford University Press, 1995. 4) Michael Herman, *Intelligence Power in Peace and War*, Cambridge: Cambridge University Press, 1996.

intelligence fit into the high-stakes arena of foreign policy? What was its relationship with presidents and their advisors? What were the functions and duties of intelligence analysts and covert actions? Can and did intelligence improve? From studying these questions, one would hope to see more answers about the CIA's nature and the quality of its influence during its formative years. Of course, a salutary reminder must be made that, while historians can tread too lightly across the intellectual minefield to decode a number of unanswered or underexplored questions, these authors simply do not have the space to explore every aspect of intelligence and foreign policy.

The purpose here, therefore, is to provide a concise treatment of some of the most relevant and influential literature on the CIA, paying particular attention to how the CIA's analysis of the two early Cold War crises (Berlin and Korea) has been treated. This review will also show how the attitudes toward intelligence have evolved in the last 50 years, while addressing more detailed writings on intelligence, in relation to these two crises, in the central chapters themselves.

Interpretations of CIA history have been less than homogenous, tending to polarize around two contentious viewpoints—that of the defender and that of the critic. The terms 'defender' and 'critic' are somewhat crude, and crude descriptions can lead to crude understandings. (For example, none of the critics provide a blanket of condemnation). However, it is helpful to highlight this distinction because it overlaps with the orthodox and revisionist authors—the partisan attitudes that have done so much to shape the intelligence literature of the last half-century.

Likewise, these labels can further our understanding of the orthodox, revisionist and post-revisionist schools, none of which has gone far enough in answering the questions that this study will examine. The momentum of the Cold War was, without doubt, the most profound force shaping intelligence literature from the 1950s to the 1980s. The major authors often found taking sides irresistible. The 1960s to the 1980s witnessed some of the most controversial and contentious publications on the secret world of intelligence. As American intelligence activities expanded throughout the 1960s and 1970s, the CIA came under more intense public scrutiny, playing out most dramatically in the congressional oversight committees of the mid-70s. Then, as one might expect, the pendulum of perception began to shift away from the extremes and toward the center by the 1990s. The literature written during the post-Cold War era came to represent some of the most even-handed histories, often explaining the CIA's past in more complex, multi-dimensional terms.

In addition to recognizing the divisions between 'defenders' and 'critics,' it is also helpful to remember that intelligence historians were profoundly influenced by the orthodox (traditionalist), revisionist and post-revisionist historians—which is why it is useful to consider these three schools of Cold War historiography, in turn, when reviewing the CIA historiography. The orthodox historians tended to place the lion's share of the responsibility for the Cold War on the shoulders of Soviet leaders and the supporting communist ideology. These scholars often viewed the Cold War as a contest between good and evil. And while many of the revisionist historians also saw the East-West struggle in moral terms, much of the

blame centered on America's capitalistic need to protect and expand its overseas markets, thereby limiting its diplomatic options with the USSR. In contrast, post-revisionist scholars cautioned against a single-source blame and explanation for the causes of the East-West conflict. The post-revisionists quickly gained ground with their ability to understand the complex interactions and ideologies of the Cold War.

Charles D. Ameringer notes that someday, 'the historian and the intelligence professional together may write the perfect book.'⁴⁸ Until that time comes, though, there is still a great deal to be learned from the "imperfect" historical record. This leads to one final distinction that should be made. The authors of intelligence history write from two different vantage points—that of the observer (scholars and journalists) and that of the participant (retired policy and intelligence officials).

To various degrees, historians have been denied access to many primary sources, making it exceedingly difficult to offer definitive conclusions.⁴⁹ Within the last two decades, however, documents relating to the CIA's history have been declassified in massive numbers. While sensitive information about covert operations or CIA operatives remains restricted for national security reasons, a wealth of previously classified intelligence documents have been declassified at the National Archives and Records Administration in College Park, Maryland. In addition, numerous

⁴⁸ Charles D. Ameringer, *U.S. Foreign Intelligence: The Secret Side of American History*, Toronto: Lexington Books, 1990, p. xiii.

⁴⁹ D. Cameron Watt notes that, before 1950, the literature consisted mainly of a mélange of memoirs, emphasizing the derring-do displayed by agents. See, "Intelligence and the Historian," *Diplomatic History*, 14, no. 2 (Spring 1990), pp. 199-204. For our purposes, however, any examination of the literature before the second half of the 20th century would be unnecessary.

CIA and Department of State documents have been made accessible online. The fact remains, though, that the government continues to balance disclosure with secrecy in order to protect sources and methods of collection and analysis. Therefore, historians wanting to know more than the available evidence will bear will continue to face real limitations far into the future. Harry Howe Ransom notes that the outside scholar can only know what the government chooses to disclose. Given this inherent secrecy, 'public knowledge is peculiarly subject to manipulation by the intelligence establishment.'⁵⁰

Former intelligence officers have helped to fill in the gaps. It should be remembered, however, that, frequently passionate about their subject, these participants often have an axe to grind or an agenda to pursue and excessively stress perceived injustices and shortcomings. By using their publications as a mouthpiece for reform proposals, airing grievances, or showering accolades on themselves or colleagues, they risk taking objectivity hostage. Moreover, these participant-turned-historians can be at odds over balancing secrets with the declassification process.

Yet when approached with caution, these authors' unique insight into the internal atmosphere and day-to-day workings of the CIA can significantly enhance our understanding of Cold War intelligence. These participants-turned-authors provide an insight into the nuances and subtleties of the intelligence-policy process that might not otherwise be accessible. Richard Helms, Director of Central Intelligence from 1966 to

⁵⁰ Harry Howe Ransom, 'Being Intelligent about Secret Intelligence Agencies,' *The American Political Science Review*, Vol. 74, No. 1. (Mar., 1980), p. 141.

1973, suggests that participants of history offer a valuable perspective and can portray ‘the workaday operations and internal atmosphere of the Agency.’⁵¹ Similarly, D. Cameron Watt states, ‘It is in the nature of the dialogue between historians and officials that those who move between the two communities, whether as historians serving as officials or as former officials turned historians, have a crucial role to play.’⁵² Still, many historians maintain that participants make poor historians of events. In contrast to the academic observers who are familiar enough with the issues to have the insight but distant enough to be objective, participant-historians have been considered ‘too involved to achieve the detachment necessary to write objectively.’⁵³

The list of former intelligence and policy officials to contribute include: Allen Dulles’ *The Craft of Intelligence*, Victor Marchetti and John D. Marks’ *The CIA and the Cult of Intelligence*, and Ray S. Cline’s *The CIA Reality vs. Myth*.⁵⁴ More recent works include Russell Jack Smith’s

⁵¹ Foreword by Helms, in *The Unknown CIA*, p. x.

⁵² D. Cameron Watt, ‘The Historiography of Intelligence in International Review,’ *Intelligence in the Cold War: Organisation, Role, International Cooperation*, Ed., Lars Christian Jenssen and Olav Riste, Oslo: Norwegian Institute for Defense Studies, 2001, p. 190. Harry Howe Ransom provides another illuminating, albeit brief review of the intelligence literature since 1974 in which he divides the literature into four categories: memoirs defending the intelligence system, whistle-blowing exposés, scholarly analyses, and reports from executive and congressional studies. See ‘Being Intelligent about Secret Intelligence Agencies,’ *The American Political Science Review*, Vol. 74, No. 1. (Mar., 1980), pp. 141-148.

⁵³ James Noren and Noel E. Firth, *Soviet Defense Spending: A History of CIA Estimates, 1950-1990*, Bryan, Texas: Texas A&M University Press, 1998, p. xiii.

⁵⁴ Allen Dulles, *The Craft of Intelligence*, New York: Harper & Row, 1965. Dulles’ view of intelligence is one of the most widely recognized orthodox defenses of the CIA. Victor Marchetti and John D. Marks, *The CIA and the Cult of Intelligence*, New York: Dell, 1974. Although viewed as an insider, Marchetti’s publication represents a revisionist exposé of the CIA during Vietnam War, including heavy-handed attacks on CIA’s clandestine services. Ray S. Cline, Washington: Acropolis Books, 1976. This original version of Cline’s work has been revised and reissued twice under different titles: *The CIA Under Reagan, Bush, and Casey: The Evolution of the Agency from Roosevelt to Reagan*. Washington, DC: Acropolis Books, 1981. The next revision, *The CIA: Reality vs. Myth*, (Washington, DC: Acropolis Books) was published the following year.

*The Unknown CIA: My Three Decades with the Agency*⁵⁵ and Michael Herman's *Intelligence Power in Peace and War*. Because these authors are constrained by secrecy (most have to sign *CIA Secrecy Agreement Form 368* before submitting their material to the CIA's Publications Review Board for prepublication security review), their work can fall short of objectivity. In fact, Allen Dulles writes: 'On the whole, Americans are inclined to talk too much about matters which should be classified. I feel that we hand out too many of our secrets.'⁵⁶

The Orthodox Authors

We must first recognize that, unlike the general Cold War historiography that we associate with the late 1950s and 1960s, the CIA historiography follows a less chronological pattern. A few key reasons account for this distinction. First, the intelligence literature from the orthodox school is typically more defined by its relationship to the subject than any established chronology. Second, the secretive nature and declassification process of intelligence history means that our understanding of the CIA is more tentative than the broader history of the Cold War, making schools of thought in intelligence less rigid.

Often associated with official histories, many writers from the orthodox school have tended to place great emphasis on the structure and

⁵⁵ Russell Jack Smith, *The Unknown CIA: My Three Decades with the Agency*, New York: Berkeley, 1992. Smith served as Deputy Director for the CIA during the 1960s. His service spanned from the founding of the Agency through the Vietnam War.

⁵⁶ Allen Dulles, *The Craft of Intelligence*, p. 15

organization of intelligence, often producing what is essentially an institutional history.⁵⁷ These authors also deal at length with the personalities and bureaucratic politics within the intelligence community, particularly DCI leadership styles and personalities.⁵⁸ Moreover, these works usually shrink away from anything controversial. This is not to say that history must always contain controversy to be influential or valuable. However, one can imagine few subjects more rife with complexity and the potential for controversy than the Central Intelligence Agency's history.⁵⁹

Among the orthodox historians, Sherman Kent's 1949 book, *Strategic Intelligence for American World Policy*, remains a classic text on US intelligence and policy making.⁶⁰ Kent, a former intelligence officer (serving on the Board of Estimates from 1952), is widely recognized as the single most influential contributor to the analytic doctrine and tradecraft practiced in the CIA's Directorate of Intelligence. Throughout his career, Kent argued that, to remain highly objective, the intelligence estimative

⁵⁷ For another example of an orthodox treatment of the CIA, see Anne Karalekas, *History of the Central Intelligence Agency*, Laguna Hills, CA: Aegean Park Press, 1977. This is a reprint from *Book IV, Supplementary Detailed Staff Reports on Intelligence and Military Intelligence*, of the Church Committee Report. The reprint has itself been reprinted, with an additional documentary appendix: William M. Leary, ed., *The Central Intelligence Agency: History and Documents*, University of Alabama: University of Alabama Press, 1984. Although Karalekas aims to highlight the obstacles for future intelligence reform by analyzing the causal elements in the CIA's pattern of activity, her study concentrates more on the examination of the Agency's development as an institution.

⁵⁸ The intelligence community consisted of the various American intelligence agencies (both military and civilian) charged with providing foreign policy decision makers with detailed information necessary for understanding the varied military, economic, political, scientific, domestic, and foreign issues and events.

⁵⁹ It is worth briefly mentioning Thomas F. Troy's precursory study of the CIA, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency*, Frederick, MD: University Publications of America, 1981. Troy's manuscript was sponsored by the CIA's Office of Training in the early 1980s in an effort to produce an unclassified history of the Office of Strategic Services and Donovan's difficulties in establishing an intelligence agency after World War II.

⁶⁰ Sherman Kent, *Strategic Intelligence for American World Policy*, Princeton: Princeton University Press, 1965.

process must remain detached from policy.⁶¹ His argument that the truth had to be approached through a systematic method, much like the method of the physical sciences, served as a blueprint for the future of intelligence. His influence is perhaps most apparent in Bruce Berkowitz and Allan Goodman's update of Kent's classic text, *Strategic Intelligence for American National Security*.⁶²

Another feted CIA veteran, Scott D. Breckinridge, also published a relatively non-contentious study, *The CIA and the U.S. Intelligence System*.⁶³ The study argues that the CIA has had the right ear of the President in matters of decision-making but notes, however, that this was more through the authority of the NSC and not the CIA directly and has vacillated, depending on presidential attitudes. In many ways, this book was a response to the legal challenges against the CIA during the 1970s. Breckinridge, no doubt shaped by his defense of the Agency before the 1975-1976 congressional investigating committees, used his study as a platform to set the record straight, to demystify the Agency's structure and organizational history, and to defuse the legal wrangling and abuse of power questions surrounding US intelligence activities.

⁶¹ Kent advances this argument in 'Estimates and Influence,' *Foreign Service Journal* 46 (April 1969).

⁶² Sherman Kent (Princeton: Princeton University Press, 1989). As an update of Kent's classic text, Berkowitz and Goodman present a perceptive account of American foreign policy problems, strengths and weaknesses. Kent's arguments also spurred later works from Jack Davis, 'Sherman Kent's Final Thoughts on Analyst-Policymaker Relations,' *Occasional Papers* 2, no. 3 (Washington DC: Central Intelligence Agency, The Sherman Kent Center for Intelligence Analysis, Jun. 2003) and Donald P. Steury, ed. in *Sherman Kent and the Board of National Estimates: Collected Essays*. Steury, Washington DC: History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 1994. Steury reminds us that although Kent's voice was the most authoritative to speak on intelligence matters, it certainly wasn't the only one.

⁶³ Scott Breckinridge, *The CIA and the U.S. Intelligence System*, London: Westview Press, 1986. Breckinridge served with the CIA for more than twenty-six years, including the briefing officer for the White House Staff and as the CIA's Deputy Inspector General.

Thus, Breckinridge's history does more to examine the background, history and organization of US intelligence in an attempt to place the CIA's role within the context of the whole of US intelligence organizations than it does to scrutinize the spy agency. In emphasizing the hierarchy and structure of US intelligence, Breckinridge focuses on the organizational details of intelligence, clandestine operations, scientific and technical collection, and counterintelligence. The study also deliberates on the DCI's early role within this national security structure, arguing that the immediate political fallout of the National Security Act of 1947 would have fallen on *any* new intelligence agency that ran up against the vested interests of the other established intelligence organizations. The questions that generated the initial reservations about the CIA's powers were therefore, he argues, 'inevitable.'⁶⁴

Breckinridge does touch upon the challenges facing the CIA during the Truman presidency, albeit in little more than a dozen pages. The nature of the national security structure, he suggests, is one of uncertainty. This being the case, though, the arrangements and procedures of intelligence are designed to 'present the President with the best-considered programs possible.'⁶⁵ Breckinridge remains ambiguous, however, and skirts around passing any critical judgment, writing that intelligence summaries can provide a reliable forecast and 'even in times of uncertainty, it still can highlight the issues.'⁶⁶

⁶⁴ Scott Breckinridge, p. 22.

⁶⁵ *Ibid.*, p. 21.

⁶⁶ *Ibid.*, pp. 177-178.

In the postwar environment, Breckinridge manages only a handful of general conclusions about the CIA's early efforts and efficacy during the Truman presidency. During the time of the crisis in Berlin, the considerable concern over internal stability in Germany, he notes, led to intelligence operations 'designed to learn about internal political developments, especially those involving related Soviet subversion.' The effect was to put the CIA in touch with a broad range of social strata (most notably refugees from Eastern Europe and the USSR) in Western Europe, 'thereby producing valuable contacts with access to a great variety of knowledge about events of the moment.' He notes that the CIA's initially 'limited capabilities gathered substance and momentum.'⁶⁷ As in his reflections on Berlin, Breckinridge uses little ink on the issues facing the policy-intelligence relationship in Korea other than to briefly note that the intelligence services had failed to predict the outbreak of war in 1950.⁶⁸

At the same time, Breckinridge highlights the outside political forces that have affected the direction of the US intelligence community. Although he cites American and international law as necessities of legislative oversight, the author, nevertheless, suggests that legal inquiries into the past will do nothing to change the need for a robust intelligence community. 'Whatever the future adjustments, and whatever reorganizations and realignments there may be,' insists Breckinridge, 'the basic missions and functions will continue essentially as they have been, until there is a change in the nature of the world in which we live.'⁶⁹

⁶⁷ Ibid., p. 116.

⁶⁸ Ibid., p. 30.

⁶⁹ Ibid., pp. 258-259.

However, one must be careful not to assume this volume is simply nose-thumbing the Agency's critics. More likely, Breckinridge is merely suggesting that although dramatic public scrutiny and legislation designed by its critics will continue to test the CIA's authority, in the end, these challenges do not alter the basic missions and functions of intelligence.

In the company of Sherman Kent and Scott D. Breckinridge is one of the most influential authors of the CIA, Arthur B. Darling. Unlike the aforementioned historians though, Darling was an academic recruited by the CIA as its Chief Historian, with no prior intelligence experience. In *The Central Intelligence Agency: An Instrument of Government, to 1950*, the author was allowed a great deal of latitude in developing his own ideas about the CIA's early history and was granted unprecedented access to the official files and records of the CIA and to interviews with participants.⁷⁰ Written in 1952-1953 (but only declassified in November 1989), not long after the events described in his book occurred, this publication represents the first volume published internally by the CIA's Historical Review Program and still stands as a major contribution on the CIA's origins and its growth as an instrument of policymaking.

Darling's almost exclusive focus on the CIA as an instrument of government is quite narrow as it discusses whether or not the Agency should exist as a cooperative interdepartmental activity or should become an independent agency. A review in *The American Historical Review* notes that the result is 'not disinterested analysis but a historical survey endorsing

⁷⁰ Arthur Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, University Park, PA: Penn State Press, 1990. Darling's book was not declassified by the Agency's Historical Review Program until November 1989.

the necessity for an independent, centralized agency.’⁷¹ Indeed, Darling succeeds best at chronicling the bureaucratic conflicts that defined the Agency’s early years and shaped the future direction of intelligence. His interpretations of events have drawn controversy and criticism, though, most notably from Ludwell Lee Montague. But why the fuss over Darling’s history? He did, after all, have unprecedented access to classified files, as well as advancing recommendations for a more efficacious CIA—as an instrument of government separate from, but contributing to, the policymaking process. Most likely, the controversy arose because his book was less a study of Cold War events than an examination of the politics within the national security bureaucracy and in the debate surrounding the future of intelligence Darling stepped on the toes of those he wrote about. According to the CIA’s own history staff, ‘Darling blames the State Department, the FBI, and what he terms the Military Establishment—especially the heads of the military intelligence services—for much of the hardship which the early CIA endured. It was against this backdrop of personal and departmental politicking that Darling set his narrative.’⁷² Interestingly, Allen Dulles, the then Director of Central Intelligence, also disagreed with Darling’s findings on the basis of its favorable assessment of the Agency’s record prior to the ‘Dulles period.’ As DCI, Dulles restricted access to Darling’s publication by classifying its contents.⁷³

⁷¹ Athan Theoharis, Reviewed Work: ‘The Central Intelligence Agency: An Instrument of Government, to 1950’ by Arthur B. Darling, *The American Historical Review*, Vol. 98, No.2. (Apr., 1993), p. 593.

⁷² *CIA History Staff Notes*, in Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, p. xxiii.

⁷³ Allen Dulles was the lead contributor of the Dulles-Jackson-Correa Report of 1949 which was heavily criticized by Darling. Two biographies of Dulles are worth mentioning: Peter Grose, *Gentleman Spy: The Life of Allen Dulles*, Amherst: University of Massachusetts Press, 1994 and Leonard Mosley, *Dulles: A Biography of Eleanor*,

Written from the CIA's perspective, Darling's study provides us with one of the first examinations of the origins, structure and function of the Central Intelligence Agency during the Truman administration. On specific Cold War crises where the CIA helped to shape the Truman administration's policy priorities, though, Darling breaks no new ground. Referencing the Berlin blockade on April 1, Darling states, 'There was no doubt that the affairs of the world were in crisis.' Yet, the events of the crisis and the CIA's precise role are never discussed. (Not so surprisingly then, neither is the crisis in Korea that transformed Darling's 'instrument of government'). Moreover, the book never makes the connection between the organizational history of the Agency and exactly what it was telling policy makers.

A more recent volume produced by the CIA's Historical Review Program comes from Ludwell Lee Montague, a long-time intelligence official.⁷⁴ Montague's text, *General Walter Bedell Smith as Director of Central Intelligence, October 1950- February 1953*, is similar to Darling's study, in that it reflects orthodox CIA doctrine.⁷⁵ According to Montague, Smith was the first successful DCI, even arguing that the CIA's history can be divided into two distinct periods: pre-Smith and post-Smith.⁷⁶ Not unlike Darling, Montague's administrative study of the Smith years sheds considerable light on the difficulty the Agency had in developing as a

Allen, and John Foster Dulles and Their Family Network, London: Hodder and Stoughton, 1978. Although the second biography is more journalistic and dated, it is, nevertheless, instructive and enlightening.

⁷⁴ After receiving a PhD in history from Duke University, Montague spent more than thirty years as an intelligence officer.

⁷⁵ Ludwell Montague, *General Walter Bedell Smith as Director of Central Intelligence, October 1950- February 1953*, University Park: Penn State Press, 1992. Montague's study was completed in December 1971 but immediately classified.

⁷⁶ *Ibid.*, pp. 232-233.

national, centralized intelligence agency. The *American Historical Review* notes: 'Montague's hermetically sealed account of administrative changes within the agency and bureaucratic turf battles with national security rivals will induce claustrophobia in anyone interested in what the agency was doing outside Washington.'⁷⁷

However, Montague does less to deliver any indictment of other government agencies, concentrating more on arguing how the Central Intelligence Agency could be most effective in framing foreign policy.⁷⁸ In the end, though, his position of the CIA arises from his primary thesis that Smith, in the line of intelligence directors, was a success while most other DCIs were, to various degrees, failures. Montague's contribution to the CIA's historical series is significant not only because his study demonstrates how Smith's leadership influenced the Agency's future, but also because he offers convincing arguments for elevating Smith's standing. Certainly by 1950, President Truman had developed a desire for foreign policy decisions to be based on better intelligence. However, Montague's study of the CIA's influence during the Truman presidency takes on a decidedly dry and bureaucratic tone. He examines organizational decisions that centered on the dismantling of the CIA's Office of Reports and Estimates (ORE) and the creation of the newly established Office of National Estimates (ONE) and the Board of Estimates (BOE) under Smith's leadership. But he does so at the expense of

⁷⁷ Richard Gid Powers, Reviewed Work: 'General Walter Bedell Smith as Director of the Central Intelligence Agency, October 1950-February 1953,' by Ludwell Lee Montague, *American Historical Review*, Vol. 99, No. 2. (Apr., 1994), p. 684.

⁷⁸ Ludwell Montague, *General Walter Bedell Smith as Director of Central Intelligence*, p. xii.

revealing much about what intelligence was telling decision-makers during the crises that occurred during Smith's tenure as DCI.

Given the restricted scope of his study (from October 1950-February 1953), Montague is justifiably silent on the CIA's influence during the Cold War's first major crisis—the Berlin blockade. He picks the Korean War up at the point when the central character, General Walter Bedell Smith, took the helm at the CIA, showing how intelligence activities were intensified as a direct response to the fear that the communist attack in South Korea 'might be the opening gambit of World War III.'⁷⁹ Montague traces the steps taken by the CIA leadership who sought to overcome the difficulties that had burdened the Agency and worked towards better intelligence. Korea presented the recently appointed DCI with an opportunity to push through rapid reforms and requests for increased personnel and facilities. So rather than focus on what influence Smith's Agency had on policy, Montague's study keeps close to the reforms that were brought on during the Korean War.

⁷⁹ Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence*, p. 195. As we have seen, the formal response to this intensification was the adoption of NSC 68/1 on 21 September 1950.

The Revisionist Authors

Unfortunately, the American government
keeps people like me very busy.—William
Blum⁸⁰

The orthodox or ‘traditional’ historians of Cold War history who came to symbolize the consensus history of the 1940s and 1950s were eventually overshadowed by new voices in the 1960s and 1970s. Still reeling from the embarrassment of the Bay of Pigs and the anti-establishment sentiment from the Vietnam War, the CIA received a black eye in 1974 when the *New York Times* disclosed that the CIA had been in violation of its congressional charter for engaging in domestic spying. (That same year, President Richard Nixon was implicated in the Watergate break-in scandal). These events, coupled with mounting domestic opposition to the Vietnam War and public scrutiny stemming primarily from congressional hearings on intelligence blunders and abuses, appears to have set the tone for a number of revisionist authors.

Compared to the orthodox school, the revisionist literature is often associated with anti-establishment attitudes. Yet they continued to write significant histories that have often brimmed with controversy.⁸¹ The

⁸⁰ William Blum, *Killing Hope: U.S. Military and CIA Intervention Since World War II*, London: Zed Books Ltd., 2003.

⁸¹ Arguably, the Cold War revisionists’ most obvious characteristic is their blame directed at the United States and capitalism. Against the traditionalists were figures such as William A. Williams, Walter LaFeber, Gar Alperovitz and Gabriel Kolko. These ‘New Left historians’ were strongly influenced by antiwar sentiment, social unrest, the Civil Rights movement and distrust for those who dominated policy during the 1940s and 1950s. Among the Orthodox equivalents are: George F. Kennan and Arthur M. Schlesinger. This group blames the aggressive doctrine of the USSR for the start and escalation of the Cold War.

revisionists argue that the Cold War provided justification for and triggered the implementation of illegitimate measures. ‘Their view,’ William Corson argues, ‘was that the mere existence of the Cold War created a *de facto*, all-embracing, no-time-limit “war powers act” which gave [policymakers] absolute license to ignore, violate or otherwise abridge anyone’s civil, personal, and human rights.’⁸² In addition, these historians were, as one might expect, quite critical of the Central Intelligence Agency. Revisionists’ often simplistic view about warnings failures, public trust abuses and unchecked powers often accompany proposals for what they consider bureaucratic ailments plaguing the intelligence community, and they frequently offer analysis of where the future of the CIA needs to go.⁸³ Much of their criticism aimed at the CIA’s early warnings is often narrow and framed in terms of political points-scoring. This is not to suggest, however, that one cannot find some balance within this extremely varied group of historians.

Journalist William Blum, one of the most controversial historians, has, perhaps more than any other, worked to expose the misdeeds of the American establishment, particularly its Central Intelligence Agency. Above all, Blum’s diatribes strike against what he considers the American government’s imperialism and its henchmen of national security—the CIA and the US military. *The CIA: A Forgotten History: US Global Interventions Since World War 2* represents Blum’s first major indictment

⁸² William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire*, New York: The Dial Press, 1977, p. 24.

⁸³ For a discussion on intelligence failures, see Richard K. Betts’ ‘Analysis, War, and Decision: Why Intelligence Failures are Inevitable.’ *World Politics*, Vol. 31, No. 1 (Oct., 1978), 61-89. Although much of Betts’ work was published during the high watermark of revisionist era, his views often offer a more balanced approach than many of his contemporaries.

of American intervention. Presented as a thematic, rather than chronological study, *A Forgotten History* spans the CIA's history from its missions in the Far East and Mediterranean during the 1940s and 1950s to South America and Cuba during the early 1980s.⁸⁴ Referring to America's position after the Second World War, Blum shows his revisionist stripes in writing, 'The opportunity to build the war-ravaged world anew, to lay the foundations for peace, prosperity, and justice, collapsed under the awful weight of anticommunism.'⁸⁵

So what does Blum have to say about the CIA's role in policy decision-making? In *A Forgotten History*, Blum is not only silent about the 1948-1949 Berlin crisis, but also about the entirety of Roscoe Hillenkoetter's tenure as Director of the CIA (May 1947-October 1950). On Korea, Blum has only slightly more to write. Beyond suggesting the CIA's complicity in germ warfare and 'numerous bombings and strafing by American planes' against Korean civilians, Blum argues that American interest in Korea centered on the communist element of the conflict.⁸⁶ On the CIA's recommendations for a Western response to the crisis in Korea, Blum insists that the National Security Council (NSC) had only 'the barest information available to it.' Blum suggests that, had the UN members not been so dependent upon US economic assistance, the United Nations would

⁸⁴ William Blum, *The CIA: A Forgotten History: US Global Interventions Since World War 2*, London: Zed Books Ltd., 1986. Blum was influenced by another revisionist journalist, I.F. Stone.

⁸⁵ *Ibid.*, p. 1.

⁸⁶ *Ibid.*, p. 56.

have been in the best position to evaluate the necessity of repelling the North Korean attack.⁸⁷

This original study was followed up by a no less controversial edition in 1995. Essentially an update of his 1986 book, *Killing Hope: US Military and CIA Interventions Since World War II* varies little from the 1986 publication, other than to extend his study of US policy and intelligence bumbling into the mid-1990s.⁸⁸ Using a series of brief case studies, Blum again attempts to demonstrate that the failures of American interventions of the Cold War are continuing. However, we quickly see that *Killing Hope* has little to add in the way of the CIA's early history and is focused on his journalistic resolve to prove that America has done its best to thwart peace. But although neither of Blum's publications ever fairly assesses the CIA's record, his works are, nevertheless, too significant to exclude from an outline of the intelligence literature.

Jeffreys-Jones, another leading revisionist historian influenced by the immediacy of the Cold War, offers a less speculative and less critical study of US intelligence and should be considered as more than a tentative history. His most influential book, *The CIA & American Democracy*, spans the first forty years of the CIA's history and its struggle with a democratic society that has an inherent dislike and distrust of secrecy.⁸⁹ Beginning with an analytical account of the Truman administration's tentative attitude toward the CIA, the book focuses on the evolution of the CIA from the

⁸⁷ Ibid., p. 48.

⁸⁸ William Blum, *Killing Hope*, London: Zed Books Ltd., 2003.

⁸⁹ Rhodri Jeffreys-Jones, *The CIA & American Democracy*, London: Yale University Press, 1989.

Truman administration through the Reagan administration. In each administration, Jeffrey-Jones' central premise is that the CIA has been manipulated by the White House, the Congress, and even the public. These relationships, he argues, have damaged the CIA's standing and effectiveness in terms of intelligence collection, analysis and covert operations.

He provides balance to this, however, by suggesting that the CIA has enjoyed 'mixed fortunes in democratic politics,' and ultimately concluding that the CIA, despite its troubles, has been sound most of the time.⁹⁰ The book argues that by keeping American public opinion on its side the CIA's credibility as a policy tool is elevated, but acknowledges that the CIA has become something of a scapegoat, even doubted, at times, when proven correct. That Jeffrey-Jones ends his work stressing reform and avoids the familiar call for alternatives is a reminder that this work is less partisan than much of the revisionist literature.

Reviews in American History reflects that Jeffrey-Jones covers virtually every aspect of the CIA's history in 'a highly compressed fashion,' providing in most cases a less than satisfying account.⁹¹ Jeffrey-Jones does, in fact, explore the intelligence debate of the early Cold War; although the work only skims the surface of the major Cold War crises, even passing over such critical crises as the Berlin blockade. For example, he only comments how the Bogotá riots had left the CIA politically vulnerable during an actual crisis, like Berlin. In reality, though, there had

⁹⁰ Ibid., pp. 6-7.

⁹¹ Charles E. Neu, Reviewed Work: 'The CIA and American Democracy,' by Rhodri Jeffrey-Jones, *Reviews in American History*, Vol. 19, No. 1 (Mar., 1991), p. 131.

been no predictive failure by intelligence analysts with respect to Bogotá.⁹² He suggests that this incident was significant because it prompted the CIA to issue ‘an indiscriminate profusion of warnings in an attempt to insure against political criticism’ (a charge leveled against the CIA by some policymakers regarding its warnings of the communist offensive in Korea).

Nor does *The CIA & American Democracy* shed much new light on our understanding of the Agency’s role in foreign policy-making during the Korean War, even though the author stresses that Korea ‘opened a new phase in the CIA’s history,’ in part because the Korean War was another example of how Washington used the CIA as a political scapegoat. This was primarily because Truman and his advisors were too ‘preoccupied’ with other problems like Formosa and too impatient to read intelligence reports carefully: they were ‘deaf’ to important signals from the CIA. According to Jeffreys-Jones, ‘Truman could see that if he did not find a way of indicating his disappointment with the CIA, the nation might blame the president instead. He therefore dismissed Hillenkoetter.’⁹³ These observations have some value, but only offer a partial explanation for the intelligence-policy problems.

The book also argues that the North Korean invasion had ‘caught American forces unawares, but not because of a paucity of warnings by the CIA.’ Jeffreys-Jones reminds us of MacArthur’s obstructionist policies and refusal to allow the CIA to conduct its own operations and research in the

⁹² Jeffreys-Jones, *The CIA & American Democracy*, p. 64. See also, pp. 53-55. Regardless of culpability, the Agency’s credibility was somewhat tarnished by the political fallout from the Bogotá conference. While attending the Organization of American States meeting in Bogotá, rioting outside the assembly threatened the security of Secretary of State Marshall, prompting criticism against the CIA.

⁹³ *Ibid.*, pp. 63, 65.

Peninsula. However, he points out that ‘The evocation of the Kremlin bogeyman...shows that the CIA was underestimating autonomous tendencies in Korea at the same time that it was still covering itself against guessed-at contingencies by crying wolf.’⁹⁴

But Jeffreys-Jones never really outlines exactly *what* intelligence was telling policymakers during the crisis. Instead, the book explores what the long-term consequences of the Korean War were for the CIA. For Jeffreys-Jones, even the bloody stalemate and eventual ceasefire did not change America’s standing as a Cold War superpower; it did, however, leave Washington with a political bloody nose. ‘It left the idea that there was something rotten in the government....’⁹⁵ Yet in the case of the CIA, the spy agency was rewarded for, at least what many in Washington considered to be, an intelligence failure.

He also argues that the growing unpopularity of the war had reminded policymakers that war against communism was perhaps best waged not through conventional militarism, but rather through a combination of nuclear deterrence and clandestine operations. Still smarting from the political repercussions of the Korean War then, the Truman administration became more receptive to fueling intelligence budgets and sidelining congressional oversight for covert operations. Korea, argues Jeffreys-Jones, was a long-term positive turn for the CIA because of the increase in budgetary expenditures and emphasis on covert activities.

⁹⁴ Ibid., p. 64.

⁹⁵ Ibid., p. 64.

Jeffreys-Jones' more recent major publication, *Cloak and Dollar: A History of American Secret Intelligence* advances many of the same arguments made in his 1989 book.⁹⁶ As in *The CIA & American Democracy*, he questions the American intelligence system and its evolution toward such enormity and cost. *Cloak and Dollar* completely neglects CIA history under the directorship of the Agency's first two intelligence directors—Roscoe Hillenkoetter and Walter Bedell Smith. As a result, the chapters that bookend the CIA's formative years—*Wild Bill Donovan and the OSS to Allen Dulles and the CIA*—feel incongruous. Beyond this, though, the book successfully links the succession of espionage history from America's beginning to the contemporary threats of terrorism. While this approach makes for an interesting narrative, it nevertheless seems to suggest that the current state of intelligence is shaped more by the legacy of intelligence than leadership personalities and national security threats. *Cloak and Dollar* acknowledges some notable successes by American intelligence but seldom tips its hat to the CIA's past successes, instead focusing on the CIA's image as 'a long-standing conspiracy of spies, a great confidence trick designed to boost the fortunes of the spy rather than protect the security of the American people.'⁹⁷

Flawed by Design: The Evolution of the CIA, JCS, and NSC, published after Jeffreys-Jones' *The CIA & American Democracy*, is a theoretical study focused on the bureaucratic and political realities that surrounded the emergence of the NSC, the Joint Chiefs of Staff (JCS) and

⁹⁶ Jeffreys-Jones, *Cloak and Dollar: A History of American Secret Intelligence*, New Haven: Yale University Press, 2002.

⁹⁷ *Ibid.*, p. viii.

the CIA.⁹⁸ Historian Amy Zegart's unique interpretations of these hallmarks of American national security remain rather contentious. Her book argues that the influence and effectiveness of the national security agencies were compromised by a lack of representation, susceptibility to executive power, and competition with other agencies, ultimately making reform much more difficult. However, there are places where the author fails to connect the dots between her theoretical approach and history in some respects. This is most evident in her generalizations about the events that occurred during the era when 'the spooks reign supreme' from 1947-1963.⁹⁹ *The American Historical Review* correctly points to the most frustrating dimension of Zegart's framework: The evolution of an agency is explained 'principally by its initial design and to a lesser extent, by the ongoing interests of relevant political actors and events.'¹⁰⁰ In Zegart's view then, the birth of the CIA accounts for the history of its life and evolution—the spy agency created by the 1947 National Security Act was 'flawed by design.' This approach is inadequate, though, because it confines the CIA's history to an exceptionally limited definition. Her emphasis on its origins as the explanatory model for the CIA's influence on policy decisions remains unconvincing. Her theories, in turn, fail to translate into firm, evidence-based historical case studies.

Given the blanket of criticism the book throws over the American national security community, *Flawed by Design* reserves some of its

⁹⁸ Amy Zegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC*, Stanford, CA: Stanford University Press, 1999.

⁹⁹ *Ibid.*, p. 187.

¹⁰⁰ John Prados, Reviewed Work: 'Flawed by Design: The Evolution of the CIA, JCS and NSC,' by Amy B. Zegart, *The American Historical Review*, Vol. 106, No. 3. (Jun., 2001), p. 1020.

harshest judgment for the CIA's analytical function. For Zegart, the CIA was created without the authority to coordinate intelligence from the rest of the community. She makes the claim that the CIA was weak by design and strongly opposed by the military services as part of the national security structure from the beginning. 'Because of the way they are structured,' she argues, 'American national security agencies ensure that both policy failures and successes will be costly.'¹⁰¹ Zegart also attempts to track the developments of the Agency's covert wing and its analysis efforts, insisting that its estimates process and covert activities kept the CIA from being effective at coordinated analysis, for which she insists, had neither the power nor the talent.

Zegart's study is based on the assumption that the CIA was never supposed to amount to much anyway. This premise becomes the springboard for Zegart's two primary assertions—first, that the CIA was given no authority to engage in covert activities of any sort; and second that the CIA, plagued with structural problems, was not designed to coordinate the disparate elements of the intelligence community.¹⁰² However, this premise, that just because the CIA's mandate was initially weak, the spy agency did not transform into a useful, albeit imperfect, instrument of foreign policy and adapt to early bureaucratic challenges, runs counter to the documentary evidence.

¹⁰¹ Amy Zegart, *Flawed By Design*, p. 231.

¹⁰² *Ibid.*, p. 187. Actually, the National Security Act was intentionally left quite vague on this issue. Scott D. Breckinridge notes in *The CIA and the U.S. Intelligence System*: 'There apparently were no detailed considerations of standards of conduct when the National Security Act of 1947 became law. It was known that CIA's predecessor organization, the Central Intelligence Group, engaged in espionage and that the practice would continue.' p. 292.

Given Zegart's premise, it becomes clearer why *Flawed By Design* suggests a spy agency whose mandate 'far exceeded its capacity to perform' and had an analytical branch that remained 'insignificant.' She underscores her view of the CIA as a schizophrenic agency by echoing a *New York Times* article on July 20, 1948 that referred to the CIA as 'one of the weakest links in our national security.'¹⁰³ In dealing with the CIA's shortcomings, *Flawed By Design* suggests that the executive branch has, since Truman, sought ways to 'exercise damage control' and circumvent the established intelligence community in an effort to 'offset the CIA's shortcomings.'¹⁰⁴ Yet, the staggering rate at which the CIA expanded its mandate and expenditures during its early years directly contradicts this assertion.¹⁰⁵

Moreover, it is striking that a study which presents an extensive account of the CIA's evolution and transformation, completely ignores the Agency's first real challenge—the Berlin blockade, as well as any treatment of its first director, Roscoe Hillenkoetter. Similarly, the crisis in Korea receives little consideration, beyond some general criticism of the CIA's role. Zegart writes that 'The situation was so bad that in October 1950, three months after American troops landed in Korea, the agency still had no current coordinated analysis of the war.'¹⁰⁶ According to Zegart, Korea was not only an intelligence failure, but the police action might have

¹⁰³ *New York Times*, 20 July 1948.

¹⁰⁴ Zegart, pp. 185-186, 191-193.

¹⁰⁵ Scott D. Breckinridge notes in *The CIA and the U.S. Intelligence System*, 'The Truman NSC not only assigned a Covert Action role to CIA, but it broadened its mandate in just a few months [as part of the CIA Act of 1949].' p. 224.

¹⁰⁶ *Ibid.*, pp. 191-192. However, Zegart oversimplifies the issue by suggesting that President Truman created the National Security Agency (NSA) simply because of his frustration about the CIA's coordination of signals intelligence.

been avoided altogether had the CIA been better able to read the situation on the Peninsula.

The most recent contribution to the revisionist literature, *Legacy of Ashes: The History of the CIA*, has generated even more controversy than Zegart's study. In fact, Tim Weiner's journalistic, whistle-blower critique continues to elicit reactions from the CIA.¹⁰⁷ In a press release, the Central Intelligence Agency publicly criticized Weiner's rather sizeable publication, stating that his muckraking 'paints far too dark a picture of the agency's past. Backed by selective citations, sweeping assertions, and a fascination with the negative, Weiner overlooks, minimizes, or distorts agency achievements.' The CIA adds that *Legacy of Ashes* is 'marked by errors great and small,' and that Weiner's 'bias overwhelm[ed] his scholarship.'¹⁰⁸ We may never know the reason for the CIA's prickly reaction. Whether or not the CIA simply took offence at Weiner's critical account of the CIA's recent catastrophes in Iraq, it is reasonable to assume

¹⁰⁷ Tim Weiner, *Legacy of Ashes: The History of the CIA*, New York: Doubleday, 2007. Weiner, a Pulitzer Prize reporter for *The New York Times*, has been writing on American intelligence for twenty years. Weiner has also written a book (with David Johnston and Neil A. Lewis) about the spymaster Aldrich Ames in *Betrayal: The Story of Aldrich Ames, an American Spy*. Clearly, this type of criticism is not limited to early Cold War intelligence. As a former CIA analyst, John A. Gentry provides a critical assessment of the CIA's Directorate of Intelligence (DI) record from the 1980s to the early 1990s. See John A. Gentry, *Lost Promise: How CIA Analysis Misserves the Nation*, Halifax, Routledge, 1993.

¹⁰⁸ Central Intelligence Agency, 'Press Release: CIA Statement on 'Legacy of Ashes'', 6 Aug. 2007. <https://www.cia.gov/news-information/press-releases-statements/legacy-of-ashes.html>. More recently, Michael Warner, Official Historian at the Office of the Director, National Intelligence, indirectly suggested that, when lined up against the still classified intelligence documents, much of Weiner's monograph is riddled with inaccuracies. Comment at "Public Historians, Secret Histories: A Roundtable Discussion of the Issues Surrounding and Contributions of Classified History Programs," 5 January 2008, *American Historical Association Annual Conference*, Washington, DC.

that the CIA views Weiner's study as an uncompromising marriage between savvy journalism and contentious historical interpretation.¹⁰⁹

Weiner uses his attention-grabbing narrative to highlight the CIA's intelligence failures, backing off only slightly by arguing that part of the problem with intelligence has been a catalogue of failed foreign policy operations and misguided orders from presidents.¹¹⁰ However, his harshest criticism is directed at the current state of the Agency, writing that the CIA was 'gravely wounded' under George W. Bush.¹¹¹ But what might first seem like contempt for the shroud of secrecy that Weiner attempts to unveil is, upon closer examination, more likely determination to expose the hypocrisies and injustices within the American bureaucracy.

Underneath his critical narrative, however, *Legacy of Ashes* provides a unique and compelling perspective on a number of early Cold War crises, albeit quite briefly on issues other than bungled covert operations. In fact, the CIA's role and influence during the Truman administration is handled only superficially. Weiner has little new to add on the Truman administration, except for claiming that the mismatch between the CIA's capabilities and the missions it was expected to carry

¹⁰⁹ John Ranelagh's book, *The Agency: The Rise and Decline of the CIA*, New York: Simon and Schuster, 1987, seeks to get away from 'contemporary demonology' (p. 11), reminding us that we needn't always associate journalists with unbalanced or sensational history. Ranelagh has produced one of the most widely accepted, comprehensive surveys of CIA history. His 714-page overview frequently treats the CIA's assessments during specific crises within the Truman administration in an even-handed manner. However, Ranelagh, like Ray S. Cline and Christopher Andrew, argues that the CIA was responsible for the invasion launched against South Korea being a surprise. (Cline, *The CIA: Reality vs. Myth*, Washington, DC: Acropolis, 1982. Andrew, *For the President's Eyes Only*, p. 184. Ranelagh, *The Rise and Decline of the CIA*, pp. 186-188).

¹¹⁰ Weiner points out that, at least initially, Truman was quite content with receiving a global newspaper from intelligence analysts, rather than getting his hands messy with the business of using covert action as a tool of policymaking.

¹¹¹ Tim Weiner, *Legacy of Ashes*, p. 505.

out was ‘staggering.’¹¹² This, he suggests, was because Hillenkoetter was a DCI with seriously weak standing when compared to the well-established State Department and the Defense Departments.¹¹³

Weiner actually argues that the biggest Cold War battleground was Berlin, but then leap-frogs past the crisis. Skirting around the real issues of the crisis, Weiner instead focuses on the sensational revelation of America’s use of secret funds (designed by George F. Kennan, James Forrestal and Allen Dulles). These financial strings attached to the Marshall Plan (essentially a global money-laundering scheme, according to Weiner) gave the CIA’s overseas operations in Europe the teeth needed to counter the network of communist front organizations.¹¹⁴

The CIA’s influence leading up to and during the Korean War receives only slightly more consideration.¹¹⁵ Perhaps this is because Asia, as *Legacy of Ashes* points out, was always a sideshow for the CIA.¹¹⁶ But at the same time, Weiner stresses that the Korean War was the first great test for the ‘unholy mess’ at the Agency. *Legacy of Ashes* spends little space addressing the spy agency’s role or degree of influence at the onset of the war, other than to briefly assert that the CIA had misread the entire crisis. Weiner’s only real emphasis on the eve of the Korean War is on the Soviet spy, William Wolf Weisband. (Weisband had penetrated the CIA’s signals intelligence). Since silence had fallen ‘at the very hour that the North Korean leader Kim Il-sung was consulting with Stalin and Mao on

¹¹² Ibid., p. 26.

¹¹³ Ibid., p. 29.

¹¹⁴ Ibid., pp. 10-11, 28-30.

¹¹⁵ Ibid., pp. 49-52, 54-62,

¹¹⁶ Ibid., p. 62.

his intent to attack,' Weiner insists that the CIA was rudderless in a sea of speculation and uncertainty.¹¹⁷ This viewpoint, though, is unbalanced because it overemphasizes signals intelligence as the one true source of information, particularly when one considers that the National Security Agency had not yet been created.¹¹⁸

The study fast-forwards to the Agency's research and reporting on Communist China's intervention in Korea. Weiner points out that the CIA knew 'almost nothing' about what went on in China; and what they did know had been manufactured by the North Korean and Chinese security services.¹¹⁹ Weiner goes on to explain that the CIA was so in the dark because of the paucity of human intelligence and MacArthur's best efforts to exclude the CIA from the Far East.¹²⁰

While Weiner's narrative can be compelling in places, the history is, nevertheless, limited by a persistent focus on only the most divisive, negative and startling events of the CIA's history. Moreover, the book concentrates on the CIA's failures almost to the exclusion of anything else. Weiner seems to grant no concessionary narrative to the historical actors whose decisions and actions were very much influenced by the possibility of a third world war. As a result, *Legacy of Ashes* neither deals with *what* CIA analysts were telling policymakers nor explores what impact its assessments might have had on policy decisions.

¹¹⁷ Ibid., pp. 49, 51.

¹¹⁸ The National Security Agency (NSA) was established in 1949 as the AFSA (Armed Forces Security Agency) in an effort to address intelligence collection limitations. The NSA soon became the United States' premier cryptologic agency.

¹¹⁹ Ibid., pp. 50, 57.

¹²⁰ Ibid., p. 52.

Not all of the revisionist literature comes from the left, as we might expect. Like the other revisionist authors so far reviewed, Walter Laqueur's *A World of Secrets: The Uses and Limits of Intelligence* primarily concerns itself with the impact of the end product of analysis on policy, the causes of intelligence failures, and the prospects for improvement in intelligence gathering and analysis.¹²¹ Running against the grain of revisionist thought, though, Walter Laqueur acknowledges that the intelligence record, although dismal, is vital to national security. Interestingly, he calls for a variety of strategies to improve the efficacy and quality of information produced by the CIA through implementing even more rigorous standards and placing greater emphasis on human intelligence, particularly improving the quality of new recruits.

But like many revisionist authors, Laqueur struggles with the idea of secret services of intelligence within a free society. On the one hand, he argues that intelligence 'runs against the grain of American political culture.'¹²² Yet on the other hand, he argues that intelligence, even when flawed, is an essential service and an important element in the decision-making process.¹²³ His view of intelligence as a craft, rather than a science rests on a belief that criticism of intelligence is partially based on exaggerated notions of what it can, and can not, accomplish, particularly during the late Stalinist period when predictions, of any kind, were difficult.

¹²¹ Walter Laqueur, *A World of Secrets: The Uses and Limits of Intelligence*, New York: Basic Books, Inc., 1985, p. 8.

¹²² *Ibid.*, p. 326.

¹²³ *Ibid.*, p. 344.

Laqueur suggests that this was due, in part, to an overreliance on technology, leaving human intelligence weakened.¹²⁴ *A World of Secrets* insists, however, that neither organizational reforms nor advances in technology have done much to help intelligence become any more effective at its job. But although *A World of Secrets* works to identify problems in the production and use of intelligence for decision-making, it reasons that the confines of what a democratic culture will accept are limiting and thus diminishes meaningful reform and the CIA's ability to perform as an effective tool of policy. What makes this book so unique, though, is its suggestion that intelligence has been in a crisis since the dawn of the Cold War and that this crisis can only be partially attributed to misperceptions and unrealistic hopes. Laqueur pins the real underlying reasons for the crisis on the inherent difficulties of intelligence-gathering and analysis, admitting that even in ideal conditions, success cannot be guaranteed.

Still, Laqueur seems at odds with the reality of intelligence—that analysts must make predictions with varying degrees of certainty and precision given the imprecise and incomplete information they acquire. As a result, the narrative is littered with frequent stories of warning and predictive failures, painting a picture that intelligence had, for so long, been functioning in a 'morass of doubts and uncertainties.'¹²⁵ At least to Laqueur, it seems obvious that the American intelligence had little expertise in Soviet affairs.

¹²⁴ Ibid., pp. 8-9, 115. Laqueur argues in *A World of Secrets* that technological breakthroughs have not yet produced a significant improvement in the collection of intelligence.

¹²⁵ Ibid., p. 317.

Laqueur spends a lot of space attempting to answer how much intelligence reports contributed to policy decisions. Yet rather interestingly, his reflections on the CIA's influence during the stage-setting of the Cold War—the Berlin blockade and the Korean War—are quite general and brief. Jeffrey T. Richelson suggests that the reason for a lack of depth in many of Laqueur's discussion is, in part, because of the number of topics he is trying to deal with.¹²⁶ Nevertheless, *A World of Secrets* makes its position on intelligence efforts before 1950 quite clear: 'Immediately after World War II, intelligence played a very minor role in U.S. foreign policy. Only with the outbreak of the Korean War in 1950 did central intelligence come into its own.' The Korean War, according to Laqueur, 'provided a new catalyst to [US intelligence] thinking. Suddenly the estimates changed.'¹²⁷ This change, Laqueur points out, was because Korea exposed inconsistent analyses of the growing tensions within the Sino-Soviet alliance. Prior to this change, though, Laqueur countersinks the weight of the CIA's relationship with its decision-making clients: according to *A World of Secrets*, 'intelligence was never as important in the conduct of policy as is commonly believed, nor is it ever likely to be.'¹²⁸

How, then, does Laqueur account for early Cold War policy formation? He argues that top US officials decided on foreign policy (up to 1950) 'according to their own views of the world and on the basis of

¹²⁶ Jeffrey T. Richelson, Reviewed work: 'A World of Secrets: The Uses and Limits of Intelligence,' by Walter Laqueur, *Political Science Quarterly*, Vol. 101, No. 3. (1986), p. 490. Laqueur does go into more detail concerning the missile gap, the Cuban missile crisis, Vietnam, and the estimation of Soviet missile strength from 1962 to 1969.

¹²⁷ Walter Laqueur, *A World of Secrets*, pp. 115, 310. At the same time, Laqueur writes that intelligence analysis and prediction placed the heaviest emphasis on Europe, resulting in relatively realistic reports for West Germany and Britain.

¹²⁸ *Ibid.*, p. 324.

reports received from American embassies around the world.’ At the same time, though, the study points to the ‘fairly realistic estimates’ of the CIA’s early publication, *Review of the World Situation as It Relates to the Security of the United States* (published between September 26, 1947 and March 10, 1949), yet dismisses the quality and influence of intelligence analysis before 1950.¹²⁹

The author points to two factors that he believes were keys in undermining the CIA’s early efforts—intelligence forecasts’ overreliance on open sources and diplomatic reports, and a ‘slightly manic-depressive’ approach...whether the conclusions were good or bad.¹³⁰ With this, Laqueur takes closer aim against the intelligence record by suggesting that CIA analysts failed to frame the Berlin crisis in more urgent terms. However, by framing the crisis as ‘alarming’, CIA analysts might have led policymakers to view the situation in more exaggerated, negative terms. *A World of Secrets* argues that, despite a politically astute prediction that most of the crises during 1950 would arise in Asia, the outbreak of the Korean War took intelligence by surprise.¹³¹ Yet he adds that policymakers in Washington were not keen to hear bad news about the policies they had implemented. Laqueur also notes that at the onset of the Korean War, the West believed that a general war was a real possibility. This hawkish political orientation, Laqueur argues, was influenced by a number of

¹²⁹ Ibid., p. 110. Laqueur’s overreliance on the CIA’s assessments in *Review of the World Situation as It Relates to the Security of the United States* dampens his conclusions about intelligence reporting. This might also account for his insistence on other intelligence failures under Hillenkoetter’s tenure, including Yugoslavia, the Prague *coup*, the Arab-Israeli war, the fall of Chiang Kai-shek, and the riots in Bogotá.

¹³⁰ To be fair, Laqueur adds that the Kremlin’s policies were by no means consistent. p. 115.

¹³¹ Walter Laqueur, p. 113.

Russophobe diplomats, but the CIA ‘played no significant role, except perhaps by providing occasional information on Soviet military capabilities that said the Russians did not intend to launch a general war.’¹³²

Laqueur concludes that, overall, the quality of intelligence before 1950 was ‘as good as could be expected,’ its comments were sensible, and its general evaluation was ‘more often right than wrong.’ However, Laqueur appears uncomfortable with even this modest conclusion, adding, ‘It is a moot point whether its record was superior to that of well-informed and experienced newspapermen or of seasoned students of international affairs.’¹³³ In the end, *A World of Secrets* points to a poor performance record by central intelligence. So, while not an ardent critic of the CIA when compared with Blum, Laqueur’s assessment of the intelligence record, nevertheless, often takes a critical tone.

Although orthodox and revisionist historians were all largely shaped by the time in which their work was written and were often caught up in the immediacy of the Cold War, the authors often reach very divergent conclusions, making trends difficult to establish. In many ways, these histories represent the birth of the historiography of the CIA. Jeffreys-Jones ties in with this sentiment, arguing that the emergence of more critical appraisals of the CIA represents a ‘movement away from old, recriminatory questions towards newer, more thoughtful ones.’¹³⁴ To be sure, the historical lens typically becomes more focused with the passing of time; but their unique perceptions and assertions, whether from the left or

¹³² Ibid., pp. 114-115. However, this tentative ‘significant role’ is sidelined in his narrative.

¹³³ Ibid., pp. 115-116.

¹³⁴ Rhodri Jeffreys-Jones, ‘The Historiography of the CIA,’ *The Historical Journal*, no. 2, vol. 2 (1980), p. 489.

right, not only present an essential snapshot of the Cold War itself, but add a deeper dimension to our understanding of the CIA's history.

The Post-Revisionist Authors

Over time, a more even-handed position began to question some of the revisionist and the orthodox interpretations of history. This new response began to develop again after the trauma of the Vietnam War and congressional and media scrutiny, although post-revisionism was not really galvanized until after the Cold War. Where, previously, so much emphasis had been placed on intelligence failures, the small group of post-revisionist historians have tended to place the Agency's wrong-doings, misadventures or mistakes within the context of Cold War history. This is not to say that the post-revisionists are inhibited about stirring up past controversies while advancing new questions about the CIA's past. Also in contrast with the many revisionist publications that appear to have one foot mired in contemporary intelligence-policy problems, the post-revisionists are more forceful in regarding intelligence as an integral component of Cold War history and tend to be more comfortable with examining the complexity of the Cold War's lessons.

Although more difficult to associate with any one particular theme, the post-revisionists go beyond the organizational and management history that characterized so much of the orthodox literature. To be fair, these authors have the benefit of greater historical hindsight, writing nearer to the

time when the Cold War curtain was ripped open. With unprecedented archival access they are better situated to demonstrate the historical context of the intelligence-policy process. That said, even the recent volumes that offer a more balanced and dispassionate history are frequently broad in scope and rarely provide any in-depth study of particular Cold War crisis.

Intelligence historian Christopher Andrew's important exposition on US intelligence, *For the President's Eyes Only: Secret Intelligence and the American Presidency*, evaluates American intelligence's top level efforts—showing the extent to which ‘the fortunes of the intelligence community have been influenced by the personalities, as well as the policies, of the presidents they have served.’¹³⁵ Arguably, one of the most comprehensive post-revisionist accounts of American intelligence, Andrew provides a fresh perspective on the interrelationship between the President, the DCI, and the CIA, showing that the integral link between the Oval Office and intelligence has evolved into a closely interwoven partnership. In doing so, he cogently demonstrates that the influence intelligence has had on foreign policy has been subject to the President's ultimate authority over the intelligence process. Along this same line, intelligence historian Len Scott notes that Andrew adeptly shows that ‘the judgment (and integrity) of the political leaders is as essential to the enterprise as the

¹³⁵ Christopher Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency*, London: HarperCollins, 1995, p. 3. Andrew has written on many facets of British, Soviet and American intelligence. See, *The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century*, ‘Stalin and Foreign Intelligence,’ in *Redesigning Stalinism*, Harold Shukman ed., London: Frank Cass, 2003 and (with Vasili Mitrokhin) *The Sword and the Shield: The Mitrokhin Archive and the Secret History of the KGB*, New York: Basic Books, 1999. Andrew is also the author of *Secret Service: The Making of the British Intelligence Community* and (with Oleg Gordievsky) of *KGB: The Inside Story*.

organizations and the people who serve as gatherers and analysts.’¹³⁶ This top-down approach emphasizes the executive branch as the overarching influence that has directly shaped how intelligence is either used or abused. That being said, however, Andrew is never reluctant to attribute responsibility for the mistakes made by the policy officials in Washington. He cites successful relationships among the succession of presidential administrations (especially between President Ronald Reagan and DCI William Casey).¹³⁷ In general, the CIA emerges in good standing from Andrew’s contribution, showing that, with varying degrees of accuracy, intelligence has mattered in foreign policy decision-making.

