

**HISTORICAL BACKGROUND OF THE
CENTRAL INTELLIGENCE AGENCY**

I. The American Intelligence system had its beginning in the midst of the Revolutionary War.

A. In the early days of the War, the Continental Army depended on prisoners, deserters and refugees.

B. The need for better information led Washington to operate his personal secret service.

C. From the early days of the Republic, the gathering of information by unpublicized means was regarded as a legitimate function for which public funds could be spent.

1. The army and navy obtained intelligence information incidental to their other duties.

2. The diplomatic service utilized unvouchered funds.

II. Intelligence activities during the Civil War were more advanced than during the Revolution, but it was still not an organized service.

A. President Lincoln, himself, hired a man to gather information while in the South. (Totten Case)

B. Intelligence was practical in nature.

1. Brig. Gen. Dodge was charged with directing a secret service in the West.

2. Denied funds by Quartermaster he confiscated and sold cotton crops to pay for his agents.

1. He offered two amendments in debate, one to prevent CIA employees on home leave from infiltrating labor unions and business enterprises.

2. Passed by voice vote.

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*Prepared for
Mr. Houston
at his request*

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line 10, page 45

The two years between the end of World War II when the OSS was dissolved and the creation of CIA in the fall of 1947 had been a period of interdepartmental in-fighting as to what to do with Intelligence. Fortunately many experienced officers of the OSS remained on during this period in the various Intelligence units which functioned under the aegis of the State and War Departments in the postwar period.

This was largely due to the foresight of General Donovan. At an early date he had directed President Roosevelt's attention to the importance of preserving the OSS assets and providing for the carrying on of certain of the Intelligence functions which had devolved upon the OSS during World War II.

As early as October 1944 Donovan had discussed this whole problem with the President and in response to his request, had sent him a memorandum outlining his ideas of what an Intelligence service should be equipped to do in the postwar period. In this memorandum he stressed that while Intelligence operations during the

of the CIG, approved the legislation creating the Central Intelligence Agency as set forth in the National Security Act of 1947, which I have already described.

Under the Act, the Central Intelligence Agency was placed under the direction of the National Security Council, which is composed of the President, the Secretary of State, the Secretary of Defense, and other primary Presidential advisers in the field of foreign affairs. Interestingly enough, CIA is the sole Agency of government which as a matter of law is under the National Security Council, whose function is solely to advise the President. Thus there was firmly established the principle of control of intelligence at the White House level which President Truman had developed in creating the National Intelligence Authority.

Secret & Classified

The American intelligence system had its beginning in the midst of the Revolutionary War. As the war progressed General Washington had a growing need for certain and continuing information on the British forces and their intentions. In the early days of the War, the Continental Army depended on prisoners, deserters and refugees. The need for better information led Washington to devise his own secret service, which operated mostly under his personal guidance. No formal organization emerged, but an awareness developed of the need for information about the enemy which could only be obtained through clandestine means.

From the early days of the republic, the gathering of information by unpublicized means by the War and Navy Departments was regarded as a legitimate function for which public funds could be spent. The intelligence function, however, was considered only as incidental to other duties. Even in the Civil War, intelligence was more of a personal mission with the Commanders than an organized service. President Lincoln himself directly hired a man to gather information while in the South - a man by the name of Loyd, whose administrator, after the war, tried to collect the salary for which Loyd had contracted. The case eventually went up to the Supreme Court which held that the Government was not obligated to pay because Loyd was employed in a secret service and a contract for such employment could not be divulged even in court because of the danger of embarrassment and compromise.

Intelligence activities during the Civil War were more advanced than they were during Washington's time but intelligence was still unorganized in the sense of being directed by policy emanating from headquarters. Rather, intelligence during the Civil War was practical in nature and directed by the needs of an army. The exploits of Brig. Gen. G.M. Dodge reflected this.

most of the time." A few minutes later he said: "This thing will work, and I have said from the beginning it would only work, if the components in it want it to work."

President Truman signed the National Security Act on 26 July 1947 and the Central Intelligence Agency was then a fact. The machinery to operate the new agency was still in the offing, however. Early in 1948 a move was begun to enact further CIA legislation; bills based on drafts submitted by CIA were introduced in the House and Senate. Committee hearings were held, and ~~certain changes were made~~. The bill passed the House but was not acted upon by the Senate.

A new draft, substantially the same as the one submitted previously, was sent to Congress on 11 February 1949. Mr. Marcantonio provided the major opposition to the bill in debate basing his argument on such issues as the secrecy surrounding the bill which deprived Congressmen of a full explanation of the bill, the danger to civil liberties, the inappropriateness of confidential funds and the undesirability of the alien provisions. The bill passed 348-4.

Senator Langer opposed the CIA bill in debate in the Senate denouncing the secrecy surrounding the Act and the alien provisions in it. He proposed two amendments which were accepted, one specifying that CIA employees would not be available for employment except by CIA when returning to the U.S. on home leave. This was designed, he said, to prevent infiltration by CIA employees into labor unions and other enterprises. Senator Johnson was concerned that CIA would have "sweeping powers which are being vested in the military through this piece of legislation." The bill passed by voice vote and after adoption by both Houses of a conference report the Central Intelligence Act was signed by President Truman on 20 June 1949. For the first time in its history the United States had a recognized independent centralized intelligence agency.