The Evolution of the Intelligence Process
at the U.S. Central Intelligence Agency

From Gritty Wartime Covert Operations,
through Trust in Crystal Ball Analyses,
to the Dazzle of High-Tech Collection, and Beyond.

By S. Eugene Poteat, LL.D

American Intelligence methods have evolved over the past 63 years, responding to changing national security needs. Four phases can be identified, each designed for the demands of the time, and overlapping. The first phase began in 1947 with an extension of the wartime paramilitary efforts of the OSS. The main threat at that time was the Communist subversion of Italy, Greece, Turkey, and Latin America. The newly-formed CIA was tasked with countering these efforts, and through covert action, and ample funding, managed to have considerable success in these countries. The operations officers enjoyed substantial tactical autonomy, and with minimum political supervision. This deficit of political oversight led to some overconfidence and over-reaching, and ended with a few missteps, the largest being the disastrous Bay of Pigs fiasco in 1961, in Cuba. Covert action was, for a time, discredited and eclipsed.

The second phase ushered in the era of growing confidence in what was termed Analysis. This school of thought, championed by Sherman Kent, sought to deduce and inform policymakers through the means of scholarly and massive accumulation of all manner of factual details – overt and covert – for every country or area of possible interest. The pipe-smoking professor was the new model officer. This was a necessary effort, but proved insufficient because of a neglect of human resources on the ground in areas of concern. And this approach failed to answer the most critical intelligence question of the time, the “bomber and missile gap,” since we had no assets in the Soviet Union, and little accurate data emanated from the USSR on its own. This was the era of desk-bound intelligence collection, and came to be discredited and eclipsed.

The third phase worked to correct this deficit by scientific advances and development of technologies designed to synergize with human collection of Soviet policies and capability. Eisenhower, with the advice of prominent scientists, quickly established and promoted this effort. Early examples were the U-2 reconnaissance planes and the Corona satellite program. These were quite helpful in the Berlin and Cuban Missile crises. The height of the effort was the “Star Wars” missile defense program, instituted by Ronald Reagan.

The current fourth phase may be said to have started with the challenges of global Islamic terrorism, which began shortly before 1997 but shot to the top of the pile after September 2001. This required an integration of HUMINT, high-tech weapons such as the Predator, and with the Special Forces military intelligence on the ground, and analysis, in and from target
areas. This current phase, exemplified by the Seal Team 6 raid on Osama bin Laden’s compound in Abbottabad, Pakistan, is clearly the most effective covert operational capability to date.

William Donovan's early WW-II OSS experiences readily led to his concept of a post-war/peacetime central intelligence agency with a variety of tasks, including espionage, research and analysis, subversive and covert operations, along with paramilitary operations. For intelligence, Donovan sought high status, independence, centrality, and a diversity of functions—all the things that served him well in his running of OSS during wartime. He emphasized that the agency have nothing to do with domestic affairs, only "intelligence work abroad." To clarify this point, he said that a foreign intelligence agency should not have the "home duties" of the FBI or the work abroad of Army G-2 or Naval intelligence ONI, nor any domestic political role, and no police or law-enforcement function. Donovan held to his position, until the National Security Act was signed by President Truman in 1947—virtually as Donovan had proposed.

The path from Donovan’s concept to the signing of the National Security Act (NSC) was not an easy one. The instant the State Department, G-2, ONI, and indeed many others learned of his proposed new “independent” intelligence agency, hackles rose over the danger that somebody was going to take away some of their turf. The years-long Washington internecine warfare that engulfed Donovan and his proposal only ended when the Congress modified the proposed National Security Act by creating not only the Central Intelligence Agency, but also the National Security Council, making the CIA accountable to the President through the National Security Council. CIA’s charter would allow it to “perform such other functions and duties … as the National Security Council may from time to time direct.” The Congressional modification tied independence for the CIA to subordination to an American version of Britain’s old “King-in-Council” concept.