Certainly for Andrew, this relationship transformation not only highlights the nuances and complexities of the policy-intelligence relationship, but also the extent to which ‘the fortunes of the intelligence community have been influenced by the personalities, as well as the policies, of the presidents they have served.’¹³⁸ By arguing that intelligence has been largely shaped by the President’s temperament and experience, Andrew demonstrates that misjudgments and errors of the past rest squarely on the intelligence community *and* on the White House.

But what does this book say about the CIA’s influence during the formative years of the Cold War? In the relatively short space that his book devotes to the origins of the CIA, Andrew frames the problems of

¹³⁶ Len Scott, Reviewed work: ‘For the President’s Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush,’ by Christopher Andrew, *International Affairs*, Vol. 72, No. 4, The Americas: European Security. (Oct., 1996), p. 869.

¹³⁷ William Casey served as Reagan’s director of central intelligence from 28 January 1981-29 January 1987. Breckinridge also discusses Casey’s considerable influence in *The CIA and the U.S. Intelligence System*.

¹³⁸ Christopher Andrew, *For the President’s Eyes Only*, p. 3.

presidential perceptions, personalities and leadership styles remarkably well.¹³⁹ President Truman, insists Andrew, was less interested in intelligence than his predecessor, Franklin D. Roosevelt and certainly had less understanding of it than his successor, Dwight D. Eisenhower. However, Andrew reminds us that it was Truman who shaped the modern intelligence community—authorizing Anglo-American SIGINT collaboration in 1945, ordering the publication of the *Daily Summary* in 1946, championing the National Security Act in 1947, authorizing the rapid expansion of covert action throughout his presidency, and founding the National Security Agency (NSA).¹⁴⁰ So although Truman was on a steep learning curve, he quickly recognized the need for a peacetime intelligence agency in post-war national security.

Andrew's judgment of the CIA's early legacy is quite critical, claiming that, during the Truman administration, not a single agent was capable of providing a serious insight.¹⁴¹ He also suggests that, despite having enviable access to the Oval Office, the CIA's first director, Hillenkoetter, made little impression on President Truman. At the same time, however, Andrew insists that the 'inadequacies of direction' were as much Truman's as Hillenkoetter's fault. This, Andrew chalks up to one key factor: 'Without the strong support of the president, [Hillenkoetter]

¹³⁹ Ibid., pp. 149-198.

¹⁴⁰ Ibid., pp. 174, 197.

¹⁴¹ Ibid., p.182.

could not hope to fulfill the task of intelligence coordination required of the DCI.¹⁴²

Andrew balances these assessments with positive appraisals in other places. For instance, he notes the CIA's first relative success at 'psychological warfare' in the Italian elections. However, Andrew's relative silence on intelligence between the Italian elections and the Eisenhower presidency seems to suggest that, at least during this relatively quiet period of covert action, the CIA's influence was shelved by policymakers. This includes the larger European crisis of 1948—the Berlin blockade. He does, however, weigh in on the CIA's record during the Korean War, although focusing primarily on the familiar questions of intelligence warnings. For Andrew, the North Korean invasion was a big intelligence surprise, although he extends the CIA sideways credit for placing the Soviet threat within context for policymakers, writing that the CIA estimates asserted, without qualification, that the Soviet Union was engaged in an experimental war-by-proxy. On the issue of the Communist China's invasion, *For the President's Eyes Only* notes that CIA analysts were not alone in believing that the initiative would not be taken by the North Korean dictator.¹⁴³

Beyond this familiar narrative, Andrew catalogues two important lessons learned from the Korean War. First, the conflict confirmed the

¹⁴² Ibid., pp. 170, 175. Truman's struggle with intelligence might have stemmed from the president's own confusion and concern about the 'unscrupulous exploitation' of the Red Scare within America.

¹⁴³ Andrew is referring to the CIA's 'Review of the World Situation,' 15 November 1950. NARA, CIA, CREST. *For the President's Eyes Only*, p. 190. He also writes about the simplistic view of the communist monolith that policymakers and intelligence analysts struggled with.

need for further intelligence reforms. Most notably, Korea prompted a massive SIGINT overhaul. The invasion of North Korea and the subsequent Communist Chinese invasion, in particular, increased concern over the lack of SIGINT as a critically important source of information during times of crisis. Second, the popular perception that the CIA had been caught with its pants down hastened Hillenkoetter's departure from the CIA. Conversely, the crisis in Korea elevated Bedell Smith's influence with the president. Andrew also seems to suggest, that, had the tide of the Korean War turned in favor of the UN forces before Hillenkoetter's departure, the DCI's record might have been less tarnished.¹⁴⁴ However, this seems unlikely given the swell of negative opinion against the affable DCI, Hillenkoetter.

Richard J. Aldrich, a British scholar like Christopher Andrew, demonstrates how US secret services worked closely with the executive branch of government in formulating national security policy. According to his formidable volume *The Hidden Hand: Britain, America and Cold War Secret Intelligence*, the Cold War was fought, above all, by the intelligence services. His book provides more than an organizational history of intelligence, yet, as Richard Crockatt mentions, Aldrich has 'an enviable grasp of the organizational complexities of the many often-overlapping agencies in America and the UK responsible for intelligence gathering and special operations. He is also fully alive to the political contexts of secret

¹⁴⁴ Christopher Andrew, *For the President's Eyes Only*, pp. 187, 191.

intelligence and is very good on the differences between the American and British ways of doing things.’¹⁴⁵

Aldrich’s approach takes on another interesting dimension of Western intelligence, providing a unique history of Anglo-American intelligence co-operation from the Second World War up to the Bay of Pigs fiasco.¹⁴⁶ Given from the perspective of the post-war British secret service, his treatment of the American spy agency is presented within the context of the curious coexistence of the complex and seemingly contradictory struggles between ‘three vistas of secret service—East versus West, West versus West, and each Western state bitterly divided against itself.’¹⁴⁷ *The Hidden Hand* rests on the idea of cooperation and conflict, even showing how intelligence served to increase tensions among the Western partners.¹⁴⁸

Aldrich’s study suggests that the American intelligence communities allowed continual extension of presidential power over foreign policy. At the highest levels it was secret intelligence that underpinned and even legitimated many policies launched during periods of conflict. For Aldrich, then, the idea that the Cold War could best be won

¹⁴⁵ Richard Crockatt, Reviewed work: ‘The Hidden Hand: Britain, America and Cold War Secret Intelligence,’ by Richard J. Aldrich, *International Affairs*, Vol. 78, No. 4. (Oct., 2002), p. 917.

¹⁴⁶ Aldrich has also written *Intelligence and the War against Japan: Britain, America and the Politics of Secret Service*, New York: Cambridge University Press, 2000, and (with Gary D. Rawnsley and Ming-Yeh Rawnsley) *The Clandestine War in Asia, 1945-65: Western Intelligence, Propaganda, and Special Operations*, London: Routledge, 2000.

¹⁴⁷ Quite often, argues Aldrich, intelligence could be part of the problem as well as part of the solution. Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence*, pp. 14-15. Aldrich adds a perfunctory note to his Cold War narrative, cautioning that the very nature of intelligence services ‘makes any generalisation about the overall mosaic of Western intelligence co-operation more difficult.’ It should also be noted that, although *The Hidden Hand* encompasses the Cold War legacies of Anglo-American intelligence co-operation, Aldrich spends comparatively more time exploring the history of British intelligence services.

¹⁴⁸ Richard Aldrich, *The Hidden Hand*, p. 9.

through special operations even helped to define the character of the conflict and gave rise to the British and American belief that intelligence was synonymous with empire management. *The Hidden Hand* reveals how the CIA served as a kind of safety-valve, making Cold War leaders less dependent on the threat of nuclear destruction by allowing the West and its adversaries to fight out the conflict on less destructive terms. Brewster C. Denny argues along this same line, noting that during the Cold War era, ‘great powers have found regular intelligence activities by both sides to be important to stability...’¹⁴⁹

This study of the CIA’s early years conveys a high degree of dispassionate, measured criticism. Aldrich insists that the first two decades of the Cold War gave shape to later conflicts and relations between allies, although cooperation between Anglo-American intelligence was poor and the CIA’s fortunes were only marginally improved by 1950.¹⁵⁰ He points to the bureaucratic infighting that plagued the CIA that made it difficult to establish a foothold within the intelligence community. Reflecting on historical cases, though, he largely passes over the CIA’s assessments during the 1948-49 Berlin blockade and what influence the newly created American spy agency might have had during this crisis.¹⁵¹ This omission is worth noting for at least two reasons. First, *The Hidden Hand* exhibits an unparalleled understanding of the Cold War crises that gave shape to the British and American intelligence services. Second, by noting that many Western leaders sought to win the Cold War ‘by all means short of war’

¹⁴⁹ Brewster C. Denny, *Seeing American Foreign Policy Whole*, Chicago: University of Illinois Press, 1985, p. 100.

¹⁵⁰ Richard Aldrich, *The Hidden Hand*, pp. 276, 279.

¹⁵¹ *Ibid.*, pp. 148, 216, 423

and that by September 1948 they had resigned themselves to war, Aldrich's book seems to suggest, at least indirectly, that the CIA mattered during this early Cold War crisis.¹⁵²

Aldrich's treatment of Korea goes into more detail. He insists that Washington had initially been slower than London to engage with the Cold War, but by the 1950s, 'it was making up for lost time.'¹⁵³ In fact, he argues that by the time of the Korean War, the British feared America's forward policy approach more than the Soviets.¹⁵⁴ Korea was, indeed, a pivotal crisis for the British and American intelligence services, suggesting that intelligence had improved in the course of the Korean conflict. In referencing the invasion of South Korea in June 1950, Aldrich even makes a point of stressing that a surprise attack does not always mean that an intelligence failure has occurred, arguing that the recriminations of the summer of 1950 obscured the real reasons for intelligence failure.

The Hidden Hand extends a finger of blame by calling attention to the CIA's inadequate assessments of communist actions outside the Soviet sphere. In fact, the book argues, the main problem for the CIA was its narrow focus on the Soviet Union.¹⁵⁵ Additionally, President Truman and Secretary of State Acheson were 'strongly influenced' by the CIA's suggestions that there were no convincing indications of Chinese

¹⁵² Ibid., pp. 148-149.

¹⁵³ Ibid., p. 11.

¹⁵⁴ Aldrich suggests that British thinking underwent a 'mercurial change' in the 1950s, considering American containment more a security concern than Soviet actions, which were viewed as 'unpleasant yet comparatively cautious and predictable.' p. 11.

¹⁵⁵ Ibid., pp. 272-273. These reasons included: a presidency that was largely focused on the Berlin blockade, the CIA's minor presence in Asia, the fragmented and uncoordinated intelligence resources in the region.

Communist intervention.¹⁵⁶ Aldrich places the CIA's fallibility in the context of the military's own shortcomings, noting that General Douglas MacArthur was 'weak on intelligence' and simply not up to the job, yet required the CIA to coordinate its intelligence operations with the army's intelligence and special operations entity.¹⁵⁷

Written from a different vantage point than either Christopher Andrew or Richard Aldrich, Stansfield Turner's history of secret intelligence offers a unique perspective. Turner, a long-term US government official with a distinguished service record as a US Navy Admiral, went on to serve as President Jimmy Carter's Director of Central Intelligence from 1977-1981. Although directly involved at high levels of policy decision-making and subject to the CIA's Publication Review Board for security review, the book offers a relatively balanced history of the CIA.

In *Burn Before Reading: Presidents, CIA Directors and Secret Intelligence*, Stansfield Turner devotes much of his historical narrative to the study of the directors who headed the CIA and assesses how well they provided unbiased intelligence and headed the intelligence community. From this approach, he argues that current intelligence should be, as during the Cold War, the first line of defense against security threats.¹⁵⁸ And like

¹⁵⁶ Richard Aldrich, *The Hidden Hand*, pp. 272-273. These reasons included: a presidency that was largely focused on the Berlin blockade, the CIA's minor presence in Asia, the fragmented and uncoordinated intelligence resources in the region.

¹⁵⁷ *Ibid.*, pp. 274, 281.

¹⁵⁸ Stansfield Turner, *Burn Before Reading: Presidents, CIA Directors and Secret Intelligence*, New York: Hyperion, 2005. Turner has been writing on the subject of intelligence since the early 1980s. See *Secrecy and Democracy: the CIA in Transition*, Boston: Houghton Mifflin Company, 1985. Focusing on his experiences from 1977 to

the Soviet threat, the new threat of terrorism has thrown the effectiveness of intelligence into question.

On many issues, Turner is candid about intelligence failures the CIA has made, yet he speaks with a more balanced voice than the more critical histories. ‘Those who criticize our intelligence as a threat to our society’s values and those who would condone any kind of intrusion into our personal privacy for the sake of the nation’s security,’ he writes, ‘are both wrong.’¹⁵⁹ In the same vein as Andrews’ study, Turner’s book focuses on past case studies (from Franklin D. Roosevelt to George W. Bush) of the relationship between the executive branch and intelligence in an attempt to set the record straight on the CIA.

Turner’s treatment of the early Cold War crises is brief. In its chapter devoted to the Truman administration, *Burn Before Reading* offers little new regarding the Agency’s history, outlining instead the legislative and bureaucratic struggles involved in the formation and execution of the National Security Act of 1947.¹⁶⁰ According to Turner, the CIA was created amidst the Truman administration’s early uncertainty about intelligence on the one hand and Hillenkoetter’s political passivity on the other. The end result for the early CIA, he argues, was centralized intelligence with responsibility but without authority.

Burn Before Reading briefly explores Hillenkoetter’s role as DCI under President Truman. Hillenkoetter, Turner mentions, enjoyed less

1981, *Secrecy and Democracy* examines the major developments in American intelligence that gave shape to contemporary intelligence activities.

¹⁵⁹ Stansfield Turner, *Secrecy and Democracy: the CIA in Transition*, Boston: Houghton Mifflin Company, 1985, p. 1.

¹⁶⁰ Stansfield Turner, *Burn Before Reading*, pp. 37-68.

access to the president than his successor, Bedell Smith. 'Extremely loyal and dutiful, he seemed to think that the best way to serve the president was to get the information down on paper and then let the president get on with his busy schedule.'¹⁶¹ He discusses how the popular perceptions of the CIA's early failures challenged Hillenkoetter's position as the CIA's director, ultimately leading to his replacement by Walter Bedell Smith. Turner also points to what he believes was the biggest failure during Hillenkoetter's early days: the nuclear question. On the whole, the CIA reported that it had no new intelligence on when the Soviet Union would acquire a nuclear weapon. Most scientists, military men and politicians believed that atomic weapons were out of reach for the Soviet Union at least until 1953-1954, and the rapidity with which the Soviet Union caught up with the United States alarmed Washington and brought the CIA's analysis capabilities under the spotlight. This flawed estimate was significant, argues Turner, because it underlined the lack of reliable information supporting current intelligence estimates.

However, beyond chronicling the CIA's estimates on the Soviet atomic project, the book does little more than broach the major issues of the intelligence-policy relationship during the early Cold War. These included catering to the needs of the NSC staff and a lack of long-term analysis.¹⁶² The developing crisis in Berlin is dealt with only long enough to briefly acknowledge that the CIA's long-term analysis of the situation served to

¹⁶¹ Ibid., p. 51.

¹⁶² Ibid., p. 57.

ease the tension that General Lucius D. Clay's telegram had raised in spring 1948.¹⁶³

His analysis of the Korean War is only slightly more in-depth than the Berlin blockade. While Turner argues that Korea was an area of 'relatively long-range analysis,' there is a lack of any real discussion on why this was so. He gives the CIA credit for the fact that reports were published that warned that pulling US troops out of Korea would invite an invasion, but concludes that the warnings were sidelined anyway. This sort of 'underpinning for policy,' Turner argues, was largely ignored. Turner tempers his praises though, suggesting that, despite the CIA 'getting it right,' the DCI should have pressed the president further by making a more straightforward statement about policy.¹⁶⁴

Like so much of the intelligence literature, *Burn Before Reading* has one foot in CIA history and the other in contemporary intelligence issues. This is not surprising, given the author's intimate familiarity with and experience of the policy-intelligence relationship. Despite this duality to his approach, Turner correctly acknowledges that the CIA's early years had a mixture of successes and failures.

These selected post-revisionist authors appear better positioned to isolate and account for historical tendencies than their predecessors. However, they still struggle with transcending the feud between orthodox and revisionist historians. Still at the forefront of the historical debate of

¹⁶³ Clay served as the military governor of the American Zone in postwar Germany. His no-nonsense, abrupt approach was often a destabilizing force in Germany.

¹⁶⁴ Stansfield Turner, *Burn Before Reading*, pp. 58-59.

the last half century, the post-revisionists have gone a long way to wade through the dark, murky waters of intelligence recrimination and reached a more balanced footing.

Conclusions

All of the books reviewed raise serious questions about the history of the CIA's history. This selective review of the literature has demonstrated that the interpretations advanced, however, have been widely divergent, sometimes to the point of contradiction. Despite the evident value of this body of literature, work remains to be done on the role of intelligence in policymaking during key crises. As we have seen, the spectrum of the intelligence debate extends from defensive, institutional positions to heavy-handed recriminations. These oppositional viewpoints make it increasingly difficult to reconcile the links between these 'three Schools' and how they weigh in on the questions I seek to answer about the CIA's early history. The problem, however, is not so much that they disagree but that they have rarely asked the sort of questions that I am exploring and have they needed to look in more detail at particular case studies.

We've seen that, when our original hypothesis is tested against specific examples, such generalizations become tricky. And despite our best efforts to categorize and label these authors, they often don't fit neatly

into any summary generalizations. In fact, it is my view that neither on the issue of the quality or the accuracy of the CIA's analysis of the two crises, nor on the question of how much influence it had at the time, do the three Schools offer completely tidy correlations or sufficient information.

So what can be learned about the manner in which the orthodox, revisionist and post-revisionist schools treat these two questions? Where the quality and accuracy of the CIA's assessments is concerned, the tendency is for the Orthodox school to be charitable and to give the Agency the benefit of the doubt. This camp, most often associated with accounts from inside the intelligence establishment, has typically focused on the defense of the CIA's record and on its organizational history. As we have seen, their histories have provided little detail about the influence of the CIA's analysis during the Cold War's early crises. Still, they represent a significant part to our understanding.

Known for their frequent stress on the inadequacies of the CIA, the revisionist departure from the traditionalist position has been largely silent on the CIA's influence during the early years of the Cold War. Instead, we're left with a feeling that, in the more than sixty years since its creation, the CIA has failed to live up to its purpose. Some might take pleasure from finding manifest failure and error by the CIA, especially if the source of the error could be tied to the wider portrayal of US motivation. Others might be quite willing to attribute intelligence "successes" to the CIA, even if regarding that as further evidence that it was the US rather than the USSR that had room for maneuver as the tensions mounted. This image of a hopeless CIA is echoed by Donald Gregg: 'The record in Europe was bad.

The record in Asia was bad. The agency had a terrible record in its early days—a great reputation but a terrible record.’¹⁶⁵ As our understanding has evolved, though, this view appears increasingly inadequate. Still there are moments when revisionists offer a break from the clouds, suggesting that the School might well have been divided on the question of influence—remember for instance, Laqueur’s observations that perhaps the one significant part of the Agency’s role had been its occasional information that ‘the Russians did not intend to launch a general war.’

We have also seen that, because of their greater emotional detachment, temporal distance and access to sources, post-revisionists have generally been able to approach the questions with more objectivity and balance than either of the other two camps. As such, the School has been gaining wide acceptance for their treatment of the complexities of the intelligence process and the broader context of Cold War history. On the whole, this group of historians is also better positioned in staying above the fray of the fashionably charged issues of the Cold War, presenting a more balanced perspective on the intelligence-policy relationship.

It is important that we look upon these interpretations as building blocks that contribute to greater understanding because the historical record is continually being influenced by all three schools of thought. Yet even when drawing from these schools, certain historical questions remain unanswered. It is my contention that a number of difficult questions require further attention to arrive at a fuller understanding of the CIA’s

¹⁶⁵ Quoted in, Tim Weiner *Legacy of Ashes*, p. 55. Gregg was a CIA officer involved with paramilitary missions in the Far East.

early history. This review of the intelligence literature has shown that, in the case of the CIA's influence on policymaking during two of the Cold War's most alarming crises—the Berlin blockade and the Korean War, historians have provided only a cursory treatment. But what can account for the almost uniform brevity of treatment of these two major crises? A number of factors might account for this: 1) restricted access to declassified documents, 2) common perceptions that the CIA was too new, and 3) many of the authors' attention have been monopolized by other controversies of the CIA.

This research will contribute to this ongoing debate by advancing an important direction in intelligence history. The chapters that follow will travel their own course, free from any exposé of skullduggery. I will examine two case studies in detail, demonstrating how the CIA made an important contribution to the understanding of American national security, both by providing additional warning of potential crises and by providing a guiding hand that helped to inform policy decisions. I will examine the perceptiveness and accuracy of the Agency's assessments, primarily focusing on Soviet intentions and capabilities during times of crisis. This approach will shine a brighter light on what influence the CIA's finished intelligence reports had on policy decisions. In doing so, I will demonstrate that the less glamorous side of intelligence, analysis, was not always so black and white; and, as a policy determinant, was a more perceptive, if not always accurate, tool in shaping policy decisions than perhaps heretofore considered.

Chapter III

Is the Sky Falling? The Emerging Crisis in Berlin

Berlin is the testicles of the West.—Nikita
Khrushchev¹⁶⁶

Preface

Berlin was a strategic gamble played by both sides that served as a prelude to future confrontation; and while neither the United States nor the Soviet Union desired a war, each side felt threatened by the actions of the other. At the root of the crisis was the inability of either side to agree on how to administer the political process and the economic recovery of Germany. World War II had been utterly destructive to the lives, property and economic system in Europe, particularly to the defeated people of Germany. When the Nazi regime finally surrendered in the spring of 1945, almost every aspect of the German state was destroyed. Before it turned the respective sectors of Berlin over to the Western powers, Commander of the United States Air Force Europe Command (USAFE), General Curtis E. LeMay noted that the Soviet army had ‘denuded the region of every shred of mechanical equipment which might be employed conceivably in any future dispensation.’ Shocked by the apathy and inertia that the Soviets engendered among the German population, LeMay commented that the

¹⁶⁶ Nikita S. Khrushchev, Strobe Talbott, ed., *Khrushchev Remembers*, London: Little, Brown and Company, Inc., 1970, p. 407.

Soviets ‘would have taken the very nails out of the woodwork if there had been time to pull ‘em.’¹⁶⁷

The Western Powers were set on stabilizing the economy of their zones in relation to the European Recovery Program (ERP) and establish a separate German Government. From the beginning of the post-war period, Herbert C. Mayer points out, the basic shaping force of US-Soviet relations in Germany was that the Western European countries had to recognize ‘they could not rebuild a viable economic system for Europe without Germany; and Germany found out that it could never rebuild its place in the world without its European neighbors.’¹⁶⁸ The issues in Germany had become inseparable from the United States’ overseas policy of economic revitalization. As far as Washington was concerned, the survival of Germany depended on its economic recovery to bring Germany out of a state of fluid uncertainty and that success or failure in this directly impacted American national security.¹⁶⁹ National security imperatives were, as one historian points out, the driving force behind the Truman administration’s decisions.¹⁷⁰ Moreover, Washington was still uncertain about which Soviet

¹⁶⁷ Curtis E. LeMay with MacKinlay Kantor, *Mission With LeMay*, Garden City, New York: Doubleday & Company, 1965, p. 410. The Western zones suffered most acutely with food shortages, in part because both sides were resistant to sharing resources.

¹⁶⁸ Herbert C. Mayer, *German Recovery and the Marshall Plan 1948-1952*, New York: Edition Atlantic Forum, 1969, p. 3. See also, Sallie Pisani’s *The CIA and the Marshall Plan*, Lawrence: University Press of Kansas, 1991. Pisani traces the roots of covert operations to the blueprint of the Marshall Plan.

¹⁶⁹ Peter Hennessy notes that there was nothing secret about the centrality of Germany to the Cold War. Hennessy, *The Secret State: Whitehall and the Cold War*, London: The Penguin Press, 2002. Hennessy also contends that Berlin was one of those crises where JIC was able to exert ‘a calming influence on policy-makers by stressing the unlikelihood of its being the foreplay to World War III, ‘ but even JIC had difficulty divining ‘whether and when the Russians would move against the isolated Western sectors in Berlin....’ p. 25.

¹⁷⁰ Melvyn Leffler, *A Preponderance of Power*, p. 368. US policy centered on the rehabilitation of agricultural and industrial production, as well as transportation, communications, and postal services.

actions might precipitate a broader conflict.¹⁷¹ If ever there was a clear sign that the Kremlin was pressing the Western partners into a defensive posture, the escalation in Berlin was it. The Soviet Union reaction took the form of a blockade of the German city.¹⁷²

However, as one senior US army official observed, beyond a general consensus that an economically depressed Germany was a major impediment to a successful foreign policy in Europe, Washington's actions indicated a wait-and-see approach. Lieutenant General Wedemeyer, the chief of the army's Plans and Operations Division stated:

The United States has not defined clearly its national objectives, nor has it declared a clear-cut, well rounded foreign policy. Such elements of foreign policy as are declared have emerged piecemeal and give the impression of an apparently unrelated series of improvisations to meet circumstances as they change or develop.¹⁷³

Although the proposals for postwar Germany were first explored at the Tehran Conference in December 1943, it was not until the Potsdam Conference that the Allied leaders began to reshape the German map and

¹⁷¹ By contrast, Stalin was basing his foreign policy decisions on the denial of the re-emergence of an independent Germany (based, in part, for security reasons). However, as John Lewis Gaddis points out, Stalin's reasons 'even now, are not clear.' John Lewis Gaddis, *The Cold War: A New History*, New York: The Penguin Press, 2005, p. 33.

¹⁷² James M. Goldgeier provides a concise, expert analysis of Stalin's leadership during the Berlin crisis. See, *Leadership Style and Soviet Foreign Policy: Stalin, Khrushchev, Brezhnev, Gorbachev*, London: The John Hopkins University Press, 1994, pp. 34-51.

¹⁷³ *Memorandum*, LTG Wedemeyer to the Chief of Staff's Advisory Group, 10 April 1948, *Foreign Relations of the United States* (hereinafter, *FRUS*), 1948, vol. I, p. 561.

agree on the demilitarization of and reparations from the former Nazi state.¹⁷⁴

It was here that the Allied Powers divided the German state into three occupied zones—the Soviet Zone, occupying the eastern third, the British Zone in the north and the American Zone in the south.¹⁷⁵ These zones were intended to be a temporary arrangement, but shortly after Germany's boundaries had been carved up, optimism about a peaceful, diplomatic solution to the developing crisis became increasingly challenged.¹⁷⁶

Furthermore, the agreements at Potsdam had left Germany a political minefield. Nikita Khrushchev pointed out that the problem of border access and controls had not been foreseen by the Potsdam agreement—an omission the Kremlin believed the West had turned to its own purposes.¹⁷⁷ Both sides believed it had the right as an occupying power in Berlin after the unconditional surrender of the Nazi government. Germany was to be jointly administered by governors from the capital Berlin, but what

¹⁷⁴ For an in-depth study of the wartime and postwar negotiations about the Berlin problem, see Daniel J. Nelson, *Wartime Origins of the Berlin Dilemma*, Alabama University: University of Alabama Press, 1978. The Allied Control Council laid out plans for reparations and the level of post-war German economic activity on 28 March 1946. See *Documents on Germany Under Occupation, 1945-1954*, London: Oxford University Press, 1955, (ed.) Beate Ruhm von Oppen, p. 113.

¹⁷⁵ *Allied Agreement on the Quadripartite Administration of Berlin*, 7 July 1945. *Documents on Germany Under Occupation, 1945-1954*, p. 39. These zones were administered as: the Soviet Zone by Marshal Georgy Zhukov, the U.S. Zone by Lt. General Lucius D. Clay and the British Zone by Lt. General R.M. Weeks. A French zone was later created from the American and British zones. The British Government announced in January 1947 its willingness to join its zone economically with the American zone, creating Bizonia; and on 1 January, the US and British zones in Germany were merged. This action not only frustrated the Soviets but also signified the bitter realization that cooperation with the Soviet government was unlikely to improve.

¹⁷⁶ During 1948 and 1949, a number of formal meetings took place between Western and Soviet diplomatic representatives but with no breakthroughs in the settlement of the Berlin dispute. This case study will not fully explore these impasses between the two world powers, focusing instead on where these meetings fit within the context of US policy and intelligence.

¹⁷⁷ Strobe Talbott, ed., *Khrushchev Remembers*, p. 454.

frustrated the success of this arrangement was that, as Truman states in his memoirs: ‘The Russians, on their part, seemed determined to treat their zone of Germany virtually as if it were Soviet conquered territory.’¹⁷⁸ What made matters worse was that Berlin was entirely surrounded by the Soviet sector. Also loosely agreed upon at Potsdam was the decision to administer post-war Germany as a single economic unit. What resulted, though, was the failure to agree on almost every issue. As the situation in Berlin deteriorated, differences in economic strategies came to center more and more on the question of Western currency reform (a question dealt with by the CIA).¹⁷⁹

Frustrated by what the West saw as Soviet intransigence, the United States halted reparation deliveries from its zone to the Soviet Union. The breakdown in cooperation was significant because it placed the United States in a dilemma. General Lucius D. Clay outlined the difficult choices Washington faced:

Anything we do to strengthen the Bizonal administration will create a hazard with respect to the U.S.S.R. in Berlin. On the other hand, appeasement of the U.S.S.R. will continue the present unsatisfactory

¹⁷⁸ Harry Truman, *Memoirs: Years of Trial and Hope, 1946-1953*, (vol. 2), New York: Signet Book, 1965, p. 121.

¹⁷⁹ Avi Shlaim, *The United States and the Berlin Blockade*, Berkeley and Los Angeles: University of California Press, 1983, p. 151. Shlaim examines the decision-making process throughout his volume in terms of the stress, pressures, threat perceptions and probability of war. His contribution is a standard work and one of the most important studies of crisis-handling during the Berlin crisis.

administration of Bizonal Germany and make economic reconstruction difficult.¹⁸⁰

So faced with the risk of either antagonizing the Kremlin or appeasing the Soviet position, senior policymakers chose to proceed in the direction of creating an economically viable and independent West German State. Secretary of State, James F. Byrnes, touched upon what was at stake: ‘We in the United States have given considerable time and attention to these problems because upon their proper solution will depend not only the future well-being of Germany, but the future well-being of Europe.’¹⁸¹ In fact, at no time since the end of the Second World War had war seemed so likely. Nikita Khrushchev noted in his memoirs that, at the time, the international situation throughout Europe was highly unstable. ‘The slightest fluctuation in the pressure of the world political atmosphere,’ Khrushchev wrote, ‘naturally registered at that point where the forces of the two sides were squared off against each other.’ For both sides then, Germany served as ‘a sort of barometer.’¹⁸²

Most policymakers in Washington shared similar priorities in Germany—to sustain America’s position in Berlin and to avoid war with

¹⁸⁰ Quoted in Hannes Adomeit, *Soviet Risk-Taking and Crisis Behavior: A Theoretical and*

Empirical Analysis, London: Allen & Unwin, 1982, p. 79. Clay’s immediate superiors in Washington were Secretary of the Army (September 18 1947-April 27, 1949) Kenneth Royall and Army Chief of Staff Omar N. Bradley.

¹⁸¹ James F. Byrnes, “Stuttgart Speech,” 6 September 1946, in *Documents on Germany Under Occupation, 1945-1954*, p. 152. Byrnes’ speech also emphasized the United States’ firm belief that Germany’s zonal boundaries should not be regarded as self-contained economic or political units, but rather be administered as unrestricted economic units with zonal boundaries ‘completely obliterated’ and the ultimate goal of unification. What Washington couldn’t fully know was that the Kremlin believed that the West didn’t want to start a war, nor did the Soviet Union. According to Nikita Khrushchev, ‘Starting a war over Berlin would have been stupid,’ in *Khrushchev Remembers*, p. 458.

¹⁸² Strobe Talbott, ed., *Khrushchev Remembers*, p. 453.

the Soviet Union. Reflecting on the uncertainty of whether Moscow was prepared to gamble everything for the control of Germany, Truman wrote:

Our position in Berlin was precarious. If we wished to remain there, we would have to make a show of strength. But to remain there was always the risk that Russian reaction might lead to war. We had to face the possibility that Russia might deliberately choose to make Berlin the pretext for war, but a more immediate danger was the risk that a trigger-happy Russian pilot or hotheaded Communist tank commander might create an incident that could ignite the powder keg.¹⁸³

That Soviet leaders operated on the historical belief that a conflict between the Soviet Union and the Western countries was destined was perhaps the single issue that caused American policy officials the most anxiety and uncertainty. In part because of this, President Truman's plans for Berlin were, to a considerable degree, *ad hoc*—often dealing with situations as they happened.¹⁸⁴ Indeed, Truman only made the final decision to stay in Berlin on July 9, 1948 which, as we shall see, was well after the airlift was underway.¹⁸⁵ Avi Shlaim writes in *The Berlin Blockade* that the initial reactive step by American decision-makers was 'to seek information about the threatening move by the Russians which triggered off

¹⁸³ Harry Truman, *Memoirs*, vol. 2, p. 149.

¹⁸⁴ David McCullough, *Truman*, New York: Simon & Schuster, 1992, pp. 630, 837. For Washington's early policy position on Germany, see: *PPS-37*, 'Policy Questions Concerning a Possible German Settlement,' 12 August 1948, *FRUS*: 1948 vol. 2, p. 1289. Also *PPS-37/1*, 'Position To Be Taken by the U.S. at a CFM Meeting,' 15 November 1948, *ibid.*, p. 1321.

¹⁸⁵ Harry Truman, "Unsent letter to Joseph R. McCarthy," 11 [?] February 1950, in *Off the Record: The Private Papers of Harry S. Truman*, ed. Robert H. Ferrell, New York: Harper & Row, 1980, p. 145.

the crisis.’¹⁸⁶ Given such uncertainty, particularly during the early stages of the crisis, such information was vital in the decision-making process for the Truman administration.

To Washington, the Kremlin was enveloping the European continent.¹⁸⁷ But although unnerved by the rapidity and effectiveness of Soviet subversion and intransigence in Europe, Washington’s responses to the flashpoints across Europe as the curtain was raised in the Cold War were often slow and unformed.¹⁸⁸ The Communist Party had taken over the Hungarian government on May 31, 1947. A week later, the leader of Bulgaria’s anti-Communist Agrarian Party, Nikola Petkov, was arrested and subsequently executed, and the Agrarian Party itself was dissolved later in August. The following month, the leader of Romania’s anti-Communist National Peasant Party was arrested and sentenced to life in prison. These ominous events sharpened relations between the two powers and served as a reminder to Washington what would most likely happen if the Western powers were to abandon their position in Germany. Yet at a time when ‘the situation in Germany remained fluid,’ policymakers were unsure at what point provocations in Berlin might become a political flashpoint and escalate into an armed conflict.¹⁸⁹

Fully aware that the United States lacked the capabilities to implement any contingency plans, the urgency for military planners

¹⁸⁶ Avi Shlaim, *The United States and the Berlin Blockade*, p. 164.

¹⁸⁷ However, pointing to efforts in Italy, Germany and France, Leffler reminds us that US diplomacy was ‘infused with substantial risk-taking.’ *A Preponderance of Power*, p. 209.

¹⁸⁸ Reflecting on the crisis, CIA analysts suggested that a Western reaction to the state of affairs in Europe had been slow to develop. See, “Review of the World Situation,” 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, NARA.

¹⁸⁹ Donald P. Steury, ed., *On the Front Lines of the Cold War: Documents on the Intelligence War in Berlin, 1946-1961*, Washington DC: Government Reprints Press, 2001, p. 171.

intensified throughout 1947-48 in light of growing evidence pointing to a buildup of Soviet forces.¹⁹⁰ John Oneal notes that from early 1948 on, ‘American military leaders were greatly concerned that the foreign policies of the president implied a military capability that the United States did not actually have.’¹⁹¹ However, David Holloway points out that Soviet military policy never betrayed any fear that war was ‘imminent.’¹⁹² But if given the green light, Soviet-invading forces could drive swiftly and largely unopposed into Germany. Truman’s biographer, David McCullough, highlights the disparity of Western ground forces around Berlin: ‘The Allies had all of 6,500 troops in Berlin—3000 American, 2,000 British, 1,500 French—while the Russians had 18,000 backed by an estimated 300,000 in the east zone of Germany.’¹⁹³

Alexander George argues, however, that the problem extended far beyond the gap in America’s defense of Europe: ‘The inability of U.S. leaders to sense correctly the Soviet approach to the calculation and acceptance of risks had been, in fact, a chronic problem from the beginning of the Cold War.’¹⁹⁴ Former CIA Deputy Director, Ray S. Cline adds that, beginning with the Berlin blockade and accelerating with the Korean War, Washington was inclined to expect a direct military assault by the Soviet

¹⁹⁰ The CIA later reported that the USSR had adopted a rearmament program sometime in late 1948. CIA, “The Balance of Power, August 1948 to October 1950,” *Office of Current Intelligence*. CREST, 91T01172R, Box 2 Folder 20, NARA. For a concise study of US war plans during this period, see Steven T. Ross, *American War Plans 1945-1950*, New York: Garland Publishing, 1988.

¹⁹¹ John R. Oneal, *Foreign Policy Making in Times of Crisis*, Columbus: Ohio State University, 1982, p. 219.

¹⁹² David Holloway, *Stalin and the Bomb: The Soviet Union and Atomic Energy 1939-1956*, New Haven, CT: Yale University Press, 1994, p. 258.

¹⁹³ David McCullough, *Truman*, p. 647.

¹⁹⁴ Alexander L. George, *Presidential Decisionmaking in Foreign Policy: The Effective Use of Information and Advice*, Boulder: Westview Press, 1980, p. 70.

Union.¹⁹⁵ One thing was for certain. Stalin's moves, although purportedly defensive, smacked of offensive maneuvers designed to force the Western powers out of their respective zones.

During this time Washington required pragmatic, realistic assessments of Soviet intentions and capabilities in Western Europe. Intelligence during the CIA's formative years was often right, sometimes misleading and occasionally wrong. The role of the CIA's analytical branch, by itself, is complex. This study, therefore, acknowledges, where appropriate, the often complicated and nuanced process of policy decision-making.¹⁹⁶ The ways in which the Truman administration considered input from other governmental institutions and organizations varied; and while intelligence could be the best available source for difficult judgments about Soviet intentions and capabilities, policy direction could often depend ultimately on a particular mindset or attitude among senior policy officials. Reflecting on his presidency, Truman believed that the best results came from intensive study of different viewpoints and from arguments. 'I have spent many hours,' he wrote, 'late at night and early in the morning, poring over papers giving all sides. Many times I was fairly convinced in my own

¹⁹⁵ Ray S. Cline, *The CIA: Reality vs. Myth*, p. 165.

¹⁹⁶ The CIA had to contend with the more entrenched intelligence organizations of the Department of State and the military intelligence departments. For a first-rate study on the policy process, see: Alexander L. George, *Presidential Decisionmaking in Foreign Policy*; Cecil V. Crabb Jr., and Kevin V. Mulcahy, *Presidents & Foreign Policy Making: From FDR to Reagan*, Baton Rouge: Louisiana State University Press, 1986; John Dumbrell, *The Making of US Foreign Policy*, (1990), Morton H. Halperin, *Bureaucratic Politics and Foreign Policy*, Washington, DC: The Brookings Institution, 1974; Walter Isaacson and Evan Thomas, *The Wise Men: Six Friends and the World They Made: Acheson, Bohlen, Harriman, Kennan, Lovett, McCloy*, New York: Simon & Schuster, 1986; and James M. Keagle and David C. Kozak, *Bureaucratic Politics and National Security*, Boulder, Colo. : L. Rienner Publishers, 1988

mind which course of action would be the right one but I still wanted to cover every side of the situation before coming to a final decision.’¹⁹⁷

The point that deserves emphasis here is that at no time did the President rely solely on any one government official or organization for recommendations on policy action. Truman and senior policymakers received advice and recommendations from a wide range of government agencies and personnel, particularly during times of crisis, including: the State Department, George F. Kennan’s Policy Planning Staff,¹⁹⁸ the Joint Chiefs of Staff,¹⁹⁹ the National Security Council,²⁰⁰ intelligence agencies and a number of other trusted high-level policy officials. Truman’s preferred model for assessing potential and existing problems in any given crisis involved different expertise from a wide range of resources.

¹⁹⁷ Harry Truman, *Memoirs*, p. 323.

¹⁹⁸ The essential task of the Policy Planning Staff was the ‘collection of factual material, and the preparation and discussion of policy studies, followed by long-range recommendations to top decision-makers.’ See, Robert Ellsworth Elder, *The Policy Machine: The Department of State and American Foreign Policy*, Westport: Greenwood Press Publishers, 1960, p. 72.

¹⁹⁹ The Joint Chiefs of Staff was still an *ad hoc* body in 1945, with no legal sanction for its existence. For a detailed history of the JCS, see Mark Perry, *Four Stars: The Inside Story of the Forty-Year Battle Between the Joint Chiefs of Staff and America’s Civilian Leaders*, Boston: Houghton Mifflin Company, 1989 and Lawrence J. Korb, *The Joint Chiefs of Staff: The First Twenty-Five Years*, Bloomington: Indiana University Press, 1976.

²⁰⁰ For a detailed history of the NSC, see John Prados, *Keepers of the Keys: A History of the National Security Council from Truman to Bush*, New York: William Morrow and Company, Inc., 1991.

Questions and Thesis Statement

As the first segment of this case study, this chapter is divided into three main sections. First, an historical introduction briefly outlines US foreign policy objectives and the different factors which influenced policy, as well as the creation of the CIA as America's first peacetime spy agency. This introductory material, serving chapters three and four, provides the context essential for understanding the political arena in which the CIA was expected to operate. And since Germany has always held a prominent role in the European balance of power, it is necessary to do more than superficially recall relevant events. After briefly outlining some of the existing literature, this chapter will provide an examination of the CIA's predecessor, the Central Intelligence Group. The chapter will then examine the crisis following the CIA's creation in September 1947, continuing through to the spring of 1948. Finally, summary conclusions will ascertain the CIA's analysis during the early stage of the Berlin crisis.

The following questions will shine a brighter light on the CIA's contribution during the initial crisis period: First, how well did the CIA read Soviet intentions and how effectively did it read the crisis? In other words, what actions did the CIA believe were necessary to make certain Germany remained independent from the USSR, without provoking direct Soviet military retaliation? Second, how accurate were its warnings and assessments? And although it is a frustrating undertaking to join the dots up, it is hoped that more clues are revealed about the nature and the quality

of the CIA's influence during this particular crisis.²⁰¹ Admittedly, the answers do not require any sweeping, radical revision to CIA or Cold War history, the answers to these key questions will, nevertheless, begin to fill some of the remaining gaps in the CIA's early history. Nor will this case study put the controversy over the issues to rest. Yet an examination of these questions can enhance our understanding of this fascinating, understudied piece of history.

The chapter will advance two major arguments in order to demonstrate, through the careful analysis of intelligence and policy documents, how the Central Intelligence Agency intended to reassure policymakers who were unsure how much Stalin was willing to risk in Berlin, and thereby reduced the sense of immediacy in Germany.²⁰² Even in this first real Cold War crisis, the CIA addressed issues in a way that was designed to moderate the potential for more extreme behavior by placing Soviet risk-taking within context and adjusting perceptions of Soviet behavior. Despite the organizational problems and the newness of the CIA, its cautious position was designed to have a moderating influence to help reassure policy officials that the Soviet appetite for a direct conflict in Germany was largely limited.²⁰³

The case study will also demonstrate that the CIA considered Western efforts in Berlin vital to U.S. national security. This appraisal was

²⁰¹ In particular, one must be careful that collocating does not replace what the evidence can bear by simply suggesting that, just because the CIA said "X," policymakers were doing "Y."

²⁰² For an expert analysis of covert operations in Berlin, see David E. Murphy, Sergei A. Kondrashev, and George Bailey, *Battleground Berlin: CIA vs. KGB in the Cold War*, New Haven: Yale University Press, 1997. See also, Paul Madrell's *Spying on Science, Western Intelligence in Divided Germany 1945-1961*, Oxford: Oxford University Press, 2006.

²⁰³ This study's conclusions are based on the assumption that moderation was the best course of action for US policymakers during the early Cold War.

helpful, considering many government officials, especially within the Pentagon, argued that defending Germany, vis-à-vis Berlin, was not strategically viable. The CIA's assurances that Soviet actions did not necessarily reflect a wider strategy for spreading hostility to other areas of the world helped senior policy officials better contextualize security threats, thereby reassuring an already anxious administration that the Soviet Union was unprepared for a military confrontation with the West.

Events elsewhere had left Washington unsure about which Soviet actions or reactions might precipitate a war, so that many in Washington were primed to react strongly to Soviet risk-taking. But the CIA's analytical team recognized that the series of Soviet provocations in Berlin were designed to test Western firmness and patience, rather than to provoke an armed conflict. The Soviet leader understood that the close proximity between Western and Soviet forces made the provocations in Berlin all the more dangerous. In retrospect, we can see that the Kremlin's tightening of the blockade was progressive, providing historians with some indication that Stalin was fearful of disastrous results or of creating a situation that might spiral out of his control.

As noted in the introductory chapter, the following case study has drawn upon five principal sources: 1) declassified documents from the CIA;²⁰⁴ 2) US State Department and National Archive publications; 3) government reports on matters of high policy; 4) memoirs of the major

²⁰⁴ However, even in the US, few declassified internal memoranda are accessible to provide us with a greater understanding of how intelligence analysts based their assessments.

participants in the national security process; and 5) scholarly studies related to the Berlin blockade.²⁰⁵

Recent Views

The varieties of historical interpretations on the Berlin blockade are virtually exhaustive. Yet despite being the first political flashpoint in East-West Cold War relations, the CIA's analytical efforts during this crisis are still, too often, overlooked. This is primarily because the popular view considers the nascent intelligence agency too inexperienced and untested to have impacted decision-making. Although few historians have dismissed outright the CIA's influence during the early Cold War, most treatments of the Agency's analysis during the Berlin crisis are brief. Important contributions, such as Avi Shlaim's *The United States and the Berlin Blockade, 1948-1949* and Melvyn P. Leffler's *A Preponderance of Power*, argue that the CIA's assessments were correct but present little more than a perfunctory examination of either why the CIA's analysis mattered or how it might have influenced policy decision-making. Similarly, even such notable studies as Richard Aldrich's *The Guiding Hand* and Christopher Andrew's *For the President's Eyes Only* provide but brief analyses of the CIA's early analytical efforts.

²⁰⁵ The documents issued by the CIA can be categorized roughly into three groups. (1) Internal memoranda, (2) intelligence from the field on specific topics, and (3) finished intelligence in Washington, DC. This latter group, intended for dissemination to the policy consumer, encompasses the bulk of the primary source material used for this study.

This study parts company with the general text *American Foreign Policy: Pattern and Process*. Here, political scientists Charles Kegley Jr. and Eugene Wittkopf argue that during the postwar period, the CIA was in a ‘commanding political position.’²⁰⁶ Contrastingly, Loch Johnson insists that the Agency was beset by bureaucratic struggles and was incapable of consolidating its position within Washington until 1950.²⁰⁷ Although the basic assessment is valid, without any specific examples, Johnson seems to suggest that the CIA’s influence was not only just limited, but insignificant.²⁰⁸ Donald P. Steury claims that neither the CIG nor the nascent CIA was capable of meeting the postwar intelligence requirements on the Soviet Union.²⁰⁹ In particular, Steury maintains that none of the early intelligence documents contained information of importance to the formulation of US foreign policy:

The predominance of such a current, situational focus suggests a preoccupation with ‘answering the mail,’ to the detriment of the longer range, more comprehensive intelligence assessments which the nation’s central intelligence organization might have been expected to produce.²¹⁰

²⁰⁶ Charles W. Kegley Jr. and Eugene Wittkopf, *American Foreign Policy: Pattern and Process*, New York: St. Martin’s Press, 1987, p. 390.

²⁰⁷ Hillenkoetter was well aware of the reports that military intelligence was out to ‘get’ his agency. *Memorandum*, Kenneth C. Royall to DCI Hillenkoetter, 22 October 1947. *FRUS, 1945-1950: Emergence of the Intelligence Establishment*, pp. 595-596.

²⁰⁸ Loch K. Johnson, *America’s Secret Power: the CIA in a Democratic Society*, Oxford: Oxford University Press, 1989, p. 15.

²⁰⁹ Donald P. Steury, “Origins of the CIA’s Analysis of the Soviet Union,” in *CIA’s Analysis of the Soviet Union, 1947-1949*, Washington DC: Center for Intelligence Studies. 1994.

²¹⁰ *Ibid.*

Yet given the *ad hoc* nature of American foreign policy after the war and the restructuring of much of the federal government in these years, it seems unrealistic to expect that any newly created intelligence organization could have committed significant resources beyond immediate security concerns.²¹¹ It seems more realistic to expect that the atmosphere of uncertainty that permeated Washington would have determined much of the Agency's agenda.

Thomas Parrish's brief treatment of the CIA's early years also appears to measure it against an unrealistic ideal. Parrish argues that, months after the creation of the CIA, US intelligence had developed no real analysis of Soviet aims and strategy since the CIG's assessments in July 1946.²¹² In *Intelligence Effects on the Cold War*, Michael Herman notes that, in general terms, the CIA held the position that a hot war was not inevitable, but that the Cold War would be 'a long haul against a determined and calculating opponent.'²¹³ Although a sound work as a whole, Herman concludes that this position was reached in the first instance by policy makers and that the intelligence assessments were only supportive.

Although less unyielding than Parrish, former CIA officer, Ray S. Cline asserts that, as an institution, the CIA 'was not geared into the working machinery at the top level of government.' According to Cline,

²¹¹ Like the NSC and the CIA, the JCS's sanction to officially advise the President on strategic issues did not exist until the National Security Act of July 26, 1947.²¹¹ Also, the position of the Secretary of Defense was not filled until James V. Forrestal's appointment on September 17, 1947.

²¹² Thomas Parrish, *Berlin in the Balance: The Blockade · The Airlift · The First Major Battle of the Cold War*, Reading Massachusetts: Perseus Books, 1998, p. 125.

²¹³ Michael Herman, 'Intelligence Effects on the Cold War: Some Reflections,' in *Did Intelligence Matter in the Cold War?* Anna Therese Klingstedt. Ed. Oslo, Norwegian Institute for Defense Studies: Forsvarsstudier, 2006, p. 24.

the Agency's assessments were hampered in pulling together 'coherent estimates on pressing foreign threats.'²¹⁴ In *The CIA and American Democracy*, Rhodri Jeffreys-Jones correctly points out that the blockade of West Berlin provoked charges about the CIA's non-prediction, but never goes further to look at whether these charges were justified.²¹⁵

Walter Laqueur views the CIA's forecasts during the Berlin blockade crisis as 'slightly manic-depressive...whether the tidings were good or bad.' He suggests that the Agency was hindered by 'misplaced optimism,' failing to place the Berlin blockade in more alarming language. Laqueur occasionally adjusts his position, noting that the CIA's coverage of East European affairs was 'generally accurate.' Yet even here he insists: 'Intelligence evaluators were inclined to be a little too optimistic.'²¹⁶ It should be remembered that although intelligence did not contain 'alarming language,' this did not necessarily indicate that its appraisal was inconsistent with the reality of Soviet actions and intentions. Moreover, given the potential danger of over reacting, alarming language was not always desirable or even constructive.

These viewpoints are out of step with Avi Shlaim's position. According to Shlaim, by the time of the Berlin crisis, 'the CIA was not only sufficiently established to ensure that an adequate intelligence base was available to sustain the deliberations of the NSC, but Truman had formed the habit of starting the day's work early each morning with an intelligence

²¹⁴ Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA*, Washington DC: Acropolis Books, 1976, p. 107.

²¹⁵ Jeffreys-Jones, *The CIA & American Democracy*, London: Yale University Press, 1989, p. 54.

²¹⁶ Walter Laqueur, *A World of Secrets: The Uses and Limits of Intelligence*, York: Basic Books, Inc., 1985, p.113.

briefing from the Director of the CIA.²¹⁷ Moreover, few histories address what Woodrow J. Kuhns considers the most important ‘steady influence’ during the formative years of the Cold War—the CIA’s repeated, correct assurances that a Soviet attack in Europe was unlikely.²¹⁸ This view represents an unusual verdict but one which this study deals with directly and in much more detail than Kuhns’ brief analysis.

From CIG to CIA

President Truman established the Central Intelligence Group on January 22, 1946 to provide strategic warnings and conduct clandestine operations in order to address growing concerns about Soviet intransigence.²¹⁹ Although the CIG was dissolved before the Berlin crisis was truly underway, it would be a mistake to overlook its role as the crisis unfolded. Not only was the CIG the largest pool of talent and experience from which the CIA had to draw, but the deterioration of East-West cooperation in Germany began during its watch.

Policymakers began to receive daily intelligence briefs from the CIG’s *Daily Summary* on February 15, 1946.²²⁰ With just twenty-nine

²¹⁷ Avi Shlaim, *The United States and the Berlin Blockade*, p. 74.

²¹⁸ Woodrow J. Kuhns, ed., *Assessing the Soviet Threat: The Early Cold War Years*, Washington, DC: Center for the Study of Intelligence, 1997. However, Kuhns, a member of the CIA’s History Staff, only touches on this argument in a brief *forward* in his edited collection of Cold War intelligence documents.

²¹⁹ In a letter to the Secretaries of State, War and Navy on 22 January, Truman directed all Federal foreign intelligence activities to be planned, developed and coordinated by the National Intelligence Authority.

²²⁰ The CIG’s *Daily Summary* drew a great deal of criticism from policymakers. Among the criticism was that the reports largely from State Department sources, was dependent on

permanent intelligence staff (seventeen were on loan from other departments), Director Admiral Sidney W. Souers was responsible for two functions: planning and coordinating all federal intelligence and producing estimates of foreign situations for the President and senior policy officials.²²¹ The CIG's first major report, issued in the summer of 1946, was a bellwether for future reports that year. The paper judged the USSR was, in terms of a fundamental threat, determined to increase its power relative to its adversaries and anticipated an inevitable conflict with them, but that it was also intent on avoiding a conflict for some time to come and sought to avoid provoking strong reactions from its adversaries.²²²

In foreshadowing Soviet tactics in Germany, CIG analysts pointed out that the Kremlin's goals would be sought after by more subtle methods, including economic and ideological penetration. The paper continued to stress that although the Soviet Union was building its military strength, it would avoid future military conquests.²²³ In addition to the growing low-level aggression in Berlin, the CIG was troubled by the inroads made by the communist parties in other areas of Europe, including Poland, France and Italy.²²⁴ The Kremlin, analysts concluded, was determined to frustrate

other intelligence organizations for information and was considered by most policy officials to lack sufficient analysis beyond fact reporting. See, "The Central Intelligence Agency and National Organization for Intelligence: A Report to the National Security Council," 1 January 1949. A summary of the report can be found in *Emergence of the Intelligence Establishment*, pp. 903-911.

²²¹ William M. Leary, ed., *The Central Intelligence Agency: History and Documents*, Tuscaloosa, AL: University of Alabama Press, 1984, p. 25.

²²² CIA, *ORE I*, "Soviet Foreign and Military Policy," 23 July 1946.

²²³ CIA, *ORE I/I*, "Revised Soviet Tactics in International Affairs," January 1947.

²²⁴ On 19 January 1947, Soviet-back Communists manipulated the national elections in Poland to return a huge communist majority. 24 October: The anti-Communist leader of the Polish Peasant Party, Stanislaw Mikolajczyk, was forced to flee the country and his followers were purged from the party. However, in the case of Italy, the newly formed CIA actively assisted the Christian Democrats during the Italian national elections. This

Western efforts and posed the first real, direct challenge to the United States' economic reconstruction policies.

It should also be noted that US moves also unnerved the Kremlin. Greece, often the focal point of American aid, was engulfed in a bloody civil war and weakened by a beleaguered economy. During 1946 and 1947 the Greek monarchy, supported by the British, was fighting an insurgency aided by Soviet satellite forces from Albania, Bulgaria and Yugoslavia. However, once the British government announced it was no longer able to assist the Greek monarch in the civil war, the United States was left with the decision to shoulder the assistance in Greece.

Made anxious by this type of external pressure, the Western powers agreed on a number of key, decisive agreements on March 7, 1947: 1) the establishment of a federal system of government for Germany, 2) German representation in the European Recovery Program, 3) international control of the Ruhr region, and 4) closer economic integration of the French zone with the British-American zones.²²⁵ Then, in a message to Congress later that month, President Truman articulated his government's broader commitment to providing aid to countries most vulnerable to communist coercion and influence.²²⁶

By spring, both sides appeared to be simply going through the motions of diplomacy and were unable to achieve any progress toward the

first attempt to subvert Communism through covert operations was successful, and on April 19, 1948 the Italian Communists lost the elections to the Christian Democrats.

²²⁵ Hannes Adomeit, *Soviet Risk-Taking and Crisis Behavior: A Theoretical and Empirical Analysis*, pp. 80-81.

²²⁶ See, *PPS I*, Thomas Etzold and John Lewis Gaddis, eds., *Containment: Documents on American Policy and Strategy, 1945-1950*, New York: Columbia University Press, 1978. The State Department's Policy Planning Staff supported this ambitious goal on 23 May. A PPS report emphasized that US policy should focus on economic rather than military aid.

reunification of Germany at the Council of Foreign Ministers (CFM) in Moscow. In addition, the four-power political bodies, the Allied Control Council and the Kommandatura (the quadripartite body responsible for the administration of Berlin), that were established to administer the zonal policies outlined in the Potsdam agreements broke down.²²⁷ Frustrated by challenges to its designs in Europe, the Soviet delegation actually walked out of the Allied Control Council on March 20. Secretary James Byrnes recognized the failure of the quadripartite meetings early on: ‘So far as many vital questions are concerned, the Control Council is neither governing Germany nor allowing Germany to govern itself.’²²⁸ At the end of the month, the publication of *NSC 7* reflected the deteriorating situation, in which it drew a comparison between Adolph Hitler and Joseph Stalin. Whether the reason for this was to heighten fears of an impending military conflict or not remains unclear. Regardless, we can be quite certain of the National Security Councils’ apparent attempt to paint the image of Stalin as a malevolent dictator.²²⁹

With the adjournment of the Moscow Conference of Foreign Ministers on April 24, 1947, Western participants were left frustrated by the erosion of any remaining pretense of peaceful cooperation between the two sides. At the diplomatic sessions in Moscow, Molotov had assured the West that the Kremlin was committed to the economic revival of the Ruhr.

²²⁷ Citing obstructionism and exploitation, the CIA believed that, in the context of 1947, the USSR had little interest in the maintenance of Four-Power agreement in Germany. See, CIA, “Review of the World Situation,” 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, NARA.

²²⁸ James F. Byrnes, “Stuttgart Speech,” 6 September 1946, in *Documents on Germany Under Occupation, 1945-1954*, p. 155.

²²⁹ *NSC 7*, 30 March 1948. Thomas Etzold and John Lewis Gaddis, *Containment*, pp. 164-169.

However, most policymakers in Washington, hoping to be freed of any commitments with the Soviet Union, instead pursued a separatist policy in Germany.²³⁰ W. Averall Harriman, Secretary of Commerce and former US Ambassador in Moscow, reported to President Truman in the summer of 1947 that US efforts were putting in too little too late. ‘We cannot attain our basic objectives,’ the ambassador argued, ‘unless we are ready to move rapidly to reconstruct German life from its present pitiful and chaotic condition.’²³¹

A CIG report issued on May 2 advised its readers that, for the present, ‘the Kremlin appears to be pursuing a dual policy of preventing a European settlement while trying to keep alive western hopes that such a settlement eventually may be possible.’²³² Then on the last day of July, Richard Helms, the branch chief in Washington, issued an internal memorandum for the Joint Chiefs of Staff, outlining an informal account by the Chief of the CIG’s Berlin detachment. The report focused on the prospects of a hardening of East-West division in Germany and the extent of American setbacks in Berlin. The memorandum was grim in tone; although an acknowledgment that many Americans had a tendency to ‘magnify the significance of local developments’ prefaced its assessment in

²³⁰ Vladislav M. Zubok and Constantine Pleshakov, *Inside the Kremlin’s Cold War*, Cambridge, MA: Harvard University Press, 1996, p. 50.

²³¹ Harry Truman, *Memoirs*, vol. 2, p. 121.

²³² CIG, *Report*, 02 May 1947. <http://www.paperlessarchives.com/truman.html>. (Helms would later serve as DCI). Three days later, Rear Admiral Roscoe Hillenkoetter was sworn in as Director of Central Intelligence. It must be noted that although an in-depth study of individual intelligence directors can prove quite useful, the purpose of this study is to consider the role and influence of the CIA as an institution, rather than the individual impact of its leaders. Moreover, this study does not pretend to offer an in-depth study of the complexity of the inner workings of the CIA’s analytical branch. Although written as an ethnographic study, Rob Johnston’s *Analytic Culture in the U.S. Intelligence Community*, Washington DC: Center for the Study of Intelligence, CIA, 2005, provides an informative snapshot into this important facet of intelligence.

Berlin, it suggested that the unanimity of pessimism was certainly sobering. ‘The month of June,’ the memo stated, ‘marked a new and severe crisis’ in the battle for Berlin. In addition to conveying general sentiments of pessimism, the paper specifically cited a high-ranking Army officer’s concerns about the ‘Asiatic cunning’ of the Soviets prompting a surprise attack. At no point, however, did either Helms or the Berlin detachment suggest that these localized assessments signified an impending invasion by Soviet forces.

As might be expected, the rift between the US and the USSR widened as Stalin was faced with the increase of US assistance to the region, particularly as the European Recovery Program improved earlier methods of rendering assistance to other countries hit hardest by the war. This increase in assistance represented a considerably more active approach in American foreign policy.²³³ Brewster C. Denny provides a matter-of-fact assessment of US foreign policy in Europe at this time:

America’s national interests provided a compelling case for rebuilding Europe, stabilizing the governments and the economies of the eastern Mediterranean,

²³³ Although his unreserved support for the US recovery program is evident, Herbert C. Mayer’s detailed study, *German Recovery and the Marshall Plan 1948-1952*, New York: Edition Atlantic Forum, 1969, still provides an important account of the impact US economic assistance had in Europe. Secretary of State, George C. Marshall called for a European Recovery Program during his address at Harvard University (June 5, later dubbed the Marshall Plan). Although initially envisaged by Marshall, a group at the State Department led by Dean Acheson further developed the Marshall Plan. Acheson and others placed their hopes in American assistance abroad as the best chance of a stabilizing force that would re-establish a group of states which could stand up to the Communist encroachment. In conjunction with the Truman Doctrine, the Marshall Plan was actually more than a political response to the perceived aggression by the Soviet Union. This shift of US policy represented a new commitment to equip countries threatened by communist influence with economic aid, equipment or even military force.

launching a worldwide system of foreign aid, and making collective security commitments that the United Nations could not handle. These policies might have been developed, supported, and implemented without publicly rattling the Russian bear's cage. But they were not.²³⁴

Denny's assessment is perceptive. The ramped up efforts of the US did indeed fuel suspicion within the Kremlin. In fact, Stalin considered these developments as a 'watershed'—a smoke screen for aligning economically vulnerable countries with the West,²³⁵ and from his point of view, the Marshall Plan was nothing more than a wholesale attempt by the US to gain lasting influence in Europe and considered this flexing of economic muscle a threat to Soviet security. The Soviet Premier 'saw behind the plan a far-reaching design to revive German military-industrial potential and to direct it, as in the 1930s, against the Soviet Union.' Should American assistance threaten the Soviet zone in Germany, Stalin felt it necessary, through a show of strength, to put up a commanding counteroffensive in response to the 'American politico-economic offensive.'²³⁶

Just a week following Moscow's rejection of the Marshall Plan, the CIG issued a report titled, "Soviet Opposition to the Recovery Program."²³⁷

²³⁴ Brewster C. Denny, *Seeing American Foreign Policy Whole*, p. 180.

²³⁵ Misgivings remain about US economic assistance during the Cold War. Tim Weiner, referring to the diversion of Marshall Plan funds for covert action, referred to the scheme as 'global money-laundering.' See, *Legacy of Ashes*, New York: Doubleday, 2007, p. 28.

²³⁶ Vladislav M. Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: From Stalin to Khrushchev*, Cambridge, MA: Harvard University Press, 1996, pp. 50-51.

²³⁷ The Kremlin rejected participation in the Marshall Plan in July 1947, responding with the formation of the Council of Mutual Economic Assistance and the Cominform.

The report cautioned that Soviet counter-measures to further European reconstruction would be demonstrated at the Paris Conference on July 12. ‘Less direct indications of Soviet opposition,’ warned the CIG, ‘will be seen in the future in Communist interference within the participant countries and in vigorous propaganda emanating from Moscow.’²³⁸ Here, the CIG’s report should have confirmed Truman’s belief in the inseparability between containment efforts in Berlin and the diplomatic implications of US economic rehabilitation in Europe. This policy included the early establishment of a provisional German government for Germany, developing local and state self-government and the creation of a federal constitution.

Shortly before its official dissolution on September 18, the CIG issued two assessments about Germany. The first, a *Daily Summary* issued on August 2, did little more than report on the USSR’s disapproval of the union of the US and British Zones in Germany. The second report was slightly more useful. Here, analysts highlighted several issues that warranted consternation from policymakers, including the USSR’s attempt to capitalize on America’s position of relative weakness and to broker agreements to strengthen its position in Germany. In addition to expressing doubt about any positive outcome at the Council of Foreign Ministers, the report predicted that the SED, (the Soviet-controlled Party of Socialist German Unity), would control the Soviet zone through the creation of communist front organizations. Thus, the SED would have command of

However, the Soviet version of economic assistance was sabotaged by political stipulations and economic limitations.

²³⁸ CIG, *Weekly Summary*, “Soviet Opposition to the Recovery Program; Effects of Non-Participation on the Satellites,” 11 July 1947.

the Soviet-zone, ‘regardless of CFM decisions.’ An additional goal of these organizations, analysts surmised, was the penetration of West Berlin.²³⁹

Aware that the CIG had been created under a cloud of confusion, Truman believed the current intelligence structure insufficient to provide much more than tactical or short-term estimates.²⁴⁰ According to former Deputy Director for Intelligence, Russell Jack Smith, conclusions were based ‘on informed speculation’ during the early days of the CIG.²⁴¹ Without a clear mandate, rival agencies such as the military services, the State Department and the FBI would have continued to challenge the CIG on access to President Truman. The establishment of a Central Intelligence Agency was designed so that military-political decisions could be based on a national rather than a departmental appraisal of the facts.²⁴² Any newly-formed spy agency would have to cope with military opposition, rival bureaucratic organizations and competition with other existing and forthcoming intelligence sources, including: the Department of State, the

²³⁹ CIG, *Daily Summary*, “Germany: Creation of a German Government in the Soviet Zone,” 2 August 1947. *Weekly Summary*, “Soviet Efforts to Strengthen Position in Germany,” 5 September 1947.

²⁴⁰ James McDonald, “CIA and Warning Failures,” in *Intelligence In The Cold War*, Christian Lars Jenssen and Olav Riste, eds., Norway: Norwegian Institute for Defense, 2001, pp. 48-49. George C. Marshall replaced James F. Byrnes as Truman’s Secretary of State on 21 January 1947. In addition to being responsible for the establishment of the Policy Planning Staff and the improvement of the State Department’s standing, Marshall supported the creation of the CIA, although he had hoped to see intelligence centralized along military lines. Many CIG reports were either contradictory or duplicative of other US intelligence organizations, particularly from the State Department. Kuhns, ed., *Assessing the Soviet Threat*, pp. 10, 13.

²⁴¹ Russell Jack Smith, *The Unknown CIA*, p. 43. A veteran of the period, Smith edited the *Daily Summary* report, later serving as DDI from 1966 to 1971.

²⁴² Brewster Denny, *Seeing American Foreign Policy Whole*, pp. 85, 99.

Defense Departments, the Defense Intelligence Agency (DIA), the National Security Agency (NSA) and the Federal Bureau of Investigations (FBI).²⁴³

Once again, ideas about the purpose and efficacy of a peacetime, centralized intelligence organization were being kicked around Washington. The CIG could not shake the general consensus that its record had fallen short.²⁴⁴ At the lowest point for postwar Germany, the peacetime intelligence organization had provided the President with few intelligence reports—a considerable fault at a time when the Soviet leaders were becoming ‘less and less tractable.’²⁴⁵ The CIG also fell short in providing little in the way of long-range analysis of Soviet intentions, instead reporting on general Soviet tactics and opposition to German reunification.

²⁴³ However, the CIA benefited somewhat from the failure of the Department of State intelligence organization to play a critical role in early post-war crises. Acheson, *Present at the Creation*, p. 157. For a review of the beginnings of State Department’s intelligence program, see *FRUS, 1945-1950: Emergence of the Intelligence Establishment*, pp.180-229. By 1947, the State Department’s role in the intelligence community was already diminished.

²⁴⁴ The CIG was also plagued by the problem of intelligence duplication. Washington considered political reorganization as a means to avoid the waste and duplication they witnessed in the immense bureaucratic war machine. Yet Secretary of State James Byrnes insisted the State Department provide Truman with a daily intelligence summary, in addition to the daily summary provided by the CIG.

²⁴⁵ Truman, *Memoirs*, vol. 2, p. 121. (The *ORE 11/1* intelligence assessment on 8 April 1947 was the most comprehensive CIG assessment in 1947. See, *FRUS, The Emergence of the Intelligence Establishment*, p. 805.

From Birth to Berlin

It is the role of intelligence to winnow the extraneous data from the vital facts, and to set these facts in proper perspective, thereby providing the factual basis for high-level policy decisions affecting our national security. If we fail...we deliberately expose the American people to the consequences of a policy dictated by a lack of information. For we are competing with other nations, which have been building their intelligence systems for centuries.²⁴⁶—DCI Roscoe Hillenkoetter

Based on the blueprint of the Eberstadt Report, the Truman administration sought to restructure the US national security establishment in an attempt to more effectively coordinate a national security and defense establishment that could better integrate with the political, diplomatic and economic aspects of the government.²⁴⁷ In this effort to tighten up the coordination of American national security, the National Security Act was created to restructure the intelligence community with the formation of the Central Intelligence Agency on July 16, 1947.²⁴⁸

²⁴⁶ Roscoe Hillenkoetter, "Using the World's Information Sources," *Army Information Digest*, vol. 3, no. 11, November 1948, pp. 3-4. Hillenkoetter was sworn in as Director of the CIA on 1 May 1947.

²⁴⁷ The authors of the report, John Forrester and Ferdinand Eberstadt, were concerned with the rapid demobilization and hoped the report would spur debate over national security.

²⁴⁸ Brewster Denny, *Seeing American Foreign Policy Whole*, pp. 68-69. (Secretary of the Navy James V. Forrestal became the Secretary of Defense on 17 September 1947). The National Security Act established the basic framework for the post-war national security organization. It remains the most important piece of legislation passed by Congress on the subject of intelligence and national security. The Act has been amended several times but retains the basic tenets of 1947. Almost in sync with the United States' intelligence restructuring on 26 July 1947, the foreign intelligence directorates of the MGB and the GRU were combined to form a new Soviet foreign intelligence agency, the Committee of Information (KI).

The DCI's position, at least equal to the Under Secretaries of the departments, was one of the most important shifts to the organization of influence in Washington; and by Act of Congress, was also 'the equal of the Joint Chiefs of Staff among the advisers of the President and the National Security Council.'²⁴⁹ For its part, the NSC was called on to advise the President about national security issues. The NSC quickly became 'the most important forum in the government for discussing major intelligence proposals and formulating advice to the president on national security issues'—making it an advisory committee with unparalleled leverage over discussions within Washington.²⁵⁰ Reflecting on being involved with the drafting of the National Security Act of 1947, Clark Clifford, remarked, 'We were blazing a new trail.'²⁵¹ According to Secretary Dean Acheson, the NSC was an innovative policy tool in part because it was kept small and on task. In fact, aides and brief-carriers were excluded, 'making free and frank debate possible.'²⁵²

Avi Shlaim stresses that the National Security Council 'collectively played an increasingly important role in collating information from various sources and advising the President on national security aspects of the crisis.'²⁵³ Not everyone agrees with this assessment, however. Brewster

²⁴⁹ Arthur Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, p. 364.

²⁵⁰ Loch Johnson, *America's Secret Power: the CIA in a Democratic Society*, p. 14. The National Security Act also created a National Military Establishment. Later designated the Department of Defense by a 1949 amendment, the DOD eliminated separately run branches; alleviating duplication and confusion among previously existing departments and allowed the NSC to better coordinate overall security planning.

²⁵¹ *Church Committee Report*, Book I, p. 16.

²⁵² Dean Acheson, *Present at the Creation*, p. 733. The NSC consisted of the president, the vice-president, and the secretaries of state and defense. The nonmembers included the President's advisor on national security affairs, the DCI, and the Chairman of the JCS (a post not formalized until 1949 by the NSA amendment).

²⁵³ Avi Shlaim, *The United States and the Berlin Blockade*, pp. 410-411.

Denny argues that the NSC failed to play a ‘substantive policy role’ during the Truman administration.²⁵⁴ To what degree the NSC played a procedural or facilitative role remains debatable. Two points are clear, however. First, the CIA’s assessments of the world situation held ‘a telling force’ for the NSC’s agenda during the last months of 1947 and 1948.²⁵⁵ Second, the increasing contribution made by the NSC, of which the DCI was an advisory member, underpins the central place the CIA held in the decision-making process.

The CIA’s first monthly intelligence report, “Review of the World Situation as it Relates to the Security of the United States,” was issued on September 26, 1947 for the NSC’s first meeting. Agency analysts reasoned that, although the USSR was capable of overrunning Europe and Asia, it was unlikely to resort to open military aggression at that time. On the issue of Soviet intentions, the CIA argued that economic recovery in Europe was the key to restraining the USSR. However, the paper stipulated that if the USSR was to exercise its ability to overrun Europe or Asia, ‘the ultimate danger to the United States would be even greater than that threatened by Germany or Japan.... Thus the balance of power which restrained the U.S.S.R. from 1921 to 1941 has ceased to exist.’ The report surmised that, since the destruction of Europe in WWII, the only effective counterpoise to

²⁵⁴ Brewster Denny, *Seeing American Foreign Policy Whole*, p. 180.

²⁵⁴ *Ibid.*, p. 165.

²⁵⁵ Sarah Sale, *The Shaping of Containment: Harry S. Truman, the National Security Council, and the Cold War*. Saint James, New York: Brandywine Press, 1998, p. 33. Sale argues that by coordinating political and military objectives, the NSC was able to provide an early framework for Truman’s containment counteroffensive.

the power of the Soviet Union was that of the United States, but analysts cautioned that US power was ‘both latent and remote.’²⁵⁶

However, the paper stated a compelling reason why the Soviet Union would not resort to war. As long as Europe was at risk of an economic collapse, analysts reasoned, there was little reason for USSR to wage war because there still existed favorable prospects of exerting its influence, particularly while Germany remained in acute economic distress. So the greatest present danger to the US security rested, not in Soviet military strength and the threat of armed aggression, but in the possibility of an economic collapse of Western Europe. Analysts concluded, then, that Soviet policy was ‘to avoid war with the United States.’²⁵⁷

In late September 1947, while on vacation with Vyacheslav Molotov, Stalin created the Information Bureau of Communist Parties, the Cominform. This signaled a marked shift in the international situation because, according to the authors of *Inside the Kremlin's Cold War*, it formally signaled ‘the beginning of a new and often brutal Soviet policy: The consolidation of the Soviet sphere of influence in Eastern Europe.’²⁵⁸ This new policy was, according to David Holloway, ‘a move in the war of nerves, an attempt once again to disabuse the United States of the idea that it could gain political advantage from the bomb.’²⁵⁹ For Washington, this

²⁵⁶ CIA, “Review of the World Situation as it Relates to the Security of the United States,” 26 September 1947.

²⁵⁷ Ibid. The day following the report, the Kremlin established the Communist Information Bureau, signaling the start of the Stalinization of the East European Communist Parties.

²⁵⁸ Vladislav M. Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War*, pp. 110-111. However, the Cominform was designed to reach beyond Eastern Europe.

²⁵⁹ David Holloway, *Stalin and the Bomb: The Soviet Union and Atomic Energy 1939-1956*, p. 258.

shift in Soviet policy caused concern about the potential for a marked increase in hostility throughout Europe.

Like the Central Intelligence Agency, Truman's Policy Planning Staff issued assessments aimed at these concerns. On November 6 George F. Kennan drafted a memorandum, *PPS 13, Résumé of World Situation*, which stated, 'The danger of war is vastly exaggerated in many quarters. The Soviet Government neither wants nor expects war with us in the foreseeable future. The political advance of the communists in Western Europe has been at least temporarily halted. This is the result of several factors, among which the prospect of U.S. aid is an important one.' At this point, the Policy Planning Staff appears to have shared the CIA's explanation for its analysis of the developing crisis. At least on the issue of Soviet intentions and behavior, the CIA's earliest analysis was compatible with Kennan's concerns.²⁶⁰

PPS assessments also appear to have maintained a degree of faith in the quadripartite meetings, but, at the same time, were realistic about Soviet subversion and intransigence in Germany. 'All in all, our policy must be directed toward restoring the balance of power in Europe and Asia. This means that in the C.F.M. meeting we must insist on keeping Western Germany free of communistic control'²⁶¹ because, the PPS argued, the Soviets 'might well try to get us out of western Germany under

²⁶⁰ *FRUS: 1947*, vol. I, pp. 772-77.

²⁶¹ However, a previous CIA assessment on Soviet restraint on October 3 included a grim assessment of quadripartite cooperation. The analysis maintained that Soviets plans included the expulsion of the Allied powers and would continue taking action at their expense. 'Although the USSR does not intend, initially, to risk compelling the other powers to evacuate Berlin, quadripartite government will become even less of a reality than it is now.' CIA, *Weekly Summary*, "Eastern Europe," 3 October 1947.

arrangements which would leave that country defenseless against communist penetration.’ If this should happen, the PPS pessimistically cautioned that the United States should ‘proceed to make the best of a divided Germany.’²⁶²

Having said this, however, Kennan’s early influence was also responsible for reinforcing much of the prickly Cold War rhetoric.²⁶³ In pointing out the implacable hostility of Soviet policy, Kennan stressed that the Kremlin’s motivations were fundamentally tied to a need to legitimize domestic policies through external threats. More importantly, his position stressed that the Soviet government was a ‘political force committed fanatically to the belief that with the United States there can be no permanent *modus vivendi*, that it is desirable and necessary that the internal harmony of our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken, if Soviet power is to be sure.’²⁶⁴

Understanding Kennan’s mindset is also helpful in placing his influence in the context of both policy formation and early Cold War intelligence efforts. After all, Kennan had spent a few weeks consulting with the recently established CIA about information gathering in the Soviet Union and had spent a month on its payroll as a ‘special consultant’ to General Hoyt Vandenberg while it was still being formed. During this time, Kennan urged Truman that normal channels of information gathering

²⁶² *FRUS: 1947*, vol. I, pp. 772-77. See also, *The Forrestal Diaries*, p. 454.

²⁶³ For more on Kennan’s influence, see Barton Gellman’s *Contending With Kennan: Toward a Philosophy of American Power*, New York: Praeger, 1984.

²⁶⁴ George Kennan, “Moscow Embassy Telegram #551,” in Etzold and Gaddis, *Containment: Documents on American Policy and Strategy, 1945-1950*, p. 61.

in the Soviet Union were inadequate and even dangerous to US security. Kennan considered it the ‘clear duty of the various interested agencies of our government to determine at once in Washington the measures which our government should take to obtain information with respect to Soviet progress in atomic research.’²⁶⁵

Truman’s own assessments further underscore the difficulty in fleshing out the complexity of conflicting perceptions and receptivity of policymakers. Alexander George argues that Truman often saw the USSR as ‘a wily adversary—deceitful, to be sure, but also unstable and, worst of all, unpredictable!’ The President also believed that Moscow was inclined to risk a military incident during the crisis to test US firmness and patience. George highlights these inconsistencies:

In his view it was possible that Soviet leaders might even be looking for a pretext to begin a war. Thus, different images of the Soviet opponent among American policymakers at this time produced divergent perceptions not only of Moscow’s intentions and its willingness to accept high risks, but also of the utility and risks of different measures the United States might take to maintain itself in West Berlin.²⁶⁶

The CIA’s November 19 *Daily Summary* touched upon the subject of Soviet tactics referred to by the PPS. Although credible sources

²⁶⁵ Walter Isaacson and Evan Thomas, *The Wise Men*, pp. 328, 373. However, in Germany, the State Department did not consider it an opportune time to employ covert/psychological operations. Kennan was particularly cautious and did not even want to distribute propaganda, for fear of inciting the Soviets. According to Hillenkoetter, Kennan did not wish to hurt ‘the Russian feelings.’ (R.H. Hillenkoetter to A.B. Darling, 2 December 1952. Quoted in Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, p. 263).

²⁶⁶ Alexander George, *Presidential Decisionmaking in Foreign Policy*, p. 70.

confirmed that a Soviet state was imminent in the eastern zone, analysts asserted that, in an attempt to create a separate communist state, the USSR might take ‘possible subsequent applications as retaliatory measures.’²⁶⁷ This pointed to a deeper dimension to the East-West standoff, suggesting Soviet actions were less provocative than reactive. On this issue, the Policy Planning Staff and the CIA were in agreement. The summary went on to suggest that Soviet intentions might not include provocative actions against the Western powers, but instead, that the USSR was prepared for a protracted low-level standoff over Germany.

A *Weekly Summary* later that month argued that, considering the failure of the Moscow Council of Foreign Ministers, there was no reason to believe that subsequent international meetings would result in any change of the Soviet position on issues concerning Germany. Even on minor matters, argued analysts, the USSR had failed to indicate the slightest adjustment of Soviet aims and objectives. The report also predicted that these objectives at the London CFM in November-December 1947 would basically be the same as those pursued at the Moscow conference, because fundamentally, the Soviet Union’s goal was, according to CIA analysts, ‘to communize Germany as an essential step in a plan to extend Communist control over all Europe.’²⁶⁸ On this issue, the *Weekly Summary* points out the significant shift of Soviet tactics once the Kremlin had determined that its objectives in Western Europe were unobtainable:

²⁶⁷ CIA, *Daily Summary*, “Germany: Soviet State in Eastern Zone Reported Fully Prepared,” 19 November 1947. CIA Electronic Reading Room.

²⁶⁸ These objectives included economic reparations, four-power control of the Ruhr, and an all-German government capable of negotiating a peace agreement with the Allies.

...The Kremlin directed its efforts toward keeping the Soviet Zone in Germany economically sealed off from Western Europe. Such a policy was designed to reduce western Germany to a social and economic morass and was supported by the conviction that the US would inevitably have a severe depression which would force the abandonment of European commitments.²⁶⁹

To the CIA, the London meetings, while unsettling, actually provided further evidence that the Kremlin was not instigating an armed confrontation, but instead, encouraging conditions that would precipitate an economic depression in Western Europe. The failure of the meeting also reinforced the growing belief that a separate West German state could be created.

By the end of 1947 the CIA had concluded that the successive failures of the international meetings would serve as a trigger for Soviet provocations.²⁷⁰ In a memorandum to President Truman on December 22, DCI Roscoe Hillenkoetter stated that, in light of the breakdown of the CFM in London, the USSR would probably use every means short of armed force to compel the Western powers to leave the city. Hillenkoetter suggested that this failure of diplomacy had ‘probably been caused in large measure by the firm attitude of US officials in Berlin.’ ‘Soviet response,’ he reasoned, ‘will be timed to follow overt allied implementation of the

²⁶⁹ CIA, *Weekly Summary*, “The London CFM Conference,” 21 November 1947. CIA Electronic Reading Room.

²⁷⁰ On December 12, NSC Intelligence *Directive No. 1* authorized the CIA to take the lead in the production of intelligence and the coordination of intelligence activities. In reality, however, the CIA had been engaged in these activities from the very beginning. *Directive No. 1* also charged the DCI with directly advising the NSC on matters of national security.

London decisions....’ Among the possible responses listed in the report was the implementation of a blockade of Western traffic and communications.²⁷¹

January to March 1948

Let’s make a joint effort—perhaps we can kick them out.²⁷²—Joseph Stalin

At no point was the CIA’s influence more critical than during the early months of 1948.²⁷³ As the crisis heated up, the political pressure in Germany continued to mount. For either side, there was little remaining desire for compromise, particularly as it became evident that US economic

²⁷¹ Hillenkoetter to Truman, *Memorandum*, 16 March 1948, *FRUS 1947*, vol. II, pp. 905-908. This assessment of the CFM breakdown was also issued from the CIA in its *Special Evaluation No. 23*, “Possible Soviet Action in Berlin as a Result of the CFM Breakdown,” 23 December 1947. FOIA Request.

²⁷² *Stalin to SED leader, William Pieck*, March 26. Stalin weighed carefully the warnings that if the Soviets could not expel the Western allies from Berlin that the next elections could end in a humiliating defeat. “Transcript of Meeting between Stalin, W. Pieck and O. Grotewohl,” 26 March 1948, APRF, f. 45, op. 1, d. 303, p. 34; cited by Mikhail Narinsky in “The USSR and the Berlin Crisis, 1948-1949,” a paper presented at the conference “The Soviet Union and Europe in the Cold War, 1943-1953,” Cortona, Italy, 23-24 September 1994, p. 14.

²⁷³ The CIA faced a number of bureaucratic challenges in early 1948. The most far-reaching was the Dulles-Jackson-Correa Committee Report (formed on January 13—less than six months after the creation of the CIA!) The authors of the report harshly criticized the effectiveness of the CIA and on the ‘relationship activities to those of other intelligence organs of the government.’ Allen W. Dulles, *The Craft of Intelligence*, New York: Harper & Row Publishers Inc., 1963, p. 12. The three-member team of the committee included Allen Dulles (OSS officer during Roosevelt’s administration and later the director of the CIA under Eisenhower), William H. Jackson (served in military intelligence during World War II), and Mathias F. Correa (special assistant to the Secretary of the Navy, James Forrestal). The report was most critical of the CIA’s Office of Reports and Estimates. The report targeted four problems: 1) intelligence was initially envisaged as a coordinating mechanism for other spy agencies charged with collection, 2) intelligence was slow to develop independent collection capabilities, 3) bureaucratic entanglements, and 4) intelligence was slow to add additional responsibility of covert operations.

aid was contributing significantly to the restoration of self-confidence in Europe. Emboldened by recent successes, US officials seemed more eager to openly counter Soviet moves in Western Europe. Discontented with the impasses of diplomacy, the Western powers excluded the Soviet Union from the London Conference of the Council of Foreign Ministers (February through June 1948). The State Department had come to the conclusion that it would be better to divide Germany and further sour ties with the Soviets than to risk the ongoing plans for stabilizing and integrating western Germany. As a result, two bold proposals were made at the conference: to create a West German state and to institute currency reform.

For the Soviet Union, however, these proposals were unacceptable. In response, the Kremlin ordered its delegates to walk out of the Allied Control Council in response to the proposals, shifting Soviet policy more decisively toward a 'blocist definition.'²⁷⁴ On January 20, Marshal Sokolovsky, ordered by the Kremlin, rejected outright US proposals for currency reform within occupied Germany. After consulting East German leaders, the Soviet premier decided to initiate measures designed to force the Western powers out of Berlin over the course of 1948, while at the same time stepping up security for various military exercises inside its eastern zone.²⁷⁵

As the crisis deepened, CIA assessments continued with a moderate tone at a time when senior US military commanders were showing signs of

²⁷⁴ William O. McCagg, Jr., *Stalin Embattled, 1943-1948*, Detroit: Wayne State University Press, 1978, p. 291. McCagg notes that 'blocist' treaties already existed with Poland and Czechoslovakia.

²⁷⁵ William R. Harris, "The March Crisis of 1948, Act I," *Studies in Intelligence* (1966), p. 3. This increase in activity had been evident since the replacement of the Soviet Military Governor, Marshal Georgy Zhukov, by the uncompromising Marshal Vassily Sokolovsky in March 1946.

potentially reactive behavior. In January 1948, Army Secretary, Kenneth Royall, sent a warning to Secretary of Defense, James Forrestal, about the possibility of either direct military action or the imposition of ‘administrative difficulties’ by Soviet authorities in Berlin, and the Soviet refusal to participate in the Allied Control Council once plans for the integration of the western zones became known.²⁷⁶ CIA predictions were spot on. The Soviets began to interfere with rail traffic to Berlin from the Western zones at the beginning of the year.

By the end of February, the situation in Europe further deteriorated. Assured of Western complacency, members of the Soviet-backed regime in Czechoslovakia imprisoned opposition leaders in a successful attempt to end democracy.²⁷⁷ The *coup d'état* effectively strengthened Soviet control in Eastern Europe by removing the last remaining non-communist leader and created a war scare in Washington. Gaddis makes two important points about the situation in Czechoslovakia. First, the takeover in Prague accelerated plans by the West to consolidate their occupation zones in Germany and to proceed toward the formation of an independent West German State. Second, Washington believed that further Soviet successes would embolden the Kremlin and push the United States to take on ‘direct military responsibilities’ for defending the remaining segments of Europe

²⁷⁶ Secretary of the Army to the Secretary of Defense, *Memorandum*, “U.S. Courses of Action in Event Soviets Attempt to Force U.S. Out of Berlin,” 19 January 1948. See, Kenneth W. Condit, *The History of the Joint Chiefs of Staff, vol. II, 1947-1949*, Wilmington, Michael Glazier, Inc., 1979, pp. 129-130.

²⁷⁷ By this time, Kennan had outlined the main problems from the standpoint of US policy in Germany, suggesting solutions for combating Soviet domination. See, *PPS 23*, “Review of Current Trends: U.S. Foreign Policy,” 24 February 1948. *FRUS: 1948*, vol. I (part 2), pp. 510-12, 515-21. Alarmed by events in Czechoslovakia, five West European countries later signed the treaty of Brussels, establishing the West European Union (March 17). Although a European response to communist elements, the Union was, nevertheless, largely strengthened by US support.

outside Soviet control.²⁷⁸ This line of reasoning makes sense since Joseph Stalin had strengthened his grip on Germany by 1948 by ordering a progressive tightening of a blockade around Berlin.

In addition to communist inroads elsewhere in Europe, the developing crisis in Berlin was becoming increasingly explosive if for no other reason than the close proximity of the Western and Soviet ground and air units; and because so much of the decision-making was delegated to the military commanders on the ground—further increasing the chances for miscalculations. In fact, General Clay neither requested nor received permission from Washington to begin the airlift. But was the CIA more in tune with decision-making in Washington than the military commanders on the ground? It was. In part because of the CIA's assessments, Washington could be relatively certain that what they faced in Berlin was not a military but a political challenge. Christian Ostermann points out in *US Intelligence and the GDR: The Early Years* that, unlike OMGUS (Office of Military Government of the United States for Germany), which had warned Washington in early March that war might be imminent, the CIA argued 'more cautiously and ambiguously' that mounting tensions with the Soviets could be settled outside military means.²⁷⁹

²⁷⁸ John Lewis Gaddis, *We Now Know*, p. 47.

²⁷⁹ Christian Ostermann, "US Intelligence and the GDR: The Early Years," in Heike Bungert, *et al*, *Secret Intelligence in the 20th Century*, London: Frank Cass, 2003, p. 132. Ostermann's assessment, while dealing specifically with US intelligence and the GDR points out, when applicable, the CIA's broader contribution during the Berlin Crisis—that Soviet tactics, although menacing, were an unlikely indicator of an attack against the West.

In comparison, General Lucius D. Clay's assessments had the potential of being one of the most destabilizing influences in Germany.²⁸⁰

On March 5, General Clay cabled a telegram from Germany warning Washington that a war with the Soviet Union might come suddenly:

For many months, based on logical analysis, I have felt and held that war was unlikely for at least ten years. Within the last few weeks, I have felt a subtle change in Soviet attitude which I cannot define but which now gives me a feeling that it may come with dramatic suddenness. I cannot support this change in my own thinking with any data or outward evidence in relationships other than to describe it as a feeling of a new tenseness in every Soviet individual with whom we have official relations. I am unable to submit any official report in the absence of supporting data but my feeling is real.²⁸¹

Truman appears to have taken the warning seriously. The following day, he went before a joint session of Congress and warned that the Soviet Union threatened disaster. Overall, though, Truman faced the crisis with 'notable caution and firmness.'²⁸² On reading the cable, CIA's Berlin Operations Base was more surprised by Clay's certainty of Soviet

²⁸⁰ The US military had other confrontational 'Cold Warriors' who threatened to serve as destabilizing forces, notably Air Force General Curtis LeMay and Army General Douglas MacArthur.

Walter Laqueur notes, however, 'The possibility of Soviet military attack overshadowed all other issues facing U.S. intelligence for many years after the war. Perhaps the first to sound the tocsin (in 1948) was General Lucius Clay.' See, Walter Laqueur, *A World of Secrets: The Uses and Limits of Intelligence*, p. 118.

²⁸¹ Lucius D. Clay, *Decision in Germany*, Garden City, NY: Doubleday and Company, 1950, p. 354. In addition to the oval office, Clay's cables would have certainly been read in the crisis room communications center on the fifth floor of the State Department.

²⁸² David McCullough, *Truman*, p. 630.

extremity. Only after two senior intelligence officers visited Clay's intelligence chief did the Office of the US Military Governor in Germany concur that, although future Soviet aggression was likely, war itself was unlikely.²⁸³ Clay quickly attempted to distance himself from any perception that he might have been 'war mongering.' In a memorandum to Maj. Gen. Floyd Parks, Clay referenced the immediate danger of war with Russia: 'I wish to emphatically record that I have never made any statement with reference to circulating war danger threats....'²⁸⁴

Although his March telegram was merely a report on his "mind-set" at the time, General Clay, nevertheless, caused a great deal of anxiety in Washington, particularly at the Pentagon. In his initial response to the telegram, Secretary of the Army, Royall, asked how long it would take to get a number of atomic bombs to the Mediterranean, should the Soviets initiate military action.²⁸⁵

In light of Clay's cable and the announcement the following day that the West had reached a preliminary agreement on the formation of a West German state, the Chairman of the Joint Chiefs of Staff, Omar N. Bradley, requested the CIA's Office of Reports and Estimates draft a memorandum that might provide the President with an estimate of the

²⁸³ This opinion was generally shared throughout Western intelligence organizations stationed in Europe. Harris, "March Crisis," pp. 16-17. On March 12, a poll of intelligence officers in Germany reflected a near consensus that the Soviet Union was not ready for war with the West.

²⁸⁴ "Clay to Parks," 3 March 1948. *The Papers of General Lucius D. Clay: Germany 1945-949*, Ed. Smith, Jean Edward, vol. 2, Bloomington: Indiana University Press, 1972, p. 564. Parks was chief, Public Information Division of the Army.

²⁸⁵ William Harris, "March Crisis," p. 8.

likelihood of an escalation in Europe that would lead to war.²⁸⁶ Meeting for the first time on March 13 (under the chairmanship of the CIA's DeForrest Van Slyck) the *ad hoc* committee buckled down and began to draft its assessment of Berlin. G-2 (US Army intelligence) drafted an estimate that called for general mobilization and increasing the alert status of the army. Its draft, "Estimate of the World Situation," went on to warn:

The risk of war is greater now...than was the case six months ago...war will become increasingly probable.... The Soviet Armed Forces...overshadow the whole of Europe and most of Asia.... The United States has no forces in being which could prevent the Soviet [sic] overrunning most of Eurasia.... Present forces...are incapable of offering more than a weak and unorganized delaying action in any of the likely theaters.²⁸⁷

After considerable difficulty, the only remaining dissent in Hillenkoetter's report rested with the contributing military representatives' refusal to agree to a direct statement that a war was unlikely. (However, the Intelligence Advisory Committee would not agree to the estimate when

²⁸⁶ In response to the Soviet threat in Germany, the Joint Chiefs of Staff called for an extensive rearmament of Western Europe. Upon reading Clay's cable, Thomas Inglis, Director of Naval Intelligence, suggested that Hillenkoetter's CIA was designed for such estimates and should prepare an ad hoc committee to study the situation in Germany. See, Harris, 'March Crisis,' p. 8.

²⁸⁷ William Harris, "March Crisis," pp. 16-17. Donald P. Steury points out that a consensus between the other intelligence and senior policy officials was, 'to say the least, elusive.' See, *On the Front Lines of the Cold War*, p. 132. We must also be careful not to treat the CIA as a completely homogenous institution; and we must assume that there existed different views from within the CIA. Unfortunately, the archives provide little information on CIA intentions or on internal dissent.

presented with the committee's conclusions).²⁸⁸ By concluding that war was improbable for *at least* the next 60 days, the CIA helped to allay the sense of immediacy caused by Clay's earlier assessment. The Agency's report of short-term projections also placed Soviet actions into the much broader context of the strengths and weaknesses of overall Soviet strategic posture. The key to the committee's success, argues Steury, was the CIA's ability to 'exert intellectual authority over a process that closely involved the departmental agencies.' The result, he argues, was 'a much more balanced estimate that gave due weight to the restraints operating on Soviet military power,' while acknowledging the undoubted preponderance of Soviet military power in Europe.²⁸⁹ Moreover, the formation and successful deliberation of the *ad hoc* committee demonstrated that senior policy officials were already testing the CIA as a useful voice on which to help base key policy decisions during times of crisis.

After reviewing the committee's report, the President demanded answers to three urgent questions:

- 1) Would the Soviet Union deliberately provoke war in the next 30 days?
- 2) Within the next 60 days?
- 3) In 1948?²⁹⁰

The CIA responded to each of these questions in a March 16 memorandum.²⁹¹ The report advised the President that, based on the

²⁸⁸ The *ad hoc* committee struggled to reconcile bureaucratic rivalries that were sharpened by dissent.

²⁸⁹ Donald Steury, "Origins of the CIA's Analysis of the Soviet Union."

²⁹⁰ The IAC also drafted a report based on the three questions, in agreement with the CIA on the first two, but deferring its answer to the third.

weight of logic and evidence, the Soviet Union did not intend to resort to military action for the next sixty days. However, analysts pointed to the ‘ever present possibility that some miscalculation or incident may result in military movements toward areas, at present unoccupied by the USSR.’²⁹² This timely report that war was not probable within sixty-days provided a real analytical counterweight to Clay’s telegram.

A report on Soviet Pressure on Berlin argued that, following the London decisions the USSR would intensify its campaign to oust the Western powers from Berlin.²⁹³ The paper also listed the most urgent dangers facing the Western position in Germany, of which it warned against any ‘tendency towards war hysteria or lack of firmness and patience on the part of US officials in Berlin.’ Analysts concluded that the USSR, therefore, would probably use every means short of armed force to compel these powers to leave the city. Only the greatest determination and tact on both sides,’ urged the CIA, ‘could prevent a serious incident from deteriorating beyond control of the Berlin authorities.’²⁹⁴ Interestingly, Avi Shlaim suggests that these appraisals would not have been particularly reassuring for Truman (perhaps because the outbreak of violent provocation could not be ‘confidently ruled out’); but he grants that the March 16, 1948 reports were on firm ground and helped to calm tensions that had been

²⁹¹ On that same day, Hillenkoetter issued another memorandum reassuring the President that reinstating a draft would not cause the USSR to resort to military action within the next 60 days. Marshall, Lovett and Forrestal had been calling for a draft since the Czech crisis.

²⁹² CIA, “Memorandum for the President,” 16 March 1948.

²⁹³ Just six days before the report was issued, V.D. Sokolovsky declared that all further discussion about Western policy in Germany was useless.

²⁹⁴ This report stemmed from an internal memo from ORE dated 12 March- it was attached to the 16 March report.

steadily building in inter-Allied relations.²⁹⁵ Former DCI, Admiral Stansfield Turner, concludes that the tension raised by Clay's telegram was eased by the CIA's analysis.²⁹⁶

The CIA went on to issue additional reports during March within a similarly cautious framework. On March 17, analysts stressed that it did not believe that the USSR planned a military venture in the immediate future in either Europe or the Middle East.²⁹⁷ This view contrasted sharply with *Time* magazine's lead story on March 21 that reported: 'All last week the halls of Congress, on the street corners, U.S. citizens had begun to talk of the possibility of war between the U.S. and U.S.S.R.'²⁹⁸

Even when, days later, the Soviet delegates walked out of the Allied Control Council and the CIA received reports of the USSR tightening the borders in Germany, and that the closure of these borders 'may be imminent.' Analysts believed that these moves were not necessarily overtures for any armed conflict.²⁹⁹ The overall perceptiveness of this analysis is significant, since these events were too often seen as explosive triggers. For Truman, these events did not simply formalize what had, for some time, been an obvious fact; namely, that the four-power agreements

²⁹⁵ Avi Shlaim, *The United States and the Berlin Blockade*, pp. 113, 126.

²⁹⁶ Stansfield Turner, *Burn Before Reading*, p. 58.

²⁹⁷ CIA, "Turks fear War May Be Imminent," 17 March 1947. CIA Electronic Reading Room.

²⁹⁸ *Time*, 21 March 1948.

²⁹⁹ The walkout was followed by two weeks of large-scale exercises by police and Soviet ground forces in the eastern sector, designed to alert Allied observers that the Soviets were preparing to undertake some undefined military action.' Harris, "The March Crisis of 1948, Act I," p. 13. CIA, "USSR May Close Eastern Zone Border," 27 March 1947.

had become unworkable—They signified ‘the curtain-raiser for a major crisis.’³⁰⁰

The situation in Berlin took a dramatic turn on the last day of March when the Soviet Deputy Military Governor, General Dratvin, notified the US military government in Berlin that, beginning April 1, the Soviets would check all US personnel passing through their zone.³⁰¹ Although only a partial blockade of Berlin, the announcement signified the beginning of an escalation of continual provocations deliberately manufactured to block the Western consolidation of Germany and place Washington on the defensive.

Similarly, General Clay considered this egregious challenge a direct affront to the US position. Avi Shlaim points out that Clay was convinced that the Russians would back down if put to the test and grew impatient when permission for his plans was not immediately granted.³⁰² And although he requested full instructions from Washington, the Military Governor intended to instruct his train guards to open fire if Soviet soldiers attempted to board the trains. Clay argued that such a firm response was necessary because, unless the US took a firm line, life in Berlin would become impossible. ‘A retreat from Berlin at this moment would,’ in his opinion, ‘have serious if not disastrous consequences in Europe. I do not believe that the Soviets mean war now. However, if they do, it seems to

³⁰⁰ Harry Truman, *Memoirs*, vol. 2, p. 122.

³⁰¹ For the full text of this note, see *The Papers of General Lucius D. Clay*, vol. 2, pp. 600-601. Clay forwarded Dravit’s note to Washington for Forrestal, Royall, and Lovett to study.

³⁰² Avi Shlaim, *The United States and the Berlin Blockade*, p. 123.

me that we might as well find out now as later. We cannot afford to be bluffed.³⁰³

Midway Conclusions

As it became clearer that the Soviet Union was making Germany a major test of US political commitment, Berlin was shaping up to be the biggest battleground of the Cold War. Even as the crisis began to reach its most critical stage, most American policymakers refused to take seriously the possibility of a blockade, despite mounting tension and the recent Soviet imposition of a temporary blockade of Western ground traffic to the Berlin. We now know that Stalin had crudely justified gradually imposing a blockade in Berlin by reasoning that since the Western partners had violated the joint, four-partite administration in Germany, why should Stalin not be able to do the same in the Soviet zone?³⁰⁴ By the end of March 1948, General Clay and most senior policy officials in Washington were more inclined to believe that what they faced was not a threat of war but a political challenge to their presence in Berlin. This broad conclusion would have proved more difficult without the CIA's assessments of the developing crisis.

³⁰³ "Clay to Bradley," 31 March 1948, *Leahy Diary*, Papers of Admiral William D. Leahy, Library of Congress Archives. Clay immediately stationed armed guards on the trains to challenge Soviet attempts to board.

³⁰⁴ Vladislav M. Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War*, p. 51.

In many respects, the nascent spy agency was the “calmest voice in the choir.” Intelligence had correctly surmised that the Soviet Union wanted to avoid a war with the United States, while also concluding that the Kremlin would remain antagonistic and opportunistic in Europe, particularly in East Germany. Analysts also correctly perceived the Kremlin as intent on exploiting Germany economically and tightening its control politically. While recognizing these antagonistic actions; the CIA cautioned that the USSR did not desire an armed conflict with the West.

Certainly on the issue of Soviet intentions in Germany, CIA reports were most useful, helping senior policymakers better understand alarming events in more realistic, less alarming terms. As the crisis deepened, the CIA had increasing relevance for policymakers in Washington and could even be credited with providing policymakers with the reassurance that, barring any miscalculations; the situation would not escalate into a war. Additionally, its guiding hand helped to prevent a further military buildup in Europe—a far-reaching effect at a time when the Pentagon was drafting plans for an eventual showdown with the Soviets.

Chapter IV

The CIA and the *De Facto* Partition of Berlin

Four years of increasingly purposeful effort had brought the beginnings of recovery in Western Europe and produced dangerous action farther east, of which the most ominous was the blockade of Berlin.—Dean Acheson³⁰⁵

Preface

By mid-spring the crisis was in crescendo—with increasing day-to-day problems. The economic conditions in Berlin were only beginning to improve while the political situation was becoming increasingly inflexible. In the Soviet sector, wartime reparations demands continued to strain the local population. In the British, French and US sectors, agricultural production in the western regions of Germany was of particular concern to the American leadership. Well into 1948, the caloric ration levels for West Berliners remained at ‘the absolute minimum from which any substantial economic recovery may be expected.’³⁰⁶ Curtis E. LeMay, described conditions in Berlin:

Everyone coming cold into Germany during that period [before the currency reform] shuddered at the trance-like conditions...the Germans were still in a state of utter shock. They looked like zombies, like the walking

³⁰⁵ Dean Acheson, *Present at the Creation*, p. 259.

³⁰⁶ “Clay to Bradley,” 18 March 1948, *The Papers of General Lucius D. Clay: Germany 1945-949*, vol. II, pp. 583-584. Short fuel supplies also threatened economic recovery.

dead. There was an eternal nothingness about the place: nothing happening, no work going on; nothing much to eat at home. People sat and stared. The place was bewitched.³⁰⁷

Above all this, the task of administering the isolated sectors was placing considerable strain on the quadripartite relationship in Germany, leading to the final breakdown in diplomacy.³⁰⁸ As the crisis deepened, policymakers were faced with three possible courses of action: to fight, to leave Berlin or to find some middle ground and somehow make a stand against the Soviet clamp down. However, there existed a number of broad concerns for policymakers to consider: How far would the Soviets probe the West? Would the Soviets miscalculate US actions/reactions? How might the Soviets react if they felt trapped? And, if faced with a humiliating situation, would the USSR retaliate?

Despite the weight of these pressing questions, the Soviet Union's challenge to the Western partition of Germany and its tight control over East Germany should not have come as any great surprise. Still, lingering fears of a major armed conflict were stirred by the suddenness and brazenness of the Kremlin's actions, so that by the spring of 1948, the confidence that the Soviet Union would not actually resort to armed aggression in the near future was severely shaken. Russell Jack Smith describes Washington's anxiety as the Soviets steadily tightened their hold

³⁰⁷ Curtis LeMay, *Mission With LeMay*, p. 401. LeMay was no stranger to the ravaging effects of war's destruction. The General was commander of the bomber group responsible for the low altitude fire bombings of Tokyo and the atomic devastation of Hiroshima and Nagasaki.

³⁰⁸ General Clay believed that further comment on the issues seemed 'superfluous.' Quoted by the US Political Adviser for Germany, Robert D. Murphy. See, "Murphy to the Secretary of State," 1 February 1948." *FRUS 1948*, vol. II, p. 871.

on Eastern Europe and their sector of Berlin:

A very considerable segment of official Washington spoke frequently of the ‘Russian timetable for world domination’ and expressed the view that the only real question was *when* the Soviet armies would launch their attack and sweep across Europe.³⁰⁹

This principal concern, more than any other, was what made the CIA’s assessments so crucial during this time.³¹⁰

Questions and Thesis Statement

Like the previous segment of this case study, this chapter is divided into three main sections. First, a brief historical background will provide some context for America’s foreign policy objectives and the different factors which influenced policy decisions. This is helpful for a proper understanding of how the CIA contributed to the dialogue on national security—both by providing additional warning and, once the crisis was at hand, by providing a guiding hand that was designed to moderate policy decisions.

Second, the central and most dramatic phase of the crisis will be dealt with. The chapter will focus on these central questions: First, how well did the CIA read Soviet intentions and how effectively did it read the

³⁰⁹ Russell Jack Smith, *The Unknown CIA*, p. 43.

³¹⁰ David Holloway reminds us that the Berlin blockade was the first nuclear crisis of the Cold War. See, *Stalin and the Bomb: The Soviet Union and Atomic Energy 1939-1956*, p. 258.

crisis? In other words, what actions did the CIA believe were necessary to make certain Germany remained independent from the USSR, without provoking direct Soviet military retaliation? Second, how accurate were its warnings and assessments? The chapter will show that the CIA's cautious position was intended to have a moderating influence designed to help reassure policy officials that Soviet overtures and risk-taking in Germany were largely opportunistic in nature. The chapter will also demonstrate that, beyond its intentions to moderate the potential for more extreme behavior, CIA assessments were carefully worded to adjust the perceptions of many government officials, especially within the Pentagon, who argued that Germany, vis-à-vis Berlin, was a powder keg but not strategically viable for the United States.³¹¹ On this issue, the chapter will demonstrate that, given the potential explosiveness of the military's influence during the decision-making process, the CIA's assessments were an important voice during this phase of the crisis. Since government officials often determined what immediate course of action would take place on the ground, the mindset of General Clay (as well as LeMay, Forrestal and Royal) must be considered as more than a mere side note. In an attempt to place these difficult, but important questions into context, the chapter summary will provide conclusions about why the CIA's analysis of the crisis mattered.

Finally, this chapter will challenge assertions, like Melvyn P. Leffler's, that the CIA was hamstrung in its efforts because analysts were bogged down with daily reports and unable to look at the larger policy

³¹¹ Alexander George notes that over the question of defending the Western outpost of Berlin that lay deep in Soviet-occupied East Germany, 'officials within the administration were badly divided.' See, *Presidential Decisionmaking in Foreign Policy*, pp. 75-76.

issues to effectively provide estimates and suggestions.³¹² Similarly, intelligence historian Donald Steury concludes that throughout 1948-1949 the CIA's analytical branch was 'handicapped by a consistent lack of reliable information on Soviet intentions and capabilities.'³¹³ To be sure, analysts often based assessments on State Department and Defense Department information, even, at times, having to heavily rely on logic and common sense. However, intelligence collection in Germany was actually quite remarkable. Intelligence historian Paul Maddrell's expert and thorough study of Western covert operations and intelligence collection in postwar Germany argues that a great deal of information was flowing in from Soviet defectors, Nazi POWs and German agents, with some limited success at covert operations. Maddrell also demonstrates that the Berlin base was confident in their network because it had multiple agents in Germany, many of them Germans.³¹⁴ Tim Weiner also points out in *Legacy of Ashes* that the CIA even had agents among Berlin's police and politicians and a line into the Soviet intelligence headquarters at Karlshorst in East Berlin.³¹⁵

It should be remembered, however, that the CIA faced early obstacles in its covert actions in Europe. Perhaps most importantly was Hillenkoetter's belief that the spy agency lacked the legal authority to conduct covert operations without specific approval from Congress. The

³¹² Melvyn Leffler, *A Preponderance of Power*, p. 179.

³¹³ Donald Steury, *On the Front Lines of the Cold War*, p. 148.

³¹⁴ Paul Maddrell, *Spying on Science, Western Intelligence in Divided Germany 1945-1961*, pp. 133, 175. These agents were telling the Berlin base that, despite Soviet reinforcements in Germany, there were no indications the Soviets were preparing for war.

³¹⁵ Tim Weiner, *Legacy of Ashes*, p. 30. CIA taps had also revealed much of the extent of the chaotic state of Soviet war-making capabilities. See, John Ranelagh, *The Rise and Decline of the CIA*, pp. 138, 288-296.

DCI even sought to limit covert actions as a means of gathering intelligence overseas. Frustrated by the political wrangling over the CIA's covert branch (the Office of Special Projects), Hillenkoetter wrote in a letter to the Assistant Executive Secretary of the National Security Council, J.S. Lay: 'I should like to suggest that, since State evidently will not go along with CIA operating this political warfare thing in any sane or sound manner, we go back to the original concept that State proposed. Let State run it and let it have no connection at all with us.'³¹⁶ Richard Aldrich argues that instead of taking covert action away from the State Department and placing it with the CIA, all of the CIA should have been placed under the umbrella of the State Department.³¹⁷ Although this would have served to further centralize Washington's bureaucracy, it should be remembered that the State Department did not consider it politically prudent to be directly associated with any of the covert/psychological activities associated with the Office of Policy Co-ordination (OPC). Kennan was particularly cautious on this matter, fearing that such realignment would further ignite Soviet fears.

³¹⁶ CIA, *Memorandum*, "Hillenkoetter to J.S. Lay," 9 June 1948. CIA Electronic Reading Room.

³¹⁷ Richard Aldrich, *The Hidden Hand*, p. 13.

The April Crisis

In this electrical atmosphere of suspicion and mistrust there are many varying opinions. General Clay considers that World War III will begin in six months time: indeed he might well bring it on himself by shooting his way up the Autobahn if the Russians become difficult about things, he is a real 'He-man' ...³¹⁸—Gen. Bernard Montgomery

I sent [a] special message to Chief of Staff...to instruct train commandants to resist by force Soviet entry into military trains if necessary.³¹⁹—Gen. Lucius Clay

By the spring of 1948, US policymakers were increasingly nervous about the crisis, although, by this point, were more certain that Soviet plans for Germany were based more on political motivations than economic factors.³²⁰ Charles Bohlen, reflecting on that spring, noted that fears were 'genuinely felt.'³²¹ Avi Shlaim asserts that the effects of the war scare which followed the Czech *coup* and Clay's March 5 report had not

³¹⁸ *Montgomery Diary*, chapter 67 (Germany, April 3-7 1948), British Library. Realizing that the Americans were on edge about the unfolding crisis, Montgomery recorded this observation during his visit with Clay in the first week of April.

³¹⁹ *Teleconference*, "Clay to Bradley," 31 March 1948, *The Papers of General Lucius D. Clay*, vol. II, p. 599. (Teleconferences between the Berlin command and Washington the most important and frequent forms of communication during the crisis).

³²⁰ Dean Rusk states in his memoir, "On most issues of foreign policy... economic considerations clearly lagged behind political and strategic concerns. The Berlin blockade had some economic aspects to it, but the central issues were political and strategic." See, *As I Saw It*, pp. 528-529. However, it should be noted that the economic vitality of Western Europe was always one of the highest priorities of foreign policy under the Truman administration.

³²¹ Charles Bohlen, *Witness to History*, pp. 276-277.

completely subsided.³²² ‘Whether or not European fears of an armed Soviet attack were exaggerated,’ Walter Isaacson and Evan Thomas argue that since the war scare over Czechoslovakia, the US had entered ‘a strange new era, an age of perpetual crisis’ and was, in fact, ‘readying its forces for the outbreak of war.’³²³ USAFE Commander Gen. LeMay later observed, ‘It looked like we might have to fight at any moment, and we weren’t self-assured about what we had to fight with. At a cursory glance it looked like USAFE would be stupid to get mixed up in anything bigger than a cat-fight at a pet show.’³²⁴ Yet while most Western observers were anxious about Soviet actions, most would have taken issue with Winston Churchill’s suggestion that the Soviets should be told to retreat from Berlin and East Germany or face having their cities razed.³²⁵

Washington’s fears seemed justified on April 1, 1948 when the “little blockade” began as the first of a series of Soviet restrictions applied to Western reconstruction efforts.³²⁶ This restriction of rail and road traffic from Western zones to the city of Berlin caused a great deal of consternation and confusion about the existing quadripartite agreement, thus increasing the risk of an incident involving a violent confrontation that could precipitate war. Commander in Chief of US Forces of Occupation, General Clay, had urged Washington that he be permitted to proceed by his

³²² Avi Shlaim, *The Berlin Blockade*, p. 126. In *Legacy of Ashes*, Tim Weiner argues that Washington was swamped with fear over the Czech crisis, p. 28.

³²³ Walter Isaacson and Evan Thomas, *The Wise Men*, p. 460.

³²⁴ Curtis LeMay, *Mission With LeMay*, p. 411. In contrast to LeMay’s assessment, Ambassador Walter Bedell Smith forwarded to Secretary Acheson an intelligence estimate on April 1, 1948. Prepared at the embassy in Moscow, the estimate concluded that war was not likely in the immediate future. *FRUS, 1948*, vol. 1, pp. 550-557.

³²⁵ “The Ambassador in the United Kingdom, Lewis W. Douglas, to the Under Secretary of State, Robert A. Lovett,” 17 April 1948. *FRUS, 1948*, vol. II, p. 895.

³²⁶ For a verbatim report of the Russian provisions with respect to the Soviet and Western zone restrictions beginning April 1, see *The Papers of General Lucius D. Clay*, vol. II, pp. 600-601.

own judgment.³²⁷ On the day of the imposed restrictions, Clay conveyed to Chief of Staff, Gen. Omar Bradley, that in an effort to force the issue with the Soviets, he was considering sending an armed truck convoy through the checkpoints.

No one in Washington understood the inherent risks in Germany better than the Undersecretary of State, Dean Acheson,³²⁸ who stated in clearly defined terms: ‘...It has never seemed wise to me to base our own action on a bluff or to assume that the Russians are doing so.’ In response to Clay’s proposal, Acheson wrote:

Neither side wishes to be driven by miscalculation to general hostilities or humiliation. Therefore initial moves should not, if it is possible to avoid it, be equivocal—as a small ground probe would be—or reckless—as a massive one would be.³²⁹

The first day of the “little airlift” showed that these new restrictions were not a bluff. Surprisingly, no formal agreement existed between the occupying powers with regard to the Western powers’ right to occupy and gain access to Berlin. The problem was that the Quadripartite Agreement did not specifically deal with the issue of access under the joint administration in Berlin. In fact, the State Department was trying to locate just such documentation *after* traffic restrictions were imposed! In lieu of a

³²⁷ *The Papers of General Lucius D. Clay*, vol. II, p. 602. Clay was given general instructions from Washington but retained the complete confidence of the JCS and State Department, who authorized him to manage the crisis as he saw fit. pp. 604-607.

³²⁸ Acheson was appointed Secretary of State (21 January 1949) after Truman’s victorious presidential bid over Governor Thomas Dewey.

³²⁹ Dean Acheson, *Present at the Creation*, p. 38.

more detailed written agreement, then, the Soviets capitalized on the fact that any rights to occupy Berlin were merely implied.

General Albert Coady Wedemeyer, Army Director of Plans and Operations, advised that any retaliatory measures taken against the latest Soviet moves could be disadvantageous for the United States.³³⁰ In particular, Gen. Bradley advised that the deployment of an armed convoy should not be considered without first consulting the Joint Chiefs.³³¹ Determined to avoid an embarrassing compromise, Gen. Clay responded to the restrictions by requesting authorization to proceed on his judgment and send a ‘test train’ to see how far the Soviets would go.³³² He also proposed to double the number of armed guards on the passenger trains entering the Soviet zone.³³³ Most alarmingly, Clay and his political advisor, Ambassador Robert D. Murphy, suggested that Washington should inform the Soviets that US troops would force their way into Berlin by means of an armed convoy, equipped with engineering materials to overcome the obstacles put in place by Soviet representatives. In addition, Clay recommended that the US retaliate by closing its ports and the Panama Canal to Russian ships. The authors of *The Wise Men* write that Clay wanted to stand up to the Soviets and believed that they could be bluffed; and that the Soviets would back down if he were allowed to ‘ram through an armored column, like the cavalry rescuing a wagon train.’³³⁴ In his

³³⁰ Gen. Wedemeyer was a chief supporter of the Berlin airlift.

³³¹ “Clay to Bradley,” *The Papers of General Lucius D. Clay*, vol. II, pp. 607-608.

³³² *Teleconference*, “Clay to Royall, Bradley, Collin and Wedemeyer,” 31 March 1948, *The Papers of General Lucius D. Clay*, vol. II, pp. 600-604.

³³³ *Teleconference*, “Clay to Bradley and Wedemeyer,” *The Papers of General Lucius D. Clay*, vol. II, pp. 605-606. This idea was rejected.

³³⁴ Lovett thought Clay’s idea of an armored convoy was ‘silly.’ Clay had pressed for an armored column until mid-July. Isaacson and Thomas, *The Wise Men*, p. 456.

memoir, General Curtis LeMay, often hawkish during times of crisis, outlined his support for Clay's position in Germany:

Always I felt that a more forceful policy would have been the correct one for us to embrace with the Russians, and in our confrontation of their program for world Communism. In the days of the Berlin Air Lift I felt the same way. I wasn't alone in that regard, either. General Lucius D. Clay concurred in the belief.³³⁵

Truman and the National Security Council called for a cautious approach and dismissed Clay's idea on the grounds that, if forced, the Russians might meet the convoy with armed force. The White House maintained that the integrity of Western zone trains was a part of its sovereignty and a symbol of its position in Germany and Europe.³³⁶ Truman outlined a more moderate course of action when Clay checked in with his superiors in Washington:

You are authorized to move trains as you see fit. It is considered important that the normal train guard be not increased and that they carry only the arms normally carried. Also that the Russians be not prohibited from taking actions which have been customarily followed. [sic] Furthermore, it is important that our guards not fire until fired upon.³³⁷

³³⁵ Curtis LeMay, *Mission With LeMay*, p. 482. Although LeMay did not consider either Clay or himself as saber-rattlers, both commanders believed that during the time when the Soviets were unable to retaliate against America, the US should have placed more pressure on the Soviets to behave.

³³⁶ *Teleconference*, "Gen. Omar Bradley to Gen. Lucius Clay," 31 March 1948, *The Papers of General Lucius D. Clay: Germany 1945-1949*, vol. II, p. 605.

³³⁷ Kenneth W. Condit, *The History of the Joint Chiefs of Staff: The Joint Chiefs and National Policy, vol. II, 1947-1949*, Wilmington, Michael Glazier, Inc., 1979, p. 125.

General Lucius D. Clay, according to Avi Shlaim, was convinced that any failure to meet the Soviets squarely would have ‘serious consequences.’³³⁸ The real danger in this was the fact that there was a tendency to ‘sit back and wait for Clay to come up with suggestions, which would be examined on their merits as they came up.’³³⁹ By virtue of position then, General Clay had a great deal of authority, as outlined in *JCS 1067*: ‘take all measures deemed by you necessary, appropriate or desirable in relation to military exigencies and the objectives of a firm military government.’ In retrospect, it seems clear that the broad, sweeping directive of *JCS 1067* further increased the potential for a dangerous misstep.³⁴⁰ During the crisis, the Assistant Secretary of State for Occupied Areas, Charles Saltzman, recalled that, even more than Truman or his policy advisors, Clay’s decisions determined ‘the initiative, the impetus, the guide, the force of anything that was done.’³⁴¹ Although overstated to a degree, Saltzman’s observation underscores the inordinate weight Clay held in the decision-making process.

Determined by the Soviet challenge on April 1, Clay argued that the US could supply itself and meet the needs of US personnel by airlift for a

³³⁸ Avi Shlaim, *The Berlin Blockade*, p. 124.

³³⁹ *Ibid.*, pp. 128-129.

³⁴⁰ The directive affirmed that the Chief Military Commander would have ‘exclusive jurisdiction throughout the whole of Germany.’ *JCS 1067*, May 1945, Department of State, *Germany: 1947-1949, The Story in Documents*, Washington, DC: US Government Printing Office, 1950, pp. 22-23. (*JCS 1779*) was sent to Clay on July 11, 1947, essentially reaffirming *JCS 1067*. The new directive focused less on demilitarization, while emphasizing the necessity of economic contributions for a stable and productive Germany.

³⁴¹ Charles Saltzman Interview, Oral History Collection, HSTL. Quoted from Sara Sale’s *The Shaping of Containment*, p. 55.

while but not Germans in the city.³⁴² In an April 2 teleconference with his superiors, Bradley and Royall, Clay conveyed that he anticipated the Soviets would demand a withdrawal within the next few weeks. Moreover, he believed this action would be most damaging to US prestige and would be met by ‘new acts.’³⁴³

Instructed to avoid a game of brinkmanship, General Clay was allowed to order three trains into the Soviet zone.³⁴⁴ The result was not disastrous but foreshadowed future frustrations. One train commandant lost his nerve and permitted Soviet representatives to board the train. The remaining two trains were stopped by Soviet authorities and denied access. Frustrated by an apparent Soviet victory, Clay continued to urge Washington to take some action that would demonstrate a clear sign of resoluteness. He responded immediately by cancelling all military traffic into the Soviet zone and began a ‘little airlift’ to supply the occupation forces in Berlin.³⁴⁵

Throughout April, the US Military Governor continued to fear that the Soviets considered it so vital to get the West out of Berlin that they would ‘face the prospect of war in doing so.’³⁴⁶ For him, the West could deprive the Soviets of a success if it could just ‘sit tight’, evacuating only those dependents and unessential employees who were nervous and

³⁴² Total US personnel expected to be supplied by airlift: military-4880; civilian employee-1933; dependent-2602; total-9415. *The Papers of General Lucius D. Clay*, vol. II, p. 612.

³⁴³ *Ibid.*, p. 614

³⁴⁴ In contrast to Clay’s position, British leaders were calling for a compromise with the Soviets the day following the imposition of the transportation restrictions. As for the French, the US did not consider their firmness with the Soviets wholly reliable.

³⁴⁵ For Clay’s suggestions of retaliatory measures against the Soviet Union, see Shlaim, pp. 130-131.

³⁴⁶ *Record of lunch at Foreign Office with Strang (Sir William), Robertson, Clay and Douglas*, 28 April 1948: PRO, Foreign Office Documents 371/70492. Quoted in Ann and John Tusa, *The Berlin Blockade*, London: Hodder and Stoughton, 1988, p. 118.

requested to leave Berlin.³⁴⁷ Although many members of Congress called for an immediate evacuation of the German capital, the position of standing firm was ultimately supported by Washington and formally decided at the sixteenth meeting of the National Security Council on July 22.³⁴⁸ This firm stand against Soviet pressure resonates in Secretary Marshall's message to the Soviet Ambassador in Washington:

The United States categorically asserts that it is in occupation of its sector of Berlin with free access thereto as a matter of established right deriving from the defeat and surrender of Germany and confirmed by formal agreements among the principal Allies. It further declares that it will not be induced by threats, pressures or other actions to abandon these rights. It is hoped that the Soviet Government entertains no doubts whatever on this point.³⁴⁹

So how, exactly, did concern about these early restrictions fit in with the CIA's position on Germany?³⁵⁰ As the Soviets tightened their grip, CIA analysts recommended a moderate, firm course of action, warning about the consequences of compromise, but also warning against the more retaliatory moves proposed by Clay. At this point, the Agency's position was clear and accurate—Soviet provocation, expected for some time, was not a bluff but a power move designed to force the Western powers out of Berlin and, ultimately, Germany.

³⁴⁷ *Teleconference*, "Gen. Clay, Secretary Kenneth Royall and Gen. Bradley," 2 April 1948, *The Papers of General Lucius D. Clay*, vol. II, pp. 613-614

³⁴⁸ "Minutes of the 16th Meeting," 22 July 1948, President's Secretary's File, National Security Council, Box 204. Quoted in *The Shaping of Containment*, p. 58.

³⁴⁹ "Marshall to Soviet Ambassador in Washington," *FRUS 1948*, vol. II, pp. 950-953.

³⁵⁰ Above all, the Pentagon feared the weakness of its conventional forces in Europe. Frank Wisner, appointed director of covert operations of the CIA on September 1, 1948, was under tremendous pressure from the Pentagon, specifically James Forrestal, to gear up for war with the Soviet Union.

The same day as Clay's teleconference with General Bradley and Secretary Royall, the CIA's *ORE 22-48* weighed in on the possibility of Soviet military action during 1948. The paper contained situational factors, ranked by order of probability, in which analysts outlined certain basic factual data to determine 'whether or not Soviet leaders would stand to gain or lose by exercising their current military capability of overrunning Western Europe and part of the Near East.'³⁵¹ Most importantly, the document stated that the USSR would not resort to direct military action during 1948. In addition, *ORE 22-48* outlined a number of developments which, warned analysts, might convince Soviet leaders that the US had intentions of military aggression in the near future. Among the developments listed were: 1) the passage of a peacetime Draft Act, 2) the continued deployment of atomic weapons, 3) the general acceptance of increased military appropriations, 4) the establishment of US bases within range of targets in the USSR, 5) the activities of US naval forces in the Mediterranean, 6) and the movement to Europe of US strategic Air Force units. On their own, however, analysts believed it unlikely that these steps would actually lead Soviet leaders to the conclusion that US aggression was to be expected.

This appraisal helped place recent Soviet actions within a more moderate context, providing policymakers with the ability to formulate policy with a greater degree of confidence. Although this particular report was admittedly based on 'logic rather than upon evidence,' it is worth

³⁵¹ A joint *ad hoc* committee representing the CIA and the intelligence agencies of the Department of State, the Army, the Navy and the Air Force prepared *ORE 22-48*. *ORE* submitted two additional estimates of direct Soviet military action on 16 September 1948 and 3 May 1949. (This report was an update of a mid-March estimate).

considering for a moment what possible responses Washington might have pursued had the CIA suggested any increased possibility that the USSR *was* likely to resort to direct military action within the near future. John Ranelagh reminds us that although the CIA's assessments at this time could be 'far from daring' and offered projections similar to those of the State Department, they nevertheless posed clear challenges to the traditional supremacy of the Defense and State Department...in foreign-policy formation by seeming 'more immediate and relevant' in its reports.³⁵²

To be sure, the CIA's Office of Reports and Estimates met considerable dissent from other departments. In particular, the Joint Chiefs of Staff were not reassured by ORE's assessment.³⁵³ In mid-spring, the National Security Council and the Joint Chiefs of Staff believed that the current belief that the USSR did not plan overt warfare for at least five years was not necessarily correct and that there was increasing doubt in many quarters as to its soundness.³⁵⁴ Adding to this position, the Director of Intelligence of the Air Force argued that, given the fluidity of events and threatening moves of its adversary, an abrupt change in the situation could occur at any moment.³⁵⁵ To what extent this opposition was motivated by the Pentagon's frustration with the CIA's assessment placing limits on the tenets of containment is unclear.

Soon after *ORE 22-48* was issued, a major incident occurred that tested the limits of the CIA's position of moderation. A British transport

³⁵² John Ranelagh, *The Rise and Decline of the CIA*, p. 183.

³⁵³ It should be remembered that, from what we can tell from the archival evidence, ORE's assessments contained little in the way of high-level Soviet material. Often, ORE borrowed from the State Department, G-2 Army intelligence, and even European intelligence sources.

³⁵⁴ *NSC 5/4 annex*, 19 April 1948, *FRUS 1948*, vol. IV, pp. 93-95.

³⁵⁵ Walter Millis, ed., *The Forrestal Diaries*, p. 409.

plane traveling through the British sector of Berlin collided in midair with a Soviet *yakovlev* fighter. It was revealed that the *yak* fighter plane had buzzed the transport plane that was approaching Gatow airport. The immediate result was the death of the Soviet pilot and all fourteen crew and passengers aboard the British plane. Washington, unnerved about the explosive potential of further mistakes, did little more than demand an admission of responsibility from the Kremlin. Marshal Sokolovsky, appearing ‘gravely disturbed and defensive,’ assured Western leaders that its planes would not be molested in traveling the Berlin corridor.³⁵⁶

Intelligence analysts avoided any direct speculation as to whether the Soviets would attempt to shoot down any allied aircraft. However, several reports during April foresaw the possible use of Soviet fighter planes to ‘threaten and intimidate’ allied pilots; yet analysts never suggested that the US should expect any intentional violence resulting from Soviet interference in the Allied flight zones. Shortly after the plane incident, analysts warned that any present hope for a solution by negotiation was small: ‘The USSR is now apparently preparing to tighten its grip on the city by attempting to enforce new restrictions on air traffic which would make all allied transport subject to Soviet regulation.’³⁵⁷

Analysts warned policymakers that interference with traffic indicated Soviet plans to accelerate consolidation of power in East Germany. Unless Allied determination remained obviously strong, analysts cautioned, ‘further Soviet attempts to eliminate these hindrances may be

³⁵⁶ “The United States Political Adviser for Germany (Murphy) to the Secretary of State,” 6 April 1948. *FRUS, 1948*, vol. II, pp. 890-891. For Clay’s account of the incident see, *The Papers of General Lucius D. Clay*, vol. II, pp. 618, 620-621.

³⁵⁷ CIA, “Soviet Walkout from Allied Control Council; Diminished Communist Capabilities in Italy,” 9 April 1948. CIA Electronic Reading Room.

expected.³⁵⁸ Though the USSR was unwilling to resort to direct military action, the CIA cautioned that if the US-UK reaction to this probing showed indecision, ‘the USSR may be expected to take strong action to compel western air traffic to submit to Soviet controls. Such action would probably include use of Soviet fighter planes to threaten and intimidate allied pilots.’³⁵⁹ Even after the midair collision, CIA analysts restated their April 2 assessment that the preponderance of available evidence and considerations derived from the ‘logic of the situation’ supports the conclusion that ‘the USSR will not resort to direct military action during 1948.’³⁶⁰

The most significant feature of an April 23 report titled, “Soviet Military and Civil Aviation Policies,” was its conclusion that, with the implementation of military air policy, major policy decisions probably were made at the very top level, which would go beyond the Council of Ministers into the Politburo itself.³⁶¹ Given the numerous agencies in the Soviet Union which participated in the formulation and implementation of military policy, then, Washington could be further assured that it was unlikely that a hot-headed Soviet General had the ability to hastily order a provocative military action against the Western Powers without being sanctioned from the Politburo. Beyond this general problem regarding

³⁵⁸ Ibid.

³⁵⁹ CIA, “Deadlock Over Transport Problems in Berlin,” 30 April 1948. CIA Electronic Reading Room. Further warning about accelerated Soviet efforts to increase pressure on the western powers in Berlin was issued on 24 April. See, “Reported Soviet Plans for Eastern German Regime,” 24 April 1948. CIA Electronic Reading Room.

³⁶⁰ CIA, ORE 22-48, “Possibility of Direct Soviet Military Action During 1948,” 2 April 1948. CIA Electronic Reading Room.

³⁶¹ The Soviet air force, ground forces and navy were all part of the Ministry of Armed Forces. The CIA believed it safe to assume ‘a measure of top-level coordination of air policy matters is achieved either among the deputy ministers or the Armed Forces General Staff.’

command structure, analysts reported on the current trends: 'Within the air force itself, it is believed first priority is being given to the development of an interceptor fighter force based on jet aircraft, and second priority to creation of an effective long-range bomber force.' The CIA's report on Soviet prioritization might have come as some relief to policymakers and military planners fearful of some pressing Soviet designs for an attack on the United States.³⁶²

In addition to these broad findings, the report included summaries on Soviet military air in foreign relations, fiscal information with regard to military preparation, and research and development in the air force. This material was also paired with very specific figures on the Soviet Air Force. The CIA estimated that Soviet air strength included 6,000 fighter craft, 4,000 ground attack aircraft and 3,000 bombers. Of these figures, 5,100 aircraft were stationed in Europe, outside the USSR. Beyond these figures, analysts hinted at a possible explanation for the midair collision. 'The USSR is convinced of the highly important part played by training in the development and sustained operation of an efficient air force.' The report added, however, that the quality of air training had been 'low in comparison with US standards because of a certain amount of lag behind the Western Powers in development and utilization of the highly technical aspects of an air power.'³⁶³

Although few were inclined to believe that the collision was intended as an intentional precursor for a military conflict, some assurances

³⁶² The evidence in this report was based largely on data supplied from the Office of the Director of Intelligence, USAF. The material was supplemented by additional information from other, still classified sources.

³⁶³ CIA, *ORE 19-48*, "Soviet Military and Civil Aviation Policies," 23 April 1948. RG. No. 263, Stack 190, Row A, Shelf 5, Box 30, NARA.

were helpful in helping to extinguish the incendiary flames that threatened to ignite further anxiety within policy circles. On April 5, acting without instruction from Washington, Clay announced that fighter planes would escort all US planes unless the Soviet government could issue some assurances that Western planes would no longer be harassed by Soviet fighters. On this issue, Avi Shlaim argues that Clay's prompt demand 'may have had some salutary effect in discouraging any Soviet brinkmanship in the air.'³⁶⁴ While this may be true, this unilateral action, taken in the absence of direct approval from Washington, was also a potentially provocative response to a Soviet mistake. In the end, though, the Russians backed down from their demand to inspect Western military trains *en route* to Berlin. After eleven days and three hundred tons of supplies airlifted to Berlin, US transport was able to resume by land again by April 12, effectively ending the temporary airlift.³⁶⁵

While the transportation issue appeared to have improved, tension between the two adversaries had done anything but.³⁶⁶ After the Soviet fighter incident, the most pressing question facing Washington was whether it should maintain its position in Berlin. Overtly threatened by Soviet action and considered by many in the Pentagon to be a strategic liability, the US position in the German capital remained uncertain. The CIA, however, was convinced that the allied powers should stand firm. On this point, Clay shared the CIA's position. In a teleconference with Gen.

³⁶⁴ Avi Shlaim, *The Berlin Blockade*, p. 135.

³⁶⁵ Curtis LeMay, *Mission with LeMay*, p. 415.

³⁶⁶ On April 18, Italy's Christian Democrats beat a Communist-Socialist bloc by a surprisingly large margin in the country's first national election under its republican constitution. While considered a victory against advancing Communist interests, Washington's involvement further incensed Soviet leaders.

Bradley on April 10, Clay openly doubted that the Soviet would go so far as to stop all food supplies to the German population in western sectors because ‘it would alienate the Germans almost completely.’ However, the General also added that while he did not believe the Soviet would do this now, ‘they may be able to do so by harvest time in late summer.’ In more general terms, Clay concluded that the Soviets would not apply force in Berlin ‘unless they had determined war to be inevitable within a comparatively short period of time,’ making clear his doubt and frustration:

Why are we in Europe? We have lost Czechoslovakia. We have lost Finland. Norway is threatened. We retreat from Berlin. There is no saving of prestige by setting up at Frankfurt.... After Berlin, will come western Germany and our strength there relatively is no greater and our position no more tenable than Berlin.³⁶⁷

On other issues, however, the CIA’s position sharply contrasted with that of the military. In a report forwarded by the Secretary of Defense to the National Security Council on April 19, the JCS warned:

In simplest terms, it is plain that, whether or not either the USSR or the United States now intends to persist in the present struggle to the extent of open warfare, the possibility of this result is so evident that it would be not a calculated but an incalculable risk for the

³⁶⁷ “Teleconference Between Clay and Bradley,” 10 April 1948, *The Papers of General Lucius D. Clay*, vol. II, pp. 622-623.

United States to postpone further the steps for readiness demanded by ordinary prudence.³⁶⁸

Against the advice of Major General Bryant E. Moore (CG, US Forces, Trieste), Clay recommended the immediate reinforcement of the US military position in Germany by at least battalion strength. The Military Governor also recommended an increase in air strength by an additional fighter group, although the move was admittedly psychological. Moore's concern over Clay's request was not baseless. Reinforcements, he reasoned, were inadvisable unless the situation in Germany worsened because ground reinforcements would elicit a negative Russian reaction.³⁶⁹

The day following Clay's request for reinforcements, the CIA issued an estimate on possible Soviet moves in Germany. Analysts broke little new ground, instead reviewing possible Soviet intentions and how the USSR might respond to recent Western Power actions. Still, the picture drawn by *ORE 29-48* appears, in retrospect, remarkably accurate:

- a. Hope no longer remains for interfering through quadripartite means with the production of Western Germany upon which the success of the European Recovery Program substantially depends;
- b. The Soviet Zone must be placed under permanent control of a well organized German group, loyal to the USSR, and supported by police state measures;
- c. The Peoples' Congress should be the instrument for the formation of such a provisional German Government;

³⁶⁸ "James V. Forrestal to NSC," 19 April 1948, *FRUS 1948*. vol. II.

³⁶⁹ "Clay to Wedemeyer," 27 April 1948, *The Papers of General Lucius D. Clay*, vol. II, pp. 641-642.

- d. In order to prevent Allied interference with this process of political consolidation, the Allied Control Council should be abolished, or permanently boycotted, and the Western powers forced out of Berlin;
- e. The new German 'Government' should be acknowledged, at a propitious time, as the official administration for Eastern Germany, with propaganda pretensions to authority over all of Germany;
- f. The Soviet Army should remain as the 'protector' of the new Reich pending creation of a new German Army, by agreement with this government; and
- g. In an effort to undermine the Western Power program Western Germany should be pressed, by all possible methods, to 'rejoin' the Reich.

By late April, the CIA believed that a blockade was imminent. Beyond this, analysts cautioned that the USSR would consequently desire to effect a Western Power evacuation of Berlin 'as expeditiously as possible.' Although each of these successive steps involved the risk of war in the event of miscalculation of Western resistance or of unforeseen consequences, *ORE 29-48* added, 'each move on the program could be implemented without the application of military force if adroitly made as merely a retaliatory measure necessitated by unilateral Western Power action, and if pressed only at opportune moments.' The report concluded that, because the presence of the Western Powers in Berlin added to the difficulty of the Kremlin establishing a Soviet-directed puppet government in Eastern Germany, the Soviets were most likely to force the West out of Germany by imposing restrictions on transportation.³⁷⁰

³⁷⁰ CIA, *ORE 29-48*, "Possible Program of Future Soviet Moves in Germany," 28 April 1948. CIA Electronic Reading Room.

As predicted, the situation between the two powers failed to improve in the following months. In response to Soviet provocations in Europe, the Mediterranean and the Near and Far East, the US Congress instituted a peacetime draft, only after receiving reassurances in a CIA memorandum dated March 16, 1948 that, should Congress pass a universal military training act and/or a selective service act that these measures, that, taken singly or together, would not cause the USSR to resort to military action within the next sixty days.³⁷¹ (This assessment was supported by the Departments of State, War, Navy and Air Force).³⁷² That same day, US officials received notification that no flights would be permitted that night over the greater Berlin area. The US, in turn, responded that it did not recognize such unilateral action. CIA analysts considered the Soviet behavior probing, rather than provocative, but warned that this attempt at imposing regulations might be followed by more determined moves to restrict air traffic.³⁷³ Relations between the two countries further soured when, on the day following Ambassador Walter Beedle Smith and Vyacheslav Molotov's exchange, the Under Secretary of State, William Henry Draper Jr., requested the latest assessment of the situation from Gen. Clay. Clay, in London at the time of his reply and seemingly routed in

³⁷¹ Given the comparative nature of this study, the issues involving the emerging crisis in the Far East will only be dealt with in the following case study, although the CIA was issuing assessments on the emerging crisis in the Far East at the same time as the Berlin crisis. Earlier in May, Kim Il Sung unilaterally established the People's Republic in North Korea. Another wedge was driven between the two powers when, on 14 May, Israel became an independent state.

³⁷² CIA, "Memorandum for the President," 16 March 1948. CIA Electronic Reading Room. The reinstatement of a draft highlights Washington's fear of some looming military conflict. That same month, the American Ambassador in Moscow read the United States' position of resolve to the Soviet Minister, Molotov. (Molotov responded to Smith's words on May 4 with public accusations and then released the diplomatic exchange as a propaganda tool).

³⁷³ CIA, *Daily Summary*, "Germany: Soviet Attempt to Interrupt US Air Traffic," 7 May 1948. CIA Electronic Reading Room.

spirit, offered a rather dour assessment: ‘At the moment, we propose no further action and in fact there is little we can do in Germany. I doubt there is anything else to be done there at this stage.’³⁷⁴

In the final month before the larger blockade, the CIA, directed by *NSC 10/2*, began implementing political and economic warfare and paramilitary activities.³⁷⁵ *NSC 10/2* stated, ‘...taking cognizance of the vicious covert activities of the USSR...The Central Intelligence Agency is charged by the National Security Council with conducting espionage and counterespionage operations abroad.’³⁷⁶ Although the CIA’s covert operations would not really get off the ground until the 1950s, the 1948 directive *NSCID 7* made clear that the National Security Council recognized the importance of countering Soviet intelligence efforts. This authorization most likely stemmed from NSC’s concern over the forthcoming Italian elections.

At the same time the NSC had issued this directive, the Agency was facing difficulty in predicting possible Soviet reactions in such a fluid crisis, especially after the six-nation London recommendations were announced on June 7.³⁷⁷ The main purpose of the London Conferences

³⁷⁴ “Cable from Clay to Draper,” 7 May 1948, *The Papers of General Lucius D. Clay*, vol. II, pp. 649-650

³⁷⁵ *NSC 10/2* was approved on 17 June 1948. See, *Church Committee Report*, Book IV, pp. 28-29 and *FRUS, 1945-1950: Emergence of the Intelligence Establishment*, pp. 620-621.

³⁷⁶ Document no. 92, *NSC 10/2*, “National Security Council Directive on Office of Special Projects,” 18 June 1948, pp. 713-715. At its 13th meeting, the NSC circulated its report to the Secretary of State, Secretary of Defense, Secretary of the Army, Navy and Air Force, and the Chairman of the National Security Resources Board.

³⁷⁷ By the end of October 1948, Frank G. Wisner had informed the DCI that the groups of clandestine activity were functional. Among these groups: psychological warfare, political warfare, economic warfare and preventative direct action (to include support of guerilla activities, sabotage, counter sabotage and demolition, evacuation and stay-behind). *Memorandum for the Director of Central Intelligence*, “OPC Projects,” 29 October 1948. CIA Electronic Reading Room.

was, according to Henry Ashby Turner, ‘to focus the political Cold War on Germany by calling for formation of a West German government.’ (The London Conference actually took place in two sessions—February 23-March 5 and April 30-June 2). A major step toward a consolidation also came in June, when a common currency was approved by the Western powers.³⁷⁸ US policy leaders considered currency reform as the centerpiece to their plans for improving the German economy, although with some degree of trepidation. Truman later pointed out that this decision became one of the major points of contention. ‘The importance the Russians attached to our move,’ he argued ‘was soon obvious.’³⁷⁹ Ambassador Smith considered the question of currency control to be ‘the greatest ostensible stumbling block.’³⁸⁰ Clay believed the currency issue to be the precipitating event of an upcoming crisis. ‘You will understand’ he warned Gen. Bradley, ‘that over separate currency reform in near future followed by partial German government in Frankfurt will develop the real crisis.’³⁸¹ Shortly after, Clay wrote that while he appreciated the arguments of sovereignty and prestige that a separate currency promised, he considered the establishment of separate western sector currency ‘most difficult and probably untenable in [the] long run.’³⁸² However, the US Military Governor was correct in suggesting that the currency issue was a trigger point because, as Gaddis points out, Stalin’s decision to begin tightening

³⁷⁸ Henry Ashby Turner, Jr., *The Two Germanies Since 1945*, London, Yale University Press, 1987, pp.23-24.

³⁷⁹ Harry Truman, *Memoirs*, pp. 122-3.

³⁸⁰ Walter Bedell Smith, *My Three Years*, Philadelphia and New York: J.B. Lippincott Co., 1950, p. 247.

³⁸¹ *The Papers of General Lucius D. Clay*, vol. II, p. 623.

³⁸² “Cable from Clay to Department of the Army,” 2 May 1948, *The Papers of General Lucius D. Clay*, vol. II, p. 643.

the Western access to Berlin was, in general, a reaction to the London Conference program; and in particular, Western actions toward currency reform.³⁸³

An intelligence memorandum followed on the heels of the London Conference that outlined possible Soviet responses to the London proposals, 'If the trizonal merger appears successful and promises to rehabilitate western Germany as well as contribute to the European recovery program,' the memorandum warned, 'the Kremlin will probably be impelled to alter its present tactic.' Hillenkoetter added that, exclusive of a resort to military force, the Kremlin can logically pursue one of two courses: '(1) ostensibly abandon its recalcitrant attitude and make an attractive offer to form a unified German Government under quadripartite control (in order to slow the progress of German recovery); or (2) retaliate by establishment of an eastern German state.'³⁸⁴ Whatever its course, the CIA acknowledged that the Kremlin was unlikely to make the concessions that the Western powers demanded.

The report went on to add that zonal unification by the US, the UK and France would be 'interpreted by the Kremlin as potential barriers to the basic Soviet objective of preventing the economic recovery of European countries outside the Soviet sphere.' In addition, the memorandum advised that a Soviet reaction might include some delay of any counter moves until the Kremlin could be sure that the western German organization was becoming 'a threat to Soviet foreign policy,' adding that the USSR might

³⁸³ John Lewis Gaddis, *We Now Know*, p. 120.

³⁸⁴ CIA, "Memorandum for the President from Hillenkoetter," 9 June 1948. CIA Electronic Reading Room.

be expected to continue its hindrance of western powers in Berlin and elsewhere in Germany by means ‘short of military force.’ But once the trizonal merger appeared successful at contributing to the economic recovery of the region, the Kremlin would be ‘impelled to alter its present tactics.’ In other words, it would resort to more provocation to force the Western powers to capitulate their position of power in Germany.³⁸⁵

An even more comprehensive assessment of the developing crisis followed on June 14. *ORE 41-48* discussed the possibility of an imposition of unilateral traffic regulations on inbound food and freight shipments, as well as an attempted enforcement of unilateral regulations on the flight of Western aircraft over the Soviet Zone. *ORE 41-48* urged policymakers to consider the full range of effects that Soviet restrictions were having on the US position:

Contrary to many published reports, the chief detrimental effect on the US of the Soviet restrictive measures imposed in Berlin, since the walkout of the USSR from the Allied Control Council, has not been interference with transportation and supply but curtailment of certain US activities having to do for the most part with intelligence, propaganda, and operations of the quadripartite Kommandatura.³⁸⁶

Here, the CIA appears to have been particularly concerned about the USSR challenging the United States’ influence in Germany and America’s ability to frustrate the Soviet consolidation of power in Germany. Avi

³⁸⁵ Ibid.

³⁸⁶ CIA, *ORE 41-48*, “Effect of Soviet Restrictions on the US Position in Berlin,” 14 June 1948. CIA Electronic Reading Room

Shlaim calls *ORE 41-48* a 'detached and candid appraisal,' that went beyond the more obvious effects of the Soviet transportation restrictions.³⁸⁷ What's more, this succinct analysis represented the cornerstone of the CIA's position: that Washington should accept that within the Soviet zone, there was little, short of war, that the Western powers could do to thwart Soviet designs for political and economic control. It appears that CIA analysts were realistic about any designs for a unified Germany, while simultaneously advising a firm position against Soviet maneuvers to force the US from Berlin.

Two days after *ORE 41-48* was issued, Soviets delegates walked out of the Allied Kommandatura. By this point most US officials seriously doubted that a workable solution could be found by diplomatic deliberations. This frustration was perhaps best played out in the London Conference recommendations announced earlier in the month and when, on June 18, the Western powers carried out the currency reform for West Germany (excluding Berlin). For the Soviet leaders, however, the actions taken as a result of the London Conference were a shrewd move towards the creation of a West German State. Stalin considered this action an illegal breach of the Potsdam agreement, which stated that Germany would be treated as a single economic unit. General Vasily Danilovich Sokolovsky proclaimed to the German people that the *Deutschmark* was not legal for Berlin or any part of the Soviet Zone.³⁸⁸ This new currency

³⁸⁷ Avi Shlaim, *The Berlin Blockade*, pp. 154-155.

³⁸⁸ Marshal Sokolovsky, "Proclamation to the German People on the Western Currency Reform," in *Documents on the Status of Berlin*, ed., O.M. van der Gablentz. Munich: Oldenbourg Verlag, 1959, pp. 53-54. In a letter to Marshal Sokolovsky dated June 18, General Clay announced the terms of currency reform effective for the western zones but

was viewed by US policymakers and the CIA as the final provocation that caused the Soviets to react by suspending all interzonal passenger traffic and incoming traffic on all roads, including the *Autobahn*.³⁸⁹

However, it seems reasonable to believe that Stalin's response of suspending all railway and highway passenger traffic to and from Berlin was more likely a pretext that the Soviet leader had been looking for by which to force the Western powers out of Berlin. The Soviets had probed Western responses since April by halting rail traffic between Berlin and West Germany for two days and closing the main highway bridge to Berlin for "repairs". The Soviet Union responded more directly to the implementation of Western currency reform at a conference in Warsaw on June 23. Here, with Soviet leaders and satellite foreign ministers, the Soviet Union ordered its own currency reform in East Germany and in Berlin.³⁹⁰ Agency analysts suggested that the purpose of the Warsaw Conference was essentially threefold:

- a. To form an 'Eastern union' against further German aggression sponsored by the western powers;
- b. To announce a program for the creation of a provisional government matching in independence, and possibly in timing, the one contemplated in the west; and
- c. To indicate a desire, possibly couched in face-saving terms, for resumption

not applicable to Berlin. *Editorial Note*, "The Establishment of the Berlin Blockade." *FRUS, 1948*, vol. II, p. 909.

³⁸⁹ "The United States Political Adviser for Germany (Murphy) to the Secretary of State," 19 June 1948. *FRUS, 1948*, vol. II, p. 910.

³⁹⁰ Riots broke out at city hall in Berlin after hearing about the decisions made at the Warsaw Conference. A second round of city hall riots broke out from August 26-September 6, 1948.

of negotiations with the western powers ostensibly to permit the unification of Germany, but actually to prevent the realization of Allied plans for western Germany.³⁹¹

An assessment of Soviet intentions was also issued by Kennan's Policy Planning Staff at the same time. The PPS paper, submitted on June 23, argued that although the Soviets still relied on political means to achieve their ends, they were likewise prepared to use military intimidation, which, in turn, might lead to miscalculation. The PPS also suggested that US military posture, measurably weak at the moment, must reflect this factor of Soviet policy.³⁹² The tone of this assessment differs slightly from those of the Central Intelligence Agency, which assessments placed Soviet intentions within a more limited scope.

The CIA's subsequent report, titled "The Soviet Withdrawal From the Berlin Kommandatura," was issued the same day as the announcement of currency reform. The July *Weekly Summary* reported that the Soviets had 'abandoned completely the façade of quadripartite control of the German capital.' Agitation for a Western withdrawal from Berlin might increase, warned analysts, 'but it appears doubtful that the USSR will make a formal demand for such withdrawal.' On this issue, intelligence cautioned that Soviet withdrawal from the Kommandatura would 'make possible increased pressure for the withdrawal of the western allies on the grounds that, having partitioned Germany, the western powers have no

³⁹¹ CIA, *Intelligence Memorandum 36*, "Probable Purpose of the Warsaw Conference," 24 June 1948. CIA Electronic Reading Room.

³⁹² *Policy Planning Staff Memorandum*, 23 June 1948. FOIA request. The paper did, however, share the position that the US should take a firm stand, while avoiding provocative measures.

place in the Soviet zone.³⁹³ In broader terms, this failure to reach an agreement also left the USSR free to consolidate further its political and economic control of the Soviet zone and would facilitate, in the near future, the creation of an East German state.

The Blockade Begins in Earnest

Beginning on June 24, Soviet authorities in Germany cut all services from its controlled zone and halted all land and water traffic into West Berlin.³⁹⁴ This maneuver, according to Daniel Yergin's *Shattered Peace*, not only created a 'precarious balance' between East and West, but became 'a crisis always just short of catastrophe.'³⁹⁵ US policymakers initially responded with some degree of uncertainty and surprise, despite the number of estimates that had suggested future Soviet actions designed to force the Western powers out of Berlin.

To be sure, policy officials had been warned. Historian James Kenneth McDonald points out that Berlin, like most Cold War crises, did not arise suddenly without signs of 'impending trouble before the situation

³⁹³ CIA, *Weekly Summary*, "The Soviet Withdrawal From the Berlin Kommandatura," 18 July 1948. CIA Electronic Reading Room.

³⁹⁴ Three days after the imposition of the blockade, Yugoslavia was expelled from the Cominform.

³⁹⁵ Daniel Yergin, *Shattered Peace: The Origins of the Cold War and the National Security State*, p. 392. It should be noted, however, that while officially cutting off transport and services to the Western Zone of the city, "a considerable unofficial barter of goods and a lively traffic in illicit items" between the western sectors of Berlin and Soviet-occupied territory "materially relieved the needs of the western Berliners." CIA, *Weekly Summary*, "The Berlin Dispute; Communist Policy in China," 3 December 1948. (CIA Electronic Reading Room) The CIA argued that this noose around Berlin had been left deliberately loose because of the trade advantages derived by the USSR. Intelligence analysts warned, however, that by the end of the year, should the blockade tighten further, a material increase in the airlift would be necessary.

became urgent.³⁹⁶ Even Sarah Sale's *The Shaping of Containment*, argues that, in spite of warnings months prior to the blockade, 'the NSC took no initiatives regarding military and diplomatic commitments to Berlin.'³⁹⁷ Intelligence analysts had urged that whatever response Washington chose needed to be firm and measured (fitting for the threat at hand), without being seen as retaliatory. Alexander George points out, 'it was easier to believe that the Soviets would not undertake serious actions against West Berlin than to decide beforehand what the American response should be to such an eventuality.' He adds:

For U.S. policymakers to have taken available warning of a possible Soviet blockade of West Berlin seriously would have carried with it the 'cost' of having then to face up to and resolve difficult, controversial policy problems. At the time an American commitment to West Berlin did not yet exist.³⁹⁸

Yet despite the cautious assessments and warnings, anxiety during the summer and autumn of 1948 was 'simple and obvious.'³⁹⁹ The question that stuck with policymakers was: Why had the Kremlin authorized such a risky maneuver after witnessing the West's resolve during the less restrictive airlift in April? The authors of *Inside the Kremlin's Cold War* suggest that, for Stalin, accepting a defeat in Germany would have been worse than risking a military confrontation with the only country to possess

³⁹⁶ James Kenneth McDonald, "CIA and Warnings Failures," p. 41.

³⁹⁷ Sarah Sale, *The Shaping of Containment*, p 55.

³⁹⁸ Alexander George, *Presidential Decisionmaking in Foreign Policy*, pp. 75-76.

³⁹⁹ Peter Hennessy, *The Secret State*, p. 126.

the atomic bomb.⁴⁰⁰ What must also be considered is that the Kremlin had believed that the Allied actions during the spring were a failure. From the Soviet perspective, then, their action had been ‘a well-calculated, controllable low risk.’⁴⁰¹ In fact, Soviet leaders reported in April that Clay’s attempts to create ‘an airlift’ connecting Berlin with the western zones had ‘proved futile. The Americans have admitted that the idea would be too expensive.’⁴⁰² Certainly by the summer of 1948 the risk that war might come from some unforeseen incident or from a miscalculation was significantly increased. In spite of the imposition of the blockade and the subsequent ratcheting of tensions, however, the CIA’s analytical branch did not revise its earlier assessment as the crisis developed. More importantly, by concluding that the imposition of the blockade was not a preamble to further Soviet aggression, analysts were able to provide assessments on other critical issues that directly impacted the crisis.⁴⁰³

The *Daily Summary* and the *Weekly Summary* issued the day following the imposition of the blockade provided nothing sensational or particularly ground-breaking.⁴⁰⁴ Evan Thomas reminds us, though, that in an era when Washington was anxious and the Pentagon believed that

⁴⁰⁰ Vladislav M. Zubok and Constantine Pleshakov, *Inside the Kremlin’s Cold War*, p. 51.

⁴⁰¹ Alexander George, *Presidential Decisionmaking in Foreign Policy*, p. 70.

⁴⁰² *Dratvin and Semyonov to Molotov and Bulganin*, 17 April 1948, quoted in Narinsky, “Soviet Policy and the Berlin Blockade,” p. 9.

⁴⁰³ These included currency reform, the proposed West German government, conditions for a settlement of the blockade, the creation of an East German government and the political and economic implications of tightening Soviet control in the eastern sector.

⁴⁰⁴ As stated before, this did not mean that just because intelligence was often undramatic that it could not be of some value. In fact, Michael Herman asserts that assessing the ‘intentions or proclivities of any government involves a great element of interpretation and conjecture, and this was specially so for the secretive and alien USSR. There were no hard facts and the judgments were doubly inferential.’ “Intelligence Effects on the Cold War: Some Reflections,” in *Did Intelligence Matter in the Cold War?*, pp. 22-23.

Russian tanks were ready to roll, 'no news was good news.'⁴⁰⁵ This was, perhaps, never more true than in Berlin. That being stated, though, the real value of many of these assessments rested in their moderation in tone and consistency of analysis. The June 25 *Daily Summary* urged that any apparent weakening of tripartite solidarity on the Berlin situation would 'greatly reinforce Soviet determination to drive the western powers from the city.' Expecting this determination, then, analysts advised that Washington respond firmly and moderately to Soviet provocation. Similarly, the *Weekly Summary* demonstrated the context in which the Soviets had intensified their resistance in Berlin. Intelligence believed that the Kremlin reasoned that a blockade of Western traffic was an acceptable risk if certain objectives could be met. Soviet obstructionism, analysts argued, hinged on 'obtaining some measure of control of western Germany, particularly the Ruhr, or at least to sabotage or slow down the western program, including European recovery.'⁴⁰⁶

The day following these reports, General Clay started an airlift to supply the 2,500,000 Berliners that, in scope and scale, was to become an unprecedented effort to supply a major city still suffering from the lingering effects of war. The airlift, although soon to be organized as a full-scale operation, was originally authorized merely as a stop-gap measure until the diplomatic deadlock could be broken.⁴⁰⁷ In the face of Soviet efforts, American C-47 aircraft delivered food, medicine and coal to awaiting

⁴⁰⁵ Evan Thomas, *The Very Best Men, Four Who Dared: The Early Years of the CIA*, p. 129.

⁴⁰⁶ CIA, *Daily Summary*, "Germany: French View on Berlin Crisis." *Weekly Summary*, "Soviet Desire to Reopen Quadripartite Negotiations on Germany," 25 June 1948. CIA Electronic Reading Room.

⁴⁰⁷ Harry Truman, *Memoirs*, p. 123.

Berliners, day or night, or in inclement weather. During the summer, the airlift averaged 1,147 tons; by autumn it had reached 4,000 tons.⁴⁰⁸ The main question to the blockade problem was: How could the US remain in Berlin without risking all-out war?⁴⁰⁹ To the American ambassador in Moscow, the situation at the time did not look promising. In fact, Ambassador Smith had serious doubts whether the Allies could supply such a large city by air for a prolonged period, especially during the winter months. Nor was Smith certain that the morale of the German people would stand the strain of the embargo.⁴¹⁰ However, in part because of the CIA's reassurance that the Soviets were not positioning themselves to attack the US position in Berlin, Washington was able to move forward and later intensify the airlift.

Just days after the airlift commenced, the CIA issued a number of reports to the Secretary of Defense and to the senior military leaders making the strategic decisions on the ground. A June 28 memorandum reported on the subversive mindset of the Soviet leadership, warning that because the Soviets no longer considered the Western powers as allies, the German Communists would not be limited in the means they employed against the West. In fact, analysts cautioned that Soviet inspired communist terrorism should be expected. In general terms, the report provided the official position of the Communist Party of Germany, stating that the currency change produced 'a revolutionary change in Berlin which

⁴⁰⁸ Walter Isaacson and Even Thomas, *The Wise Men*, pp. 460-461. The C-47 had the cargo capacity of approximately two and a half tons. The larger class C-54 transport plane, in addition to a number of smaller British planes, would later be added to the airlift effort.

⁴⁰⁹ Harry Truman, *Memoirs*, p. 125.

⁴¹⁰ Walter Bedell Smith, *My Three Years*, p. 242.

must be used to bring a Communist victory which is considered synonymous with the withdrawal of the Western Allies.’ The report also listed a still classified source that indicated that an East German government would be announced in the near future—estimated to take place no later than July 3, 1948.⁴¹¹

In a fascinating memorandum issued to the Secretary of Defense, DCI Hillenkoetter reported on a conference between Russian officials in an effort to determine what influence the blockade on the Western Zone would have on the Eastern Zone of Germany. Hillenkoetter reported that Soviet officials had been shocked by statements made at the conference about the dramatic impact the blockade was expected to have on trade and industry in the Eastern Zone. Most shocking, however, was the Soviet response to the German representatives’ assessments: ‘‘We had no idea of this situation; Russia is suffering from heavy droughts and is counting on German food supplies this year. Food supplies must be maintained, come what may. If we had known this, we would not have gone so far.’⁴¹² It was also revealed that the head of the conference, Marshal Sokolovsky, stated that given the difficulties the travel restrictions placed on Soviet trade and industry, three courses of action were available:

- a. Start a war.
- b. Lift travel restrictions on Berlin.
- c. Leave entire Berlin to West, giving them the rail line.

⁴¹¹ CIA, *Memorandum for the Secretary of Defense*, ‘‘Subject: Situation in Berlin,’’ 28 June 1948. CIA Electronic Reading Room.

⁴¹² CIA, *Memorandum for the Secretary of Defense*, ‘‘Current Subject: Situation in Berlin,’’ 30 June 1948. CIA Electronic Reading Room. Hillenkoetter’s source on the conference remains classified.

By itself, an analysis of these options would have provided limited benefit for US policy officials. However, the memorandum also included a report of a senior Soviet official present at the conference who stated that war was impossible due to bad harvest prospects and that lifting travel restrictions would make the Russians ‘lose face.’ This left only one possible course of action for the Soviets: The West would have to feed all of Berlin, leaving them with ‘more on their hands than they bargained for.’⁴¹³ This information on Soviet unpreparedness would have been particularly valuable for policy planners. Most notably, it revealed that the Soviet leadership, though decidedly not prepared for the consequences of the travel restrictions, believed that once started, their course of action was dictated not so much by any firm belief that the blockade would be successful, but more by the fear of capitulation or war. This report was useful in two other respects. First, it revealed a side of Soviet vulnerability; and second, it demonstrated that the Soviets were unprepared for a sustained US response to the blockade.

Further analysis of the situation was issued the same day, although the *Daily Summary* did little more than cite a well-informed but untested source that reported on Soviet plans for an East German state. The implementation of any plan, analysts reasoned, would probably be delayed until the USSR could ‘justify’ its action by claiming that the western powers had ignored the plea for German unification.⁴¹⁴

⁴¹³ Ibid.

⁴¹⁴ CIA, *Daily Summary*, “Implications of Possible Approach to West by Tito; Germany: Alleged Plans for East German Government,” 30 June 1948. CIA Electronic Reading

Two memoranda were also issued to President Truman by DCI Hillenkoetter. One reported on a Russian directive indicating that the Soviets intended to incorporate Berlin into the Soviet Zone. This directive, based on the supposition that Berlin was part of the Soviet Zone, indicated to CIA analysts that, although in a difficult position, the Soviets meant business in the present crisis. ‘Having gone this far,’ reasoned analysts, ‘it is difficult to see how they could back down without a maximum loss of face even in their own camp.’⁴¹⁵ The other memorandum updated the President with current estimates of Communist intentions in Germany. Through ‘reliable channels,’ Hillenkoetter advised that current Soviet tactics appeared to be calculated, in large part, to force the Western Powers into local negotiations on the Berlin situation. However, these negotiations, the DCI pointed out, would increasingly rest on Soviet terms the more the Western logistical position in Berlin deteriorated.⁴¹⁶

These assessments, issued on the heels of the travel restrictions, just days after the blockade began, show that the CIA effectively understood that the USSR never expected West Berlin to hold out for nearly a year.⁴¹⁷ Taken as a whole, these reports also highlight the consistency of the Agency’s assessments on important issues during this stage of the crisis. Moreover, whether reporting to senior policy officials in Washington or to the military commanders making the strategic decisions in Berlin, the CIA’s position was never alarmist.

Room.

⁴¹⁵ CIA, *Memorandum for the President*, “Russian Directive Indicating Soviets Intend to Incorporate Berlin into Soviet Zone,” 30 June 1948. CIA Electronic Reading Room.

⁴¹⁶ DCI Hillenkoetter, *Memorandum for the President*, 30 June 1948. RG No. 263, Stack 190, Row A, Shelf 5, Box 26, NARA.

⁴¹⁷ Donald Steury, *On the Front Lines of the Cold War*, p. 181.

Throughout the summer of 1948 the CIA's position remained unchanged. A *Weekly Summary* issued on July 2 reported on the most recent developments. Analysts cited reports that the Soviet Commander, Marshal Sokolovsky, had attempted to reassure the Germans and the western powers that his new restrictions might only be temporary. Sokolovsky's remarks, they cautioned, were to be taken 'with a large grain of salt.' The CIA also noted a few points that the US should consider if it was to maintain its position in Berlin. First, the German population in the western sectors was 'markedly anti-Soviet' and supported the strong stand taken by the Western powers. Second, German faith had been further strengthened by determined US-UK efforts. Analysts added, though, that this loyalty and support would be severely tested should the population face starvation or should it be determined that a Western withdrawal was inevitable.⁴¹⁸ The CIA believed that this recent intelligence further supported its previous position that the USSR did not seem ready to force a definite showdown for the present, despite Soviet efforts to create an unstable situation for the western powers. Analysts also sought to place the threat within context, suggesting that that the primary purpose of the Soviet blockade was to compel the Western powers to revisit quadripartite negotiations under conditions favorable to Soviet plans, hoping to make the US position in Berlin untenable.⁴¹⁹

Even with such reassurances, Truman believed it prudent to demonstrate a show of force to the Soviets, approving the deployment of

⁴¹⁸ CIA, *Weekly Summary*, "Berlin Blockade; Intensified Communist Activity in Italy; Yugoslavia's Defiance of the Kremlin's Authority," 2 July 1948. CIA Electronic Reading Room.

⁴¹⁹ CIA, 7-48, "Review of the World Situation," 14 July 1948. CIA Electronic Reading Room.

sixty B-29 bombers to British air bases to be dispatched on July 16.⁴²⁰ Although not deployed as any atomic threat against Soviet Russia, the maneuver was one of the clearest indications of America's resolve in Berlin. The day following the dispatch of American bombers, the CIA's *Daily Summary* failed to mention any specific military issue; only weighing in on the strong Soviet reply to Western efforts in Berlin.⁴²¹

A *Daily Summary* issued at the end of July, titled "Control of Berlin Believed Primary Soviet Objective," commented that Ambassador Smith had suggested that there existed an 'urgent Soviet desire' to negotiate the overall German question, with the liquidation of Berlin as the center of Western influence. Analysts cautioned, though, that although concessions on western Germany were the primary Soviet objectives that unilateral control of Berlin remained a secondary aim of the USSR.⁴²² However, the CIA maintained the position that, although the Kremlin was interested in an eventual 'face-saving'⁴²³ solution on the Berlin dispute, the Kremlin still held out hopes that, although with extreme difficulty, the eastern zone economy could be eventually integrated with that of the Western zones, albeit under Soviet terms.⁴²⁴ This somewhat optimistic assessment was quickly shelved after the Western representatives met with Soviet delegates in Moscow on August 2. The Moscow discussions, like the London CFM,

⁴²⁰ Alexander George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice*, New York: Columbia University Press, 1974, pp. 107-39.

⁴²¹ CIA, *Daily Summary*, "USSR: Reasons for Soviet Replies on Berlin; China: Soviet Ambassador Urges End of Civil War," 17 July 1948. CIA Electronic Reading Room. (In an apparent attempt to shift local and foreign opinion, the USSR offered to supply food to all of Berlin on July 19).

⁴²² CIA, *Daily Summary*, "Control of Berlin Believed Primary Soviet Objective," 27 July 1948. CIA Electronic Reading Room.

⁴²³ CIA, *Weekly Summary*, "UN: Soviet Veto on Berlin; Germany: Soviet Action in Eastern Germany," 29 October 1948. CIA Electronic Reading Room.

⁴²⁴ CIA, *Weekly Summary*, "Germany: Far Reaching Political and Economic Reorganization in the Soviet Zone," 6 August 1948. CIA Electronic Reading Room.

dominated the international scene by raising issues of legality for the opposing powers in Germany. The new round of meetings in Moscow continued throughout August in an effort to permit a judgment to be made about the introduction of Soviet-sponsored currency under four-power control throughout Berlin.

The CIA believed, however, that these diplomatic meetings had little chance at arriving at more than patched-up, temporary solutions for the secondary problems to the crisis. At the time of the meetings, a *Review of the World Situation* reported on the dramatic and far-reaching political and economic control in the Soviet Zone. Russian leaders, reported the CIA on August 6, were effectively consolidating their control by liquidating or eliminating leaders of the Christian Democrats and Liberal Democrats, both members of the Popular Front.⁴²⁵

Such limited direct diplomacy that had taken place appears to have only further frustrated policy officials on both sides. Actually, the only face to face discussion with Stalin had been a two hour meeting with the blunt and pragmatic American Ambassador in Moscow on August 2. When presented with the United States' position over the Soviet imposed blockade, Stalin announced emphatically that it was not the purpose of the Soviet Government to force the Western governments from Berlin. "After all," he said, "we are still Allies."⁴²⁶ When back in Washington,

⁴²⁵ Ibid. Benefiting from this reorganization were members of the Soviet aligned German Socialist Unity Party (SED). The CIA continued to provide assessments on alternative courses to the Soviet Union through participation in the CFM. See, *CIA 5-49*, "Review of the World Situation," 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, Document 9, NARA.

⁴²⁶ Walter Bedell Smith, *My Three Years*, p. 244. Western delegates met with Stalin for a second time on August 23. The four military governors met the first week of September in Moscow to reach an accord but were unable to implement any agreement.

Ambassador Bedell Smith relayed to those present at a Policy Planning Staff Meeting on September 28 that, as to the likelihood of war, “there is a real possibility of it in the Berlin situation.”⁴²⁷

At the time, the CIA appeared more assured of Soviet moderation than Smith, but still feared that tension in Berlin was coming to a head:

...even if the USSR makes the concessions needed to resolve the Berlin issue, differences in fundamental objectives will still offer serious obstacles to the preparation and successful conclusion of a subsequent Four-Power Conference. Failing a compromise of these differences, the USSR would probably renew its determined pressure in Berlin and bring the Western Powers closer to the ultimate choices that appear to face them there—resort to force or planned withdrawal.⁴²⁸

Analysts surmised that without satisfactory resolution, the Western position in Berlin was ‘untenable in the long run.’ If sufficient pressure was not brought to bear on the Soviet Union, the report estimated, the USSR ‘could afford—without losing its initiative—to outwait the Western Powers in Berlin.’ Discouraging as this assessment might have first seemed, analysts added that, from the Soviet point of view, the option of force ‘must appear an unlikely choice;’ whereas the second option, from the Soviet point of view, ‘must seem inevitable.’ This framework of Soviet perceptions further reinforced the position that the blockade of Berlin

⁴²⁷ *Minutes of the 286th Policy Planning Staff Meeting*, 28 September 1948. *FRUS 1948*, vol. II, pp. 1194-1197.

⁴²⁸ CIA, “Review of the World Situation,” 19 August, 1948. CREST 67-59A1, Box 5, Folder 7, NARA.

should not be viewed as a calculated provocation for an armed conflict. Instead, the Soviets could be expected to wage a 'cold war' through devices such as propaganda, economic sabotage and political penetration.⁴²⁹

The CIA carried its concern about Soviet actions in eastern Germany into a September report, cautioning that the Soviet regime was being 'implacably inimical' toward the United States.⁴³⁰ Analysts candidly pointed out that, given the weakness in the military posture of the US in Europe and Asia, 'the principal restraint on hostile Soviet action is the greatest potential strength of the United States.' Given this, analysts reasoned that this lack of military power most probably led to the Kremlin's intention to avoid war with the United States for the next decade. However, Washington could expect the Soviets to exploit US weakness to the utmost within that broader limitation. Intelligence analysts concluded that the current situation remained critical, 'pending the successful accomplishment of US efforts to redress the balance of power.'⁴³¹

Western leaders were also frustrated by the continuing impasse and referred the Berlin dispute to the United Nations later that month, on September 29. However, the CIA was careful about placing too much stock in UN authority. Arguing that presenting the blockade issue to the UN Security Council would 'interject the tension of the Berlin situation into all other issues no matter how remote,' analysts advised that it was difficult to see how the UN could take any action that would 'resolve the

⁴²⁹ Ibid.

⁴³⁰ CIA, *ORE 60-48*, "Threats to the Security of the United States," 28 September 1948. CIA Electronic Reading Room.

⁴³¹ Ibid.

basic oppositions involved.⁴³² That the Soviet Union believed the United Nations incompetent to discuss the German situation and challenged its legality to take up the Berlin issue was not the only crack in the edifice of the UN's ability to change the political dynamics in Germany. 'It cannot be too strongly repeated,' urged analysts, 'that no matter what finally comes out of the process of debating and voting in the UN, the basic problem of what the next step is to be in Berlin will once more be presented to US policy.' Intelligence later reasoned that the Soviet Union's acceptance of the proposal by the United Nations to continue negotiations on the Berlin currency question was not so much because of any willingness to compromise, but rather because the USSR had 'utilized the UN negotiations to gain time for consolidating the Soviet position in Berlin and eastern Germany, ultimately seeking to block UN interference in Berlin affairs.'⁴³³

US policymakers faced an increasingly grim situation in Berlin by fall, even though supplies from Allied planes were being unloaded at an almost breakneck pace. American and British transport planes were taking off from Tempelhof Airport every four or five minutes to deliver food and material to Berliners. Military planners, concerned about the approaching winter months, were unsure that their efforts would be enough to sustain the city's population during the coldest months. Truman wrote in his diary about a meeting held with the service secretaries, the Joint Chiefs, Marshall and Forrestal, who briefed the President on bases, bombs, Moscow,

⁴³² CIA, "Review of the World Situation," 20 October 1948. CREST, 67-59A, Box 5, Folder 7, NARA.

⁴³³ CIA, *Weekly Summary*, "The Berlin Dispute; Communist Policy in China," 3 December 1948. CIA Electronic Reading Room.

Leningrad, etc. ‘I have a terrible feeling afterward,’ wrote Truman, ‘that we are very close to war. I hope not...Berlin is a mess.’⁴³⁴ His concern was, indeed, valid. The situation in Berlin remained bleak.⁴³⁵

Intelligence continued to keep the Kremlin’s accelerated preparations of the past several months on the front burner. The *Daily Summary* issued on October 9 conveyed concern about Soviet preparations for an East German Government. Warning that a constitution for an ‘Eastern German Republic’ was to be announced in the near future, analysts noted that Otto Grotewohl, Co-chairman of the Socialist Unity Party, was considered to be the most likely minister-president of the Soviet Zone government.⁴³⁶ However, analysts believed that the German figurehead for the government would be Wilhelm Pieck, not Grotewohl, and that the real Communist leader in Germany would continue to be Walter Ulbricht.

An intelligence report issued on October 27 considered the strategic value to the USSR of the conquest of Western Europe prior to 1950. In doing so, analysts examined a number of specific facts and figures that it believed were significant to forecasting the probability of Soviet aggression and the strategic and theoretical advantages and disadvantages of the Soviet army overrunning Western Europe. The analysis included a number of important components of Soviet preparedness: machinery, munitions,

⁴³⁴ Harry Truman, *Off the Record*, pp. 148-149.

⁴³⁵ In mid-October, the National Security Council deliberated on possible Soviet interruption of the airlift. Stuart W. Symington pointed out that the principal purpose of the special meeting was to determine what the US might do in the event the Soviets took military action against the airlift. See, *Minutes of the 24th Meeting of the NSC*, 14 October 1948, PSF-NSC, Box 204, FOIA request.

⁴³⁶ Grotewohl became the first prime minister of the GDR and remained in that office until his death in September 1964.

aircraft, economic organization, transportation, atomic energy, biological and chemical warfare, electronics and guided missiles, naval weapons and personnel. In addition to a number of scientific forecasts, the report concluded that political considerations did not favor a Soviet decision to overrun Western Europe prior to 1950. This conclusion was principally based on two considerations:

1. Occupation of Western Europe and the Near East would vastly increase Soviet security and administrative problems, and would create serious political instability throughout the Soviet orbit in the event of war.
2. The traditional Communist methods of subversion and infiltration, which are less costly and involve less risk than military action, still offer substantial possibilities for continued achievement of Soviet objectives.⁴³⁷

In addition to the relevance that these scientific forecasts would have had for policymakers, this 14-page report represents one of the best examples of the CIA's early efforts to provide a more detailed breakdown of strategic intelligence. It is also worth pointing out once more that the report's political conclusions were consistent with previous assertions that restraint and caution continued to influence Soviet decision-making.

A *Weekly Summary* issued two days later reported that the

⁴³⁷ CIA, "The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) prior to 1950," 27 October 1948. RG No. 263, Stack 190, Row A, Shelf 5, Box 32, NARA.

communist-backed SED was ‘undergoing a purge which will ultimately replace all members of non-Communist parties and unreliable Communists now holding key positions in the SED with reliable Stalinist Communists.’ The CIA rightly concluded that this more disciplined SED would facilitate Soviet-Communist control of the Soviet sector of Berlin, though analysts estimated that Communist cadres were already practically in full control of the zonal government down to county level. The most shocking aspect of this report, however, was that the framework of the SED party structure was strikingly similar to the centralized police system of the Nazi regime.⁴³⁸

Soviet political maneuvers aside, the *Weekly Summary* revealed a surprising degree of optimism that the Soviet Union could possibly be inclined toward conciliation because, it reasoned, Moscow recognized that the Berlin blockade had ‘failed to dissuade the western powers from proceeding with a separate organization for western Germany or to force them out of Berlin.’ The Agency also reported that the success of the airlift,⁴³⁹ combined with the firm stand of the western powers, had:

⁴³⁸ CIA, *Weekly Summary*, “UN: Soviet Veto on Berlin; Germany: Soviet Action in Eastern Germany,” 29 October 1948. CIA Electronic Reading Room.

⁴³⁹ Harry Truman, *Memoirs*, pp. 127-128. Truman noted that by autumn 1948 there was a 25-day reserve of coal and a 30-day reserve of food in Berlin.

- 1) raised western prestige in Germany and increased German hostility to the Soviet Union;
- 2) spurred western plans for rearmament and military coalition; and
- 3) precipitated the local problem of Berlin into a crisis of world scope, far exceeding Soviet calculations.⁴⁴⁰

The CIA followed this perceptive assessment with another pragmatic *Weekly Summary* which cited Stalin's interview in *Pravda*, suggesting that the Soviet premier's remarks were an indication of a shift in the Kremlin's estimate of its capabilities for achieving its immediate objectives in Berlin. Considering the 'uncompromising stiffness' of Stalin's remarks, the interview might, argued the CIA, 'have been intended to prepare the ground, both within the Soviet Union and abroad, for further unilateral action on Germany, possibly including partition and the establishment of an east German state.'⁴⁴¹

Intelligence Memorandum No. 77, issued later in November, provided estimates of the possibility of a unilateral Soviet troop withdrawal from Germany prior to February 1, 1949. A unilateral evacuation, the memo argued, 'is not believed possible without jeopardizing the Communist Party machinery that the USSR has been attempting to build as a control mechanism in the Soviet Zone.'⁴⁴² Having pressed the point that the Soviet position was to "sit tight," analysts surmised that the immediate effect in Berlin of the creation of a separate Communist government would

⁴⁴⁰ CIA, *Weekly Summary*, "UN: Soviet Veto on Berlin; Germany: Soviet Action in Eastern Germany," 29 October 1948. CIA Electronic Reading Room.

⁴⁴¹ CIA, *Weekly Summary*, Soviet Union: Stalin Interview," 5 November 1948. CIA Electronic Reading Room.

⁴⁴² CIA, *Intelligence Memorandum No. 77*, "Soviet Troop Withdrawals from Germany," 22 November 1948. RG No. 263, Stack 190, Row A, Shelf 7, Box 45, NARA.

be 'to intensify the political and economic impasse by making normal city government virtually inoperable.'⁴⁴³

An earlier report dismissed any notion of Soviet sincerity towards negotiations, arguing that any softening by the Soviet Union should be regarded only as 'a temporary tactical adjustment and not as a prelude to a sweeping revision of Soviet policy toward the West.'⁴⁴⁴ Furthermore, on the issue of Soviet actions in eastern Germany, analysts believed that the Kremlin's tightening control of the government would have to be shored up before the Soviets could begin to consider any conciliatory actions over the blockade.⁴⁴⁵ However, the establishment of a Soviet-controlled East German government came as a surprise to few the following year. (The provisional constitution of the Federal Republic of Germany, FRG, went into effect in May 1949. The German Democratic Republic, GDR, was established the following October).

It should be noted that by the time the FRG had been established, the United States had drafted a more official response to the Soviet Union. Here, at last, was the firm policy position that had been argued by so many in Washington. Passed on November 23, *NSC Directive 20/4* represented the first comprehensive strategy to be adopted as national policy. In essence, *NSC 20/4* outlined Kennan's political viewpoints from three years

⁴⁴³ CIA, *Weekly Summary*, "The Berlin Dispute; Communist Policy in China," 3 December 1948. CIA Electronic Reading Room.

⁴⁴⁴ CIA, *Weekly Summary*, "The Kremlin 'Peace Offensive,'" 19 November 1948. CIA Electronic Reading Room. The Communist "peace" conference opened in Paris on 20 April 1949. Analysts believed that the "peace offensive" was used in an effort to cancel any loss of prestige in Germany. The USSR continued to use this "peace offensive" in an effort to cancel any loss of prestige involved in the Berlin blockade.

⁴⁴⁵ On November 30, the Berlin Communists split the municipal government by establishing a Soviet-controlled government in East Berlin. This split of government was done just before elections in West Berlin showed that the city's population overwhelmingly supported democratic parties.

earlier, stating that the US must ensure that Europe did not yield further to hostile aggression or subversion by ‘using all methods short of war’ to reduce ‘the power and influence of the USSR to limits which no longer constitute a threat to the peace, national independence and stability of the world family of nations.’⁴⁴⁶ Most importantly, *20/4* outlined what steps the US needed to take to counter Soviet threats by methods short of war. The directive sought to counter these threats by reducing the power and influence of the USSR and bringing about basic changes in the conduct of international relations with the country. These two broad aims pursued by the US, however, would have to be executed while guarding against the continuing dangers of war.⁴⁴⁷ *NSC 20/4* also positioned the communist “threat” within a more realistic context, stating that the Soviet Union’s intentions were to enhance its political standing in the world, rather than outright military domination.

During the last weeks of 1948, the CIA left policymakers with several familiar, cautionary assessments. On the question of Soviet tactics, analysts argued that in an attempt to counter the December 5 elections in the western sectors, the Soviets should be expected to complete the political and administrative division of Berlin and increase the obstacles to a settlement of both the Berlin disputes and the entire German question.⁴⁴⁸

⁴⁴⁶ By 1948, however, Kennan did not believe that the challenge the United States faced was a military one. George Kennan, *Memoirs*, New York: Pantheon Books, pp. 399-401.

⁴⁴⁷ *NSC 20/4*, “U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security,” 23 November 1948. Thomas Etzold and John Lewis Gaddis, eds., *Containment: Documents on American Policy and Strategy, 1945-1950*, pp. 203-211.

⁴⁴⁸ CIA, *Weekly Summary*, “The Berlin Dispute; Communist Policy in China,” 3 December 1948. CIA Electronic Reading Room.

On the question of Soviet strategy, however, analysts shifted their position. When the blockade was first imposed, the CIA believed that the primary purpose of the blockade was to compel the Western powers to revisit quadripartite negotiations under conditions favorable to Soviet plans, hoping to make the US position in Berlin untenable.⁴⁴⁹ Citing further consolidation of Soviet influence in the eastern zone and the persistent inflexibility of the Kremlin, analysts revised their appraisal, suggesting by mid-December that the USSR was concentrating upon its secondary objective: forcing the West either to evacuate Berlin or to negotiate on terms which would make the western position ‘ineffective and eventually untenable.’⁴⁵⁰

In light of the fact that Moscow was considered to have accepted the partitioning of Germany as a fact, analysts warned that the USSR would impose a more stringent blockade in pursuit of its objective of consolidating its zone. Stalin was blunt on this matter: ‘It is all lies.... It is not a blockade, but a defensive measure.’⁴⁵¹ The CIA readdressed the fact that the speed and success with which the consolidation of Western and Eastern Europe could be achieved by the US and the USSR was directly

⁴⁴⁹ CIA, 7-48, “Review of the World Situation,” 14 July 1948. CIA Electronic Reading Room.

⁴⁵⁰ CIA, *Memorandum for the President on the Situation on Berlin*, 10 December 1948. (CIA Electronic Reading Room) Evidence of a shift in the Soviet’s main demand in negotiations first became evident during Stalin’s meeting with Ambassador Smith on August 2, 1948, when the Soviet premier strongly suggested that the West suspend proposals for a West German government. However, the suspension of West German government plans as a condition of settlement of the blockade was not explicitly made until Molotov did so on August 6. In a typical Smith reply, the American Ambassador referred to this as a “typical Soviet tactic of trying to sell the same horse twice.” See “Smith to Secretary of State, Marshall,” 6 August 1948, *FRUS, 1948*, vol. II, pp. 1018-1021.

⁴⁵¹ Vladimir O. Pechatnov and Earl C. Edmondson, “The Russian Perspective,” in Ralph B. Levering, Vladimir O. Pechatnov, Verena Botzenhart-Viehe and Earl C. Edmondson, *Debating the Origins of the Cold War: American and Russian Perspectives*, New York: Rowman & Littlefield, 2002, p. 139.

affected by economic factors. ‘Although, at the present time,’ it noted, ‘the political and security aspects of the situation are unfavorable to the US, the general economic aspect is more satisfactory in spite of an inflationary tendency and may prove to be of considerable significance for the longer run.’⁴⁵²

True to the prediction of more stringent transportation controls, an intelligence memorandum issued later that month reported that the head of the *Kriminal Direktion* of the East Berlin Police stated that the ‘complete sealing of Soviet Sector streets leading into the western sectors is to be carried out soon.’ Security measures were to include wooden barriers on open thoroughfares and increased foot patrols. In addition, the East German police would be restructured to facilitate this increase of border control. A problem with this, warned another December report, was that the US and Western Europe still had ‘a long road to travel before they achieve an equally effective coordination of their interests and policies with respect to Germany.’⁴⁵³

⁴⁵² CIA, “Review of the World Situation,” 16 December 1948. CREST, 67-00059A, Box 5, Folder 7, NARA.

⁴⁵³ CIA, *Intelligence Report*, “Soviet Measures to Further Tighten the Sector Blockade in Berlin,” 30 December 1948. CIA Electronic Reading Room. See also, CIA, “Review of the World Situation,” 16 December 1948. CREST, 67-00059A, Box 5, Folder 7, NARA.

1949: The Soviets Blink

The intensification of the blockade, combined with the consolidation of power within the Soviet sector, had considerably enhanced the USSR's bargaining position by 1949.⁴⁵⁴ 'Apparently believing that they could bring the confrontation to a decisive conclusion,' Donald P. Steury notes, 'the Soviets prepared to isolate West Berlin from the eastern half of the city and abrogate what remained of the quadripartite governing arrangements.'⁴⁵⁵ There was at least one reason for optimism, however. In a press interview on January 31, Stalin, for the first time, stated conditions for ending the blockade without reference to the currency problem. The intelligence reports issued throughout the spring remained consistent with earlier assessments that the crisis was, for all intents and purposes, stabilizing and that the USSR was neither planning nor prepared for a major armed conflict.⁴⁵⁶ In fact, buoyed by the US position in Germany (the West tightened its counter blockade, stopping all truck traffic between West Zones and the Soviet Zone on 4 February), the CIA reported that

⁴⁵⁴ The CIA feared that Moscow would use its position to claim that the government of eastern Berlin must be merged into any Berlin government, thus permitting the USSR to regain an indirect control over key positions in the western government. CIA, *Memorandum for the President on the Situation in Berlin*, 10 December 1948. CIA Electronic Reading Room. Two events in January caused further alarm in Washington: the January 22 fall of Beijing to the Communist forces of Mao Zedong and the January 25 announcement of the Council of Mutual Economic Assistance as a response to the Marshall Plan.

⁴⁵⁵ Donald Steury, *On the Front Lines of the Cold War*, p. 206.

⁴⁵⁶ Among these were the CIA's, *Information Report*, "SEID Preparations for Illegal Work in West Berlin", 7 March 1948; *Weekly Summary*, "Germany: Berlin Currency; Soviet Union: Molotov-Mikoyan, Communist Militancy, Atlantic Pact; Yugoslavia: Greek Guerrillas," 11 March 1948; *Daily Summary*, "US Policy in Germany," 4 April 1948; *Weekly Summary*, "Soviet Tactics in Germany; Satellite Communist Purges," 22 April 1948; *ORE 46-49*, "The Possibility of Direct Soviet Military Action During 1949," 3 May 1948; and *Weekly Summary*, Soviet Union: German Objectives," 6 May 1948. In fact, the Agency was still issuing regular estimates on the likelihood of future Soviet actions, tantamount to a blockade of Berlin, well into President Eisenhower's administration. For a case in point, see the Office of National Estimates' *Special Report*, 18 January 1954. CREST, 79R00904A, Box 2, Folder 1, NARA.

containment efforts had checked Soviet-Communist activities that were ‘seeking to break down Western Europe.’⁴⁵⁷

The blockade continued, although few additional developments affecting the Berlin situation had occurred. The Soviets hoped to capitalize on the Allies’ difficulties in supplying Berlin, which during the winter months almost reached the breaking point. Because of frigid temperatures, Berlin suffered drastic coal and food shortages. Yet morale remained high, despite the hardships. The West was unwilling to capitulate and doubled its efforts and continued the airlift throughout the winter, meeting the basic needs of the Berlin population.⁴⁵⁸ The White House began feeling more confident that the situation, desperate as it was, would not lead to war.

Most significantly, the Soviet Union was doing little to challenge the persistence of the Allied airlift—perhaps because Soviet leaders believed the airlift incapable of succeeding through the winter. So with a solution to the Berlin crisis still on the horizon, the CIA addressed the distressing question of the risk of war in 1949 in *Intelligence Memorandum No. 118*. Analysts cautioned that the risk of a general war would be substantially elevated by an attempt by the US to force the Berlin blockade. The warning suggested it was probable that, faced with such a challenge at this stage, ‘the Kremlin would seek to maintain the blockade of Berlin at all costs including, if necessary, war with the Western Powers.’ Such a decision was based on the following considerations:

⁴⁵⁷ CIA-4-49, “Review of the World,” 20 April 1949. FOIA request.

⁴⁵⁸ On April 16 the airlift had broken all records by lifting 12,940 tones of food and coal to Berlin in 24 hours.

- a. the Berlin blockade has achieved such significance that its abandonment by the USSR, in the face of a Western threat, would constitute for the Kremlin a disastrous loss in terms of prestige and initiative.
- b. a Soviet retreat on the blockade issue would vastly encourage resistance to Soviet aggression in the West and to Communist domination throughout the Soviet orbit.

Intelligence Memorandum No. 118 concluded that, while the Soviet Union appeared to accept war if necessary, it would, nevertheless, ‘first exhaust all means short of armed force, such as sabotage, demolition, and obstruction, to maintain the blockade.’⁴⁵⁹ It is important to note that even as the crisis had stabilized considerably since the early crescendo of the previous spring, CIA analysts still considered it vital to provide Washington with a risk assessment of war with the USSR. Evidently, this was because, although the crisis appeared to be stabilizing and the mindsets of policymakers reflected a more moderate approach, the situation on the ground remained a potential powder keg.

The Soviet Union eventually agreed to end the blockade of Berlin—a humiliating setback to Soviet foreign policy. More than fourteen months had passed since the first restrictions were imposed on the German city. By the time the Soviets officially lifted the blockade on May 12, 1949, the Western powers had, over a period of a little more than a year, supplied 2.2 million Berlin inhabitants (located 100 miles inside the Soviet Zone) by the

⁴⁵⁹ CIA, *Intelligence Memorandum No. 118*, 11 January 1949. CREST, 78-01617A, Box 3, Folder 19, NARA.

airlift of approximately two hundred fifty thousand tons of supplies.⁴⁶⁰ In the end, Stalin's plans had backfired. Faced with the alternative of either failure or possible war with the United States, Moscow believed it had achieved all it could from the blockade and, according to CIA analysts, desired a peaceful agreement in order to pursue its long-term objectives by other methods.⁴⁶¹

To what degree the Soviet leader was pressured by the unfavorable world opinion that turned against the blockade in Berlin remains unclear. Walter Isaacson and Evan Thomas point out that because of the success of the airlift, 'The Soviets began to look like barbarians, bent on starvation, while the Americans seemed like saviors.'⁴⁶² Stalin also may have, as Forrest C. Pogue suggests, seen the danger of a prolonged confrontation in the air corridors of Berlin.⁴⁶³ John Lewis Gaddis rightly points out that, despite American efforts and Western solidarity, the airlift survived only through 'forbearance in Moscow.'⁴⁶⁴ In fact, by the time the blockade was lifted, the West had found indirect ways to challenge Soviet security, including: further expansion of European economic assistance, the announcement that the *mark* would be the sole legal tender in West Berlin

⁴⁶⁰ Dean Acheson, *Present at the Creation*, p. 262. Acheson's figures are conservative when compared to Ambassador Smith's figure of 1,592, 787 tons. Walter Bedell Smith, *My Three Years*, p. 231. Smith remains an important authority on the subject because he could draw from first-hand knowledge of post-war Germany during the immediate Allied occupation, as well as his experience as the American Embassy in Moscow (1946-1949), during which he attended many conferences with General Lucius D. Clay. Smith's views about communism were never apologetic, but when compared to General Lucius D. Clay, Smith was less overtly hostile toward communist leaders.

⁴⁶¹ CIA, "Review of the World Situation," 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, NARA. The CIA continued to issue a number of assessments on the situation in Germany even after the conclusion of the crisis period. See, RG No. 263, Stack 190, Row A, Shelf 7, NARA.

⁴⁶² Isaacson and Thomas, *The Wise Men*, p. 461.

⁴⁶³ Forrest C. Pogue, *George C. Marshall: Statesman, 1945-1959*, New York, Viking, 1987, p. 311.

⁴⁶⁴ John Lewis Gaddis, *The Cold War: A New History*, pp. 34, 113.

on March 20, 1949, the creation of the North Atlantic Treaty Organization by twelve Western countries on April 4 (signed May 12) and the creation of the Federal Republic of Germany on May 23.⁴⁶⁵

The CIA rightly pointed out that, while it was not likely that the USSR ever considered the communization of Europe to be a ‘pushover’, it probably did not anticipate the difficulties that arose in 1948.⁴⁶⁶ We can now safely presume that the eventual strength of the Western reaction (to include economic assistance), the recession of Soviet influence elsewhere in Western Europe, the reorganization of Western Germany and the growing success of its economy, and the negotiation of NATO placed a great deal of pressure on Moscow. The CIA believed the Soviet Union had two basic courses open to it after capitulating. The first was to enter negotiations solely in order to attempt to ‘delay and confuse’ Western policy. The second was to enter negotiations with the intention of reaching an agreement that was favorable to Soviet long-term plans. On the issue of the CIA’s balance sheet of the relative security positions of the US and the USSR, many in Washington would not have been surprised to see that analysts believed ‘the global situation had slightly changed in favor of the US,’ primarily because of its improved position in Europe. However, another, more distant, issue raised by CIA analysts remained under the political radar: ‘Agreement on Germany, or a *détente* in Europe primarily means that time is being taken to build up strength and to maneuver for

⁴⁶⁵ The Federal Republic of Germany was established out of the US, British and French occupation zones. The Soviet Union responded by the end of the year with the formation of the German Democratic Republic (GDR).

⁴⁶⁶ CIA, “Review of the World Situation,” 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, NARA.

positions elsewhere.’ It was considered by analysts that, at the conclusion of the crisis in Berlin, the position in the Far East was definitely less favorable to the US.⁴⁶⁷

Conclusions

The essential continuing purposes of the US and the USSR were so opposed in Germany that the rapid development of a deadlock in Berlin was inevitable.⁴⁶⁸—CIA

The concrete and barbed wire partition of the Germany city continued to cast dark shadows of distrust and apprehension. The Berlin crisis was arguably the most enduring crisis of the entire Cold War, not only because it remained the battleground for espionage and diplomatic trepidation, but because it demonstrated, so soon after the Second World War, that provocative actions could be taken without necessarily leading to an armed conflict. Berlin remained at the forefront of East-West tensions for the duration of the Cold War. This atmosphere of uncertainty led Dean Rusk to later write, ‘When I go to sleep at night, I try not to think about Berlin.’⁴⁶⁹

⁴⁶⁷ Ibid.

⁴⁶⁸ CIA, “Review of the World Situation,” 20 October 1948. CREST, 67-59A, Box 5, Folder 7, NARA.

⁴⁶⁹ ca. 1961. <https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/on-the-front-lines-of-the-cold-war-documents-on-the-intelligence-war-in-berlin-1946-to-1961/art-2.html>

This chapter set out to answer several central questions: First, how well did the Central Intelligence Agency read Soviet intentions and how effectively did it read the crisis? Second, how accurate were its warnings and assessments? Third, we'd hope to have a clearer understanding of what influence the CIA might have had on the formulation of policy decisions during the Berlin crisis. This chapter has demonstrated that political events had primed Washington to react strongly to the perceived Soviet threat, thus the mindset of policymakers was potentially on track for extreme or reactive behavior. A number of policymakers were quick to sound the alarm over Berlin. Eager to uncover anything dramatic about Soviet intentions, many policy leaders' decisions were shaped by their sense of urgency and uncertainty. In particular, General Lucius Clay's inability to yield to compromise outside of Washington's careful oversight could have provoked a situation where bullets trumped diplomacy. In particular, Clay's uncompromising leadership style during the crisis period was, at times, a destabilizing influence; especially when the General initiated measures without waiting for Washington to make up its mind. The restraint called for by the White House and its intelligence agency flew in the face of the military leaders who tended to deal with the crisis in more urgent terms.⁴⁷⁰

Considering Washington's slow reaction to the developing crisis and its rejection of negotiating on Russia's terms at the very outset of the

⁴⁷⁰ This is not to suggest that Clay's approach was *always* reckless or inflexible. John Oneal, *Foreign Policy Making in Times of Crisis*, p. 221. The best indication of alarm, argues Oneal, was the 3 billion dollar supplemental appropriation for the military passed in April. 'This was a dramatic increase of nearly 25%,' he argues, '...at a time when the federal government was intent upon limiting its expenditures.' Still, this additional funding fell far short of what the Pentagon was requesting.

crisis, coupled with Clay's intense preoccupation with damage to American prestige, the Central Intelligence Agency's appraisals of Soviet intentions and capabilities should not be disregarded.⁴⁷¹ Despite a deficit of hard intelligence, analysts threw considerable light on Soviet decision-making and risk-taking. In fact, President Truman remarked as early as April 1949 that the National Security Council and the Central Intelligence Agency were 'one of the best means available for 'obtaining coordinated advice as a basis for reaching decisions.'⁴⁷² In the eyes of CIA analysts, the blockade of Berlin and the airlift was, in many ways, a test case of East-West strength. ORE recognized that the US was not dealing with a maniacal risk-taking regime, but rather a calculating dictator that based his decisions more from choice than from necessity.⁴⁷³

Certainly in the case of Berlin, the CIA appears to have been better positioned in its assessments of the crisis than many US military leaders. CIA appraisals of Soviet capabilities and intentions were intended to prevent the possibility of the crisis further escalating; advising that, although Soviet behavior in Berlin had been far from conciliatory, it had not been as definitive or final as to suggest a direct military conflict. With relative consistency, these assessments were drafted to help contextualize security threats and reassure an already anxious administration that the Soviet Union was unprepared and unwilling for a sustained military confrontation with the West.

⁴⁷¹ Avi Shlaim, *The Berlin Blockade*, p. 196.

⁴⁷² NSC Document, *INT 491/1*, "Value to the President of the National Security Council and the Central Intelligence Agency," 21 April 1949. Although Truman preferred to deal directly with senior cabinet officials, he nevertheless showed an increased willingness to consider advice from the National Security Council.

⁴⁷³ *CIA 5-49*, "Review of the World Situation," 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, Document 9, NARA.

Thus, given the possible outcomes of the confrontational posturing of the Soviet Union, the CIA's guiding hand during the Berlin crisis cannot be overstated. The potential for mistakes and miscalculations during the most dangerous stages of the crisis further underscore the value of the CIA's position in the policy process. In fact, its assessments were sound on a number of central issues. First, analysts urged policymakers that any negotiations pursued by the Soviets would be done with the design of preventing a western German state and frustrating economic rehabilitation in Germany. Second, the CIA advised Washington to establish a firm yet moderate position with the Soviets, outlining how the US could avoid a military showdown, while maintaining its position in Berlin.⁴⁷⁴ Third, in addition to understanding the broad Soviet threat, CIA analysts were quite perceptive about specific issues such as currency reform, Soviet control tactics in the eastern sectors of Germany and the breakdown of diplomatic negotiations.

⁴⁷⁴ In his memoirs, General LeMay observed, 'Once they discovered that we were firmly intentioned, and going to haul that stuff up there regardless, they let us pretty much alone.' *Mission with LeMay*, p. 416.

Even before the crisis in Berlin had drawn to a close, the CIA's position was challenged by one of the most unusually unyielding views of the Agency's early years: the *Dulles-Jackson-Correa Report*. Submitted to the NSC on January 1949, this report criticized the performance of the CIA's Office of Reports and Estimates. Politically, however, the report had wider ramifications by calling Roscoe Henry Hillenkoetter's leadership into question. And although the Committee was formed before the revelation of Soviet nuclear capability or the outbreak of hostilities in the Far East, these predictive "failures" would provide political fodder for future intelligence reforms.

Chapter V

The CIA and the Emerging Crisis in Korea

Shortly [after the Berlin blockade] there came the crisis of the Korean War, where the Soviet attempt to employ a satellite military force in civil combat to its own advantage, by way of reaction to the American decision to establish a permanent military presence in Japan, was read in Washington as the beginning of the final Soviet push for world conquest; whereas the active American military response, provoked by this move, appeared in Moscow...as a threat to the Soviet position in both Manchuria and in eastern Siberia.— George F. Kennan (1954)⁴⁷⁵

Preface

Like the preceding case study, the following two chapters examine what the Central Intelligence Agency was telling policymakers about Soviet objectives, tactics, intentions and capabilities during a time of crisis.⁴⁷⁶ In part, because of the failure of the USSR's blockade of Berlin and the success of the Chinese Communists, a distinct shift in Soviet foreign policy focus had occurred in 1949. Comparatively, US policy in

⁴⁷⁵ George F. Kennan, "The United States and the Soviet Union, 1917-1976," *Foreign Affairs*, 54 (July), pp. 683-684.

⁴⁷⁶ Lester H. Brune ed., *The Korean War: Handbook of the Literature and Research*, Westport: Greenwood Press, 1996. Brune offers a first-rate scholarly point of reference for the varying aspects of the Korean War. Brune's historiography references the origins of the Korean War, general references, international aspects of the Korean War, the Sino-Soviet relationship, military aspects of the Korean War, the struggle for unification after the Korean War, and the US domestic realm during the war.

the region underwent a diminutive change. With Washington's focus still on Europe, the political storm surging in the Far East would test the CIA even further. US-USSR tensions continued to be the dominant consideration in intelligence dissemination to policymakers. Before Soviet efforts could even be checked in Berlin, the undercurrent in the Far East was dragging the United States into another crisis.

Gaddis points out that the civil war in Korea was not a result of Soviet and American designs, but rather 'self-centered' behavior that threatened to embroil the major powers in 'unintended confrontations with one another.'⁴⁷⁷ Yet it was Soviet-American involvement that made the crisis so dangerous. But why was the United States pulled into the fighting in Korea when it remained outside in other crises involving Soviet opportunism? After all, the ORE's Korean Desk Officer had noted that US officials sought to limit future involvement in Korea and interest in the peninsula had already begun to decline by the summer of 1948.⁴⁷⁸ Yet by 1950, the United States found itself jumping head-first into Korea, principally because of two reasons: the domestic conditions permitted US military action and, as William Blum points out, the presence of a communist side in the conflict.⁴⁷⁹

As early as the Cairo Conference (22-26 November 1943) the US, Great Britain and China pledged that Korea would become free and

⁴⁷⁷ John Lewis Gaddis, *We Now Know*, p. 70.

⁴⁷⁸ CIA, Korean Desk Officer, Circa 1948-1950, "An Informal Memoire by the ORE." (Draft written on the 20th anniversary of the Korean War). RG No. 263, Stack 190, Row 33, Compartment 35, Shelf 5, Box 3, NARA.

⁴⁷⁹ William Blum, *Killing Hope: US Military & CIA Interventions since World War II*, p. 55. Blum notes that with the Arab-Israeli fighting in Palestine and in the Indian-Pakistani war over Kashmir the UN had intervened to mediate an armistice.

independent. However, the spirit of wartime cooperation ran high in December 1943 and leaders on both sides were still optimistic. In fact, Korea's fate as a partitioned state, much like Berlin, appears to have been sealed at the Potsdam Conference in July 1945. Here, the victorious Allies agreed on a temporary partition of the Peninsula along the 38th Parallel. Once Korea had been liberated from Japanese control, however, a lasting political solution became less and less certain as the prospect for the reunification of Korea was further complicated by the military occupation by the United States and the Soviet Union. (The Korean Communist government was founded in September 1948). On December 12, 1948, in an attempt to buffer against a communist North Korea (the Democratic People's Republic), the United Nations General Assembly adopted a resolution declaring the establishment of the Government of the Republic of Korea.

As the first major military conflict of the Cold War, Korea was a seminal event in the history of the CIA. The developments leading up to the attack on pro-Western South Korea and Washington's response to the unfolding crisis can be better understood through the careful study of the intelligence reports issued to policy officials. This study provides a fresh perspective on the CIA's influence during the buildup to the crisis, examining the often neglected, yet critical aspect of Cold War history—the hand of intelligence in the policy decision-making process.

Questions and Thesis Statement

The chapter will first briefly examine Washington's policies that placed the United States on a collision course in the Far East. As in third chapter, careful attention has been given to the political backdrop during the buildup to the crisis. I will show that policy decisions were shaped by fears of Soviet successes overseas and sensational stories of espionage, the loss of China and the USSR's seemingly overwhelming preponderance of power. America's assumption that communist aggression was a wider strategy for spreading hostility to other areas of the world threatened to become a political flashpoint during the early stages of the conflict. Like Berlin, political events had primed Washington to react strongly to the perceived Soviet threat, thus the mindset of policymakers was potentially on track for extreme or reactive behavior.

The chapter will bring the reader up to June 1950, showing how the Central Intelligence Agency issued assessments regarding the possibility of an invasion of South Korea and how it helped contextualize security threats by reassuring an already anxious administration that the Soviet Union was unprepared for a sustained military confrontation with the West. These broad intelligence assessments became increasingly important leading up to the invasion of South Korea, especially given the potential for US policymakers to react strongly to the larger issue of global conflict with the Soviet Union. With relative consistency, the CIA's appraisal of Soviet capabilities and intentions concluded that the Kremlin was unable and unwilling to risk a war against the United States. It will also be

demonstrated that when hostilities threatened to spiral out of control the CIA was one of the calmest voices in the choir.

In fact, without the CIA's earliest assessments Washington would have had greater difficulty in placing the emerging crisis in a proper strategic context. With little US political interest or influence in the region, the CIA's reports were designed to provide policy makers in Washington with a quantifiable assessment intended to inform policy decisions. Since Washington considered Korea to be such a low security priority and was (at least initially) neither willing nor prepared to defend the peninsula from a communist incursion, it is important to call attention to the intelligence agency's position on the Far East. Like the preceding case study, this chapter focuses on these central questions: First, how well did the CIA read Soviet intentions and how effectively did it read the crisis? Second, how accurate were its warnings and assessments? And third, after carefully considering the evidence, it is hoped that more clues are revealed about the nature and the quality of the CIA's influence during this particular crisis.

Recent Views

No study can hope to answer all the important questions left unfielded by other historians. All too often, though, even the most credible recent historical literature offers something of a sweeping brush over the CIA's role during the Korean crisis. Intelligence historian Michael Warner considers the Agency's broader usefulness, pointing to the final sum product of intelligence leading up to the Korean War. The CIA's analysis of the developing crisis, Warner argues, provided the 'key end product to the policymaker' that could '...help the US Government craft effective foreign and security policies.'⁴⁸⁰ This observation resonates but does not go further to explain how far the CIA's assessments influenced the policy direction. Similarly, John Lewis Gaddis only goes as far to suggest that the CIA's contributions were influential because the Korean War was rife with unpredictable results to the extent that the outbreak, escalation and ultimate resolution surprised everyone.⁴⁸¹

Other views are more dismissive. Historian Charles D. Ameringer argues in *U.S. Foreign Intelligence* that intelligence was 'like the piano player in the brothel. It adds a touch of class to the place, but had had nothing to do with what is going on upstairs.'⁴⁸² Not surprisingly then, Ameringer supports the widely accepted view that the CIA failed to predict

⁴⁸⁰ Michael Warner in Woodrow Kuhns' *Assessing the Soviet Threat: The Early Cold War Years*, p. 1

⁴⁸¹ John Lewis Gaddis, *We Now Know*, 1997, p. 70.

⁴⁸² Charles D. Ameringer, *U.S. Foreign Intelligence: The Secret Side of American History*, p. 223.

the outbreak of the Korean War. Similarly, Evan Thomas writes that in June 1950, there was a failure of the CIA ‘to predict anything right.’⁴⁸³

The nascent CIA is frequently blamed for failing to predict the date of North Korea’s (the People’s Democratic Republic of Korea) invasion and the date of Communist China’s intervention in the war.⁴⁸⁴ Harry Howe Ransom argues that the North Korean invasion of South Korea came as a surprise in June 1950. ‘American leaders,’ Ransom states, ‘were misled by national intelligence estimates. The net estimate at the time was that a war in Korea would not happen.’⁴⁸⁵ Mark M. Lowenthal also levels his aim at the CIA, arguing that the ‘unexpected invasion’ of South Korea was a result of the CIA’s failure to predict the invasion.⁴⁸⁶ Other historians, like John Ranelagh, Ray S. Cline and Christopher Andrews, argue that the CIA was responsible for the invasion launched against South Korea being a surprise.⁴⁸⁷

Not everyone is in agreement, however. Kathryn Weathersby argues that it had been obvious for a year that war would break out in Korea.⁴⁸⁸ Rhodri Jeffreys-Jones argues that the North Korean invasion ‘had indeed caught American forces unaware, but not because of the

⁴⁸³ Evan Thomas, *The Very Best Men*, p. 42.

⁴⁸⁴ Bruce Berkowitz and A. Goodman, *Strategic Intelligence for American National Security*, pp. 5, 187. The authors suggest that the CIA could have been more effective had they requested resources to collect data that ‘later proved to be required.’

⁴⁸⁵ Harry Howe Ransom, *Central Intelligence and National Security*, p. 203.

⁴⁸⁶ Mark Lowenthal, *Intelligence: From Secrets to Policy*, p. 19. Kathryn Weathersby notes in “Soviet Aims in Korea and the Origins of the Korean War, 1945-1950: New Evidence from the Archives” that it had been obvious for a year that war would break out in Korea. See, Working Paper 8, *CWIHP*, November 1993, p. 5.

⁴⁸⁷ Ray S. Cline, *The CIA*, p. 129, Christopher Andrews, *For the President’s Eyes Only*, p. 184 and John Ranelagh, *The Rise and Decline of the CIA*, pp. 186-188.

⁴⁸⁸ Kathryn Weathersby, Working Paper 8, “Soviet Aims in Korea and the Origins of the Korean War, 1945-1950: New Evidence from the Archives,” *CWIHP*, November 1993, p. 5.

paucity of warnings by the CIA.’ However, the author also suggests that the CIA was panicked into issuing ‘an indiscriminate profusion of warnings in an attempt to insure against potential criticism’ and covered itself against ‘guessed-at contingencies.’ This “cry-wolf” syndrome, argues Jeffreys-Jones, stemmed from the CIA’s evocation of ‘the Kremlin bogeyman’ and its underestimation of North Korea’s autonomous tendencies.⁴⁸⁹

Amy Zegart goes even further with her study of the connection between agency structure and policy outcomes in *Flawed by Design: The Evolution of the CIA, JCS, and NSC*. She would have the reader believe that the Agency’s inability to coordinate intelligence led to the Korean War, even arguing that Korea ‘might not have occurred had the Joint Chiefs of Staff and Central Intelligence Agency been able to do their jobs better.’ She adds that had the CIA been better able to read the situation in Korea then the United States’ military involvement there ‘might have been avoided altogether.’⁴⁹⁰ Yet her study largely fails to fully address other causative agents that hastened the crisis, including: misperceptions by policymakers from both sides, a bumbling US policy, the opportunistic nature of communist leaders and, above all, the self-determining objectives of Kim Il Sung. In the end, though, Zegart’s showcase of the ‘missteps and misadventures’ of the CIA rests on shaky ground because her reasoning, like the title of her book, is “flawed by design.”

The evidence also appears stacked against Raymond L. Garthoff’s claim that the CIA’s analysis in the formative years of the Cold War ‘was

⁴⁸⁹ Rhodri Jeffreys-Jones, *The CIA & American Democracy*, p. 64.

⁴⁹⁰ Amy B. Zegart, *Flawed by Design*, pp. 230-231.

weak and not very influential.’ His greatest slip is suggesting that it was not until January 1952 that the CIA had reached a ‘cautious and qualified judgment’ about Soviet intentions. Contrary to the central thesis of this chapter, Garthoff argues that the CIA’s earlier evaluations lacked a somewhat ‘reassuring formulation’ that estimated it was unlikely the Kremlin would deliberately initiate a global war.⁴⁹¹ Although a more balanced approach than Zegart and Garthoff’s assessments, Walter Laqueur argues in *A World of Secrets* that the CIA played ‘no significant role’ in changing the perceptions in Washington about the Soviet image, ‘except perhaps by providing occasional information on Soviet military capabilities that said the Russians did not intend to launch a general war.’⁴⁹²

The evidence presented in this chapter will test these assertions. In addition to highlighting the CIA’s voice of moderation, this case study demonstrates that the invasion of South Korea was not a complete ‘surprise.’⁴⁹³ Instead, it will suggest that the CIA represented an important voice of caution during the months leading up to the outbreak of war. The business of quality analysis and threat assessments often required complex considerations, valuations and variables that made it difficult for analysts to provide policymakers a cut and dry analysis of most complex situations. Therefore, some explanation of shortsightedness and instances of

⁴⁹¹ Raymond L. Garthoff, “Estimating Soviet Military Intentions and Capabilities,” Washington, DC: Center for the Study of Intelligence, CIA, 1996, p. 3. A copy of this article can be accessed at the CIA’s official website.

⁴⁹² Walter A. Laqueur, *A World of Secrets*, p. 115.

⁴⁹³ Although dated and lacking access to many now declassified documents, I.F. Stone’s *The Hidden History of the Korean War*, (New York: Monthly Review Press, 1952) this revisionist history presents a compelling argument that the invasion was not a surprise to US policymakers. See also, Gabriella Heichal, *Decision Making during the Crisis: The Korean War and the Yom Kippur War*, PhD Dissertation, George Washington University, 1984.

inaccuracy is warranted. This chapter will also demonstrate that the pervasive focus on warnings estimates has clouded the broader picture of the CIA's importance during the Korean crisis—that North Korea did *not* invade the Republic of South Korea without warning.⁴⁹⁴ Therefore, this case study will join the debate of intelligence-policy culpability.

A Question of Priorities

If we interpret the origins of the Cold War in terms of misperceptions, we can appreciate the role of mutual fear, oversensitivity about the motives of the other, and insensitivity about the impact of one's own actions.⁴⁹⁵

Before examining the CIA's role in the policy-intelligence relationship, it is necessary to first consider Washington's lack of urgency in the Far East. Former combat historian Bevin Alexander argues that US policy was beset by a flawed mindset in the Far East. 'The simple verities about total victory and the conflict between good and evil that had guided American policy for many years,' Alexander states, 'were inadequate in the

⁴⁹⁴ Two models of the blame approach are James Kenneth McDonald's, "CIA and Warning Failures," *Intelligence In The Cold War*, Christian Lars Jenssen and Olav Riste, eds., Norway: Norwegian Institute for Defense, 2001 and Ray S. Cline, *Secrets, Spies and Scholars*. Patrick C. Roe argues that intelligence was a dismal failure in *The Dragon Strikes: China and the Korean War: June-December 1950*, Novato, California: Presidio, 2000.

⁴⁹⁵ Charles W. Kegley Jr. and Eugene Wittkopf, *American Foreign Policy: Pattern and Process*, p. 55. The authors assert that, given this approach, both sides were responsible because 'both were victims of their images and expectations.'

dismaying world that arose from World War II.⁴⁹⁶ This chapter will demonstrate that the lack of a consistent, well-defined regional policy contributed greatly to the misperceptions and unpreparedness in Korea.⁴⁹⁷

Mark M. Lowenthal reminds us that intelligence works best, both analytically and operationally, ‘when tied to clearly understood policy goals.’⁴⁹⁸ In the case of the Korean War, policy goals were not clearly established. The continuation of Rooseveltian policies led to the primacy of US interest in Western Europe, and, as a result, the Far East slipped into the backwaters of strategic planning. The declassified intelligence reports suggest that the initial US shocks in Korea were not so much the result of any failure to predict the rapid deterioration of regional security, but more as the result of policymakers lacking sufficient receptiveness to the unfolding reality in the region and their failing to appreciate the potential explosiveness of the situation.

A report by the Joint Strategic Survey Committee offered one of the first official assessments that underscored Washington’s approach in Korea and its reliance on the untested military capabilities of the UN. The report ranked sixteen countries according to their importance to US security interests. Korea ranked 15th. The report also highlighted the issue of finite resources, emphasizing the difference between peripheral areas and regions vital to national security:

⁴⁹⁶ Bevin Alexander, *Korea: The First War We Lost*, New York: Hippocrene Books, 1986, p. 1.

⁴⁹⁷ William Stueck, *Rethinking the Korean War: A New Diplomatic and Strategic History*, Princeton: Princeton University Press, 2002 and Melvyn Leffler in *Preponderance of Power* support this view.

⁴⁹⁸ Mark Lowenthal, *Intelligence: From Secrets to Policy*, p xi.

If the present diplomatic ideological warfare should become armed warfare, Korea could offer little or no assistance in the maintenance of our national security. Therefore, from this viewpoint, current assistance should be given Korea only if the means exist after sufficient assistance has been given the countries of primary importance to insure their continued independence and friendship for the United States and the resurgence of their economies.⁴⁹⁹

As one might expect, Great Britain, France, Germany, Belgium, Netherlands, Austria, and Italy were the nations that continued to receive the greatest proportion of assistance from the United States until the onset of the Korean War.⁵⁰⁰ Korea's poor strategic standing and Truman's "Europe first" was also reflected in George Kennan's premise of containment. Kennan argued that the principles of containment did not apply to the peripheries of US interests, but rather to the three regions that held concentrations of industrial strength that could alter the balance of power (the UK, the Rhine valley, and Japan). Because the Soviets were 'prepared for the long haul,'⁵⁰¹ Kennan reasoned that it was paramount for the Western powers to build up the economic production of Europe so that the US might eventually turn the tide of Soviet power and undercut

⁴⁹⁹ JCS 1769/1, "United States Assistance to Other Countries from the Standpoint of National Security," 27 April 1947, in *Containment: Documents on American Policy and Strategy, 1945-1950*, p. 78.

⁵⁰⁰ *Ibid.*, p. 79.

⁵⁰¹ Richard Crockatt, *The Fifty Years War*, p. 72. Moscow was mindful of Japan's historical role 'as an important balance of power' in the region. The Kremlin certainly would have recognized the potential dangers of Japan reemerging more closely aligned with the United States.

communist regimes around the world.⁵⁰² To be fair, though, even the CIA was far from sounding the alarm in mid-1949. ‘There have been no significant changes in the general trend in the Far East,’ *CIA 5-49* reported. ‘The problems that have been created for US security are continuing to expand under the impact of numerous detailed events; but there has been no definite speeding up of admittedly unfavorable developments.’⁵⁰³ The CIA’s Korean Desk Officer from 1948-1950 makes an important point on this:

The [CIA’s] Far East Division was to some extent reflecting studies of Soviet intentions done during 1949 in connection with NSC-68. These studies examined a number of potential trouble spots; the section on Korea, written from the point of view of Soviet global experts, made official the doctrine that the USSR would probably not risk instructing its satellite to make an all-out invasion; rather it would favor guerrilla and subversive techniques.⁵⁰⁴

Secretary of State, Dean Acheson, writes in his memoir that, for some months after tensions had mounted after the Berlin blockade, the US had exercises on danger spots for ‘renewed Soviet probing of our determination. Korea was on the list but not among the favorites.’⁵⁰⁵ In

⁵⁰² Melvyn Leffler argues that Truman and his advisors initially miscalculated the scale of economic assistance that was needed for further global distribution. *A Preponderance of Power*, pp. 16-17.

⁵⁰³ *CIA 5-49*, “Review of the World Situation,” 17 May 1949. CREST, 67-00059A, Box 5, Folder 8, Document 9, NARA.

⁵⁰⁴ CIA, Korean Desk Officer, “An Informal Memoire by the ORE.” It should also be remembered that General MacArthur’s G-2 intelligence failed to offer any firm evidence that might alert Washington to a communist invasion of South Korea.

⁵⁰⁵ Dean Acheson, *Present at the Creation*, p. 405. Two years later, the Brookings Institution urged Washington to consider to what extent it was prepared to extend

fact, it was Acheson's declaration of US policy in his famous speech to the National Press Club on January 12, 1950 that publicly declared Washington's view that the strategic defense line in the Far East ran from the Aleutians through Japan and Okinawa to the Philippines—an exclusion that frustrated the UN sponsored elected leader of South Korea, Syngman Rhee. Truman's Secretary of State pointed out that even if South Korea was invaded, Rhee should not expect the United States to protect the South from the initial invasion from the North. Instead, it was assumed that Rhee's government could rely on 'the commitments of the entire civilized world under the Charter of the United Nations.'⁵⁰⁶ The problem with this position was that it lacked a long-term contingency plan because it was assumed that Korea would not be the first battleground of the Cold War. As a result, the momentum of existing policies continued to dictate the United States' course of action, until the invasion of South Korea. In fact, as early as May 1950, the question was raised by the Central Intelligence Agency of how foreknowledge of an invasion would have even altered US involvement in Korea given the lack of receptivity and momentum.⁵⁰⁷

"extraordinary aid" in an emergency that would be created by an invasion by foreign forces. The Brookings Institution, *Major Problems of United States Foreign Policy, 1949-1950*, Washington DC: The International Studies Group of the Brookings Institution, 1949, p. 177.

⁵⁰⁶ Dean Acheson, "Review of the Position as of 1950: Address by the Secretary of State, 12 January 1950." *American Foreign Policy: Basic Documents, 1950-1955, vol. II*, New York: US Department of State, 1971, p. 2318. William Blum points out that the UN was far from a "neutral or balanced" organization. Its members were dependent on US assistance and therefore unable to pursue UN policy independent of the United States. See, *Killing Hope*, p. 48. At this time, it was not yet established what the UN was willing and capable of doing. Korea was a proving ground for the UN as a military body. At the time Acheson extended the promise of UN assistance, it was merely an expectation that the UN would sort things out, but until the invasion, no one could be sure.

⁵⁰⁷ *FRUS*, 1950, vol. VII: Korea. "Memorandum of Conversation by the Officer in Charge of Korean Affairs," 10 May 1950, Washington, DC: 1976, p. 79.

Although John W. Spanier points out that it was not American words, ‘but American policy that probably encouraged the Communists to believe that the United States would not defend South Korea,’⁵⁰⁸ an early intelligence report suggested that an American policy of ambivalence might have encouraged eventual Soviet dominance in the region and would initiate a series of subversive moves ‘in an effort to force the withdrawal of U.S. forces and to frustrate implementation of the UN resolution on Korea.’ Analysts suspected that despite UN action, the Soviet Union would maintain the North Korean People’s Army in a ‘state of readiness’ to occupy South Korea...⁵⁰⁹

In regard to the success of the United Nations as a power and in terms of political broker in the region, Brewster Denny argues that the organization was designed for ‘deterrence and collective security against major war between the great powers.’ Even against incredible odds, the UN had been an important organization working toward a resolution to the ‘irreconcilable conflict.’⁵¹⁰ Acheson later reflected that his hope was that the United Nations might bring about the withdrawal of both Russian and United States troops from that divided country, to be followed by its unification.⁵¹¹ However, Breckinridge is less confident in this assessment. Pointing to the UN’s overall ineffectiveness during the Berlin crisis, he argues that, even before the Korean War, the United Nations had proved unable to cope with the tensions resulting from Soviet policy: ‘It was

⁵⁰⁸ John W. Spanier, *The Truman-MacArthur Controversy and the Korean War*, Cambridge, Mass: Belknap Press, 1959, p. 21.

⁵⁰⁹ CIA, *Daily Summary*, “Korea: Future Soviet Tactics in Korea,” 9 December 1947. CIA Electronic Reading Room.

⁵¹⁰ Brewster C. Denny, *Seeing American Foreign Policy Whole*, p. 136.

⁵¹¹ Dean Acheson, *Present at the Creation*, p. 257.

unable to establish an international peacekeeping force; it had no way of enforcing its general declarations of law and principle; and nations were obliged to rely on their own resources.’⁵¹²

In lieu of US troops in Korea, Truman approved legislation for supplemental appropriation aid with the 1950 China Aid Act. The bill, passed on February 14, 1950, failed to include any language that might indicate a sign of US intentions to defend its interests in the Far East. (The State Department quickly realized that they had neglected their usual precautions and had encouraged Soviet opportunism).⁵¹³ One possible explanation for Washington’s approach was its basic assumption that the United Nations would intercede in the case of an attack. A caveat to this tactic was, of course, the faith that South Korean forces were sufficiently strong to delay a North Korean attack long enough for UN reinforcements to arrive.

Compared to Europe, Korea was unimportant to the Pentagon as well—its position lending further credence to Acheson’s defense perimeter speech. The Pentagon’s official position was embodied in *Offtackle* (JSPC 877/59).⁵¹⁴ *Offtackle* acknowledged that placing the Far East as a low strategic priority was a serious risk, but held that the Soviet Union would attack Western Europe first. The JCS concluded that to achieve success in defending the initial aggression of the Soviet threat in Europe, Korea must be considered as incidental strategic value. Moreover, without additional

⁵¹² Scott Breckinridge, *The CIA and the U.S. Intelligence System*, p. 277.

⁵¹³ Dean Acheson, *Present at the Creation*, p. 358.

⁵¹⁴ Later renamed *Shakedown*, *Offtackle* was issued by the Joint Strategic Plans Committee on May 26, 1949 (approved on 8 December 1949). For an outline of this Allied strategic plan, see Thomas Etzold and John Lewis Gaddis, eds., *Containment: Documents on American Policy and Strategy, 1945-1950*, pp. 324-334.

forces or a reduction of military obligations elsewhere, the United States should not obligate itself to defend Korea.⁵¹⁵ General Lyman L. Lemnitzer, head of military aid at the Defense Department, believed the question of military assistance to the Republic of Korea was essentially a political one, in as much as South Korea was not regarded of any particular value to overall American strategic position in the Far East.

Before moving on to the developing crisis, it is also necessary to consider Communist China, because at the nub of the United States' Far East policy was a general misunderstanding of the Sino-Soviet relationship. Moreover, America's foreign policy approach in China served as a cornerstone for Far East policy and laid an uneven foundation for the crisis in Korea. Policy officials worried about the pervasive 'spirit of defeatism' throughout Nationalist China and believed that the tide ran against Chiang Kai-Shek's regime. The State Department resigned itself to the looming defeat of the Nationalist Government. In fact, its course of action was to take no course of action; and by August 5, 1949, it had accepted the impending political crisis and halted aid to support Chiang Kai-shek's government.⁵¹⁶ Walter Laqueur correctly points out that the United States' 'capacity to act was much greater in Europe' and could do little about the outcome of the struggle in mainland in China.⁵¹⁷

Several days after Dean Acheson had delivered his "perimeter speech," analysts issued a report on Soviet-based Communism. 'The

⁵¹⁵ Paul Nitze, *From Hiroshima to Glasnost: At the Centre of Decision*, London: Widenfeld and Nicolson, 1989, pp. 100, 117. After August 1950, however, the JCS worried that the conflict in Korea might escalate into a global war.

⁵¹⁶ Department of State Telegram, (*Title Classified*), 7 January 1949. Truman Files, Paperless Archives.

⁵¹⁷ Walter Laqueur, *World of Secrets*, p. 115.

urgent question,' wrote the CIA, 'is whether Soviet-oriented, China-based Communism can continue to identify itself with nationalism, exploit economic privations and anti-Western sentiment, and sweep into power by one means or another elsewhere in Asia.'⁵¹⁸ At this point, analysts offered more questions than answers about Chinese Communism. Still, these questions were important because they framed potential political and military flashpoints in the Far East. Most often, the CIA echoed the State Department's bleak assessment of China in its assessments of probable developments there, concluding that the Nationalist resistance had a short shelf life. As early as February 1948, a *Weekly Summary* advised policymakers that with the imminent collapse of the Chinese National Government, the communists were likely to establish a political structure which would be designed to become a component part of a Communist government of China but would have 'an almost free hand in managing its own regional affairs.'⁵¹⁹ More than a year later, analysts viewed the situation in China in more favorable terms. In addition to laying out the military situation, strength and disposition of communist ground forces and the organization and strength of Chinese Communist forces, ORE in June 1949 warned that the US could not reverse or significantly check the fact that communist military forces were capable of 'destroying all semblance of unity' in the Chinese Nationalist Government.⁵²⁰

⁵¹⁸ CIA, "Review of the World Situation," 18 January 1950. CIA Electronic Reading Room.

⁵¹⁹ CIA, *Weekly Summary*, "Communist Coup in Czechoslovakia; Communist Military and Political Outlook in Manchuria," 27 February 1948, Center for the Study of Intelligence, *Declassified Intelligence Estimates and Warnings*, Washington DC: CIA, 2006.

⁵²⁰ CIA, *ORE 45-49*, "Probable Developments in China," 16 June 1949. CREST, 86000269R, Box 3, Folder 4, NARA.

Truman believed that it was crucial that the ‘spread of communism did not automatically and permanently increase Soviet power.’⁵²¹ But how this concern might apply to a coherent Far East policy had not yet been determined. Initially, policymakers sought to limit hostile US rhetoric directed at Communist China in an attempt to foster goodwill with Chairman Mao’s regime and drive a wedge between Peking and Moscow.⁵²² This early approach was in step with the foreign policy publication of *NSC 48/1* and *48/2* which outlined the official position of the United States with respect to Asia. Even before the communist flags had unfurled in China, *NSC 48/2* declared, ‘The United States should exploit...any rifts between the Chinese Communists and the USSR.’⁵²³ Washington hoped that the newly formed People’s Republic of China would develop its own power base independent of Moscow and held out for the promise of a Tito-type split with the Kremlin.

Other events cast dark shadows of anxiety over Washington, further distracting policy leaders from the Far East. President Truman announced on September 23, 1949 that the Soviet Union had successfully tested an

⁵²¹ Robert Jervis, “The Impact of the Korean War on the Cold War,” *The Journal of Conflict Resolution*, vol. 24, no. 4 (Dec., 1980), p. 575. By August 1949, the CIA tabulated that Communist Party Strength in China 40,000-60,000 members, Korea (south) less than 200,000, Korea (north) was unknown, however, it was believed that actual party strength was restricted to a small portion of the 9,000,000 population. *Intelligence Memorandum No. 211*, 9 August 1949. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 44, NARA.

⁵²² Gaddis takes up this issue in, *The Long Peace: Inquiries into the History of the Cold War*, New York: Oxford University Press, 1987, pp. 152-94. The wedge strategy was outlined in policy paper NSC 41.

⁵²³ *FRUS, 1949*, vol. VII, pt. 2: p. 1219. See also, *FRUS, 1949*, vol. IX, p. 161. See also, Thomas Etzold and John Lewis Gaddis, eds., *Containment: Documents on American Policy and Strategy, 1945-1950*, pp. 252-276.

Washington was unaware that Stalin increasingly viewed Korea as a venture by which he could further isolate China from the West.

atomic bomb.⁵²⁴ The CIA was fully aware that the USSR had had an atomic energy program since 1945 and was ‘vigorously pursuing’ a nuclear program as a top priority. However, the CIA’s prediction that the most probable date by which the USSR might be expected to produce an atomic bomb was mid-1953 became a political black eye for Hillenkoetter’s spy agency.⁵²⁵ In fact, as early as March 1948 the CIA had already professed that there was no useful information on nuclear capabilities coming out of the Soviet Union.⁵²⁶ Even DCI Hillenkoetter admitted that roughly eighty percent of intelligence was derived from such open sources as foreign books, magazines, technical and scientific surveys, photographs, commercial analyses, newspapers and radio broadcasts, and general information from people with knowledge of affairs abroad.⁵²⁷ The CIA’s ability to acquire direct evidence from field collection never really improved before the Soviet Union’s detonation of the nuclear device.

⁵²⁴ Worries persisted despite the fact that the United States retained a nuclear monopoly well into the 1950s, given the Soviet Union’s inability to deliver nuclear weapons by either long-range bombers or by missile. For a first-rate account of Soviet nuclear ambitions, refer to David Holloway’s *Stalin and the Bomb*, New Haven, CT: Yale University Press, 1994. Stalin issued instructions on September 29, 1944 for the NKGB (*Komitet Gosudarstvennoy Bezopasnosti*), the Committee for State Security, to obtain more detailed information on the problem of developing a uranium bomb from sources overseas. Letter from Boris Merkulov (USSR People’s Commissar for State Security) to Beria (USSR People’s Commissar for Internal Affairs), 2 October 1944. Woodrow Wilson Center Press and *CWIHP*.

⁵²⁵ CIA, *Intelligence Memorandum No. 225*, “Estimate of Status of Atomic Warfare in the USSR,” 20 September 1949. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 44, NARA. In addition to providing assessments on the Soviet nuclear program, CIA analysts issued estimates on the status of chemical and biological warfare in the USSR. See, *Intelligence Memorandum No. 226 and 227*, 20 September 1949. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 44, NARA.

⁵²⁶ CIA, *Information Report*, “Progress in Atomic Energy Research,” 17 March 1948, CIA Electronic Reading Room. The CIA had only just begun to utilize clandestine operations in Russia in 1949.

⁵²⁷ Roscoe Hillenkoetter, “Using the World’s Information Sources,” *Army Information Digest*, vol. 3, no. 11, November 1948, p. 4. While the creation of the NSA was central to the later successes of the intelligence community, this study will only deal with the more general implications of the signals intelligence agency. For a comprehensive history of the NSA’s establishment, bureaucratic procedures, and covert operations see James Bamford, *Body of Secrets: Anatomy of the Ultra-Secret National Security Agency, From the Cold War Through the Dawn of a New Century*, New York: Doubleday, 2001.

Moreover, other pressing security threats in Europe, the Mediterranean, the Middle East and, to a lesser extent, the Far East dictated priorities for the intelligence agency.

There existed a few reasons for why it was so difficult for analysts to track the developments of the Soviet atomic program. First, collection of hard intelligence was so difficult because analysts often had to rely on diplomatic and military attaché reports, media accounts and their own judgment. Second, Soviet nuclear weapons facilities were located deep inside the USSR and were carefully monitored and managed by the MVD (Ministry of Internal Affairs). Security measures were strict and available information after World War II ceased to come out of the Soviet Union.⁵²⁸ ‘Faced with a dearth of detailed information on the Soviet atomic energy program,’ Steury writes, ‘ORE analysts focused on programmatic factors—such as broad measurements of industrial capacity; resource commitments and limitations; and the location and size of the facilities involved—as a means of backing into a measure of Soviet progress in atomic energy.’ As a result, he argues, ORE was responsible for producing the intelligence community’s best judgment on when the Soviet Union would first produce an atomic bomb. ‘In retrospect, it seems that ORE’s failure to accurately predict the advent of the Soviet’s atomic bomb was due less to any particular shortcoming than a general failure to piece everything together.’⁵²⁹

⁵²⁸ John Lewis Gaddis writes that Stalin’s USSR remained a closed society, ‘opaque to anyone from the outside who tried to see it.’ See, *The Cold War: A New History*, p. 72.

⁵²⁹ Donald P. Steury, “How the CIA Missed Stalin’s Bomb: Dissection Soviet Analysis, 1946-1950,” *Studies in Intelligence* 49, no. 1 (2005), pp. 2-3, 19-26.

The CIA did, however, offer an update of the security situation after news broke. ORE cautioned that Stalin's opportunism would lead him to 'use the new situation to his advantage as additional support for nearly all the major policy lines it [he] has followed since the end of World War II.' Soviet possession, analysts reasoned, would greatly strengthen the current Soviet "peace offensive."⁵³⁰ Despite this basic objective, however, the CIA was careful not to suggest that Soviet opportunism meant that the USSR would 'resort to military action at any time they considered it advantageous to do so.'⁵³¹

At least on the pervasive question of nuclear brinkmanship—how nuclear capability might embolden Stalin and increase his tolerance for risk-taking in Korea and elsewhere—the CIA's assessment was correct. The CIA's Office of Reports and Estimates argued that there appeared to be no firm basis for an assumption that 'the USSR presently *intends* deliberately to use military force to attain a Communist world or to further expand Soviet territory *if this involves war with a potentially stronger US.*' ORE suggested that the Soviet policy objective was to achieve 'a Soviet dominated communist world through revolutionary rather than military means.'⁵³² This assessment proved to be perceptive and accurate.

⁵³⁰ CIA, *Weekly Summary*, "Soviet Union: Atomic Explosion," 30 September 1949. CIA Electronic Reading Room.

⁵³¹ CIA, *ORE 91-49*, "Estimate of the Effects of the Soviet Possession of the Atomic Bomb Upon the Security of the United States and Upon the Probabilities of Direct Soviet Military Action," 6 April 1950. NARA, RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 36.

⁵³² CIA, *ORE 91-49*, "Estimate of the Effects of the Soviet Possession of the Atomic Bomb Upon the Security of the United States and Upon Probabilities of Direct Soviet Military Action," 6 April 1950. CIA Electronic Reading Room.

Broadly speaking, the CIA's assessments highlighted three salient points for policy makers to consider. First, Soviet possession of a nuclear arsenal might embolden Stalin's willingness for risk-taking.⁵³³ Second, the CIA made clear that the term 'revolutionary' tactics meant 'all means short of all-out war involving the US.' Third, the Soviet Union could soon narrow the economic and military gap simply by augmenting its nuclear arsenal. However, the CIA's failure to accurately predict the time of the Soviet detonation of an atomic device on July 14 resulted in a blistering review from Washington.

To worsen matters, the People's Republic of China was proclaimed in Beijing on October 1, 1949, almost in concert with Truman's announcement of the Soviet detonation of an atomic device on September 23, 1949.⁵³⁴ Robert J. Donovan, principal founder of the CIA, observed that the 'political fault line of Asia...sent shock waves through American politics, impeded the Truman administration, fatefully changed the course of American foreign policy and resulted, in Korea, in what was then the third greatest war in American history.'⁵³⁵ (It will be shown later that, once Mao had consolidated his base of power, the CIA had difficulty understanding the complexity of the Sino-Soviet relationship).

In an attempt to undercut the Kremlin's influence in the Far East the State Department attempted to court the new Chinese leadership. In an addendum to the *China White Paper*, Dean Acheson discouraged basing

⁵³³ Harry Truman, *Memoirs*, p. 323.

⁵³⁴ Just six days later, the Soviet Union created the German Democratic Republic out of the Soviet occupation zone on October, in a response to the establishment of the Federal Republic of Germany created by the US, British, and French on 23 May 1949.

⁵³⁵ Robert J. Donovan, *Conflict and Crisis: The Presidency of Harry S. Truman, 1945-1948*, p. 104.

policy on wishful thinking but continued to believe that the profound civilization and the democratic individualism of China would reassert themselves and ‘throw off the foreign yoke.’ Acheson considered the US should encourage all developments in China ‘which now and in the future work toward this end.’⁵³⁶ His letter also conveyed optimism about the possibility of an independent Communist China: ‘The possibility that Mao might follow in Tito’s footsteps was widely discussed in the State Department especially at the American Embassy in Moscow, which in October even recommended recognizing the new Chinese communist government as a means of facilitating that process.’⁵³⁷

ORE conveyed apprehension about pandering to Chinese friendship. In spring 1949 it advised Washington that the Kremlin intended to use China ‘as an advanced base to facilitate Soviet penetration of Southeast Asia, including Indonesia and the Philippines; to outflank India-Pakistan and the strategically important areas of the Middle and Near East; and to eventually take control of the entire Asiatic continent and the

⁵³⁶ Dean Acheson, “Letter of Transmittal to President Truman,” 30 July 1949,” in *The China Paper: August 1949*, Stanford: Stanford University Press, 1967, p. XVI. Originally published in 1949 as *United States Relations With China, With Special Reference to the Period 1944-1949*, Department of State Publication 3573, Far Eastern Series 30. The lengthy document began with a 400-page summary of U.S.-Chinese policy and continued with over 600 pages of official documents related to the Chinese problem. In fact, the document held Chiang Kai-shek’s nationalist government responsible for many of the problems in China.

⁵³⁷ Ambassador Alan G. Kirk, “Telegram to Secretary Dean Acheson, August 13, 1949,” *FRUS, 1949*, vol. IX, p. 923. See also, “Kirk to Acheson,” pp. 107-108. Washington’s desire for an Asian brand of Titoism did not dissolve until after the beginning of the war. The United States refused to recognize the legitimacy of the Chinese Communist government after the Chinese intervention in Korea. Communist China’s direct involvement with the attempted military reunification of the Korean peninsula resulted in the rejection of China as a member of the United Nations. By the mid 1950s, Mao’s direct military support in North Korea isolated his regime from the United States and damaged its international reputation in the West for the next two decades.

Western Pacific.’⁵³⁸ But by January 1950, the CIA had revised its assessment of the Sino-Soviet problem. Analysts concluded that Mao’s protracted nine-week visit to Moscow for his first visit with Stalin had ‘aroused speculation regarding a deterioration of Sino-Soviet relations and Chinese Communist resistance to Soviet encroachment.’ The CIA reasoned that Beijing could initiate and maneuver its own political agendas independently from the Kremlin. The Agency concluded that the Kremlin probably realized that for some time its position in China would be best served by ‘retaining the voluntary cooperation of the Chinese Communists rather than by using open or implied coercion.’⁵³⁹

The following month, however, analysts argued that the immediate result of the Sino-Soviet Pact would be the strengthening of the Stalinist faction of the Chinese Communist Party against the nationalistic Chinese Communists.⁵⁴⁰ These intelligence assessments were significant in at least one respect: they highlighted the inconsistent mindset of intelligence analysts. However, these inconsistencies also reveal that the CIA understood that communism in the Far East was not so black and white as Washington presumed.

⁵³⁸ CIA, *ORE 29-49*, “Prospects for Soviet Control of a Communist China,” 15 April 1949. The CIA Electronic Reading Room. The Joint Chiefs of Staff echoed the CIA’s more cautious, pragmatic view of Sino-American relations and viewed Mao’s China as a potential menace to stability in the region.

⁵³⁹ CIA, *Weekly Summary*, “Troop Buildup in Korea,” 13 January 1950. CIA Electronic Reading Room. Mao’s visit to Moscow only deepened the rift between Mao and the Kremlin. Upon arrival, Mao was greeted, not by Stalin, but by his political confidant, V.M. Molotov. Molotov never truly fell out of favor with Stalin, although, the Soviet Foreign Minister was replaced by Andrey Vyshinsky on March 4, 1949.

⁵⁴⁰ CIA, *Weekly Summary*, “Sino-Soviet Pact,” 17 February 1950. CIA Electronic Reading Room. For a detailed study on Mao’s intentions and fears in entering the Korean War see, Thomas J. Christensen, “Threats, Assurances, and the Last Chance for Peace: The Lessons of Mao’s Korean War Telegrams,” *International Security*, vol. 17, no. 1 (Summer, 1992), pp. 122-154.

Prelude to War

The crisis unfolded rather quickly once American and Soviet forces were withdrawn from the Korean Peninsula. The Soviet Union completed its military withdrawal on December 25, 1948, although the Kremlin left a number of military advisors and operatives in the region.⁵⁴¹ ORE's Far East/Pacific Division later suggested that the reason for this continued "advisory presence" was because industrialization of the Far East would serve the ultimate Soviet aim of world domination. Specifically, the Korean Peninsula was capable of contributing major industrial productivity towards furthering Soviet ambitions:

China, finally at peace, must of necessity devote its economic effort towards rehabilitating its devastated internal economy. Northern Korea, however, suffered no lasting damage as a result of the Soviet [Occupation]. If the Soviets are to industrialize the Far East, an industrial base must be formed. Present analysis indicates that northern Korea is being utilized to contribute to these aims.⁵⁴²

A *Weekly Summary* advised that, while the USSR sought to avoid direct implication in its involvement in Korean matters, there was no doubt that the Kremlin was engineering a series of favorable developments to establish an independent regime in North Korea and eventually unify Korea

⁵⁴¹ NSC Report to the President, *Position of the United States with Respect to Korea*, NSC 8/2, 22 March 1949. *FRUS, 1949*, vol. VII, p. 974. This group of advisors included a well-organized People's Army that included Soviet-citizen Koreans who had previous service in the Red Army. Red Army personnel attached to the Soviet Embassy in North Korea oversaw this detachment of advisors. See Weathersby's article for a more detailed account of the role and impact of Soviet advisors in North Korea.

⁵⁴² CIA, *Staff Study Project #13*, "Soviet Economic Activities in Northern Korea," 23 November 1949. CREST, 79-01082A, Box 1, Folder 3, NARA.

under communist rule. In addition, the CIA reasoned that Soviet ‘intransigence and expansionism’ was exemplified by the efforts of Soviet advisers to train a North Korean Army clandestinely and to equip it with Soviet weapons.⁵⁴³

However, analysts cautioned that any invasion of South Korea was not likely ‘until US troops have been withdrawn from the area...’⁵⁴⁴ This long-range analysis proved to be substantially correct in terms of communist actions and also in describing the true significance of Korea to US interests. Admiral Stansfield Turner considered the report ‘relatively successful’ at highlighting the destabilizing effect the US withdrawal would have on the region. In fact, Turner argues that this was exactly the sort of ‘underpinning for policy’ that intelligence should provide, but argues the warnings were completely ignored.⁵⁴⁵

The United States did not complete its withdrawal of military forces from Korea until June 1949.⁵⁴⁶ Washington buoyed its withdrawal from the peninsula by promising the Republic of Korea continual political, economic, technical and military support, despite the fact that a series of

⁵⁴³ CIA, *Weekly Summary*, “Soviet Expansion in Korea,” 20 February 1948. CIA Electronic Reading Room.

⁵⁴⁴ CIA, *Weekly Summary*, ORE-3-49, “Consequences of US Troop Withdrawal from Korea in Spring,” 16 July 1948. For a glimpse into the mindset analysts had when publishing ORE 3-49, see the comments made by the Korean Desk Officer in the draft, “An Informal Memoire by the ORE,” pp. 6-8. Also reported in the *Weekly Summary*, “Prospects for Invasion of South Korea by the North,” 29 October 1948. CIA Electronic Reading Room.

⁵⁴⁵ Stansfield Turner, *Burn Before Reading: Presidents, CIA Directors, and Secret Intelligence*, p. 58. However, Turner adds that, at times, the DCI has to push the president and go beyond providing intelligence to make a “clear and straightforward statement about policy.” p. 59.

⁵⁴⁶ NSC Report to the President, *Position of the United States with Respect to Korea*, NSC 8/2, 22 March 1949, *FRUS, 1949*, vol. VII, p. 977. Washington was confident that the US troop withdrawal from South Korea would not compromise America’s keystone to its security in Asia—Japan. Officially, the US retained the service of 200 personnel in South Korea (Korean Military Advisory Group, KMAG).

earlier CIA estimates on Soviet tactics argued that without the investment of ‘considerable effort over an extended period’ (US aid and UN support) a withdrawal of US troops would leave the security of the Republic of South Korea unstable and ‘incapable of offering any serious resistance to eventual domination by the North.’ The report concluded that North Korean domination of the South would be ‘an inevitable consequence of the US troop withdrawal.’⁵⁴⁷ Analysts predicted that the Soviet aim would be to deprive the US of an opportunity to establish a native security force in South Korea ‘adequate to deal with aggression from the North Korean People’s Army.’⁵⁴⁸ Washington believed that any US forces remaining in South Korea might either be destroyed or be obliged to abandon Korea’ in the event of a major invasion. Either would cause serious damage to US prestige.

Still, Truman was firm about achieving stability in South Korea, without the direct assistance from the US military.⁵⁴⁹ Even after the withdrawal of US troops had significantly hampered intelligence collection on the ground (specifically signals intelligence), CIA assessments argued that South Korean security forces were not substantially trained, prepared, and readied for combat as policy officials in Washington had judged.⁵⁵⁰

⁵⁴⁷ CIA, *ORE 62*, “Implementation of Soviet Objectives in Korea,” 18 November 1947. NARA. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 36. The US withdrawal of its troops was in accordance with resolutions of the United Nations, sponsored by the US State Department, and requested by the Pentagon. All foreign troops (that is, Soviet and American) were to leave Korea and did so by mid-1949. For the US, only a small advisory group of about five hundred officers and men remained to assist the South Korean forces.

⁵⁴⁸ CIA, *Weekly Summary*, “International Communism; Establishment of Competing Regimes in Korea,” 16 July 1948. CIA Electronic Reading Room.

⁵⁴⁹ Harry Truman, *Memoirs*, p. 330.

⁵⁵⁰ Richard Aldrich, *The Hidden Hand*, p. 278.

The CIA offered another cautionary report about communist complicity in the Far Eastern mainland in an October *Weekly Summary*. The report had predicted that the Soviet Union's withdrawal did not necessarily preclude plans for an invasion and concluded that an armed conflict was likely. Most importantly, the estimate warned that a withdrawal from Korea would probably, in time, be followed by an invasion:

Eventual armed conflict between the North and South Korean governments appears probable...in the light of such recent events as Soviet withdrawal from North Korea, intensified improvement of North Korean roads heading south, Peoples' Army troop movements to areas nearer the 38th Parallel and from Manchuria to North Korea, and combined maneuvers.⁵⁵¹

The most striking element to the intelligence reports regarding the Soviet withdrawal from Korea was the conclusion that the Soviet Union was unwilling to draw the United States into a direct armed conflict. This is not to say that there was no evidence to suggest that the USSR's actions were not threatening. The CIA expressed concern about the USSR encouraging a conflict that analysts believed would remain localized. Such actions would not only create a destabilizing force but also increase the danger of an undesired confrontation with the West. Moreover, analysts reported on Russia's extensive armament of Communist China and North

⁵⁵¹ CIA, *Weekly Summary*, "Prospects for Invasion of South Korea by the North," 29 October 1948. CIA Electronic Reading Room.

Korea by providing significant Soviet material in volume.⁵⁵² Even in light of the USSR's open assistance to North Korea, however, the CIA maintained its position that the Soviet Union was unwilling to provoke a direct military confrontation.

On February 21, 1949, ORE issued an assessment of communist capabilities in South Korea. The report advised there was a possibility of a Korean invasion as early as February or March 1949. Earlier in the month, analysts had reasoned that the subversive efforts of communist forces in South Korea to undermine popular government support would be met with limited success:

The present Communist strength in South Korea does not appear great enough to support a sustained, country-wide [sic] campaign that would accomplish this mission. The limitation of their future potential, however, depends primarily on the ability of government officials and the people to resolve their personal or party differences in presenting a united front to the Communists, and on the ability of the government to insure a minimum standard of living for both the farmer and the urban worker.⁵⁵³

The CIA's *Review of the World Situation* placed this risk-taking within a wider security context, reminding Washington that American

⁵⁵² CIA, *Daily Summary*, "Evidence of Soviet Aid to Chinese Communists," 11 February 1949. From 1947-1950, information in the *Daily Summary* was gleaned predominantly from State Department cables.

⁵⁵³ CIA, *ORE 32-48*, "Communist Capabilities in South Korea," 21 February 1949. CIA Electronic Reading Room.

security was global and could not be protected in Europe alone. Analysts cautioned that the trend in the Far East was profoundly important, particularly if it became a springboard for future communist expansion. The report took an opportunity here for a little back patting. Containment policies, it stated, had checked the Soviet-Communist activities that were ‘seeking to break down Western Europe.’⁵⁵⁴ Although present prospects for communist subversion in South Korea were gradually eroding, the threat from North Korea was constant. The paper vacillated on the degree of probability, but without direct military provocation from North Korea, the CIA was unable to offer an exact prediction of an invasion. The CIA reinforced its reassurances in a *Weekly Summary* dated April 28, 1949, when it stated:

Soviet objectives have not changed and the tactics now being used differ only in intensity and scope from those employed since the end of World War II. Although the USSR has improved its power position by announcing its possession of atomic secrets, increasing its military and industrial strength, consolidating its control of Eastern Europe, and making spectacular gains in the Far East, there is no indication that the USSR is yet willing to initiate armed conflict with the West.⁵⁵⁵

The CIA’s *ORE 17-49*, also issued in April, further stressed the growing strategic importance of the Far East. *ORE 17-49* brought to the

⁵⁵⁴ CIA, “Review of the World Situation,” 20 April 1949. FOIA Request.

⁵⁵⁵ CIA, *Weekly Summary*, “The Soviet Offensive,” 28 April 1949. CIA Electronic Reading Room.

attention of policymakers the inconsistency between wishful thinking and the eventual reality of the United States' waning influence in the region. The report argued that the US's position was 'untenable' should Soviet influence expand any further in the region and that current US policies would only result in a protracted war. 'Once having lost its present minimum position in the region,' analysts wrote, 'the U.S. might lack the resources needed to maintain a major war effort against Soviet centers of power.' The CIA concluded that, given the probability of a conflict between the two Koreas, the region was quickly becoming of increasing 'significance to U.S. strategy.'⁵⁵⁶

In terms of a more general Soviet threat, analysts issued an assessment of the possibility of direct Soviet military action during 1949. Based on its understanding of the fundamental objectives and strategies of the Soviet Union, the CIA warned that international tension would continue to increase further during 1949, as it had done the previous year. However, although the USSR had 'an overwhelming preponderance of immediately available military power on the Eurasian continent and a consequent capability of resorting to direct military action any time,' analysts believed there was no conclusive evidence to support a Soviet preparation for direct military aggression, correctly surmising that the Soviet Union was too weak for a protracted war and would have been unable to consolidate any military gains acquired by military force. Furthermore, a lack of industrial strength, weak morale, and a fledgling economy prevented Soviet Russia from posing a real military threat to American

⁵⁵⁶ CIA, *ORE 17-49*, "The Strategic Importance of the Far East to the US and the USSR," 4 May 1949. NARA. RG no. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 32.

security. Several factors encouraging Soviet restraint were also listed, including: increasing US determination to resist further Soviet encroachment, increasing rigidity in the partition of Germany, and further communist success in Asia and the Near and Middle East.⁵⁵⁷

Considering the dangerous circumstances in Korea, the CIA urged policymakers that an undesired outbreak of hostilities through miscalculations was increasingly possible:

Such miscalculation could occur in underestimating the determination of the opposing side or in exaggerating its aggressive intentions. Both miscalculations would be present in a situation in which one side took a position from which it could not withdraw in the face of an unexpectedly alarmed and forceful reaction on the part of the other.⁵⁵⁸

At first look, such an analysis might appear to have been of little value. But when considering the potential for overreaction, we find that these estimates of Soviet intentions served as important reassurances. The fact remained that Washington was unclear about Soviet actions in 1949. Certainly in the case of the Far East, Korea was shaping up to be a political and military flashpoint where undesired consequences could ignite a larger conflict. On this issue, the CIA appears to have been correct. The Office

⁵⁵⁷ These considerations did not preclude, however, the opportunistic nature of the Kremlin. CIA, *ORE 46-49*, "The Possibility of Direct Soviet Military Action During 1949," 21 April 1949. NARA. RG No. 263, Stack, 190, Row A Compartment 45, Shelf 2, Box 32.

⁵⁵⁸ *Ibid.*

of Reports and Estimates cautioned, however, that any effective opposition to communism in Asia would have to be differently applied to each given situation, rather than a single strategic plan. For the CIA, the threats from the communist movement posed unique vulnerabilities to the security of the local government of southern Korea.⁵⁵⁹

Assessments issued in August 1949 again touched on the consequences of withdrawing direct support from southern Korea, highlighting the dangerous situation in northern Korea. ‘Development of internal security forces and a Peoples Army was a matter of first priority,’ the Office of Reports and Estimates warned. In contrast to the security vacuum in southern Korea, an ORE memorandum pointed out that Soviet troops were not withdrawn until the security forces were considered sufficiently trained and that this Soviet trained and equipped People’s Army had an estimated strength of 56,000 and was expanding. Combined with the 57,000 strong internal security forces, the CIA believed that North Korean armed forces could not only repel an invasion from South Korea but, with assistance from its communist allies, conduct a successful offensive action against the defenses of southern Korea.⁵⁶⁰ The CIA followed up on this assessment by pointing to the extent of Soviet involvement in Asia:

⁵⁵⁹ CIA, *Project Proposal Memorandum*, 8 August 1949. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 44, NARA. See also, *Intelligence Memorandum No. 209* of the same date.

⁵⁶⁰ CIA, *Project Proposal Memorandum*, 8 August 1949. CREST, 78-01617A, Box 6, Folder 19, NARA.

The USSR, its satellites, and other “advanced” Communist Parties assist the local Communist organizations through diplomatic missions, trade delegations, propaganda and “cultural” activity, international organizations (labor, women’s, youth), and by providing financial assistance, organizational specialists, advisers, and in some cases weapons.⁵⁶¹

By 1950, these types of assessments were becoming more frequent, but analysts were also finding it increasingly difficult to offer strategic forecasts. The Agency reported in January that North Korean military strength had been ‘further bolstered by the assignment of tanks and heavy field guns to units in the thirty-eighth parallel zone and by the development of North Korean air capabilities,’ but considered the possibility of an invasion unlikely unless the North Korean forces could develop a ‘clear-cut superiority over the increasingly efficient South Korean Army.’ The report went on to state that the continuing southward movements of the expanding Korean People’s Army toward the 38th Parallel probably constituted a ‘defensive measure to offset the growing strength of the offensively minded South Korean Army.’⁵⁶² Here, the inconsistencies regarding the Sino-Soviet question begin to surface. As central intelligence saw it, the North Korean army would be acting independently of Communist China, and the Chinese, independently of the Soviets. Washington remained unclear whether Kim Il Sung sought the Kremlin’s support, or whether North

⁵⁶¹ CIA, *Intelligence Memorandum No. 208*, “Communist Methods in Asia,” 26 August 1949. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 2, Box 44, NARA.

⁵⁶² CIA, *Weekly Summary*, “Troop Buildup in Korea,” 13 January 1950. CIA Electronic Reading Room.

Korea's dictator was taking orders from Stalin.⁵⁶³ The Pentagon shared these uncertainties. However, the Pentagon was focused on Western Europe and likely to support any evidence that might suggest South Korea no longer required military assistance.

A week before the June invasion, the CIA submitted a timely report entitled "Current Capabilities of the Northern Korean Regime" that warned that the North Korean Communists could take Seoul in a short decisive war. This threat was placed within the following context: indigenous leadership, organization of the government and its party organization, methods of Soviet control, effectiveness of the political system, current situation of the economy, and North Korea's military capabilities and operations against Southern Korea. Here, the report argued that North Korea's armed forces had the capability for attaining 'limited objectives' in short-term military attacks against South Korea and its capital, Seoul. The report concluded, however, that North Korea's capability for long-term military operations were still 'dependent upon increased logistical support from the USSR.' The report was replete with limitations on Soviet intentions, arguing that the Soviet Union's strategic concern in Korea was positional and that it would be 'restrained from using its troops by the fear of general war,' surmising that the USSR would 'militate against sanctioning the use of regular Chinese Communist military units except as

⁵⁶³ The questions of Soviet culpability and initiative were not answered until the early 1990s, when access to the Russian archives was easiest for Western scholars. Access to the Soviet archives revealed that Kim Il Sung was proactive when he convinced the Kremlin that the invasion of South Korea would trigger a popular communist uprising in the South. Moreover, Stalin was convinced by Sung that a swift victory would be achieved before the Americans could muster a military response. For a first-rate, scholarly review of the Soviet perspective in the Korean War, see Kathryn Weathersby, ed., "From the Russian Archives: New Findings on the Korean War," *CWIHP Bulletin* (Washington D.C: Woodrow Wilson Center), Fall 1993.

a last resort.’ This was not to imply, however, that these constraints meant that the North Korean regime was not capable in the ‘pursuit of its major external aim of extending control over southern Korea.’⁵⁶⁴

Just two days before the invasion of South Korea, DCI Hillenkoetter opened his agency to a litany of reproaches by reporting before a secret hearing of the House Foreign Affairs Committee that there was no particular world crisis at hand. Hillenkoetter’s only cautionary remarks dealt with the ongoing conflicts between the CIA and other government agencies. The *Washington Post*’s correspondent Drew Pearson reported on June 29, 1950, two days before the Korean attack, that the CIA stated, ‘not since V-J Day had the world seemed more peaceful.’⁵⁶⁵ In retrospect, Hillenkoetter should have kept his optimism closer to the cuff.

Clearly, the DCI’s remarks to the House Committee were inconsistent and did not accurately reflect the more pragmatic assessments the CIA issued to policymakers. Even so, Hillenkoetter’s comments merely reflected his lack of knowledge of North Korean plans to invade within the next few days. His optimistic view was not an indication that the situation in Korea was not still a looming security crisis.

Harry A. Rositzke points out that, as an occasional political patsy for the President, “it is part of the CIA director’s job to be the fall guy for the President.”⁵⁶⁶ Berkowitz and Goodman argue that, despite the many documented successes of the intelligence community, “there is, with just a

⁵⁶⁴ CIA, *ORE 18-50, Weekly Summary*, “Current Capabilities of the Northern Korean Regime,” 19 June 1950. *FRUS, 1950*, vol. VII, pp. 109-121.

⁵⁶⁵ *The Washington Post*, 29 June 1950, p. 13b.

⁵⁶⁶ Harry A. Rositzke, *The CIA’s Secret Operations: Espionage, Counterespionage, and Covert Action*, New York: Reader’s Digest Press, 1977, p. 239.

few exceptions, scarcely a positive mention of a Director of Central Intelligence in such books. Usually the DCI or CIA is mentioned in the context of an unsuccessful intelligence operation or the failure of the intelligence community to anticipate events.”⁵⁶⁷ However, Truman’s letter of farewell to Hillenkoetter seems to make clear his lukewarm attitude towards the CIA director: “So I say to you as you return to active service with the Navy: Well done.”⁵⁶⁸

During Hillenkoetter’s final months at the CIA, analysts had repeatedly expressed concern about the fluidity and volatility of the border and reported that both sides took considerable risks by conducting a series of raids along the 38th Parallel. Truman’s memoirs state that throughout spring 1949 the Central Intelligence Agency reported that the North Koreans might ‘at any time decide to change from isolated raids to a full-scale attack.’⁵⁶⁹ These border conditions created many questions about what calculated risks might be acceptable, even though these frequent skirmishes across the border could amount to nothing more than ‘guerilla scale clashes.’⁵⁷⁰ The difference, however, was that South Korea had no immediate plans for an invasion of the North. The CIA believed (as did Washington) that these skirmishes were not necessarily an indication of a larger military threat.

⁵⁶⁷ Bruce Berkowitz and A. Goodman, *Strategic Intelligence for American National Security*, Princeton: Princeton University Press, 1989, p. 169.

⁵⁶⁸ *Truman to Hillenkoetter*, 10 October 1950, Official File, Harry S. Truman Library. Quoted from Christopher Andrew, *For the President’s Eyes Only*, p. 170.

⁵⁶⁹ Harry Truman, *Memoirs*, p. 331.

⁵⁷⁰ *New York Times*, “War is Declared by North Koreans; Fighting on Border,” 25 June 1950. *Proquest Historical Newspapers*, p. 21. In fact, these border clashes had been occurring since the artificial establishment of the 38th Parallel.

John Lewis Gaddis addresses this difficulty of predicting such a shift from the pervasive hostilities that were so frequent along the 38th Parallel. It is difficult to see, Gaddis reasons, ‘how anyone in Seoul, Tokyo, or Washington could have been certain that one more such incursion from the south would provoke a massive invasion from the north.’⁵⁷¹ Historian James McDonald also weighs in on the difficulty facing the CIA. ‘Sometimes, indications of a possible attack ebb and flow for weeks or months without an actual outbreak of hostilities. This erodes credibility if repeated warnings prove wrong-the “cry wolf syndrome”-and may inure officials and policymakers to warning indicators that do actually predict hostilities.’⁵⁷² Alexander George insists that while high-confidence warning is desirable, ‘often it is not available.’ But, he argues, ‘neither is high-confidence warning always necessary for making useful responses to the possibility of an emerging crisis.’⁵⁷³

Phillip C. Jessup, a senior State Department official, called attention to the difficulty the CIA had in predicting the timing of an invasion, pointing to the constant fighting between the North and South Korean armies: ‘There are very real battles involving perhaps one or two thousand men. When you go to this boundary, as I did... you see troop movements, fortifications, and prisoners of war.’⁵⁷⁴ Furthermore, not even high-level interception of information in the Kremlin could have helped the CIA since nothing suggests that even Stalin had any foreknowledge of the exact timing of the invasion. In short, intelligence could not always be as

⁵⁷¹ John Lewis Gaddis, *We Now Know*, p 77.

⁵⁷² James Kenneth McDonald, “CIA and Warning Failures,” p. 42.

⁵⁷³ Alexander L. George, *Presidential Decisionmaking in Foreign Policy*, p. 76.

⁵⁷⁴ *Department of State Bulletin*, 24 April 1950, p. 627. The bulletin was originally broadcast as a radio address on 13 April 1950.

straightforward as policymakers would have liked. Intelligence, by its very nature, can never be complete. In any event, given its current Far East policy and the fact that the crisis appeared to be in a continual state of flux, Washington was unlikely to change course. In fact, policymakers were still calling for plans to reduce US military advisors in the Republic of Korea, just two days before the invasion.⁵⁷⁵

Brewster Denny argues that information by the intelligence producer must not only be ‘accurate, relevant, responsive and timely, it must often be attention getting as well.’⁵⁷⁶ But even without a clear prediction, the CIA had given enough information to keep Washington from being completely taken by surprise.⁵⁷⁷ To be sure, clues were given—some ambiguous, but many were direct. Reflecting on Washington’s perception of the situation in Korea, Acheson wrote that in June 1950, ‘Korea did not seem the most likely trouble point.’⁵⁷⁸ Furthermore, none of the NSC documents recognized a need for US military presence in Korea.⁵⁷⁹ Immediately before the invasion of South Korea, ‘Washington was making light of the crisis in Korea and completely ignoring its urgency from the viewpoint of military strategy.’⁵⁸⁰

Even General Douglas MacArthur, one of America’s most revered military commanders at the time, miscalculated the risks taken in Korea.

⁵⁷⁵ *FRUS, 1950*, vol. VII, “Ambassador Muccio to Secretary Acheson, 23 June 1950,” pp. 121-122. Washington called for a reduction from 472 military advisors to only 242 by January 1951. The US Ambassador to South Korea, John Joseph Muccio, thought an attack was quite possible.

⁵⁷⁶ Brewster C. Denny, *Seeing American Foreign Policy Whole*, p. 104.

⁵⁷⁷ Richard Aldrich supports this view in *The Hidden Hand*, p. 271.

⁵⁷⁸ Dean Acheson, *Present at the Creation*, p. 38.

⁵⁷⁹ Mineo Nakajima, “The Sino-Soviet Confrontation: Its Roots in the International Background of the Korean War,” *The Australian Journal of Chinese Affairs*, No. 1 (Jan., 1979), p. 21.

⁵⁸⁰ *Ibid.* p. 22.

Paul Nitze notes that the intelligence originating from General MacArthur's headquarters in Tokyo hinted at 'nothing to provoke undue worry or alarm over an impending invasion.'⁵⁸¹ Beyond this, MacArthur made three erroneous calculations. First, that the North Korean army did not have designs for the conquest of the entire Korean Peninsula; second, that the Kremlin was the mastermind behind North Korea's actions; and third, that the Republic of Korea could repulse the communist incursion and ultimately achieve victory.⁵⁸²

It has even been argued that the US was taken by surprise because Douglas MacArthur's G2 intelligence services in the Asian theater failed not only to predict the attack but 'grossly underestimated' the North Koreans.⁵⁸³ Richard Aldrich, perhaps more fairly, points out that MacArthur was 'weak on intelligence' and simply not up to the job.⁵⁸⁴ There remains little doubt that the Truman administration was also ill-informed, in large part, because the military advisors failed to keep the White House informed. Yet Army intelligence continued to dominate intelligence operations in the Far East because the commander refused to allow the CIA to operate in the region. It also seems that the CIA's more pragmatic assessments of the Far East were muffled because MacArthur's optimistic intelligence was so contagious to policymakers.

⁵⁸¹ Paul Nitze, *From Hiroshima to Glasnost*, p 101.

⁵⁸² *FRUS, 1950*, vol. VII, "The Acting Political Advisor in Japan (William J. Sebald) to the Secretary of State," p. 140.

⁵⁸³ Leonard Mosley, *Dulles*, p. 268.

⁵⁸⁴ Richard Aldrich, *The Hidden Hand*, p. 274.

The Invasion

American intelligence was aware that conditions existed in Korea that could have meant an invasion this week or the next.— Rear Admiral Hillenkoetter (in testimony before the Senate Appropriations Committee, 20 July 1950)⁵⁸⁵

The crisis in Korea boiled over at 4:40 on Sunday morning, June 25, 1950. After a two-hour artillery bombardment, North Korea's Secretary General, Kim Il-Sung ordered approximately 135,000 troops across the 38th parallel. The attack was devastating. The meager defenses of South Korea's 38,000 troops were out-manned, out-gunned and in full retreat within hours of the assault. The invading army captured Seoul on the afternoon of June 28 and had all but secured its goal of dissolving Rhee's government. The situation in South Korea appeared hopeless without swift, decisive action from the West.

On the morning of the invasion, US policy officials scrambled to pin a response to the unfolding crisis. When Dean Acheson heard the news, the Secretary of State seemed certain that Korea was the vanguard battleground for World War Three:⁵⁸⁶

⁵⁸⁵ *U.S. Policy in the Korean Crisis*, Far Eastern Series 34, Washington DC: Department of State Publication, Government Printing Office, 1957, p. III.

⁵⁸⁶ Clark M. Clifford with Richard C. Holbrooke, *Counsel to the President: A Memoir*, New York: Random House, 1991, p. 274.

I felt certain that if South Korea was allowed to fall, Communist leaders would be emboldened to override nations closer to our own shores...if this was allowed to go unchallenged it would mean a third world war. If we let Korea down the Soviets will keep right on going and swallow up one piece of Asia after another. We had to make a stand some time or else let all of Asia go by the board. If we were to let Asia go, the Near East would collapse and no telling what would happen in Europe.⁵⁸⁷

The President was on vacation with his family in Independence, Missouri when Secretary Acheson phoned to inform him that the North Koreans had launched a full-scale invasion. ‘The attack upon Korea,’ Truman stated, ‘makes it plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war.’⁵⁸⁸ Gabriella Heichal brings attention to the White House’s approach to the crisis. The President’s initial reaction, she argues, was the result of ‘treating the threat involved in global concepts, instead of the sub-systemic regional and hence localized level.’⁵⁸⁹ This suggests why Truman might have believed that any communist threat had to be Soviet driven.

The President was not alone in his belief that Korea would spiral from a civil conflict into a global war. US policymakers and the military establishment assumed ‘any outbreak around the containment periphery

⁵⁸⁷ Harry Truman, *Memoirs*, pp. 392, 438.

⁵⁸⁸ *Ibid.*, p. 339. In an act of uncharacteristic solidarity, the UN resonated Truman’s resolve and called upon its members to repel the attack.

⁵⁸⁹ Gabriella Heichal, *Decision Making during the Crisis*, p. 56.

would [be] the opening battle of a global Soviet-American war.’⁵⁹⁰ Later that evening, the President met with his top advisors at the Blair House. (The President and his family lived at the Blair House from 1949 to 1952 during which time repairs were being made to the White House). The meeting concluded that the attack on South Korea was not an isolated incident. They feared that the attack was a clear indication of a pattern of aggression under ‘a general international Communist plan.’⁵⁹¹ The Department of the Army shared this opinion. In view of the swift American response in June 1950, the US Army believed it ‘most probable’ that retaliatory Soviet action might be taken against Japan (the gem of Asia) or South Korea.⁵⁹²

Washington’s official response was anything but irresolute or circuitous. Standing security priorities were ultimately sidelined. President Truman was not looking at *whether* he should intervene, but rather at *how* South Korea could be saved. The question of *how* was strewn with political pitfalls. Without consulting Congress, the President ordered America’s ‘over-stretched forces’ to the Far East on June 27, 1950.⁵⁹³ These sudden reactions to the invasion further highlight the importance of

⁵⁹⁰ Kenneth McDonald, “CIA and Warning Failures,” p. 44.

⁵⁹¹ *Meeting minutes from the Blair House Meeting*, 25 June 1950. Truman Library. Paperless Archives.

⁵⁹² US Department of the Army, *Teletype Conference to the JCS and other military intelligence agencies*, June 1950. Truman Library. Paperless Archives.

⁵⁹³ Stephen E. Pelz, “When the Kitchen Gets Hot, Pass the Buck: Truman and Korea in 1950,” *Reviews in American History*, vol. 6, no. 4 (Dec., 1978), pp. 548-555. Pelz questions the contradictory nature of Truman’s decision to send his “over-stretched forces” into such a nonessential area and then to risk a larger war with Communist China. pp. 548-555. The JCS called for and Truman authorized the US Navy’s Seventh Fleet into the Straits of Formosa to prevent Mao’s forces from attacking the still fragile Chinese National Government in Taiwan. See, *FRUS, 1949*, vol. IX, pp. 284-286. A report from ORE advised the White House, however, that the CCCP was not capable of successfully undertaking an amphibious operation at that time. *ORE 45-49*, “Probable Developments in China,” 16 June 1949. CREST, 86000269R, Box 3, Folder 4, NARA.

the CIA's position as a guiding hand during the early stages of the crisis. Compared to most of the Agency's earlier assessments, the immediate conclusions drawn by policymakers were more extreme and appear panicked.

The CIA responded to the invasion with a warning that success in Korea might encourage the Soviet Union to launch similar military ventures in the region if the Kremlin believed that 'no firm or effective countermeasures would be taken by the West.' However, the report ultimately concluded that the Kremlin was not willing to undertake a global war at the time.⁵⁹⁴ According to analysts, a firm US response in Korea was not likely to be met with a direct Soviet counter assault. In fact, firmness and determination in Korea could provide the United States with an opportunity to 'unmask important Soviet weaknesses' and dispel the 'popular ideas of Soviet power' that had been 'grossly exaggerated as a result of recent Soviet political and propaganda successes.'⁵⁹⁵ This position offered a measure of restraint without deviating from the official position of resolve the United States had taken. In no uncertain terms, the analysis also questioned the political and military value of the recent Soviet successes that had caused such alarm in Washington.

Two days later, the CIA offered further reassurance that, although the Kremlin might exploit other areas of the world, the Soviets were not seeking a larger conflict. No evidence was available that indicated Soviet preparations for military operations in the West European theatre, although

⁵⁹⁴ CIA, *Daily Summary*, "Embassy Moscow's Views on Korean Conflict," 26 June 1950. CIA Electronic Reading Room.

⁵⁹⁵ *Ibid.*

analysts included a caveat: ‘...Soviet military capabilities in Europe make it possible for the USSR to take aggressive action with a minimum of preparation or advance notice.’⁵⁹⁶

Midway Conclusions

This chapter has demonstrated that, despite any inconsistencies and, at times, the paucity of specific, detailed information, the Central Intelligence Agency’s assessments were remarkably perceptive during the early stages of the crisis in the Far East. According to analysts, the Soviet Union was cautious about extending military action beyond Korea and even apprehensive about rousing the United States’ support for its Korean ally.⁵⁹⁷ The CIA seemed to understand that, at the time of the invasion, Stalin hoped that any Communist gains could be carried out with minimal risk to the Soviet Union. Like the Berlin crisis, the Agency’s analytical branch appears to have been good at the broad intelligence problem of whether the USSR had substantial capabilities for initiating hostilities elsewhere. Moreover, the published intelligence reports never proposed a zero-sum approach nor suggested aggressive posturing against the Soviet Union, nor did its reports seem to convey a sense of panic. Instead, analysts repeatedly called for firmness, coupled with restraint and caution, while, at the same time, warning policy leaders of the dangers of sidelining security

⁵⁹⁶ CIA, *Daily Summary*, “No Soviet Military Preparations in Germany and Austria, 28 June 1950.” CIA electronic reading room.

⁵⁹⁷ CIA, *Weekly Summary*, “The Korean Situation, 30 June 1950.” CIA Electronic Reading Room.

interests in the region. On the larger issue of global war, the Agency's position that the June invasion was not indicative of a larger military conflict was remarkably accurate.

Historians' subsequent views have tended to endorse the perceptiveness of this broad analysis. Edward Acton, for example, suggests that as a 'relatively passive beneficiary of post-war upheaval,' Moscow's designs in Asia were far more cautious and less calculated than US policy officials initially believed.⁵⁹⁸ Similarly, Kathryn Weathersby points out that Moscow was most concerned about a solution whereby it could protect its interests. The invasion of South Korea simply presented the Soviet leadership with an indirect means by which (it believed) it could create a unified government on the Korean peninsula that was friendly to Soviet interests.⁵⁹⁹

After carefully considering the political context and examining the daily, weekly and *ad hoc* intelligence reports, it becomes clearer that the invasion of South Korea was not as great of an "intelligence surprise" as a number of historians suggest. Unlike the surprise attack on Pearl Harbor, intelligence described North Korea's forces, pointing to superiority in armor, heavy artillery, aircraft, and equipped units of the "People's Army" being deployed southward toward the 38th Parallel.⁶⁰⁰ The reports issued

⁵⁹⁸ Edward Acton, *Russia*, Longman: London, 1990, p. 264.

⁵⁹⁹ Kathryn Weathersby, "Soviet Aims in Korea and the Origins of the Korean War, 1945-1950," p. 17.

⁶⁰⁰ CIA, Korean Desk Officer, Circa 1948-1950, "An Informal Memoire by the ORE." Bruce Cummings draws from the captured North Korean documents to shed light on the "overwhelming evidence" that points to North Korea launching the invasion on 25 June 1950. See, *Child of Conflict. The Korean-American Relationship, 1943-1953*, Seattle: University of Washington Press, 1983. Other contemporary historians have widely dispelled the earlier arguments that South Korea was responsible for the June 25 invasion.

by the CIA show that the warnings offered should have been sufficient to capture the attention of policymakers. In a testimony by John D. Hikerson, Assistant Secretary of State, it was revealed that warnings about the invasion had been received. Hikerson commented, 'We knew...they had the capability and that certain preparations had been made, but we did not know when the attack was coming.'⁶⁰¹

Furthermore, many of the CIA's reports leading up to the outbreak of the war were positioned as a corrective tool for decision-making by defining the limits on what security threats America faced and by asserting that the Soviet Union did not desire any large-scale military action outside the Korean peninsula. The Agency's paradigm of restraint helped policymakers to focus on the unfolding crisis and checked growing fears of a wider military conflict in Western Europe and other areas of the world. As the crises unfolded, it seemed to reason that if the Soviets could achieve success in Korea, then it could happen in Europe or other areas of the world. Simply put, if the American leadership had been unable to assess Moscow's appetite for risk, then the danger of reactive policy-making might have been significantly elevated. After all, it was the Korean War which stimulated the transformation of NATO into a standing military alliance rather than just a promise to go to the aid of Europe in the event of a Soviet attack. Moreover, the North Korean attack had a profound effect

An example of this earlier case for South Korean culpability can be found in Karunker Gupta's "How Did the Korean War Begin?" *China Quarterly*, XIII (October-December 1972), pp. 699-716. However, as late as 2003, William Blum's *Killing Hope: US Military & CIA Interventions since World War II* questioned the reliance placed on Western accounts of the invasion. (pp. 45-57).

⁶⁰¹ *Hearings before the Senate Appropriations Committee*, (State, Justice, Commerce and the Judiciary appropriations for 1952), Washington DC: Government Printing Office, 1952, p. 1086. Senator Bridges pointed out to Secretary Acheson that the CIA had in fact received warnings that an attack could happen in June.

on American calculations of risk in areas far away from the Korean Peninsula. Given all of this, the CIA's guiding hand during these early months of the crisis should not be dismissed.

Chapter VI

Fumbling the Far East

[Being DCI] is one of those jobs where one can never be right as the American people expect the incumbent to be able to predict with accuracy just what Stalin is likely to do three months from today at 5.30 a.m. and, of course, that is beyond the realm of human infallibility. Furthermore, whenever there is a failure, everybody begins to shriek “intelligence.”—Walter Bedell Smith⁶⁰²

Preface

The unprovoked attack on South Korea by the Soviet-controlled North Korean army opened a new phase in the power conflict between the East and West. Within days of North Korea's invasion across the 38th Parallel, it appeared that the communist army was capable of taking South Korea out of the fight before it could be adequately reinforced. After the rapid fall of Seoul, South Korea's tactical position sharply deteriorated. There was acute concern from Washington that North Korea would succeed in its ultimate objective of reunification. Even more troubling, both China and the Soviet Union stood to gain immediate advantages from a successful intervention, despite the grave risks associated with such a venture.

⁶⁰² Beedle Smith to John E. Bierwirth, August 23, 1950. Box 13, Walter Bedell Smith Papers, Dwight D. Eisenhower Library, Abilene Kansas. Quoted from Jeffrey-Jones, *The CIA & American Democracy*, p. 68.

But by June 30, 1950, sixteen countries had committed military forces in a “police action” on behalf of the UN for the defense of South Korea.⁶⁰³ The US was the first of the North Atlantic powers to mobilize its military strength to deter the open communist aggression, with the first combat troops arriving on July 1. The American forces, under the command of Lieutenant General Walton Harris Walker, set up a series of costly delay tactics to halt the advance until a perimeter of defense could be established.⁶⁰⁴ From July 12-23, North Korea’s 3rd and 4th Divisions routed the US 24th Infantry Division, captured most of its equipment, and took its commander, Major General William F. Dean, as prisoner.⁶⁰⁵ The communist offensive also captured the city of Yongdong and the South Korean city, Taejon. From July 24-25, North Korea’s 3rd Division defeated the 5th and 8th Cavalry Regiments. Simultaneously, the 6th Division descended down the West Coast, capturing Chongju and murdering the city’s civil servants. Most alarmingly, the 6th Division had outflanked the US Eighth Army in an attempt to reach the *cordon sanitaire* of Pusan and cut off all UN forces in Korea.

North Korea’s offensive dealt a significant blow to early US optimism.⁶⁰⁶ The virtual collapse of non-communist resistance raised a

⁶⁰³ Richard Crockatt points out in *The Fifty Years War* that the UN success as a collective security organization was possible only because at the time of the invasion, the Soviet Union was boycotting the UN in protest at the organization’s failure to admit Mao’s Communist government as the legitimate government of China. pp. 49-50. For an explanation of this boycott, see Andrei Gromyko, *Memoirs*, London: Hutchinson, 1989, p. 102.

⁶⁰⁴ General Walker later commanded the US Eighth Army in Korea from 3 September 1950-23 December 1950. However, the Eighth fell under the United Nations command of General Douglas MacArthur on 7 July.

⁶⁰⁵ As the first commander of US combat forces in Korea, Dean was the highest profile POW during the War. He was not released until after the armistice was signed in 1953.

⁶⁰⁶ For an in-depth history of the North Korean offensive, see Max Hasting, *The Korean War*, New York: Simon and Schuster, 1987.

number of problems to US security. Intelligence warned that a prolonged battle in South Korea now seemed probable. Remaining steadfast in its global assessment, however, the CIA pointed out that while there were a number of areas that showed mounting signs of impending military action during the 'limited war' phase of Korea, Soviet objectives were limited to the support of the North Korean forces' efforts to bring about the unification of Korea, rather than to provoke a global war involving the United States.⁶⁰⁷

With the defeat of communist forces in Korea far from a foregone conclusion, Truman and his top advisors were forced to reshuffle policy priorities to include not just creating a cooperative partnership with German and Japanese powers but to cast a wider policy net across the Far East.⁶⁰⁸ Much of Washington viewed the North Korean aggression as a dangerous action that threatened world peace and stability. Even without resorting to a direct military conflict, the attack on South Korea had shown that it was possible for the Soviet Union to weaken the United State's strategic position. Policymakers were desperate to prevent further catastrophes and to contain the conflict in Korea. However, as argued in the previous chapter, US policy was mired in misperceptions about the region and its importance (symbolic and strategic) to the spread of communism in the Far East.

⁶⁰⁷ CIA, 7-50, "Review of the World Situation," 19 July 1950, CREST, 79-01090A, Box 3, Folder 2, NARA.

⁶⁰⁸ Bruce Berkowitz and A. Goodman, *Strategic Intelligence for American National Security*, p. 187. The authors argue that in the early years of the Cold War Western intelligence services were also oriented toward Germany and Japan and had few agents or technical reconnaissance systems suitable for use against the new Soviet target.

Questions and Thesis Statement

Like the previous chapters, this segment will examine how well the CIA read Soviet intentions and how effectively it read the crisis, as well as the accuracy of its warnings and assessments. In particular, this component of the case study will examine what the Central Intelligence Agency was saying to US policy makers and its place in the decision-making process, showing that Truman and his policy circle continued to look to CIA assessments for explicit warnings and for candid assessments that would shed more light on the rapidly unfolding crisis. The CIA was charged with providing estimates on a number of critical situations during different phases of the war, including: 1) the threat of full-scale Chinese Communist intervention in Korea, 2) the threat of Soviet intervention in Korea, and 3) general Soviet and Chinese Communist intentions and capabilities in the Far East and elsewhere in the world.

The chapter will examine the war in Korea from the June invasion to the dismissal of General Douglas MacArthur in April 1951, dividing this period of the crisis into two chronologically distinct decisional phases: (1) Should UN forces halt their advance at the 38th Parallel or unify Korea by force? (2) Having decided that question, to then determine possible long-term consequences. This study will examine the question of crossing the 38th Parallel first. This phase (25 June-1 October) represented a shift of US policy—from one of resisting the aggression in South Korea to one of rolling back the North Korean army, with the goal being the unification of an independent Korea.

MacArthur's successful challenge to communist military strategy and a string of UN military successes marked a particularly acute period of the crisis. This second phase (1 October–27 November) witnessed the virtual elimination of the North Korean army and raised the question of whether UN forces should shed the burden of tactical constraints and exploit the opportunity to reunifying the Korean Peninsula. The reunification of the peninsula carried immense risks, but the benefits were tempting. For Washington, success might guarantee a bastion of democracy that would serve as a clear warning against future Korea-type ventures. The current administration was uncertain, however, about how the communist leadership would perceive US actions in Korea. This uncertainty hinged largely on the misperception of the communist client-patron relationship—that Peiping and the Kremlin were hand in glove and that Chinese Communist plans were fully coordinated with the USSR.⁶⁰⁹ It was believed by the CIA that the Peiping government was unlikely to commit military forces to operations beyond China on its own initiative, but would almost certainly comply with a Soviet request for military action. Given the vast differences in culture and that communism had not been imposed on China from the outside, however, common ideology between the Soviet Union and Communist China was, as Walter Laqueur points out, 'naively overrated as a cohesive factor.'⁶¹⁰

⁶⁰⁹ For a study of the Sino-Soviet alliance see Sergei N. Goncharov, John W. Lewis, and Xue Litai, *Uncertain Partners: Stalin, Mao, and the Korean War*, Stanford: Stanford University Press, 1993. See also Jian Chen, "The Sino-Soviet Alliance and China's Entry into the Korean War," *CWIHP Working Paper Series*, no 1, Washington DC: Woodrow Wilson International Center, and Kathryn Weathersby, "Soviet Aims in Korea and the Origins of the Korean War, 1945-1950: New Evidence from the Archives."

⁶¹⁰ Walter Laqueur, *A Preponderance of Power*, p. 118. ORE was aware, of course, of factors that handicapped the Sino-Soviet friendship. Soviet coercion in China was often

While the CIA was better suited as a type of barometer for whether the communist leadership had intentions of provoking a general war and for placing this threat in a more manageable perspective, it was less comfortable with detailed information and assessing more specific threats during the war. The chapter will show that the CIA's calm voice had stretched past its point of usefulness once hostilities escalated. Its reports that had urged restraint and moderation months earlier were now partly responsible for miscalculations in the Far East. In fact, by keeping the question of a threat of a global war on the front burner, the CIA ultimately failed to give credence to the mounting evidence on the ground that pointed to an escalation of hostilities. This flawed view clouded the Agency's ability to better understand the intentions of communist leaders.

The positions taken in this section of the case study challenge the conventional wisdom to a lesser degree than the previous chapter. Nonetheless, the study fills an important gap in the historiography. This segment is analogous to the previous chapter in that it will demonstrate that the CIA's role in the decision-making process should not be packaged too neatly. By looking beyond the issue of who was right or wrong, the complexity of what the CIA was reporting to policymakers comes into better focus. The widely accepted view correctly asserts that the CIA fell short in its task of informing policymakers of the strategic and political

met with resentment. A major segment of Chinese society was suspicious of Soviet activities that were reinforced by a lack of a common educational background and a general inability to communicate. See, *Project Initiation Memorandum*, "Sino-Soviet Friendship Association," 6 November 1950. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 5, Box 26, NARA.

dangers after the June invasion of South Korea.⁶¹¹ In other words, the Agency's mindset about the war in Korea, beyond its broad intelligence assessments about the possibility of a global conflict, was flawed. Therefore, it is important to look at *why* the CIA fell short in its analytical role following the communist invasion of South Korea.

Recent Views

Although the most credible accounts of the CIA's early history offer explanations that provide real insight, there is still room for throwing further light on the complexities and inconsistencies of the crisis in Korea. For instance, Rhodri Jeffreys-Jones' examination of the disconnect between the CIA and policymakers suggests that because Truman and his advisors were too preoccupied with other problems, like the defense of Formosa, and too impatient to read intelligence reports carefully, they were 'deaf' to important signals from intelligence.⁶¹² His observation is not without merit, but only offers a partial explanation of the CIA's problems during the crisis.

Richard K. Betts offers a more theoretical position, and though thought-provoking like Jeffreys-Jones, his position does not cover quite enough ground to resolve the policy-intelligence questions during the crisis.

⁶¹¹ See Richard Aldrich, *The Hidden Hand*, Christopher Andrews, *For the President's Eyes Only* and Rhodri Jeffreys-Jones, *The CIA & American Democracy*.

⁶¹² Rhodri Jeffreys-Jones, *The CIA & American Democracy*, p. 65.

By the narrower definition of intelligence, there have been few major failures. In most cases of mistakes in predicting attacks or in assessing operations, the inadequacy of critical data or their submergence in a viscous bureaucracy were at best the proximate causes of failure. The ultimate causes of error in most cases have been wishful thinking, cavalier disregard of professional analysts and, above all, the premises and preconceptions of policymakers.⁶¹³

The Central Intelligence Agency was responsible for providing intelligence on a number of important issues, including: Would the Soviet Union attack? Was Korea the staging ground for a broader global offensive? These questions that had preoccupied US policy officials before the invasion were no longer enough to address the uncertainties of the war. However, the CIA's mental image of the communist threat in the Far East was not exceptionally flexible; and like policymakers in Washington, clung to the simplistic view that Peiping was taking orders from Moscow. Although intelligence analysts (and policymakers) held the view that Moscow and Peiping were motivated by a shared ideology inconsistent with US interests, the Agency's analysis of the Kremlin's risk-taking continued to be the linchpin for its estimates—principally, that any Soviet decision hinged on to what extent the USSR was willing to risk a global war.

⁶¹³ Richard K. Betts, "Analysis, War, and Decision: Why Intelligence Failures are Inevitable," p. 67. For dissent on Betts' argument, see Thomas K. Latimer, "United States Intelligence Activities: The Role of Congress," Pfaltzgraff, Robert L., Ra'anan, Uri, and Milberg, Warren. ed., *Intelligence Policy and National Security*, London: Macmillan Press Ltd., 1981, p. 281.

This sort of inflexible mindset made it more difficult to reach clear, accurate conclusions, particularly about the magnitude of risk associated with extending the UN's offensive north of the 38th Parallel. In simplest terms, the CIA failed in its assessment of the long-range implications of US actions in Korea. Analysts concluded that since the Kremlin and Peiping had been unwilling to risk a general war previously, Moscow would certainly not risk broadening a civil war when the UN was militarily prepared to respond. As a result, the CIA fell short in providing policymakers with the necessary accurate and timely information on which to base well-informed decisions.⁶¹⁴

Before examining the phases of the crisis, the change in the CIA's leadership must first be addressed. The political pressures stemming from the Dulles-Jackson-Correa Report in January 1949 had turned the intelligence agency into a 'political football.'⁶¹⁵ A common perception in Washington was that Hillenkoetter no longer held Truman's confidence.⁶¹⁶ In fact, Harry Truman had begun looking for someone who could successfully replace Roscoe Hillenkoetter as the director of the Central Intelligence Agency. Smith did not replace Hillenkoetter until a year after his selection—the same day UN forces crossed the 38th Parallel. The

⁶¹⁴ This argument is supported by Christopher Andrew in *For the President's Eyes Only*, pp. 185-197. See also, Richard Aldrich, *The Hidden Hand*, and Rhodri Jeffreys-Jones, *The CIA & American Democracy and Cloak and Dollar*.

⁶¹⁵ Richard K. Betts, "American Strategic Intelligence: Politics, Priorities, and Direction," Pfaltzgraff, Robert L., Ra'anani, Uri, and Milberg, Warren. ed., *Intelligence Policy and National Security*, p. 245. Allen W. Dulles, William H. Jackson, and Mathias F. Correa authored the report. Both Dulles and Jackson would later have prominent careers within the Central Intelligence Agency.

⁶¹⁶ Even before the outbreak of the Korean War, concerns had been voiced about the production of ORE's reports, including the need for more stress to be placed on interpretive and analytical reporting from the field. See, Chief, Requirements Division to the Chief of Plans and Policy Staff, *Office Memorandum*, 15 July 1949. CREST, 67-00059A, Box 2, Folder 19, NARA.

President nominated “America’s bulldog,” Lieutenant General Walter Bedell Smith, announcing in mid-August that he had found a capable and experienced replacement for Hillenkoetter.⁶¹⁷ Well before the soldier-diplomat took over at CIA headquarters, he was already considered to be a Washington insider who shared the President’s foreign policy position. Citing poor health, however, “Beetle” Smith (as his friends frequently called him) initially declined the nomination.⁶¹⁸ Yet even in a weakened condition, Smith could be ‘petulant, ascetic and strong tempered.’⁶¹⁹ Truman admired this bluntness and his capacity for hard work and loyalty. He would not take “no” as an answer.

David M. Barrett points out that Smith was ‘far more self-confident and shrewd than Hillenkoetter in navigating the shark-infested waters of the executive branch.’⁶²⁰ To be sure, ‘a reputation for chutzpah also helps.’⁶²¹ Indeed, Smith was not short of nerve, and his blunt, take-charge manner boosted the prestige of the Central Intelligence Agency.⁶²² Stansfield

⁶¹⁷ Sir Winston Churchill first coined this phrase to describe Smith. Rear Admiral Hillenkoetter had asked to be reassigned to sea duty in June 1950. According to Montague, the position of DCI had been a painfully ‘frustrating and thankless experience’ for Roscoe Hillenkoetter and he was quite willing to be relieved. See, *General Walter Bedell Smith as Director of Central Intelligence*, p. 53.

⁶¹⁸ Ludwell Montague, *General Walter Bedell Smith as Director of Central Intelligence*, pp. 54-55. At fifty-five, Smith suffered severely from stomach ulcers. Even after his operation to treat the ulcer, Smith never fully recovered to his former “robust appearance.” Smith simply lacked a fully functional stomach and appeared weak and undernourished. When he arrived at CIA headquarters, Smith weighed only about a hundred and thirty-five pounds. After the General’s operation Truman immediately placed Smith on the short list. Other qualified candidates considered for the post included Gordon Gray (the Secretary of the Army), Allen Dulles, William Donovan, William Foster, J. Edgar Hoover, and Dean Rusk (one of the architects of the divide at the 38th Parallel in 1945).

⁶¹⁹ D.K.R. Croswell, *The Chief of Staff: The Military Career of General Walter Bedell Smith*, New York: Greenwood Press, 1991, p. xx.

⁶²⁰ David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy*, Lawrence, KS: University Press of Kansas, 2005, p. 92.

⁶²¹ Morton H. Halperin, *Bureaucratic Politics and Foreign Policy*, p. 223.

⁶²² John Barlow, MA Thesis, *The Soldier Diplomat: Walter Bedell Smith, American Ambassador to Moscow, 1946-1949*, Texas State University, 2003, p. 69. Smith was a quick study and could fall back on the leadership and organizational talents that served

Turner, former DCI and author of *Secrecy and Democracy*, argues that as a relatively apolitical DCI, Smith maintained a higher degree of credibility with the State Department and the Executive because his advice was more impartial to partisan politics and lacked a political agenda.⁶²³

No less important for the CIA, was the fact that Smith was a skilled organizational man. During his tenure, he established three new branches of the CIA: the Office for National Estimates (ONE) specifically dedicated to producing national estimates, the Office for Research and Reports (ORR), and in 1952, the Directorate for Intelligence (DDI).⁶²⁴ In addition, the newly established Board of Estimates (BOE) set the procedures for the estimative process that lasted over two decades. ‘Though criticized for producing current intelligence and neglecting estimates,’ Charles Ameringer argues, ‘the truth was that the ORE did a good job and filled a role that the State Department’s INR [Bureau of Intelligence and Research], as successor to the Research and Analysis branch of the OSS, was supposed to play but did not. Nonetheless, the perception of the CIA’s failure to predict the invasion in June 1950 caused Hillenkoetter’s successor, General Walter Bedell Smith, to bring to an end the Office of Reports and Estimates

him so well as Chief of Staff of the Supreme Headquarters Allied Expeditionary Forces (SHAEP) during World War II. His broad public service record earned him respect from military and political leaders. As the US Ambassador in Moscow, Smith revealed his support for Truman’s hard-line policy toward the Soviet Union. As DCI, he provided his intelligence briefing to the NSC every Thursday; then every Friday morning he would provide a semisecret brief about Korea to President Truman at the Oval Office. Scott D. Breckinridge points out throughout *The CIA and the US Intelligence System* that the Agency often had the right ear of the President in matters of decision-making, but argues that this influence was often more through the authority of the NSC, not the CIA directly. Of course, this influence also vacillated depending on presidential attitudes.

⁶²³ Stansfield Turner, *Secrecy and Democracy: the CIA in Transition*, p. 278.

⁶²⁴ ONE was responsible for the creation of coordinated national estimates, ORR for monitoring and reporting on economic changes in the Soviet bloc, and the DDI for producing finished intelligence.

and replace it with the Office of National Estimates (ONE) and the Office of Research and Reports (ORR).⁶²⁵

The 38th Parallel: A Shifting Line in the Sand

We do not believe in aggressive or preventive war. Such war is the weapon of dictators, not of free democratic countries like the United States.—President Harry S. Truman⁶²⁶

Although the US President viewed any undesired consequences arising from his decision with trepidation, the decision to expand the war across the 38th Parallel (to include the reunification of the Korea) was a pivotal event of the war, representing a gap between well-meant intentions and anticipated consequences. Reflecting on this decision, Truman wrote: ‘There was no doubt in my mind that we should not allow the action in Korea to extend into a general war. All-out military action against China had to be avoided, if for no other reason than because it was a gigantic booby trap.’⁶²⁷ What compounded matters, though, was that the United States’ inability to understand the dynamics between the communist leaders failed to improve after the June invasion. Washington failed to appreciate

⁶²⁵ Charles Ameringer, *U.S. Foreign Intelligence: The Secret Side of American History*, pp. 201-202.

⁶²⁶ Truman, *Radio and Television Report to the American People on the Situation in Korea*, 1 September 1950, *Public Papers of the Presidents: Harry S. Truman, 1950*, p. 613.

⁶²⁷ Harry Truman, *Memoirs*, p. 378.

that the Chinese Communist government, like the North Korean regime, had its own agendas, despite the Kremlin's attempt to control events. Kathryn Weathersby notes that, although the Soviet leadership maintained 'close supervision' over developments in Korea, intervention was a reluctant risk taken by both Stalin and Mao. Stalin feared a punishing response from the American military, but his advisors reassured him that a rapid victory would prevent such an American response, ultimately believing their actions would not provoke an open confrontation.

Like Stalin, Mao was reluctant to intervene and showed signs of cold feet when it came down to the final order. In fact, it wasn't until Stalin could guarantee Soviet military assistance that Mao agreed to proceed in Korea. In a manner not unlike Weathersby, Robert M. Clark attempts to address the nuances of Washington's misunderstanding of the Sino-Soviet relationship.⁶²⁸ Offering a neatly packaged argument, Clark asserts that Moscow opposed Chinese intervention because 'of fear that it could lead to a general war involving the USSR. The US mindset of Soviet decision-making supremacy' he adds, 'was abetted by the failure of the CIA to consider the multidisciplinary factors that led to both invasions. Cultural, historical, and nationalistic factors in fact dominated North Korean and Chinese decision-making. The CIA analyses took none of this into account.'⁶²⁹

⁶²⁸ The US had been unclear about China's relationship with the USSR since the Sino-Soviet Treaty of 1945.

⁶²⁹ Robert M. Clark, *Intelligence Analysis—A Target-Centric Approach*, Washington, DC: CQ Press, 2007, p. 210.

In the spring of 1950, Stalin's policy had taken an 'abrupt turn.' By this point, Moscow had approved Kim's plan to reunify the Korean Peninsula by military means and to provide material support. Weathersby points out that Moscow ultimately considered it 'vital for the security of the Soviet Far East that Korea not be in hostile hands.'⁶³⁰ Policymakers believed that the Soviet Union would not sanction the use of Soviet or Chinese Communist troops if faced with a UN victory.

US leadership was also troubled by uncertainty about Communist China's intentions: Would the advance of UN troops to the Yalu River, the border between Korea and Manchuria, provoke a Soviet or Chinese intervention? Would China accept a line of demarcation between the UN command and Manchuria?⁶³¹ Based on recently available Chinese sources, historian Jien Chen's work argues that although Mao Tse-tung may have possessed private reservations, he had intended to intervene in the Korean War all along. The newly established regime, Chen states, faced enormous problems, including 'achieving political consolidation, rebuilding a war-shattered economy, and finishing reunification of the country.' Furthermore, Mao's decision to enter the war was about more than protecting Chinese borders. Because Peiping's decision to enter the war was 'based on the belief that the outcome of the Korean crisis was closely related to the new China's vital domestic and international interests,' there

⁶³⁰ Kathryn Weathersby, "Soviet Aims in Korea and the Origins of the Korean War," p. 28.

⁶³¹ It should be remembered that in contrast to the Soviet Union, the People's Republic of China was only established in 1949; thus, it provided few precedents or patterns of behavior from which to draw.

was little possibility that China's entrance could have been averted.⁶³² As far as Chinese methods in Asia were concerned, the CIA had believed for some time that communist successes in China had greatly contributed to the confidence of the northern Korean regime and had 'increased the fear in southern Korea that eventual Communist domination is inevitable.'⁶³³

Many Western diplomats considered the probability of Chinese intervention to be quite high.⁶³⁴ The State Department feared any operation north of the 38th Parallel might 'needlessly risk drawing Soviet or Chinese Communist forces into either general or local conflict with forces supporting the UN.'⁶³⁵ However, the Secretary Acheson believed that the Chinese leadership could be reassured that US intentions in Korea were benign. If the US sent the correct signals, then Communist China would remain calm—even in the face of the approaching UN army.⁶³⁶ It appears that Washington believed that US intentions were as clear to others as it was to them. In fact, the State Department did little more than attempt to reassure Peiping that the UN was fighting 'solely for the purpose of restoring the Republic of Korea to its status prior to the invasion.'⁶³⁷

Reflecting on his efforts to assure Communist China of US restraint,

Acheson declared:

⁶³² Jian Chen, *China's Road to the Korean War: The Making of the Sino-American Confrontation*, New York: Columbia University Press, 1994, pp. 3-5. See also, Shu Guang Zhang's "In the Shadow of Mao: Zhou Enlai and New China's Diplomacy," in Gordon A/ Craig and Francis L. Loewenheim, eds., *The Diplomats: 1939-1979*, Princeton: Princeton University Press, 1994.

⁶³³ CIA, *Project Proposal Memorandum*, "Communist Methods in Asia," 8 August 1949. CREST, 78-01617A, Box 6, Folder 19, NARA.

⁶³⁴ *FRUS*, 1950, vol. VII: Korea, "US-UK Discussions on the Present World Situation, (unsigned and undated memorandum)," [?] 20-24 July 1950, pp. 462-465.

⁶³⁵ *FRUS*, 1950, vol. VII: Korea, "Draft Memorandum Prepared in the Department of State for National Security Council Staff Consideration Only," 30 August 1950, p. 662.

⁶³⁶ Acheson wanted it clearly understood that its operations were designed to "restore peace there and to restore the border." See, *Present at the Creation*, p. 341.

⁶³⁷ *State Department Bulletin*, XXIII (July 10, 1950), pp. 579-80.

No possible shred of evidence could have existed in the minds of Chinese Communist authorities about the intentions of the forces of the United Nations. Repeatedly and from the very beginning of the action it had been made clear that the sole mission of the United Nations was to repel the aggressors and to restore to the people of Korea their independence.⁶³⁸

This attempt at diplomacy, of course, fell short in lessening Chinese anxieties. In the end, this unguarded optimism was betrayed by ‘a curiously naïve faith in the currency of his own verbal assurances.’⁶³⁹

A June 28 intelligence memorandum was quick to point out that the USSR was not yet prepared to risk full-scale war with the Western Powers and it was expected, therefore, that the Soviet Union would seek to localize the Korean conflict. According to the memo, the USSR would adopt a less provocative action to achieve its aims, most likely by ‘providing support to North Korea short of open participation by Soviet forces in an attempt to perpetuate the civil war and maintain North Korean positions south of the 38th Parallel.’ In the eyes of the CIA, communist activity would probably be intensified, but that greater care would be taken to maintain the fiction that it is ‘indigenous.’⁶⁴⁰ The Agency’s earliest reports pertaining to the 38th Parallel were submitted during the final months of Hillenkoetter’s

⁶³⁸ *State Department Bulletin*, XXIII (Dec 18, 1950), p. 963.

⁶³⁹ David S. McLellan, “Dean Acheson and the Korean War,” *Political Science Quarterly*, vol. 83, no. 1 (Mar., 1968), p. 21. McLellan still provides one of the most important studies of Acheson’s role in the early stages of the conflict. McLellan finds it difficult to excuse Acheson’s judgment that the United States could expect that Peking would not react with ‘maximum force’ to the offensive designed to wipe out China’s ally.

⁶⁴⁰ CIA, *Intelligence Memorandum No. 300*, “The USSR and the Korean Invasion,” 28 June 1950. CREST, 86B00269R, Box 3, Folder 4, NARA. The memo also highlighted a number of other areas that it considered susceptible to Soviet aggression, including Southeast Asia (particularly Indochina), Iran, Yugoslavia, Greece and Berlin.

leadership. On this issue, analysts offered some relatively perceptive assessments suggesting Stalin was in the difficult place of weighing Soviet strategic concerns against possible US actions. These reports were significant because the United States already had forces committed in Korea. On July 4, analysts cited several reasons why Communist China might not intervene if UN troops continued to advance north. First, Chinese intervention would not necessarily prevent a defeat of North Korea. Second, a communist victory in Korea would seriously threaten Soviet control over Mao's regime in the following ways:

The presence of Chinese Communist troops in Korea would complicate if not jeopardize Soviet direction of Korean affairs; Chinese Communist prestige, as opposed to that of the USSR, would be enhanced; and Peiping might be tempted as a result of success in Korea to challenge Soviet leadership in Asia.⁶⁴¹

On the subject of a more general threat, an intelligence memorandum issued on July 8 advised Washington that the Soviet Union would, at least in the short run:

probably localize the Korean fighting, still refrain from creating similar incidents elsewhere, but in order to prolong US involvement in Korea, give increasing material aid to the north Koreans, perhaps employing Chinese Communist troops, either covertly or overtly. The USSR would remain uncommitted in Korea and would develop the

⁶⁴¹ CIA, *Intelligence Report*, 4 July 1950. CIA Electronic Reading Room.

propaganda themes of US aggression and imperialistic interference in domestic affairs of an Asiatic nation.⁶⁴²

As for Soviet involvement, Kathryn Weathersby points out the overriding factor that may have accounted for the sharp departure of Soviet policy toward Korea—Stalin was fearful of the PRC not allying itself with the Soviet Union. The relationship that developed out of this fear, she argues, had a significant hand in shaping the Soviet leader's decision to support China:

...If Stalin were to refuse to support Kim Il Sung's perfectly reasonable goal of reunifying his country, which was comparable to what Mao had just accomplished in China, then Stalin would again be open to the charge of hindering the cause of revolution in the East. His position as the leader of the communist camp would be weakened while the authority and prestige of Mao, to whom Kim would obviously turn and who had a blood debt to support the Korean communists, would rise.⁶⁴³

The CIA further downplayed the risks of crossing the 38th Parallel in a July 6 report which catalogued disadvantages for the Kremlin if Communist China intervened. Analysts reasoned that the USSR desired to maintain 'an official aloofness' because of its fear of undertaking a global war until the outcome of the conflict in Korea became more apparent. 'The

⁶⁴² CIA, *Intelligence Memorandum No.302*, "Consequences of the Koran Incident," 8 July 1950, CREST, 86B00269R, Box 3, Folder 4, NARA.

⁶⁴³ Kathryn Weathersby, "Soviet Aims in Korea and the Origins of the Korean War," 1945-1950, p. 35.

Chinese Communist forces are fully capable,' analysts advised in the *Daily Summary*, 'of launching military operations against Taiwan, Korea, Hong Kong, and Southeast Asia simultaneously,' but were not likely to undertake such aggressive action unless specifically directed to do so by the Kremlin.⁶⁴⁴ Of course, this conclusion hinged on an unknown variable—direct support from the Kremlin.

Submitted on the heels of this *Daily Summary*, the Agency again issued an assessment of communist risk tolerance for a general war. At the point when the scales would tip in favor of the United States, the report warned, 'the key to the fateful Soviet decision will be the extent to which the USSR desires to risk instigating global war.' Given this line of reasoning, then, the CIA determined that the Chinese Communists would probably not take any action in Korea. So long as North Korean forces continued to advance, the Soviet Union would prefer to confine the conflict. Analysts cautioned, however, that a reversal might impel the Soviet Union to take greater risks of starting a global war 'either by committing substantial Chinese Communist forces in Korea or by sanctioning aggressive actions by Satellite forces in other areas of the world.' They warned that the crucial moment would come when and if the battle turned in favor of US and South Korean forces. 'At that time, the USSR must decide whether to

⁶⁴⁴ CIA, *Daily Summary*, "Views of Hong Kong Residents on Korean Problems," 6 July 1950. CIA Electronic Reading Room. The CIA also issued an assessment on the possibility of an assault on Taiwan on 12 July 1950. The report warned that recent troop movements, propaganda and press comments indicated that Peiping was capable of launching an assault. For an essential history of communist influence in Vietnam, see Mari Olsen, *Soviet-Vietnam Relations and the Role of China 1949-1964*, Abingdon: Routledge, 2005.

permit a North Korean defeat or to take whatever steps are necessary to prolong the action.’⁶⁴⁵

The CIA went on to warn that a prolonged fight in Korea could encourage the Soviet Union to ‘take greater risks of starting global war by committing substantial Chinese Communist forces in Korea....’⁶⁴⁶ This report also argued that the decisiveness of the US reaction in Korea would cause the Kremlin to move cautiously. Analysts added, however, that the danger still existed that the Soviet Union might again ‘miscalculate the Western reaction, adding that Chinese Communist troop strength and dispositions would permit military aggression in a number of places with little or no warning; and that these troops were sufficient to provide substantial support to the North Korean army.’⁶⁴⁷ While these reports did not forecast any specific actions, two important observations should be noted: first, the information brought to Washington’s attention concerning the possible consequences of extending the conflict; second, the fact that analysts underscored the USSR’s potential willingness to assume more risk if a communist victory in Korea should be jeopardized, although this information was smattered with reassurances that all available evidence suggested that the Soviet Union was not ready for war.

The CIA revisited this issue of Soviet risk-taking on July 14 by presenting specific reasons why Stalin might view Korea as a minimal security risk to Soviet power. The reasons, analysts wrote, hinged on

⁶⁴⁵ CIA, “Soviet Intentions in Korea,” 7 July 1950. CIA Electronic Reading Room.

⁶⁴⁶ Ibid.

⁶⁴⁷ Of these numbers, the CIA estimated that approximately 40-50,000 troops were of Korean nationality.

several misperceptions that Stalin held about the conflict: First, that he believed UN action would be slow and cumbersome. Second, that he believed that the United States wouldn't intervene with its own forces; and third, fighting could be portrayed as instigated by the US. Based on this analysis, the CIA reasoned that Stalin might actually believe he was risking little in Korea.⁶⁴⁸

A *Weekly Summary* issued later in July stated that North Korea would have committed practically all of its available organized and trained troops to achieve a quick victory, regardless of the risk. Most likely, stated the *Weekly Summary*, the Northern Command had been assured of reinforcements. The report suggested that such reinforcements would consist of no fewer than 40,000-50,000 "Koreans" available in Manchuria. However, there was no indication at present 'as to whether the USSR will risk the political disadvantages involved in committing non-Korean reinforcements should such a step become necessary.'⁶⁴⁹

In one of its most forward-looking assessments of the crisis, the CIA fashioned a memorandum that suggested developments in Korea might be more complex than originally assumed. The paper listed four alternative courses of action it believed were open to the Soviet Union. (1) The USSR could localize the fighting in Korea, thereby permitting US forces to drive north of the 38th Parallel. This course would be the most cautious. However, the CIA considered this course unlikely because the advantages

⁶⁴⁸ CIA, *Weekly Summary*, "Communist China's Role," 14 July 1950. CIA Electronic Reading Room. The day following this report, South Korean President Syngman Rhee assigned the command of all his armed forces to General MacArthur for the duration of the war.

⁶⁴⁹ CIA, *Weekly Summary*, "Soviet/Satellite Intentions," 28 July 1950. CIA Electronic Reading Room.

would be 'long-range' and 'intangible' while the disadvantages would be immediate. (2) The USSR would seek to prolong the conflict in Korea by giving increased material aid to the North Koreans by employing Chinese Communist troops either covertly or overtly. The CIA considered this alternative moderately cautious for the Soviet Union. The advantages to this course of action were threefold: The decision would allow the USSR to portray the United States as the aggressor. This would seriously limit US military capabilities elsewhere in the world; and, should the conditions at any time appear favorable for the USSR, Soviet leaders could shift to creating a series of conflicts similar to Korea. (3) In addition to prolonging the Korean War, the USSR might attempt to overstretch US forces by initiating a series of incidents similar to that in Korea. This alternative course of action could be achieved, the CIA reasoned, without directly involving Soviet forces. However, analysts considered this a comparatively unlikely direction that the USSR would take. (4) The USSR might consider Korea either as a prelude to an inevitable global war or as a justification for beginning a global war. The CIA stressed that nothing about the situation in Korea indicated that the Soviet Union was planning any actions that might precipitate a global war. The report concluded, therefore, that the USSR would have little reason to deliberately provoke a global war at that time.⁶⁵⁰

Beyond listing these possible contingencies the report was helpful in providing reasons why particular options were unattractive to Soviet leaders and specifically stating why option (2) was the most likely course

⁶⁵⁰ CIA, "Consequences of the Korean Incident," 8 July 1950. CIA Electronic Reading Room.

of action for the USSR. The analysis of possible Soviet responses to the conflict was significant because it suggested that Stalin was not blind to the consequences of probing. According to the report then, Stalin was not recklessly steering a course toward war, but rather was a calculating opportunist, albeit a misinformed one. Perhaps most importantly, this particular assessment went beyond the standard intelligence report which merely reasoned that since the Soviet Union had not yet done anything brash enough to risk global war, it would most likely avoid such provocations with the United States in the near future.

Within the week, another report stressed the risks of advancing north of the 38th Parallel. This course of action *might* provoke a Chinese intervention, the CIA wrote. Conversely, a voluntary US withdrawal from Korea would probably encourage, rather than discourage Soviet initiation of limited wars in other areas. The USSR would ‘proceed with limited aggressions similar to the Korean incident if it [the Soviet Union] did not estimate the risk of global war to be substantial.’⁶⁵¹ This report shows that CIA analysts believed that although the threat of global war was the only thing keeping the USSR at bay in other areas of the world, the USSR could achieve limited objectives through low-level aggression.

⁶⁵¹ CIA, *Intelligence Memorandum 304*, “Effects of Voluntary Withdrawal of US Forces,” 10 July, 1950. CIA Electronic Reading Room. During this time, the President requested a review of the situation from the Policy Planning Staff, in addition to these intelligence assessments. See, *FRUS, 1950*, vol. VII: Korea, “Lay memorandum,” 17 July 1950, p. 410. Still, the members of the PPS were able to outline concerns about expanding military operations north of the 38th Parallel. The staff ultimately concluded that there was an increased *potential* of provoking a wider conflict if UN forces crossed the 38th Parallel. *FRUS, 1950*, vol. VII: Korea, “Unsigned Policy Planning Staff Memorandum,” 22 July 1950, pp. 449-54. The memorandum was ultimately redrafted on 25 July in an apparent attempt to postpone a final policy decision. Most policymakers were slow to recognize the need for new policy alternatives and held fast to prevailing perceptions. However, this bipolar geopolitical view gradually diminished during the course of the Korean War.

As a whole, it appeared the Soviet Union was relatively unprepared for a major war in 1950. There were grounds for concern, however, including the Soviet nuclear energy program with a stockpile of twenty-five atomic bombs. In other fields of economic or quasi-military activity, the USSR had been accelerating its war readiness program, notably regarding petroleum processing, completion of a plant conversion program, aircraft production, airfield construction, and the stockpiling of reserves. These preparations, viewed in the light of its war readiness, argued the CIA in a memorandum, ‘suggest strongly that the Soviet leaders would be justified in assuming a substantial risk of general war during the remainder of 1950, arising either out of the prosecution of the Korean incident or out of the initiation of new local operations.’⁶⁵²

Requesting another viewpoint, Truman asked the National Security Council to prepare a report on the future of US policy towards North Korea. The NSC made clear that the UN commander should ‘undertake no ground operations north of the 38th parallel in the event of the occupation of North Korea by Soviet or Chinese Communist forces but should reoccupy Korea up to the 38th Parallel.’⁶⁵³ Geoffrey Warner points out that the junior members of the National Security Council staff had reached a general consensus in July that ‘ground operations north of 38° subsequent to the withdrawal of North Korean forces from South Korea would probably lead to the direct involvement of the Soviet Union and/or Communist China in

⁶⁵² CIA, *Intelligence Memorandum No. 323-SRC* (SRC was the Special Research Center that authorized dissemination of the *Intelligence Memoranda* series), “Soviet Preparations for Major Hostilities in 1950,” 25 August 1950. RG No. 263, Stack 190, Row A, Compartment 45, Shelf 5, Box 26, NARA.

⁶⁵³ *FRUS*, 1950, vol. VII: Korea, “NSC 81/1 Report,” 9 September 1950, pp. 712-721. The final statement by the NSC was issued on 11 September 1950.

hostilities which might well become generalized.’⁶⁵⁴ However, the NSC remained slow in fully realizing the dangers of military action north of this line. A September 1 draft of *NSC 81* stated, ‘It also seems unlikely that Soviet or Chinese Communist forces will be openly employed in major units in the fighting in Southern Korea, for it is believed that neither the Soviet Union nor the Chinese Communists are ready to engage in general war at this time for this objective.’⁶⁵⁵

A report issued the same month by the CIA again addressed the probability of direct Chinese Communist intervention in Korea. Its assessment was based on two general assumptions: 1) Limited covert Chinese assistance to the North Korean army, including provisions to individual soldiers, was assumed to be presently in progress. 2) The provision of overt assistance by the Chinese would require approval by the Soviet government and such approval would indicate that the USSR was prepared to accept an increased risk of precipitating general hostilities. Analysts acknowledged the increase in Chinese Communist build-up of military strength in Manchuria (with approximately four million, Soviet-equipped men under arms), coupled with the known potential in that area, an intervention in the Korean conflict was ‘well within immediate Chinese Communist capabilities.’ That being stated, analysts maintained that it appeared more probable that the Chinese participation in Korea would be

⁶⁵⁴ Geoffrey Warner, “The Korean War,” *International Affairs* (Royal Institute of International Affairs 1944-), vol. 56, no. 1 (Jan., 1980), p. 103. See also, *FRUS, 1950*, vol. VII: Korea, “McConaughy Memorandum,” 24 August 1950, pp. 641-643. (Walter P. McConaughy was the US Ambassador to Korea.)

⁶⁵⁵ *NSC 81*, Draft, “Report on United States Courses of Action with Respect to Korea,” 1 September 1950, p. 3.

more indirect and limited to integrating “Manchurian volunteers” of air units and ground troops.⁶⁵⁶

The situation in Korea had taken a turn for the worse by midsummer. At this point, the Joint Chiefs of Staff was concerned that the conflict in Korea might escalate into a global war.⁶⁵⁷ In the face of overwhelming force, UN forces withdrew to the Pusan Perimeter in the southeast from 25 June to 31 July. By August 5th, the UN army was pinned down, leaving ninety *percent* of the peninsula in the hands of the North Korean army. Adding to the logistical difficulties of fighting during the rainy season, UN troops were slow to arrive at forward areas of the battlefield. The nearest combat-ready troops were stationed in Japan; and these units, the Army argued, were ‘seriously under strength.’⁶⁵⁸ However, a cordon of defenses was soon established (from 1 August- 14 September) in the west along the Naktong River, allowing time for three large contingents of US reinforcements to arrive in Korea that prevented the enemy from maintaining the initiative, despite very high casualties.⁶⁵⁹

In savage fighting from August 18 to 22, two Republic of Korea (ROK) divisions halted three North Korean divisions in their assault down the eastern corridor of Pusan. But by the end of August, the continuous fighting around the Pusan Perimeter was nearing a breaking point. The US

⁶⁵⁶ CIA, *Intelligence Memorandum No. 324*, “Probability of Direct Chinese Communist Intervention in Korea,” 8 September 1950. CREST, 79-01090A, Box 3, Folder 2, NARA.

⁶⁵⁷ Paul H. Nitze, *From Hiroshima to Glasnost*, p. 117.

⁶⁵⁸ US Army, *Korea: 1950*, Washington DC: Office of the Chief of Military History, 1952, p. 11.

⁶⁵⁹ *Ibid.*, p. 77. By the first week of August, General Walker had at his command, four US divisions, a Marine brigade, and five ROK divisions. The North Korean commander had about the same number of troops at his disposal; however, the UN lacked the same ability to place reinforcements into the depleted ranks of its units.

Army spokesperson reported that Chinese troops were massing near the Korean frontier. Six days after these reports, Secretary Acheson maintained that everything possible was being done to convince the communist regime in China that there were no American designs on Formosa or any other Chinese territory. However, the US administration failed to appreciate that Chinese leaders would interpret the United States' actions as anything but threatening.

As Acheson issued reassurances to the Peiping regime, General MacArthur reported to the United Nations that North Korea was recruiting forces in Manchuria. For MacArthur, however, the UN's latest foothold in Korea revealed an opportunity for innovation in US policy. The US General told William Averall Harriman on August 6 that he did not believe that the Chinese Communists had any present intention of intervening directly in Korea.⁶⁶⁰ William Stueck argues that MacArthur knew *NSC-81* left open the possibility of attacks by Communist China in the event UN forces intervened on a large scale in Korea, yet the commander viewed the buildup of Chinese troops across the Yalu with 'a degree of equanimity.'⁶⁶¹

The intelligence reports that followed in September and October ultimately left policy officials without any clear indications about which way Chinese leaders were leaning. The first assessment in September followed the long-held presumption that Soviet leaders could choose their own time for committing to any particular course of action. Assuming,

⁶⁶⁰ *Memorandum of Conversation*, 6 August 1950.
<http://www.paperlessarchives.com/truman.html>. Harriman served as American ambassador in Moscow until 1946.

⁶⁶¹ William Stueck, *Rethinking the Korean War*, p. 113.

then, that the USSR had the initiative, analysts presented a number of widely varying scenarios and options but went no further to predict *which* course of action the Communist leadership would take.⁶⁶² ‘These latest moves,’ wrote the CIA, ‘offer few definite clues regarding future Communist moves....’⁶⁶³

Similarly, the CIA discounted numerous reports of Korean veterans from Manchuria being deployed in the conflict. A *Weekly Summary* pointed out that, if deployed to a forward area, these forces would have been utilized during the initial days of the invasion when they could have proved more decisive. In addition, the “Korean” combat veterans would have been more useful than the green recruits being brought to the front line. Thus, analysts concluded that it was likely that the North Koreans would depend on further replacements from either: (1) recruitment of non-veteran Korean troops; (2) untrained manpower sources from China or the Soviet Union; or (3) Chinese Communist or Soviet military units to be employed in the defense of the 38th Parallel or to drive UN forces out of Korea.⁶⁶⁴ A *Weekly Summary* issued a month later conflicted with this assessment. Here, analysts not only argued that the loss of North Korea was not likely to produce any ‘immediate’ or ‘drastic’ Soviet reaction but

⁶⁶² CIA 8-50, “Review of the World Situation,” 16 August 1950. CREST, 67-00059A, Box 5, Folder 9, NARA.

⁶⁶³ CIA, *Weekly Summary*, “Far Eastern Struggle: Soviet Moves,” 1 September 1950. CIA Electronic Reading Room.

⁶⁶⁴ CIA, *Weekly Summary*, “North Korean Reserves,” 8 September 1950. CIA Electronic Reading Room. On September 9, 1950, NSC directive 81/1 authorized General MacArthur’s advance north of the 38th Parallel.

that the possibility of intervention by the USSR or the Chinese Communists diminished the longer the conflict continued.⁶⁶⁵

In early September the CIA submitted a report that considered the probability of the Chinese Communist government using regular and local ground forces as well as its air force in support of the North Korean invasion. The intelligence memorandum assumed that any overt Chinese assistance would require approval from the Soviet Union and Soviet acceptance of an increased risk of general hostilities. Although there was no direct evidence that the Chinese Communists would intervene directly in North Korea, the CIA concluded, 'It is evident that the Chinese Communists or the USSR must supply trained and equipped combat replacements if the North Korean invasion is to achieve complete control over South Korea before the end of the year.'⁶⁶⁶ This report was not necessarily alarming, but it should have raised concerns in Washington.

At the same time, the memorandum pointed to mitigating factors pointing against a Chinese Communist intervention; and discounting the USSR's willingness to intentionally escalate the Korean conflict from an 'ostensibly internal dispute' to an international struggle. Analysts argued that the decision to commit Chinese troops would 'significantly affect the Soviet position in China as well as Korea.' Minor factors included: (1) Chinese national and military pride might cause friction if Chinese troops were placed under Soviet or Korean command; and, (2) intervention would

⁶⁶⁵ CIA, *Weekly Summary*, Korea and Soviet Policy; Chinese Communist Problems," 6 October 1950. CIA Electronic Reading Room.

⁶⁶⁶ CIA, *Intelligence Memorandum 324*, "Probability of Direct Chinese Communist Intervention in Korea," 8 September 1950. CIA Electronic Reading Room.

probably eliminate all prospects for China's admission to the United Nations.⁶⁶⁷ Other reasons were cited, including the belief that as China emerged from a protracted civil war, its people would no longer possess the will for a protracted fight. Furthermore, China needed to consolidate its economic and human resources before it could embark on foreign military ventures. Perhaps most importantly, direct involvement in Korea would necessitate China's increasing dependence on Moscow.

At least as important as any intelligence analysis was the success of General MacArthur's amphibious landing operation at Inchon. Truman's renewed confidence in a successful outcome was strengthened on September 15, 1950 when MacArthur's UN forces repelled North Korea's advances. Located approximately 150 miles behind the enemy battlefield on South Korea's northwest coast, Inchon signaled the rapid disintegration of the North Korean army. By September 19, UN forces had broken the Pusan perimeter cordon and closed in on the overextended North Koreans in a pincer movement that drove the enemy forces back across the 38th Parallel; and by September 26, UN forces had recaptured Seoul.⁶⁶⁸ MacArthur was eager to capitalize on this battlefield success and push northward. Washington was also encouraged by the news from Inchon and assumed a quick victory would ensue. However, as Paul Nitze later argued, this initial military success 'temporarily blinded many to the limits of our

⁶⁶⁷ Ibid.

⁶⁶⁸ Three days later, General MacArthur entered Seoul with Rhee and restores power to the Korean President, on behalf of the UN command.

available military power.’ This shortsightedness, he argued, did not sink in until the Chinese intervened.⁶⁶⁹

Nearly three months after beginning its military venture into the war-by-proxy, argued the CIA, the Soviet Union retained the strategic initiative to some extent in Korea and to a much greater extent globally. Analysts suggested that, given the fact that the USSR had been ‘vigorously preparing its armed forces, its economy, and its political control system for the eventuality of a major war,’ any measure of US optimism should be guarded. So while the Soviet Union was not yet prepared for international military operations designed to defeat the US and its allies, it had, nevertheless, steadily gained ground in Asia.⁶⁷⁰

On the same day as the Inchon landing the CIA issued a report titled “Soviet/Communist Activity” that made clear the difficulty in interpreting the probability of overt intervention by the neighboring communist regimes. Analysts cited the numerous reports and speculation concerning both Chinese Communist intervention and political difficulties between the USSR and China over military policy. Given the sum of cogent political and military considerations, the CIA believed that Chinese Communist forces were unlikely to directly commit ground forces in Korea. This general tone of optimism pleased policymakers, like Dulles, that advocated the elimination of the strategic boundary in Korea as a means to circumscribe political restraints. Those in the Dulles camp considered the

⁶⁶⁹ Paul Nitze, *From Hiroshima to Glasnost*, p. 117.

⁶⁷⁰ CIA, “Review of the World Situation,” 20 September 1950. CREST, 67-59A, Box 5, Folder 9, NARA.

complete destruction of North Korean forces and political reunification under the auspices of UN authority the only way to secure a lasting victory:

The 38th Parallel, if perpetuated as a political line and as providing asylum to the aggressor, is bound to perpetuate friction and ever-present danger of new war. If we have the opportunity to obliterate the line as a political division, certainly we should do so...The North Korean Army should be destroyed, if we have the power to destroy it, even if this requires pursuit beyond the 38th Parallel. That is the only way to remove the menace.⁶⁷¹

Almost a month after the invasion of South Korea, Truman still believed it was ‘plain beyond all doubt’ that an international communist movement was prepared to use armed invasion to conquer independent nations.⁶⁷² Short of a disastrous turn of events or overwhelming evidence of such a turn on the horizon, the State Department believed that to halt at the 38th would not make political or military sense ‘unless the risk that it would provoke a major clash with the Soviet Union or Communist China were so great as to override all other considerations.’⁶⁷³ Truman weighed the possible consequences of extending the war further, but in the end the green light was given to cross the 38th Parallel.⁶⁷⁴ The obvious flaw in this

⁶⁷¹ *FRUS*, 1950, vol. VII: Korea, (Allen) “Dulles Memorandum,” 14 July 1950, pp. 386-387. As with many other issues that developed after the implementation of *NSC 68*, Kennan disagreed with the decision to cross north of the 38th Parallel.

⁶⁷² Harry Truman, “Message to the Congress of the United States,” 19 July 1950, p. 4. Paperless Archives.

⁶⁷³ *FRUS*, 1950, vol. VII: Korea, “Draft Memorandum Prepared in the Department of State for National Security Council Staff Consideration Only,” 30 August 1950, p. 662. See also, William Stueck, *Rethinking the Korean War*, p. 115.

⁶⁷⁴ Alexander George suggests that Truman’s decision to unify Korea by force in the late summer of 1950 was a “strategy of incrementalism” that allowed the president to “retain freedom and flexibility to make important corrections of policy....” In part, this approach

line of reasoning, however, was the possibility of Soviet or Chinese intervention.

In *Rethinking the Korean War*, William Stueck argues that had policymakers known the magnitude of the Chinese presence in Korea ‘they might well have stopped UN ground forces during the second week in November.’⁶⁷⁵ However, this position suggests that Washington lacked any information that might have indicated the adverse consequences of the UN’s advance north of the 38th Parallel on September 30, 1950. The reports cited above, although often ambiguous, suggest that Stueck’s claim as not fully taken into account the fact that the Central Intelligence Agency had warned Washington of at least the potential risks.

Despite a number of warnings issued by intelligence, Washington failed to fully appreciate the risks associated with United States provoking a military intervention by Communist China. This was, in part, because many policymakers longed for victory over communism and continued to view the line as ‘an artificial construct that had no saliency for an American public which.’⁶⁷⁶ In any event, the decision to cross the 38th Parallel was made without full knowledge of what the Chinese response would be. So, on September 27, 1950 General Douglas MacArthur was authorized to cross into North Korean territory. This expansion of UN objectives made clear the course of action in Korea:

failed because it acquired a “momentum that is difficult to control or reverse.” See, *Presidential Decisionmaking in Foreign Policy*, p. 41.

⁶⁷⁵ William Stueck, *Rethinking the Korean War*, p. 115.

⁶⁷⁶ Nancy Bernkopf Tucker, “China’s Place in the Cold War: the Acheson Plan,” in *Dean Acheson and the Making of US Foreign Policy*, ed. Douglas Brinkley, London: Macmillan, 1993, p. 123.

The UN Commander should also be authorized to conduct continuous roll-back operations against North Korean forces well into the northern part of the peninsula if such operations are necessary to the dissolution of the North Korean armed resistance⁶⁷⁷

William “Wild Bill” Donovan, often considered the father of American intelligence, believed that the fighting in Korea was about keeping the communists off balance—not about actual liberation.⁶⁷⁸ Regardless of motives, at the moment of decision, the rationale for rolling back North Korean troops had broad appeal to the minority of men responsible for Far East policy. Weighing the risks of provocation and success, Paul H. Nitze notes:

Those who argued in favor of crossing the 38th parallel had a strong case on their side. A reunified Korea was a logical and desirable objective. To stop at the 38th parallel would have been tantamount to a restoration of the status quo ante. The North Korean regime would be left in place and the Soviets would no doubt help it to rearm. The threat... would be revived, obliging the United States, in all probability, to keep sizable forces in the south indefinitely.⁶⁷⁹

⁶⁷⁷ *FRUS, 1950*, vol. VII: Korea, “Draft Memorandum Prepared in the Department of State for National Security Council Staff Consideration Only,” 30 August 1950, p. 663. Peter Grose examines the political warfare programs set up by US policymakers (led by Kennan) to ‘roll back’ the aggressive and militant strategy of Communism in Europe with covert action, sabotage, and insurrection. These programs were extended into the Far East as well. See *Operation Rollback: America’s Secret War Behind the Iron Curtain*, New York: Houghton Mifflin Company, 2000.

⁶⁷⁸ Richard Aldrich, *The Hidden Hand*, p. 297.

⁶⁷⁹ Paul Nitze, *From Hiroshima to Glasnost*, p. 107.

The Question of Chinese Intervention

America's people expect you to be on a communing level with God and Joe Stalin.... They expect you to be able to say that a war will start next Tuesday at 5:32 p.m.—Walter Bedell Smith⁶⁸⁰

Given the high stakes, Washington needed detailed, timely and accurate assessments based on specific facts. Yet, the following segment of the chapter will reveal that the intelligence reports issued *after* the summer of 1950 were in line with a reading of the global picture that suggested the USSR and China were unwilling to risk global war by stirring a hornets' nest in Korea. This inability to understand the rapidly unfolding and complex events in Korea resulted in numerous misguided assessments. By this point of the crisis, the CIA's inflexible mindset became a liability for policymakers. This is not to suggest that analysts did not caution against military action that might be interpreted as a direct threat to China's sovereignty and security.⁶⁸¹ (Indeed, it is now clear that the Chinese leadership considered the advance of UN forces as a direct threat).⁶⁸² More often, though, policymakers continued to receive general assessments about

⁶⁸⁰ *Time Magazine*, August 28, 1950. (Quoted prior to Smith becoming director of the CIA).

⁶⁸¹ George Kennan and Charles Bohlen also cautioned against pursuing such a potentially dangerous course of action.

⁶⁸² For a comprehensive history on the Communist perspective see Kathryn Weathersby, "Soviet Aims in Korea and the Origins of the Korean War, 1945-1950." Also by Weathersby, 'Should We Fear This?' "Stalin and the Danger of War with America," Working Paper No. 39. Weathersby bases her analysis of Soviet aims on archival materials held by the Russian Foreign Ministry. Recently, access to most of the archival material has been restricted. Of course, the Chinese and North Korean archives remain restricted to Western scholars.

risk-taking and rebuttals of the evidence that pointed to an escalation of the war.

Moreover, once UN forces were north of the 38th Parallel, the CIA was slow to shift focus from the possibility of Soviet military opportunism outside the Korean Peninsula to whether US policy should change to reflect the improved military conditions in Korea. Analysts suspected that the threats received from communist leaders were nothing more than an attempt to intimidate the West and concluded that an open intervention in Korea was not in the interest of Communist China because of the threat of war with the United Nations.

One of the CIA's most urgent assessments of Chinese intentions was issued weeks before UN forces marched north of the 38th Parallel. Analysts warned that reports of increased military strength in Manchuria, coupled with 'the known potential in that area,' made it clear that intervention was well within immediate Chinese Communist capabilities. In contrast to so many of the Agency's general assessments, the report contained specific information regarding the estimated military strength and capabilities of Chinese Communist forces along the Manchurian border:

The major elements of Lin Piao's 4th Field Army—totaling perhaps 100,000 combat veterans—are now in Manchuria and are probably located along or adjacent to the Korean border, in position for rapid commitment in Korea. Approximately 210,000 Communist regulars under Nieh Jung-chen's command are presently deployed in the North China area. Some of these

troops have been reported [*en route*] to Manchuria. The Chinese Communists are believed to possess an air force totaling 200 to 250 operational combat aircraft, some units of which are reportedly deployed in Manchuria.⁶⁸³

In light of this information, analysts concluded that the recent Chinese Communist accusations regarding US “aggression” and violation of the Manchurian border might be stage-setting for an imminent overt move. The CIA added some confusion to the picture, however, reporting that such an overt action by the Chinese Communists would have ‘momentous repercussions;’ therefore, Chinese participation in the Korean conflict would probably be more ‘indirect, although significant.’⁶⁸⁴ At the same time, the intelligence agency pointed out that the successful consolidation of UN forces at Inchon was rapidly changing the outlook in South Korea, arguing that the advance of UN forces brought North Korea and the USSR nearer to the time when they would implement ‘crucial political and military decisions regarding the ultimate fate of North Korea.’⁶⁸⁵ Each government knew that with the available forces, the North Koreans would be unable to hold South Korea.

Among the courses of action available to the USSR, the CIA advised, was the possibility of Chinese or Soviet troops being committed north of the 38th Parallel to check a UN advance. Analysts estimated

⁶⁸³ CIA, *Intelligence Memorandum 324*, “Probability of Direct Chinese Communist Intervention in Korea,” 8 September 1950. CIA Electronic Reading Room.

⁶⁸⁴ *Ibid.* The CIA estimated that the Chinese Communists had four million men under arms, including regular troops, Military District troops, and provincial forces. Analysts surmised that a significant percentage of these troops were Soviet-equipped, especially those forces in Manchuria.

⁶⁸⁵ CIA, *Weekly Summary*, “Korean Developments,” 22 September 1950. CIA Electronic Reading Room.

120,000-130,000 North Korean troops were engaged in southeastern Korea at the time of the Inchon landing.⁶⁸⁶ However, the CIA maintained that organized resistance in the South could not be sustained without military assistance from either Chinese or Soviet combat units since nearly all North Korean units had already been committed to the fighting. Believing that the Soviet Union was willing to ‘write off North Korea militarily rather than risk the possibility of global war with UN powers,’ analysts reasoned it was improbable that either Soviet or Chinese Communist organized units would be committed to action in Korea for the purpose of preventing UN ground forces crossing the 38th Parallel.⁶⁸⁷

The flurry of intelligence reports disseminated during October continued to argue the improbability of Chinese Communist intervention.⁶⁸⁸ A *Daily Summary* issued on October 3 referenced a telegram routed from the British Foreign Office representative in Peiping. The telegram reported that Chinese Communist Foreign Minister, Chou Enlai, had warned the Indian Ambassador to Peiping, Kavalam Madhava Panikkar, that if UN armed forces crossed the 38th Parallel China would ‘send troops across the frontier to participate in the defense of North Korea.’⁶⁸⁹ Although this

⁶⁸⁶ Ibid. By the time of the Inchon landing, the CIA was also providing a *Daily Korean Summary* as an intelligence snapshot of the battlefield situation.

⁶⁸⁷ CIA, “Summaries of Trends and Developments,” 26 September 1950. CREST, 79-01090A, Box 3, Folder 2, NARA.

⁶⁸⁸ The CIA was not alone in its misunderstanding of the Chinese Communist threat. The US Ambassador in Moscow, Kirk, surmised that the earlier threats from China were probably an attempt to play upon apprehensions of an escalated conflict. *FRUS, 1950*, vol. VII: Korea, “Telegram from Ambassador Kirk,” 3 October 1950, p. 850. The CIA relied heavily on ambassadorial assessments like the one above.

⁶⁸⁹ *FRUS, 1950*, vol. VII: Korea, “Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Assistant Secretary of State for Far Eastern Affairs (Rusk),” 3 October 1950, p. 848. See also CIA, *Daily Summary*, “Possible Chinese Communist Intervention in Korea,” 3 October 1950. CIA Electronic Reading Room. Many of the warnings from Mao’s regime were issued via K.M. Panikkar, Indian

telegram circulated through the State Department and went to the President, it was considered ‘no more than a relay of Communist propaganda’—an idle threat that was unreliable for serious consideration.⁶⁹⁰ This sort of dismissal of repeated warnings from Chinese leaders cannot be pinned on intelligence analysts alone. Still, it may safely be argued that the CIA played a role in reinforcing Washington’s inability to recognize the risk at hand. Like the State Department, intelligence analysts suspected that the information from Ambassador K.M. Panikkar was planted in an attempt to influence US and British policy, believing that most of the reports it received were Chinese Nationalist propaganda for Western consumption.

The arrival of Bedell Smith as DCI brought a new sense of urgency to the CIA’s analysis of the situation in Korea. The former ambassador wasted no time in overhauling the Agency’s estimating procedures and expanding its covert operation capability.⁶⁹¹ (By 1949, President Truman had begun considering ways to expand the CIA’s covert operational capabilities).⁶⁹² As DCI, Smith addressed inefficiency and duplication by streamlining departmental procedures and removing much of the bureaucratic red tape that impeded the CIA’s ability to collect intelligence

Ambassador in Peking. India’s neutrality in the Cold War was useful for both sides; however, the United States resented this position of neutrality.

⁶⁹⁰ Harry Truman, *Memoirs*, p. 413. Truman and many State Department officials, including Paul Nitze, considered Panikkar sympathetic to Communist China.

⁶⁹¹ Ray S. Cline notes that less than 5 percent of the CIA’s employees ever had any significant contact with the world of espionage, and most ‘had absolutely no first-hand knowledge of any activity more hazardous than driving to work each morning.’ *The CIA: Reality vs. Myth*, p. 141. However, the covert operations in the 1950s enhanced the prestige of the CIA. Pointing to political pressures and the Korean War, Jeffreys–Jones argues that these intelligence reforms could not have been better timed. See, *The CIA & American Democracy*, pp. 7, 63.

⁶⁹² Harry Truman, “Truman Deplores Change in CIA Role,” *Evansville Courier*, 21 December 1963.

and conduct covert operations.⁶⁹³ The President made his approval of Smith's reforms known by presenting him with a letter in which he wrote, 'I have been reading the Intelligence Bulletin, and I am highly impressed with it. I believe you have hit the jackpot with this one.'⁶⁹⁴ Truman's letter also draws attention to the gap that is often so difficult to bridge in intelligence studies—from common assumption to unequivocal evidence that the President read the CIA's reports!

However, considering the paucity of the communications and technical intelligence and the inadequate clandestine operational abilities, analysts still had few information sources to draw upon.⁶⁹⁵ In fact, until the creation of the NSA, the intelligence community continued to primarily rely on traditional open sources such as *Pravda*, party propaganda, as well as Soviet defectors. It must be remembered, though, that even today most raw intelligence is not acquired by cloak-and-dagger adventures, but rather from readily available sources, including: journalists, diplomats, government officers, governmental publications, private businesses and scholars.⁶⁹⁶

⁶⁹³ John Barlow, *The Soldier Diplomat*, p. 66. Smith also took great care to weed out unqualified personnel within the CIA.

⁶⁹⁴ Michael Douglas Smith, "CIA Publications: Serving the President with Daily Intelligence," *The International Journal of Intelligence and Counterintelligence*, vol. 12, no. 2 (Summer 1999), p. 202. The newly created Office of Current Intelligence (OCI) was responsible for the publication of the *Current Intelligence Bulletin*; a publication that continued largely unchanged for the next quarter century.

⁶⁹⁵ For an analysis of US HUMINT and COMINT in the Korean War, see Matthew M. Aid, "US Humint and Comint in the Korean War [Part I]: From the Approach of War to the Chinese Intervention," *Intelligence and National Security* 14, no. 4 (Winter 1999): 17-63. See also, "American Comint in the Korean War (Part II): From the Chinese Intervention to the Armistice," *Intelligence and National Security* 15, no. 1 (Spring 2000): 14-49. There was also an increasing emphasis on military-economic analysis as an integral component of National Intelligence Estimates (NIEs). James Noren and Noel E. Firth, *Soviet Defense Spending: A History of CIA Estimates, 1950-1990*, p. 7.

⁶⁹⁶ Kegley and Wittkopf, *American Foreign Policy: Pattern and Process*, p. 111. Few closed sources were available to Western intelligence organizations. Even open sources

Once in office, Bedell Smith not only had to deal with these matters, but was faced with the unopposed communist invasion of Tibet on October 7, 1950.⁶⁹⁷ Tibet's quick loss of sovereignty should have alerted observers and led them to see Chinese risk-taking in more alarming terms. To be sure, the Truman administration was concerned that this display of Chinese aggression could be a precursor to future plans in Korea. However, the US government's position on Tibet was made clear during World War II:

The Government of the United States has borne in mind the fact that the Chinese Government has long claimed suzerainty over Tibet and that the Chinese constitution lists Tibet among areas constituting the territory of the Republic of China. This Government has at no time raised a question regarding either of these claims.⁶⁹⁸

Truman had cause for concern. The day following the invasion of Tibet, Mao Tse-tung secretly ordered Chinese "volunteers" towards the battlefield in Korea.⁶⁹⁹ Washington was forced to reconcile its support for Chinese territorial declarations with current US policy. A *Daily Summary*

were often unreliable and infrequent. For example, Stalin's first public address on Soviet foreign policy since 1949 did not occur until 16 February 1951, when the Soviet leader was interviewed in *Pravda*. Although *Pravda* was under government control and was used as a mouthpiece for propaganda, it still yielded valuable information and served as a means of taking the pulse of Soviet intentions and priorities.

⁶⁹⁷ CIA, *Weekly Summary*, "Korea and Soviet Policy; Chinese Communist Problems," 6 October 1950. CIA Electronic Reading Room. A day before Smith was appointed as director, the Agency had determined that the intimations of liberating Tibet by force of arms were idle threats.

⁶⁹⁸ *FRUS*, 1943: China, p. 630. Truman was also weighing Chinese risk-taking in Southeast Asia.

⁶⁹⁹ CIA, *Daily Summary*, "Views of Hong Kong Residents on Korean Problem," 6 July 1950. See also, *ORE 29-50*, "Consequences to the US of Communist Domination of Mainland Southeast Asia," 13 October 1950. CIA Electronic Reading Room.

sent to the President's desk on October 9 summarized a report from US Ambassador Murphy in Brussels in which the ambassador had been informed by a high official of the Belgian Foreign Office that it had no information 'of a disturbing nature' regarding a military intervention, although it was believed that the threats issued by Premier Chou Enlai should be 'closely examined' because Peiping was evidently prepared to make 'equivocal statements to please the Russians without "making definite commitment to act openly in Korea.'⁷⁰⁰ This information rested well with the CIA's line of reasoning that an intervention was unlikely.⁷⁰¹

On the same day of receiving this *Daily Summary*, Truman issued a directive to MacArthur stating that, even if Chinese intervention occurred, the General should continue operations, as long as, in his judgment, 'action by forces under your control offers a reasonable chance of success.'⁷⁰² Truman's administration appears to have remained naively optimistic that US determination could assure success. According to Gabriella Heichal, President Truman had received the information that fitted with his image about the Chinese threat and was thus able to ignore the warnings. This 'coping-avoidance' allowed him, Heichal argues, to deflect the initiative and avoid making difficult decisions himself.⁷⁰³

A subsequent assessment of the critical situation in the Far East was issued on October 12. *ORE 58-50* reported that there was evidence of a buildup of Chinese troop strength across the Yalu River, albeit with no air

⁷⁰⁰ CIA, *Daily Summary*, "Possible Chinese Communist Intervention in Korea," 16 October 1950. CIA Electronic Reading Room.

⁷⁰¹ CIA, *Weekly Summary*, "Korean Situation: Military Tactics," 13 October 1950. CIA Electronic Reading Room.

⁷⁰² Harry Truman, *Memoirs*, p. 362.

⁷⁰³ Gabriella Heichal, *Decision Making during the Crisis*, p. 65.

or naval forces to support a ground assault. Analysts argued, however, that the most favorable time for intervention had already passed and argued against such an event on the grounds that troop movements into Manchuria alone did not necessarily indicate an imminent intervention, but rather a defensive posture against a possible UN incursion into Manchuria. The report reasoned that the Chinese would fear the consequences of war with the US because ‘the regime’s entire domestic program and economy would be jeopardized’ by the strains of war. Besides, ‘intervention would minimize the possibility of Chinese membership in the UN and of a seat on the Security Council.’ Furthermore, open intervention would be costly for the Chinese military without the direct support of Soviet air and naval power. In turn, this acceptance of increased military assistance ‘would make [Peiping] more dependent on Soviet help and increase Soviet control in Manchuria....’ Finally, analysts wrote that continued covert aid would ‘offer most of the advantages of overt intervention while avoiding its risks and disadvantages.’⁷⁰⁴

The continual dismissal of warnings from the Chinese leadership significantly shaped the CIA’s reluctance to appreciate the increased risks in Korea. Despite statements by Chou Enlai, troop movements to Manchuria, and propaganda charges of atrocities and border violations, there were considered to be no convincing indications of an actual Chinese Communist intention to resort to full-scale intervention in Korea. Instead, analysts considered these reports as a possible means to ‘intimidate and divide’ the United States and its allies over the issue of crossing the 38th

⁷⁰⁴ *FRUS*, 1950, vol. VII: Korea, “Threat of Full Chinese Communist Intervention in Korea,” 12 October 1950, pp. 935-936.

Parallel, and the threats made by Chinese Communist leaders were seen as a ‘last-ditch attempt’ to intimidate the United States. Ultimately, the estimate concluded that open intervention in Korea was not in the interests of the Chinese Communists because of the resulting war with the UN:

While full-scale Chinese Communist intervention in Korea must be regarded as a continuing possibility, a consideration of all known factors leads to the conclusion that barring a Soviet decision for global war, such action is not probable in 1950. During this period, intervention will probably be confined to continued covert assistance to the North Koreans.⁷⁰⁵

To complicate the picture further, General Douglas MacArthur maintained a degree of contempt for any civilian agency, believing that intelligence belonged in the hands of the military. As a wartime combat leader, MacArthur continued to possess a great deal of political power as was evidenced by his ability to sideline CIA efforts in the Far East whenever possible, even though his military intelligence was inadequate for the job. To make matters worse, the CIA was required to coordinate its intelligence operations with G-2 and a special operations entity—Combined Command for Reconnaissance Activities, Korea (CCRAK).⁷⁰⁶ However, since the Second World War, MacArthur had resisted the CIA’s

⁷⁰⁵ Ibid. The most acerbic warning came from Premier Chou Enlai’s response to the UN’s breach of the 38th Parallel on 1 October. The CIA dismissed out of hand, warnings by Chou Enlai, troop movements to Manchuria, as well as reports of border violations. See, *ORE 58-50*, “Critical Situations in the Far East,” 12 October 1950. CREST, 86B00269R, Box 3, Folder 4, NARA. The same report also pointed out that Soviet armed forces were capable of overwhelming UN ground forces in Korea, virtually without warning.

⁷⁰⁶ Richard Aldrich, *The Hidden Hand*, pp. 273-274, 281.

presence in the region and was resentful of the CIA's budding operations in the Far East, as well as the Agency's increasing influence over the President. For MacArthur, the problem about intelligence in the region arose from the CIA's handling of it and had nothing to do with his own predilection for control and authority.

UN forces advanced across the 38th Parallel into North Korea in early October. Truman grew increasingly concerned about the possibility that the communist government in China might intervene to protect the North Korean regime. 'In addition, Mac Arthur had recently embarrassed the administration by calling publicly for the use in Korea of nationalist Chinese forces from Taiwan—something that the administration rejected for fear that it would antagonize the Chinese Communists.'⁷⁰⁷ The President did not share MacArthur's optimistic battlefield assessment and feared that if the present military response of the UN was not confined civil war could quickly escalate into an unmanageable full-scale global war.

Therefore, on October 14, Truman met with MacArthur at Wake Island to assess the military situation in the Far East.⁷⁰⁸ After more than an hour of discussion about the Korean situation Truman asked the general, 'What are the chances for Chinese or Soviet interference?' The General replied, 'Very little.'⁷⁰⁹ MacArthur went on to assure the president that victory was imminent and that the US could even send a division to Europe in January 1951, clearly indicating that even at the highest levels, the US

⁷⁰⁷ http://development.vbcomm.net/1532_NEH/phase_2/16384_timeline/data/101450.html.

⁷⁰⁸ A description of many of the relevant documents pertaining to the Wake Island meeting between President Truman and General MacArthur the Truman may be found at: www.trumanlibrary.org/wake/docs.htm.

⁷⁰⁹ *FRUS, 1950*, vol. VII: Korea, "Transcript of Wake Island Meeting," 15 October 1950, pp. 948-960. Truman and MacArthur met for the first time on Wake Island.

command did not expect the war to last much longer.⁷¹⁰ Reflecting on this position, the CIA's Korean Desk Officer at the time wrote that MacArthur's G-2 'continued in all official assessments down to the outbreak of the war to discount reports and rumors of an invasion.'⁷¹¹

The intelligence report most scrutinized by historians was included in an intelligence briefing prepared under the direction of Dean Rusk, the Assistant Secretary of State for Asian Affairs, for the Wake Island meeting. It is worth noting that this briefing was drafted at a time when the tide of war seemed to be going in the favor of UN forces. The CIA, like General MacArthur, was instrumental in forming the consensus at Wake Island by downplaying the critical situation in the Far East. Copies of its report, "Threat of Full Chinese Communist Intervention in Korea," were sent to the White House and to the participants at the Wake Island meeting. The report offered conclusions regarding a possible Soviet decision to risk a global war with Korea. Analysts advised that with the Soviet Union's aggressive posturing, the risk of a general war existed 'now and hereafter at anytime when the Soviet rulers may elect to take action which threatens, wholly or in part, the vital interests of the Western Powers.'⁷¹²

It was agreed upon that General MacArthur's directives should be changed and that he should be free to do what he could militarily. At the same time, the State Department would seek ways to find out whether

⁷¹⁰ Memorandum, *Wake Island, 25 November 1950, Off the Record: The Private Papers of Harry S. Truman*, p. 200.

⁷¹¹ CIA, *Draft of an Informal Memoire*, p. 11. This draft was prepared for the 20th anniversary of the Korean War. RG No. 263, Stack 190, Row 24, Compartment 33, Shelf 5, Box 4, NARA.

⁷¹² *FRUS, 1950*, vol. VII: Korea, CIA Memorandum, "Conclusions Regarding a Possible Soviet Decision to Precipitate Global War," 12 October 1950, pp. 936-938.

negotiations with the Chinese Communists were possible. MacArthur left the meeting with a rather inflexible military strategy and plans to roll back the North Korean army to the banks of the Yalu River. No one should have been better qualified than MacArthur to make an accurate assessment of the current situation in Korea. After all, the UN commander was most familiar with the logistic and strategic situation on the ground. Yet, MacArthur downplayed the seriousness of the evidence pointing to Chinese activity that suggested preparations for a major offensive. Reflecting on their meeting at Wake Island, Truman noted, ‘General MacArthur had assured me...that it [Chinese intervention] wouldn’t happen. Apparently, his information service was not what it should have been.’⁷¹³

Advance to the Yalu

The advance to the Yalu is a prime example of an American propensity to take the righteousness of its actions for granted and to ignore the objective reality which its behavior represents to others.—David S. McLellan⁷¹⁴

Shortly after returning from Wake Island, MacArthur pressed the UN forces well beyond the restraining line agreed upon earlier by US policymakers. This line was ignored altogether on October 24 when his

⁷¹³ Harry S. Truman, “Memorandum,” 24 April 1954, in *Off the Record*, p. 303.

⁷¹⁴ David S. McLellan, “Dean Acheson and the Korean War,” *Political Science Quarterly*, vol. 83, no. 1 (Mar., 1968), p. 39.

field commanders were ordered to use any and all ground forces at their command to capture North Korea. Ultimately, the military risk was permitted because, as David S. McLellan points out, ‘it was assumed that with the success of MacArthur’s offensive it would only require a measure of self-restraint in the approaches to the Yalu to establish a buffer zone which would be accepted by the Red Chinese either tacitly or after some brief period of skirmishing.’⁷¹⁵

The final weeks in October did not see any real changes to the CIA’s assessments. A *Daily Summary* issued on the 16th was in line with earlier assessments that China’s intervention was unlikely even though analysts believed North Korea’s troops lacked the strength and experience to continue to be effective on the battlefield. In addition, the CIA referenced information obtained from the US Embassy in Hague. The still classified source referenced four divisions of unidentified troops (presumed to be Chinese) that had crossed the Manchurian border into North Korea. Still, analysts concluded that Communist China would probably not openly intervene.⁷¹⁶

To be sure, the situation on the battlefield looked promising shortly after the Wake Island meeting. On October 18, South Korean troops occupied the North Korean cities of Hamnung and Hungnam. The following day, the Eighth Army took the capital city of North Korea, Pyongyang—a clear indication that the tide of battle had turned in favor of

⁷¹⁵ Ibid. p. 32.

⁷¹⁶ CIA, *Daily Summary*, “Possible Chinese Communist Intervention,” 16 October 1950. CIA Electronic Reading Room. *CIA 10-50*, “Review of the World Situation,” 18 October 1950 also reached the conclusion that the odds were that Communist China and the Soviet Union would not openly intervene in North Korea. CREST, 86B00269R, Box 3, Folder 4, NARA.

the UN forces. As the chances for success tipped more in favor of UN forces, the CIA became increasingly convinced that although the Chinese Communists had possessed the capability for direct military intervention for some time the optimal moment for them to attack had passed.⁷¹⁷ This general conclusion persisted despite its own sources reporting 400,000 Chinese Communist troops massing in the mountains along the border.⁷¹⁸

By October 25, UN forces were less than forty miles south of the Yalu River. The following day a small number of Chinese troops (15,000-20,000) were reported to be fighting in northern Korea.⁷¹⁹ According to a still classified source in Hong Kong, however, the Peiping and Moscow governments regarded the war as ‘virtually ended’ and were not planning a counteroffensive.⁷²⁰ The reason is unclear why the CIA chose to support this fragmentary evidence. A *Daily Summary* issued at the end of October discounted information obtained from interrogated prisoners of war. Ten Chinese Communist prisoners claimed that three divisions were in Korea. Still believing that China’s direct intervention in Korea was unlikely, CIA analysts concluded that the information obtained from these POWs was probably planted in an attempt to frustrate the UN advance, reasoning that privates in the Chinese army would not ordinarily possess detailed battlefield information.⁷²¹

⁷¹⁷ CIA, *Daily Summary*, “Chinese Communist Intervention in Korea,” 20 October 1950. CIA Electronic Reading Room.

⁷¹⁸ *Ibid.*

⁷¹⁹ This report of troop movements was not given until the *Weekly Summary* issued on 3 November.

⁷²⁰ CIA, *Daily Summary*, “Reports on Chinese Involvement in Korea,” 28 October 1950. CIA Electronic Reading Room.

⁷²¹ CIA, *Daily Summary*, “POW Reports of Chinese Communist Forces in North Korea,” 30 October, 1950. CIA Electronic Reading Room.

The final *Daily Summary* in October dismissed a report from the US Eighth Army headquarters that two regiments of Chinese Communist troops might be engaged with US forces in North Korea.⁷²² The CIA acknowledged that there were small numbers of Chinese troops operating in Korea, but still believed that the presence of the reported troops was not necessarily an indication that Communist China intended to intervene directly.⁷²³

The coming challenges of the crisis hinged on the significant events that occurred during what Secretary Dean Acheson described as the most critical period of the Korean War: the three-weeks from October 26 to November 17. By early November, the UN army was approaching the Yalu border and intensifying bombing of enemy communications routes. DCI Smith now believed that the Chinese Communists and the Soviets had accepted an increased risk of a general war. (Prior to mid-October, Chinese support of the North Korean regime had consisted solely of logistical aid and moral support).⁷²⁴ The intelligence director prepared a memorandum for the President in which he warned that fresh, newly-equipped North Korean troops appeared in the Korean fighting, and had clearly established that Chinese troops were also opposing UN forces. The CIA's field estimate was that between 15,000 and 20,000 Chinese Communist ground troops, organized in task force units, were helping the North Koreans

⁷²² Dean Acheson, *Present at the Creation*, p. 468.

⁷²³ CIA, *Daily Summary*, "Chinese Communist Troops in Korea," 31 October, 1950. CIA Electronic Reading Room.

⁷²⁴ See, *NIE-2* in *FRUS*, 1950, vol. VII: Korea, "National Intelligence Estimate: Chinese Communist Intervention in Korea," 8 November 1950, pp. 1102-1103. The CIA re-estimated the scale and purpose of Chinese Communist intervention in North Korea with *NIE-2/1*, published 24 November 1950. CREST, 86B00269R, Box 3, Folder 4, NARA.

prolong their resistance while the parent units remained in Manchuria.⁷²⁵ The current pattern of events, argued CIA analysts, indicated that Communist China had decided, regardless of the increased risk to general war, to provide increased support and assistance to the North Korean army.

Yet even as mounting evidence suggested an increasing appetite for risk by the Chinese Communists, the Central Intelligence Agency continued to issue an overstretched measure of reassurance. Believing the time had passed when Chinese intervention would have turned the military tide in Korea, analysts wrote:

In a sense, of course, the Chinese Communists already have “intervened,” since forty to sixty thousand Chinese-trained troops of Korean origin have been fighting in the North Korean army and since Manchuria is a major supply source for North Korea. The Soviet Korean venture, a laboratory test in the use of non-Soviet Communist forces to fight a local war of limited objectives has ended in failure.⁷²⁶

At the time, the CIA was receiving reports from numerous independent sources indicating massive Chinese Communist troop movements. A *Daily Summary* in early November contained a classified source that claimed twenty Chinese Communist armies were in Manchuria (approximately 400,000-600,000 troops). Reports from US representatives

⁷²⁵ CIA, *Memorandum for the President*, “Chinese Intervention in Korea,” 1 November 1950. CIA Electronic Reading Room. The over-all strength of Chinese Communist ground forces at this time was estimated at 2,800,000. Its Air Force, the CCAF, was believed to consist of 200 combat aircraft in tactical units.

⁷²⁶ CIA 10-50, “Review of the World Situation,” 18 October 1950. CREST, 86B00269R, Box 3, Folder 4, NARA.

in London and Rangoon and from another classified source in Taiwan indicated ‘considerable troop movements’ into Manchuria during October.

In addition to cataloging the evidence available on Communist troop movements, the *Daily Summary* referred to the US Consul in Hong Kong, General Wilkinson. Wilkinson claimed that the decision had been made for Communist China to ‘participate in the war’ during an August conference of top Sino-Soviet leaders. The US Consul also relayed that Chinese Premier Mao Tse-tung had made the formal decision on October 24.⁷²⁷ On this issue, however, the CIA viewed these assessments by the diplomatic community as merely a representation of personal opinions, asserting that, on the basis of the available evidence, Chinese Communist participation in the Korean conflict would be limited to the defense of the Manchurian border and that open large-scale intervention was not likely.⁷²⁸

On the following day, the CIA and General Douglas MacArthur offered similar assessments. MacArthur provided an interim appraisal to the Joint Chiefs of Staff in which he argued that a full-scale Chinese intervention remained unlikely.⁷²⁹ Likewise, the CIA concluded that the indications of ‘increased Chinese Communist support and assistance’ to North Korean forces merely pointed to a decision to establish a *cordon sanitaire* south of the Yalu River. This assessment was qualified, however, by adding that the possibility could not be excluded that the Chinese

⁷²⁷ CIA, *Daily Summary*, “China: ‘Intervention’ in Korea,” 2 November 1950. CIA Electronic Reading Room.

⁷²⁸ CIA, *Daily Summary*, “Chinese Communist Intervention [at] the UN, in North Korea,” 17 November 1950. CIA Electronic Reading Room.

⁷²⁹ *FRUS*, vol. VII: Korea, Editorial note in a telegram from US Representative at the UN (Austin) to Secretary of State, 3 November 1950, p. 1036. MacArthur’s conclusions were self-derived and had little to do with the reality in Korea. However, the JCS believed that MacArthur should be given the flexibility to proceed on the battlefield as he saw best.

Communists, under Soviet direction, were committing themselves to a full-scale intervention in Korea.⁷³⁰

On November 7, the Peiping government revealed the existence of Chinese volunteers in Korea.⁷³¹ Policy leaders received a National Intelligence Estimate peppered with inconsistencies the following day. The *NIE*, titled “Chinese Communist Intervention in Korea,” reported that combined Chinese and North Korean ground forces on the peninsula could compel UN forces to withdraw to ‘defensive positions further south.’ The report also estimated that Peiping probably could make available 350,000 soldiers ‘for sustained ground operations in Korea...within thirty to sixty days.’⁷³²

A *Weekly Summary* issued several days later contained a greater degree of caution than previous reports. ‘At any point in this development,’ the *Summary* warned, ‘the danger is present that the situation may get out of control and lead to a general war.’⁷³³ The report pointed out that the Chinese Communists had already accepted a ‘grave risk’ of retaliation and general war by their limited intervention in Korea. According to analysts, this restricted involvement may have been an

⁷³⁰ CIA, *Weekly Summary*, “Chinese Communist Plans: Korean Intervention,” 3 November 1950. CIA Electronic Reading Room.

⁷³¹ Upon this public revelation, the UN assured the Peking regime that its forces had no designs on Chinese territory and that any Chinese problems in Korea were open to fair mediation by the UN.

⁷³² *FRUS*, 1950, vol. VII: Korea, “National Intelligence Estimate: Chinese Communist Intervention in Korea,” 8 November 1950, pp. 1102-1103. Of this number, the CIA estimated that approximately 52,000 were in contact with UN forces. This NIE received endorsement from the State Department and from the intelligence agencies of the US armed services.

⁷³³ The CIA’s *11-50*, “Review of the World Situation,” issued 15 November 1950, continued this overture of caution. CREST, 67-00059A, Box 5, Folder 9, NARA. Three days after the submission of the *Weekly Summary*, the CIA’s Office of Reports and Estimates was dissolved and replaced, as we have seen, by three new offices: the Office of Research and Reports, the Office of Current Intelligence, and the Office of National Estimates, created on 13 November 1950.

indication that their objective was merely to halt the advance of UN forces and to maintain a Communist regime in Korea.⁷³⁴

Just nine days before the Chinese intervention, the CIA continued to reassure policymakers that the Chinese Communist moves were ‘flexible’ and ‘defensive’ in nature and were designed for probing and limited purposes.⁷³⁵ The same day these “defensive” maneuvers were reported, the China specialist at the State Department’s Policy Planning Staff, John Paton Davies, issued a warning that challenged the intelligence agency’s judgments. Davies advised that the bulk of the evidence indicated that the Kremlin and Peiping were ‘committed to at least holding the northern fringe of Korea—and, that, against our present force they have the military capability of doing so.’ Davies further suggested that the US should consider halting ‘major military operations and seek the establishment of a demilitarized zone south of the Yalu.’⁷³⁶ Instead, the British and American governments continued to deliver diplomatic missives to assure the Chinese government that the UN would respect the Manchurian frontier and would demilitarize a buffer zone along the border.

The reassurances appeared to have helped. By November 21 the first US 17th Regiment had reached the Yalu without any Chinese interference. MacArthur’s army, already looking forward to returning home by Christmas, arrived in two widely separated columns ‘in a manner

⁷³⁴ CIA, *Weekly Summary*, “The Korean Situation: Chinese Intentions,” 10 November 1950. CIA Electronic Reading Room. This report also argued that with current force strength in Manchuria, should the Chinese Communists commit enough of these troops, it would be capable of preventing a UN victory in Korea.

⁷³⁵ CIA, *Daily Summary*, “Chinese Communist Intentions at the UN, in North Korea,” 17 November 1950. CIA Electronic Reading Room.

⁷³⁶ *FRUS*, 1950, vol. VII: Korea, “Memorandum by John P. Davies of the Policy Planning Staff,” 17 November 1950, pp. 1181-1183. Davies’ warnings were ultimately dismissed.

inviting a counterattack.⁷³⁷ Unsuspecting of the enemy-in-hiding, General MacArthur ordered General Walton Walker to attack along a broad front that exposed the flanks of the Eighth to the concealed Chinese army.⁷³⁸ On November 26, 1950, an army of approximately 100,000 Chinese troops, the 38th, 39th and 40th armies secretly crossed into Korea by night to hide their movement from the air.⁷³⁹ Fitted with little more than grenades, rifles, machine guns and mortars, the communist forces arrived opposite the Eighth Army. In one of the greatest defeats in US military history, UN troops were blunted by a massive counteroffensive launched by Chinese Communist forces. Although the Chinese lacked the training of their UN counterparts, as well as trained tank and artillery units, they had the element of relative surprise. UN forces were overwhelmed and retreated along all fronts across the Yalu area. Within two days Chinese forces threatened to completely envelop the retreating UN army.

Citing communist threats against Formosa, Japan and Western Europe, the President despondently wrote, ‘...It looks like World War III is

⁷³⁷ Paul Nitze, *From Hiroshima to Glasnost*, p. 108. These troops encountered nine Chinese soldiers who voluntarily surrendered after coming in sight of ROK troops.

⁷³⁸ General Walker was unaware of the awaiting Chinese army, but feared just such an advance from Chinese Communist forces.

⁷³⁹ The day following the Chinese invasion, Stalin was informed of Mao’s order to send troops to Korea to help the struggling North Korean forces. Hao Yufan and Zhai Zhihai, “China’s Decision to Enter the Korean War: History Revisited,” in Chull Baum Kim and James Matray, eds., *Korea and the Cold War: Division, Destruction, & Disarmament*, Claremont, Regina Books, 1993, p. 109. See also, Tan Kwoh Jack, Paper 105, “The Korean War June-October 1950: Inchon and Stalin in the ‘Trigger vs. Justification’ Debate,” Singapore: Institute of Defense and Strategic Studies, (January 2006). Referenced at: <http://www3.ntu.edu.sg/rsis/publications/WorkingPapers/WP105.pdf>. Stalin now had a means to hold on to North Korea without running the risk of a direct military confrontation with the United States. The Chinese forces would launch a series of devastating attacks within the next several months: On 11 November, 26 November, and 1 January 1951. Mao committed Chinese troops in late November, and not sooner, because by late November, North Korea’s military attempt to reunify the peninsula was all but over. More precipitating, however, were UN forces amassed along the Manchurian border.

here. I hope not—but we must meet whatever comes—and we will.⁷⁴⁰

Also alarmed by the swarms of Chinese Communist soldiers, the CIA shared the President's concerns, but only *after* Communist China's intentions were completely obvious. Reflecting a complete revision of its assessment of communist intentions, analysts warned that the Soviet leaders, in directing or sanctioning the Chinese Communist intervention, 'must have appreciated the increased risk of global war and have felt ready to accept such a development...They have resolved to pursue aggressively their world wide attack on the power position of the United States and its allies, regardless of the possibility that global war may result.'⁷⁴¹

Intelligence analysts were reasonably certain that the USSR, 'motivated by unwillingness...to accept the significant loss of International Communist prestige and important strategic territory involved in abandoning North Korea,' had felt 'the urgent necessity of striking a blow at the ever-expanding US policy of containment...'⁷⁴² (Containment, embodied in *NSC 68*, became an updated version of the Truman Doctrine of 1947 and its implementation owed a lot to the Korean War. In fact, *NSC 68* became the cornerstone for US foreign and military policy until Truman left office).⁷⁴³

⁷⁴⁰ Harry Truman, *Diary, 9 December 1950, Off the Record*, p. 204.

⁷⁴¹ *FRUS, 1950*, Vol. VII: Korea, Memorandum by the CIA, "Soviet Intentions in the Current Situation," 2 December 1950, pp. 1308-1310. See also, *FRUS*, vol. VII, "Telegram from Drumright to the Secretary of State," 18 November 1950, p. 1190.

⁷⁴² CIA, *Summary of Trends and Developments*, 5 December 1950. CREST, 79-1090A, Box 3, Folder 5, NARA.

⁷⁴³ Charles Bohlen reflected that *NSC 68*'s misconception of Soviet aims 'misled Dean Acheson and others in interpreting the Korean War.' See, *Witness to History, 1929-1969*, p. 291. Similarly, Michael Herman argues that from the beginning *NSC 68* rested on faulty assessments of Soviet intentions. This and a series of other overestimates of current strengths were based on "the maximum that the USSR could achieve," playing a major part in the scale of Western rearmament in an effort to offset conventional Soviet superiority. Michael Herman, *Intelligence Power in Peace and War*, p. 243.

Washington feared that a UN failure would embolden the newly formed Sino-Soviet alliance.⁷⁴⁴ The American Joint Intelligence Indications Committee echoed this concern during the final weeks of 1950. The Soviet armed forces, it wrote, ‘are in an advanced state of readiness for war and could initiate offensive operations with no additional warning.’⁷⁴⁵ Secretary Acheson noted his frustration over the United States’ position in the Far East, writing that the Government missed its last chance to halt the march to disaster in Korea. ‘All the President’s advisers in this matter, civilian and military,’ he wrote, ‘knew that something was badly wrong, though what it was, how to find out, and what to do about it they muffed.’⁷⁴⁶ Were Acheson’s frustrations overstated? This is unlikely. Even President Truman later acknowledged: ‘We knew that this was one of the places where the Soviet-controlled Communist world might attack.’⁷⁴⁷ Richard Aldrich asserts that this blunder was due, at least in part, to policymakers being ‘strongly influenced’ by the CIA’s suggestions that there were no convincing indications of Chinese Communist intervention (although he points out that intelligence had improved in the course of the Korean conflict).⁷⁴⁸ Allen Dulles’ memoir casts additional light on the estimates policymakers received from the CIA about the Chinese intervention:

⁷⁴⁴ CIA, *Weekly Summary*, “Sino-Soviet Pact,” 17 February 1950 and “China: Treaty with USSR,” 24 February 1950. CIA Electronic Reading Room.

⁷⁴⁵ Joint Intelligence Indications Committee, “Report of Indications of Soviet-Communist Intentions,” 7 December 1950. CREST, 91T01172R, Box4, Folder 20.

⁷⁴⁶ Dean Acheson, *Present at the Creation*, p. 466.

⁷⁴⁷ Harry Truman, *Memoirs*, p. 331.

⁷⁴⁸ Richard Aldrich, *The Hidden Hand*, pp. 272, 288.

...It was a toss-up, but they leaned to the side that under certain circumstances the Chinese probably would not intervene. In fact, we just did not know what the Chinese Communists would do, and we did not know how far the Soviet Union would press them or agree to support them if they moved.⁷⁴⁹

Dulles was clearly troubled by the inconsistencies that plagued the Agency's assessments during the war; nevertheless, he believed that the communists' failure of a war by proxy in Korea was due 'in no small measure to the employment of intelligence assets...'⁷⁵⁰

Stalemate: 1951-1953

It has been argued that part of the blame for not predicting Chinese intervention must rest on the poor relationship between General MacArthur and the Pentagon.⁷⁵¹ Once his forces were engaged with the enemy, the often overconfident MacArthur insisted that the Kremlin must have backed Chinese motives.⁷⁵² The never reticent UN commander quickly called for the UN to break from its policy of self-restraint and to consider extending the war into Manchuria and urged the Truman administration to meet the

⁷⁴⁹ Allen Dulles reflecting on the possibility of Chinese intervention as UN forces approached the Yalu. See, *The Craft of Intelligence*, pp. 164-165. (Allen Dulles joined the CIA in 1951 as chief of covert operations and was later appointed DCI under Eisenhower in 1953. Dulles served as DCI for nine years).

⁷⁵⁰ Allen Dulles, *The Craft of Intelligence*, p. 216.

⁷⁵¹ Harry Ransom, *Central Intelligence and National Security*, p. 89.

⁷⁵² Mineo Nakajima examines this myth of the "Sino-Soviet monolithic unity" in *The Sino-Soviet Confrontation: Its Roots in the International Background of the Korean War*, p. 27. The Pentagon's faith in MacArthur's battlefield assessments may have been due to the General's brilliant World War II victories.

Chinese counteroffensive with full force. His appeal directly challenged Truman's order to limit the Korean conflict. In fact, MacArthur's objective, known to few in Washington at the time, was to expand the war into China, overthrow the Peiping regime, and restore Chiang Kai-shek's government. MacArthur's objectives ran counter to the President's concerns about the 'jittery situation' with Communist China engaged in a direct military confrontation.

Frustrated by his arrogance, President Truman used MacArthur's public attack on the CIA in the *New York Times* to politically isolate the general. MacArthur had claimed that the CIA had reported to him that Communist China would not intervene directly in Korea. The following day, Truman argued that the CIA had, at the very least, warned of the dangers of a Chinese attack in November 1950.⁷⁵³ The precise reasons behind Truman's actions remain unclear. Were his efforts an indication of disgust with MacArthur, a show of support for the Agency, or a mixture of both? The evidence presented in this case study suggests that Truman's public refutation of MacArthur's criticism of the CIA was not so much a vote of confidence for the intelligence agency, but a sign of the president's frustration with the general's disproportionate weight in the decision-making process.

MacArthur was dismissed from command on April 10, 1951. His removal signified a clear shift of US policy in Korea and re-established containment as 'the reigning orthodoxy.'⁷⁵⁴ Equally important, it defused

⁷⁵³ *The New York Times*, 4 May 1951. *The New York Times*, 5 May 1951. See also, David McCullough, *Truman*, p. 853.

⁷⁵⁴ Richard Crockatt, *The Fifty Years War*, p. 104.

the explosive potential of MacArthur's more ambitious war aims and relieved Truman from the tension of the general's unpredictable behavior. This presented an opportunity for Truman to resume peace negotiations with Peiping and Moscow. After MacArthur's dismissal, the most uncertain stages in the crisis had passed and the situation on the battlefield began to improve. Known as "Old Iron Tits,"⁷⁵⁵ the new commander of all UN forces in Korea, General Matthew Bunker Ridgeway, stabilized the UN army's position along the 38th Parallel, and by early 1951 American forces were able to establish a defensive position just below the 38th Parallel. On July 2, 1951, North Korea and China agreed to discuss a cease-fire, although an armistice wasn't signed until July 27, 1953.

Conclusions

The lessons of Korea had a profound effect on intelligence and the decision-making process significantly broadened the scope and the responsibilities of the CIA. By the time of the signing of the armistice, the CIA had established itself as a formidable intelligence agency. Ray S. Cline notes that only under the 'impetus of the War in Korea in 1950' did the CIA begin to get the authority, the funds, and the staff to operate as a real central intelligence machine.⁷⁵⁶ Indeed, the CIA had grown to approximately six times its 1947 size and its covert operations budget had

⁷⁵⁵ Ridgeway earned this nickname for his practice of wearing hand grenade(s) at chest level while in the field. General Mathew B. Ridgeway was the UN Commander from 11 April 1951 to May 1952. General Mark Clark replaced Ridgeway (9 May 1952 to 5 October 1953).

⁷⁵⁶ Ray Cline, *The CIA: Reality vs. Myth*, p. 103.

increased twenty fold.⁷⁵⁷ Rhodri Jeffreys-Jones points out that the reward for intelligence failure was to be intelligence expansion.⁷⁵⁸ Certainly if one were to use numbers as any guide, then Jeffreys Jones is correct. In 1949, the OPC had 302 employees, with a budget of \$4,700,000. By 1953, the number of employees had risen to 2,812 home-based with an additional 3,142 overseas employees, as well as a budget increase to \$82,000,000.⁷⁵⁹ ‘The political climate of the 1950s, as well as the Agency’s expertise and good fortune,’ argues Jeffreys-Jones, ‘contributed to the status-boosting judgmental process.’ According to a heavily edited, informal memoir prepared by the ORE Korean Desk Officer (circa 1948-1950), the intelligence community was granted substantial increases in funds and personnel, ‘rather than suffering a loss of stature and prestige for any real or imagined shortcomings in performance’:

New offices, new functions, new procedures, new techniques were given spur by the war, were created in response to it, or were made possible by the new atmosphere in which an appreciation of the importance of intelligence to national security reached new highs.⁷⁶⁰

Surprisingly, much of this “good fortune” occurred during some of the Central Intelligence Agency’s darkest days. A US Senate Select

⁷⁵⁷ Harry Ransom, “Secret Intelligence in the United States, 1947-1982: the CIA’s Search for Legitimacy,” in *The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century*, ed., Andrew, Christopher *et al.*, p. 203.

⁷⁵⁸ Rhodri Jeffreys-Jones, *The CIA & American Democracy*, p. 65.

⁷⁵⁹ Figures compiled from the *Church Committee Report*. For a more detailed analysis of the burgeoning growth of the CIA during and immediately following the Korean War, see Ray Cline, *The CIA: Reality vs. Myth*.

⁷⁶⁰ CIA, *Draft of Informal Memoire*, p. 2. RG No. 263, Stack 190, Row 24, Compartment 33, Shelf 5, Box 4, NARA.

Committee reported that, by 1953, the Agency had achieved the basic structure and scale it retained for the next twenty-five years: ‘The Korean War, United States foreign policy objectives, and the Agency’s internal organizational arrangements had combined to produce an enormous impetus for growth.’⁷⁶¹ At the very least, this rapid expansion suggests that, even during some of its darkest days, the CIA was viewed an important source of information for policymakers.

The previous chapter demonstrated that, while certainly not flawless, the Central Intelligence Agency was a guiding hand for an administration that needed reassurance about communist intentions. The point that should not be overlooked here is that the CIA was most useful when it did not have to go beyond the general atmosphere of concern about Soviet intentions and objectives to risk a general war with the United States and/or Western Europe. At no point during the crisis did the CIA overlook the ultimate Soviet threat of a general war in which Western Europe and most of Asia could be quickly overrun by the USSR. In weighing the probability of whether Soviet leaders might consider it necessary to accept such a risk, the intelligence agency placed security threats within a manageable and realistic context that allowed Washington to focus on the developing crisis in Korea.

Following the invasion of South Korea, however, this “guiding hand” had stretched past its point of usefulness as analysts became increasingly incapable of providing Washington with assessments that

⁷⁶¹ Senate Select Committee to Study Governmental Operations, *Supplementary Detailed Staff Reports on Foreign and Military Intelligence*, 94th Congress, 2nd session, 1976, Rept. 94-755, book 4, pp. 40-41.

accurately reflected the complexity and risks of the crisis. Limited by its belief that neither the Soviet Union nor Communist China was prepared to provoke a general war, CIA assessments had become largely inflexible. The CIA's understanding was challenged in a number of areas: the continuing evidence of reinforcement of Chinese Communist forces in the region, the further build-up of their forces in Manchuria, and the nature of the Chinese Communist offensive in Korea. We have even seen that, up to the last minute when Chinese troops were clearly in Korea, the CIA was still refuting the facts—even to the extent that, no matter what evidence analysts received, 'they found reasons to discount it.'⁷⁶²

A particularly harsh internal review of ORE's performance highlights a number of compelling reasons for the failures of CIA assessments of the Far East: 1) a reliance on broad, general assumptions 2) a reliance on narrow, specialized knowledge that supported the belief that Communist China required the consent of Soviet Russia, and 3) a belief that the commitment of Chinese troops would mean a general war with the US.⁷⁶³ To be sure, analysts had been hamstrung early on by its inflexible mindset that reasoned that the Chinese Communists would not enter the war; and having followed that line of reasoning throughout the course of 1950, the Agency continued to follow it in the face of mounting, conflicting evidence. To be fair, we must remember that the CIA never suggested that Chinese Communist intervention was impossible. In fact, analysts submitted numerous reports that suggested the Chinese Communists were

⁷⁶² Stansfield Turner, *Burn Before Reading*, p. 63.

⁷⁶³ CIA, "ORE's Record With Respect to Warning of the Invasion and of the Entrance of Communist China into the War," *Undated*. RG No. 263, Stack 190, Row 24, Compartment 33, Shelf 5, Box 4, NARA.

capable of a full-scale military intervention. Still, the intelligence reports were often inconsistent and failed to take account of the rapidly changing situation.

These flawed assessments were most likely because of the Agency's inflexible mindset—that the Soviet Union was unwilling to enlarge the scope of the conflict by committing Chinese forces for fear of substantially increasing the risk of a general war. Consequently, the CIA's assessments of the specific risks in Korea were remarkably inconsistent with the available evidence. In fact, analysts even discredited warnings issued by Chinese leaders through public and private channels. The intelligence agency had been so focused on the question of Soviet intentions and capabilities that it believed the key to any Chinese decision hinged on to what extent the USSR desired to risk instigating a global war.

Certainly on the question of the risks associated with expanding US war aims in Korea, the CIA's declassified intelligence reports have shown that its assessments were relatively inconsistent and ineffective at informing policymakers about security threats. On the question of Chinese intervention, the CIA's analysis was even more so. This is not to suggest, however, that determining the risks of a global war were not still an important factor in guiding US policy. As the war progressed in Korea, though, the Truman administration was more confident that the Russians hoped to involve the United States as heavily as possible in Asia 'so that they might gain a free hand in Europe.'⁷⁶⁴

⁷⁶⁴ Harry Truman, *Memoirs*, p. 378.

Richard Betts asserts that in the best known cases of intelligence failure, ‘the most crucial mistakes have seldom been made by collectors of raw information, occasionally by professionals who produce finished analyses, but most often by the decision makers who consume the products of intelligence services.’⁷⁶⁵ Certainly in the case of Korea, the crisis was further complicated because Washington was slow to realize that the most critical theater in the Cold War had changed. The strategic priorities set by policy officials hastened the crisis in Korea and stressed the budding policy-intelligence relationship. Furthermore, the political and military bumbling by the US leadership perpetuated a naively optimistic approach to the crisis. Robert M. Clark contends in *Intelligence Analysis—A Target-Centric Approach* that in 1950 that US intelligence made two major failures in prediction in six months—the North Korean and the Chinese attacks—resulting from a combination of mindset and failure to do multidisciplinary analysis. We’ve already seen that the invasion of South Korea was not the “surprise” that is often suggested. ORE’s record with respect to warnings about the June invasion was reasonably satisfactory. However, Clark is correct in arguing that since the political, military and intelligence thinking at the time was that the USSR was ‘the dominant communist state, exercising near-absolute authority over other Communist states, the resulting perception was that only the USSR could order an invasion by its client states, and such an act would be a prelude to a world war.’⁷⁶⁶

⁷⁶⁵ Richard K. Betts, “Analysis, War, and Decision: Why Intelligence Failures are Inevitable,” p. 61.

⁷⁶⁶ Robert M. Clark, *Intelligence Analysis—A Target-Centric Approach*, p. 210

By carefully examining precisely *what* the Central Intelligence Agency was telling senior policymakers, we have been better able to determine that the CIA's ability to assess specific threats during this time of the crisis, outside the fundamental risk of a third world war, could have been much better. Moreover, its understanding of the Far East was not conducive to policy innovation and effectiveness in the region. As a result, US policymakers were more likely to test the limits of the crisis. Without an accurate analysis of the risks, colossal conceptual mistakes were made during both of the major phases of decision-making—the decision to cross the 38th Parallel and the subsequent question of Chinese intervention.

Chapter VII

Conclusions

With a world up for grabs and with the Soviet Union taking what it could get, the CIA was charged with laying the U.S. claim. The atmosphere was of a dawn like thunder. The realization was clear that if it failed, the whole world might be lost.⁷⁶⁷

Reflecting on the CIA's performance at a news conference in October 1951, President Truman Harry stated, "It [CIA] has worked very successfully. We have an intelligence information service now that I think is not inferior to any in the world."⁷⁶⁸ As the Korean War drew to a close, Truman's successor, President Dwight Eisenhower, further championed the expansion of American intelligence by appointing Allen W. Dulles as the next director of central intelligence. Even as the ink was drying on the Korean armistice, Dulles was ratcheting up operations against the Soviet Union. Benefitting from a period of 'progress amidst anxiety,'⁷⁶⁹ Dulles inherited a robust, well-established intelligence agency that had emerged from growing-pains of the late 1940s and restructuring of the early

⁷⁶⁷ John Ranelagh, *The Agency*, p. 119.

⁷⁶⁸ Harry S. Truman, *News Conference*, 4 October 1951. Box 11, Harry S. Truman Papers. Staff Member and Office Files: White House Press Release Files. FOIA Request, 2 February 2008.

⁷⁶⁹ Melvyn P. Leffler, *A Preponderance of Power*, p. 398. Eisenhower campaigned in 1952 as a well-revered soldier-politician who argued, somewhat vaguely, that US foreign policy was broken and that the American public needed a fresh perspective on the Korean stalemate. It worked.

1950s.⁷⁷⁰ The CIA had expanded by six times in size from 1947 to 1953 and was playing an increasingly important part in informing policy decisions. Harry Howe Ransom touches on this early progress, noting that the CIA began to display ‘the features of an independent organization, a huge bureaucracy in its own right, with its own foreign policy, its own bureaucratic turf to protect, its own secret communications channels, its own airlines and secret armies, and vast sums of unvouched funds.’⁷⁷¹

Research Questions Revisited

By providing a careful, detailed and critical analysis of the intelligence reports that reached the desks of key policymakers leading up to and during the Berlin crisis and the Korean War, this study has questioned the conventional wisdom of the CIA’s early history. The first case study examined the CIA’s assessments within the context of policy decision-making from the months immediately following the Agency’s creation in September 1947 to the lifting of the blockade in May 1949. The other case study examined the crisis in the Far East from the escalation of hostilities in Korea to the dismissal of General Douglas MacArthur in April 1951. Like the preceding case study, the CIA’s assessments were placed within the context of US political decision-making but was divided into two

⁷⁷⁰Dulles replaced Smith as DCI on February 9, 1953. (The month following his appointment as director, Joseph Stalin died).

⁷⁷¹Harry Howe Ransom, “Secret Intelligence in the United States, 1947-1982: the CIA’s Search for Legitimacy,” in *The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century*. ed. Christopher Andrew, et al., p. 204.

chronologically distinct phases. Using this comparative case-study approach, this thesis has addressed a number of important questions: How well did the CIA read Soviet intentions and how effectively did it read each crisis? How accurate were analysts' warnings and assessments? Yet, despite the clear answers to this set of questions, determining what influence its assessments had on policy decisions during times of crisis has been much more difficult to establish.

A Tricky Business

Intelligence is a tricky business. By its very nature, the crystal ball can never be anything more than an opaque reflection of human knowledge, experience and fallibility; and it has always contained an element of subjectivity and discretion. In light of this reality, the preceding chapters have demonstrated that the Central Intelligence Agency had its share of difficulties in its formative years. The bureaucratic infighting with the State Department and military intelligence compounded the confusion of objectives. Furthermore, the intelligence agency was initially bogged down with daily reports, failing to adequately prioritize larger policy issues that could provide policy makers with suggestions for action. In addition to dealing with these problems, the Office of Reports and Estimates and, later, the Office of National Estimates were handicapped by a deficit of HUMINT and SIGINT. Yet, despite a general paucity of specific, detailed

information, the CIA's assessments were remarkably perceptive for the time.

However, where intelligence reports had been a strength in Berlin, it had been a weakness in Korea with the question of Sino-Soviet risk-taking. Throughout the Berlin crisis, analysts provided relevant, perceptive assessments regarding, not just broad Soviet objectives, but specific information about Soviet maneuvers in the eastern sectors of Germany. Analysts had a better hold of the issues in Germany than in the Far East, in part, because US policy was more clearly defined. In other words, what worked in one crisis—the almost single focus on the threat of a general war—didn't work in the other. It seems that the CIA's mindset was geared for one set of threats.

The CIA's analytical branch under the leadership of Hillenkoetter and Smith had a mixture of successes and failures, depending on a number of factors, including: whether assessments were based on broad general security threats or on specific strategic issues, whether assessments focused on European issues, and whether the focus was on a principally Soviet threat. The frequent assessments during both crises helped place Soviet actions in context by suggested that the USSR was neither planning for nor desired a direct military conflict. In the case of the Berlin blockade and the early stages of the Korean War, intelligence analysts did a better job helping senior policymakers better understand alarming events in more realistic and less reactive terms.

Most importantly, CIA analysis of the Kremlin's aggressive posturing in Berlin was careful not to convey a sense of panic. True, the

Agency's reports rarely revealed anything earth shattering, but in the case of Berlin, no news was good news. Arthur M. Schlesinger Junior's suggestion that the Nobel Peace Prize should have gone to the atomic bomb, while almost certainly tongue-in-cheek, brings to mind how profoundly non-events shaped the early Cold War.⁷⁷² This study has provided a number of examples along this line of reasoning, demonstrating that the Agency's most remarkable achievement was what didn't happen during these crises.⁷⁷³

How these two Cold War crises might have played out without the CIA's influence are left to some measure of speculation. The question of influence is a complex picture, and certainly more nuanced than perhaps supposed. What we can be certain of, though, is that despite a general feeling of anxiety, Washington showed remarkable restraint during each crisis, in part, because of the CIA's assessments. By adjusting perceptions of the Soviet threat and placing these threats within a pragmatic context, the Agency's reports may also have prevented an even greater military buildup in defense of a global war that was never to take place. While we may never know, such a reactive buildup might have further unnerved the Kremlin enough to extend the limits of risk-taking.

⁷⁷² Arthur M. Schlesinger Jr., *The Crisis of Confidence: Ideas, Power, and Violence in America Today*, New York: Houghton Mifflin, 1969, p. 144.

⁷⁷³ Of course, the patchwork of documentary evidence makes any empirical conclusions on this point difficult. Rhodri Jeffreys-Jones touches upon this line of reasoning in his book *Cloak and Dollar*. "For the greatest nonevent of all," he writes, "the CIA deserves immense credit: nuclear war did not break out." p. 177

The Crisis in Berlin

Western Europe was central to the Cold War; but it was Berlin that held the key to the uneasy peace. Just one mistake or gunshot away from a hot war, the Soviet blockade gave rise to enduring tension that set the stage for the entire Cold War; not only because Germany remained the frontline of skullduggery and diplomatic trepidation, but because it also demonstrated, so soon during the postwar period, that provocative actions did not always equate to an armed conflict. The crisis also established the Central Intelligence Agency as an integral component in the decision-making process. Despite the organizational problems and its newness, the CIA made assessments that were remarkably accurate and perceptive for the time. Its assessments of Soviet behavior were increasingly important leading up to the Berlin blockade since events elsewhere had left Washington unsure about which Soviet actions or reactions might precipitate a war, thereby increasing the potential for many key figures to react strongly to Soviet risk-taking. The CIA effectively placed Soviet actions in Berlin within a manageable context. This was often achieved by establishing a clear understanding and distinction between Soviet intentions and capabilities—in either case showing that the Soviets were not ready for a direct military conflict.

Ultimately, the Central Intelligence Agency's cautious position of moderation was most effective at reassuring policy officials that Soviet overtures and risk-taking in Germany, while although provocative, was unlikely to lead to war. Even as Soviet posturing became more

provocative, most US policymakers refused to take seriously the possibility of a blockade, despite mounting tension and the recent Soviet imposition of a temporary blockade of Western ground traffic to the Berlin. In spring 1948, when so much remained uncertain, General Clay and most US senior policy officials were unsure if they faced a political challenge to their presence in Berlin or the threat of war. Only after carefully considering what intelligence analysts were telling policymakers does it become clearer that this uncertainty would have been more acute without the Agency's assessments. In fact, when we reflect on the possible outcomes, especially given the confrontational posturing of the Soviet Union and the reactive approach of the US Military Governor in Germany, the significance of the CIA's ability to adjust perceptions of Soviet behavior during the crisis cannot be overstated.

The potential for mistakes and miscalculations during the early stages of the crisis further underscores the significance of the CIA's ability to issue assessments that could reassure Washington that the Russians had neither the intent nor capability for a direct military confrontation with the West. On this issue, Truman and his circle of policymakers were advised that, although Soviet actions in Berlin had been far from conciliatory, it had not been as definitive or final as to signal a direct military conflict. This proved to be an instrumental factor in moderating policy decisions. By framing the potential triggers of the crisis in less alarming terms, the CIA could contextualize the threat and conclude that the sky was not falling. Analysts assumed that the Kremlin would remain antagonistic and opportunistic in Europe, particularly in East Germany, but cautioned that,

although the Kremlin was intent on exploiting Germany economically and politically, it did not desire an armed conflict.

The study has also demonstrated that the CIA considered Western efforts in Berlin vital to US security interests. The intelligence reports urged policymakers that, in any negotiations, the Soviets would seek to prevent the establishment of a western German state and to frustrate the economic rehabilitation of Germany. Analysts advised Washington to establish a firm, yet moderate position with the Soviets and outlined how the US could avoid a showdown while maintaining its position in Berlin.

The Crisis in Korea

In comparison to the Berlin crisis, the CIA's record in the Far East is less straightforward. The Korean War was a hot war in response to a direct confrontation, both larger in scale and more violent. This study has also pointed out the relevance of Washington's lack of a clear and effective Far East policy. With relatively little interest or influence on the Korean Peninsula, Washington had greater difficulty in placing the emerging crisis in a proper strategic context. At least initially, the Truman administration feared that a Soviet success in Korea would translate into communist gains in Europe and other areas of the world. This fear of a wider strategy for spreading hostility to other areas of the world became particularly acute during the early stages of the crisis because the leadership in Washington was unsure how far the USSR was willing to go. The risk of further

miscalculations was thus significantly elevated. Moreover, Truman's administration was neither willing nor prepared to support and defend a region with such a low security priority. Once the war began in earnest, the political and military bumbling perpetuated a naively optimistic approach to the crisis, particularly when testing the limits of the political and military risks of crossing the 38th Parallel. As a result, colossal strategic mistakes were made.

As in the crisis in Berlin, the CIA was remarkably perceptive on the larger issue of the risk of a global war. These assessments were particularly important in the months leading up to the Korean War, given the potential for senior policymakers' concern over a global conflict to result in over reactive behavior. Analysts issued reassuring, pragmatic assessments at a time when Washington was unsure of the magnitude or direction of the developing crisis. Close analysis of the documentary evidence has also shown that the invasion of South Korea was not as great a "surprise" as generally thought. In fact, key policymakers were issued warnings about a probable invasion months before the outbreak of hostilities.

As the violence escalated, analysts maintained their view that the Soviet Union had neither the ability nor the intent to provoke a major war with the United States. Even after the June invasion, analysts correctly predicted that North Korea's attack was not indicative of a larger military conflict and that the Soviet Union did not desire any large-scale military action outside the Korean peninsula. The study has shown that, quite often, these reports about the developing situation not only conveyed an

appropriate sense of urgency sufficient to have captured the attention of Washington, but also provided a corrective tool for decision-making by defining limits to the security threat.

However, CIA assessments were relatively inconsistent in the period following the UN's offensive north of the 38th Parallel and, as a result, were of less value, particularly on the question of Chinese intervention. The CIA understood that the stakes were high. (American involvement in Korea resulted in the sacrifice of human life and economic cost: Total US deaths during the conflict are estimated at 36,674.⁷⁷⁴ In terms of money, the war drained the economy of approximately 54 billion dollars.)⁷⁷⁵ But within the complex, rapidly shifting arena, intelligence analysts struggled to understand Soviet, Chinese and North Korean intentions in Korea. This, in turn, led to analysts' failure to fully understand how American actions and the Sino-Soviet relationship would affect adversarial risk-taking. On issues outside Soviet risk-taking and general war, the CIA's assessments of the communist threat proved somewhat inflexible. Thus, what worked in one situation failed to work in the other. The linchpin of the CIA's analysis was its belief that since Moscow and Beijing had been unwilling to risk a general war in Berlin and, again, in June-July 1950, it stood to reason that the communist leaders

⁷⁷⁴ The Directorate for Information Operations and Reports, "Korean War-Casualty Summary." Washington Headquarters Service. The dates are inclusive from June 25, 1950 to July 27, 1953. Total deaths reported represent those: killed in action, died of wounds, missing in action and declared dead, captured and declared dead, missing and presumed dead, other deaths, and non-hostile deaths. Figures are current as of 15 June 2004.

⁷⁷⁵ http://www.archives.gov/research_room/arc/index.html. "Statistical Summary: America's Major Wars." (Figures were compiled by Al Nofi). When adjusted for inflation in 1990, the cost represents an estimated 263.9 billion dollars. The figures reflect direct costs only, omitting pension costs. (Figures were last modified 6/13/01).

would be unwilling to risk an open confrontation simply because UN forces deployed north of the 38th Parallel.

This preoccupation with the issue of whether or not there was a threat of global war, while valuable to policymakers during the crisis, appears to have blinded analysts to the mounting evidence that pointed to an escalation of hostilities. Struggling to read China's appetite for high-risk adventures, analysts even went so far as to dismiss diplomatic and battlefield intelligence that pointed to a Chinese Communist intervention. Moreover, the belief that the Soviet Union was the driving force behind any strategic decision in Korea illustrates how the CIA failed to understand the ideological considerations that led the communist leaders to undertake such risks in Korea.

Implications

This foreign policy stuff is a little frustrating.
— Former US President, George W. Bush⁷⁷⁶

The concrete and barbed wire partitions created in Germany and Korea cast long shadows of distrust, apprehension and fear for the duration of the Cold War. These two crises continue to leave an imprint on our understanding of US intelligence and foreign policy in the twenty-first century, even though the CIA's identity and role is continually undergoing

⁷⁷⁶ *New York Daily News*, April 23, 2002.

incremental change through reforms, public perception and policy trends. Not least because America continues to rely on many of its Cold War institutions to meet contemporary threats, this study, and others like it, not only contribute to the historical debate but contain modern-day relevance.

The increased public awareness to the CIA is unlikely to diminish in the coming years. America's notorious intelligence agency continues to garner an enormous amount of interest. A recent article in *Foreign Affairs* has, no doubt, continued to stoke the fires of debate. In it, Paul R. Pillar suggests that the American public believes that the intelligence community's record '[to be] far worse than it actually is.' This assertion, we can safely assume, will be countered by a more critical appraisal.⁷⁷⁷ It is hoped that this detailed study, based on archival evidence, will play its part in forging a better understanding of the CIA's history.

So what, then, should follow in the field of intelligence history? There are still areas in which it is difficult to draw conclusions; principally on the degree of influence intelligence had on policy-making. One would hope to see more answers about the CIA's nature and the quality of its influence during periods of crisis. On this issue, future studies will need to track presidential decision-making as closely as this study has tracked CIA reports in order to go beyond drawing inferences and, when possible, to show direct connections. Having pushed these two important case studies as far as I can in this direction, more case studies should be examined to draw an even stronger position. The conclusions offered here would be

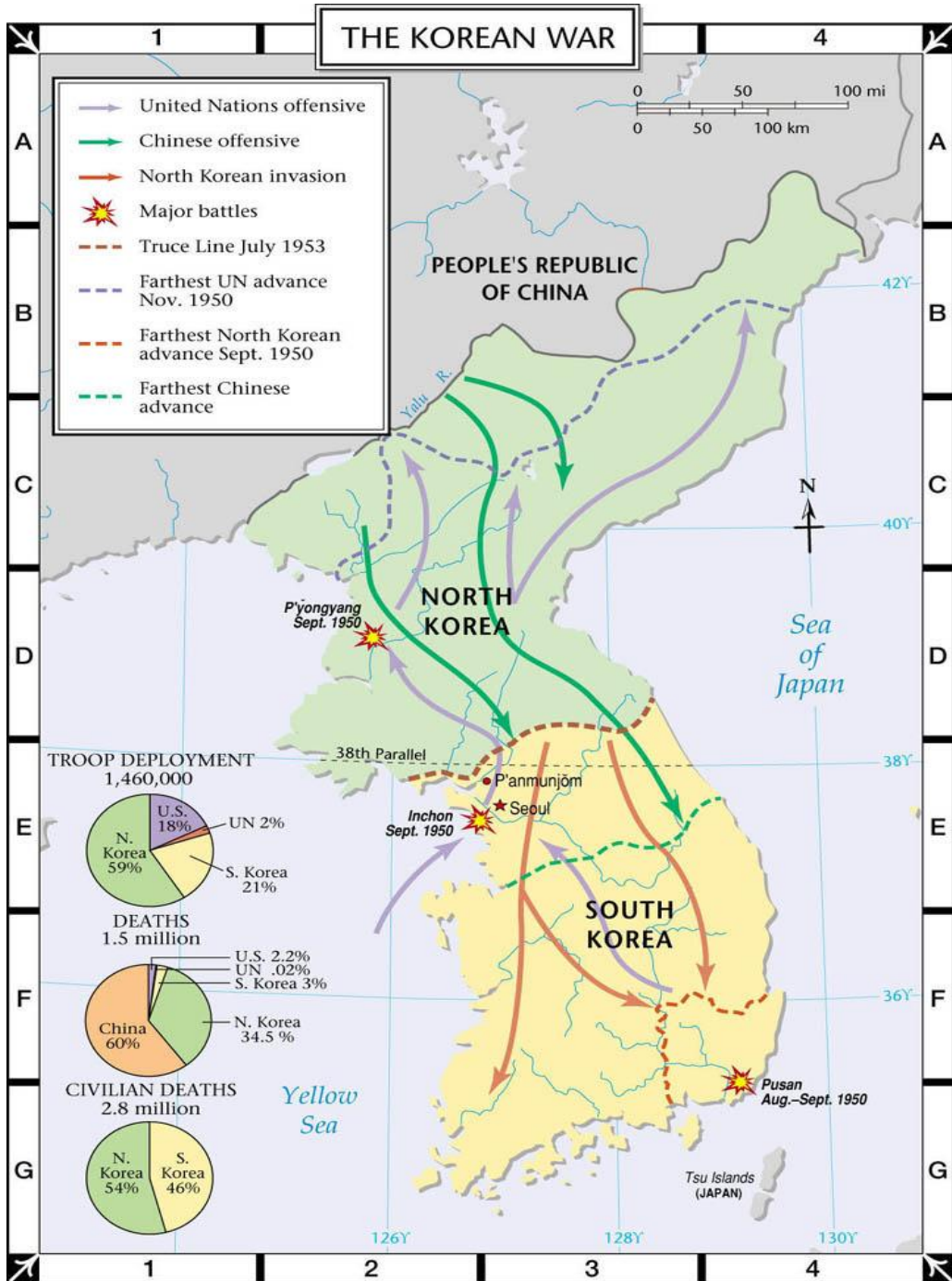
⁷⁷⁷ Paul R. Pillar, Review Essay, "Intelligence Design? The Unending Saga of Intelligence Reform," *Foreign Affairs*, New York: The Council on Foreign Relations, March/April 2008, p. 139.

even more significant if this methodology could be extended to other examples of the Cold War.

Images



The sectors of Berlin during the Airlift





Gen. Walter Bedell Smith relieves R. Adm. Roscoe H. Hillenkoetter as Director of Intelligence in October 1950.

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Abbreviations and Acronyms

BOE	Board of Estimates
CCAF	Chinese Communist Air Force
CCRAK	Combined Command for Reconnaissance Activities, Korea
CFM	Council of Foreign Ministers
CIA	Central Intelligence Agency
CIG	Central Intelligence Group
COMINT	Communications Intelligence
CREST	CIA Records Search Technology Database
CWIHP	Cold War International History Project
DCI	Director of Central Intelligence
DDI	Directorate for Intelligence
DDI	Deputy Director for Intelligence and Directorate for Intelligence
ERP	European Recovery Program
FBI	Federal Bureau of Investigation
FOIA	Freedom of Information Act
FRUS	Foreign Relations of the United States
GPO	Government Printing Office
G-2	US Army Intelligence
HUAC	House Un-American Activities Committee
HUMINT	Human Intelligence
IAC	Intelligence Advisory Committee
INR	Bureau of Intelligence and Research
JCS	Joint Chiefs of Staff

KGB	<i>Komitet Gosudarstvennoy Bezopasnosti</i>
KMAG	Korean Military Advisory Group
MVD	Soviet Ministry of Internal Affairs
NATO	North Atlantic Treaty Organization
NIA	National Intelligence Authority
NIE	National Intelligence Estimate
NKGB	<i>Komitet Gosudarstvennoy Bezopasnosti</i> (the Soviet Committee for State Security)
NSA	National Security Agency
NSC	National Security Council
OCI	Office of Current Intelligence
OMGUS	Office of Military Government of the US for Germany
ONE	Office of National Estimates
OPC	Office of Policy Coordination
ORE	Office of Reports and Estimates
ORR	Office of Research and Reports
OSS	Office of Strategic Services
PPS	Policy Planning Staff
ROK	Republic of Korea
SED	Party of Socialist German Unity
SIGINT	Signals Intelligence
SRC	Special Research Center
USAFE	United States Air Force Europe Command

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