**Phase 1: Covert Action**

Unfortunately, Donovan’s imagined role as head of the new agency quickly faded, as he was sidestepped through scores of political backroom deals, turf trades, and his inability to win over his new boss, Harry Truman, who disliked him and any other “cloak and dagger types.” Donovan faded from the scene. And the only Congressional oversight would come from a few senior members of the friendly Armed Services Committees. But, at least, the new CIA would be staffed by Donovan’s swashbuckling OSS men, such as Frank Wisner, Tracy Barnes and Desmond FitzGerald, all patriotic and with a strong sense of personal commitment to the new CIA and an understanding of the importance of covert operations. They also understood the dangers of the spreading Soviet tentacles trying to pull all of Europe into its orbit—and what to do about it: covert action rather than the collection of secret intelligence. [And for such action, the CIA counted heavily on British HUMINT collection inside the Soviet Union during this period.] But neither President Truman nor others needed ‘secret’ intelligence to know what the Soviets were up to. Truman made two monumental decisions to halt the spread of Communism and their takeover of Europe. He implemented the Marshall plan and dispatched the new CIA to
save Italy, Greece and Turkey from similar fates. The success of both measures was presented as examples of effective American diplomacy and CIA operational prowess. One of the forces moving the Marshall Plan to successful completion was Richard Bissell, who would move on to become CIA’s Deputy Director of Plans (DDP), the clandestine service, and manager of CIA’s covert operations. Donovan’s OSS boys, now running CIA’s covert operations, saved Italy and Greece, using classic OSS tactics and expertise to manipulate Italian elections [already manipulated by pro-Soviet operatives] and in fighting the Communists in Greece, and using Missouri mules to outmaneuver the Communists in the difficult, rocky Greek landscape. Their other successes were in Iran and the Philippines. But they suffered an early failure attempting to infiltrate agents into Albania and the Soviet Union – a dangerous operation compromised in infancy -- where not one of the 300 agents survived. The source of the compromise turned out to be the trusted UK officer Kim Philby

CIA’s 1954 "Operation PBSUCCESS" – to destabilize and overthrow President Jacob Arbenz of Guatemala in a coup with little more effort than having a single airplane drop a single bomb – was at the time considered another feather in CIA’s covert operations hat. But later scrutiny revealed that Arbenz had threatened to nationalize the Rockefeller-owned United Fruit Company, which owned much Guatemalan land, had built electric power at great cost, including construction of railroads and the country’s only port. It immediately raised questions about the real purpose of the operation. United Fruit had organized an anti-Arbenz media campaign in the U.S. claiming Guatemala was spearheading Soviet expansion in the Americas. The planned coup by the CIA, with help from United Fruit, was no secret. When Secretary of State Dean Acheson protested, President Truman put a hold on the operation. When Eisenhower became President, he brought in John Foster Dulles as Secretary of State, and his brother, Allen Dulles, as Director of the CIA. The Dulles brothers had sat on the board of United Fruit’s partner in the banana monopoly, the Schroder Banking Corporation. U.N. Ambassador Henry Cabot Lodge was a stockholder—“Operation PBSUCCESS” would have no trouble going ahead.

The CIA had created a small rebel army and a “small pirate air force” to bomb Guatemala City. After dropping its bomb, another of the CIA planes sank a British merchant vessel carrying bananas and coffee, thinking it to be Czech ship bringing arms. After British Prime Minister Churchill complained to Eisenhower, the CIA had to apologize and reimburse Lloyd’s of London $5 million for the loss. Washington mounted an anti-Arbenz campaign that made it increasingly difficult for Arbenz to maintain the support needed to remain president. Seeing the writing on the wall, he resigned. He and his family moved from country to country seeking sanctuary: Switzerland, France, Czechoslovakia, Russia, Uruguay and Cuba. Settling finally in Mexico, Arbenz drowned in his bathtub in 1971. That Arbenz, and especially his wife, were clearly seen in Washington as opening the doors for Soviet entrance into the Americas, and the poor performance of Arbenz’s successors, the CIA’s covert operations image was nonetheless tarnished in the aftermath.

The next opportunity for a Soviet entrance into the Americas would come with Castro’s Cuban revolution, which quickly established an unmistakable beachhead for Communism— which could not be ignored by Washington. Another CIA covert operation was planned and approved by President Eisenhower as preferable to an overt military operation to unseat Castro
and his Communists. The operation was based on the assumption that Castro was not yet in complete control of island and once the operation was underway, and on Cuban soil, the Cuban people would rise up in revolt—and more importantly, support the invaders and, if the operation needed it, the U.S. military—especially Naval air support—would be there.

When John F. Kennedy became President, and was briefed on the planned operations, he told the CIA that he would not permit U.S. military support of the operation, under any circumstances. The Kennedy White House went further by toying with the operational plans, even changing the planned landing site to the fateful Bay of Pigs, enhancing the probability of failure. And the CIA made the bigger mistake. It went ahead with the operation in spite of the new White House changes, ignoring their own analysts who warned of Castro’s strong control of the Island and his Soviet jet fighters that were superior to CIA’s older piston-engine craft. The dismal and tragic failure of the operation is well known: the Cuban jets shot down the slower CIA airplanes and sank the invaders’ support ship, the Cuban military decimated the struggling landing party bogged down in the difficult Bay of Pigs terrain, and Kennedy held firm that no U.S. military would come to rescue the floundering operation. CIA’s emphasis on covert operations came to an abrupt, embarrassing and highly public end. What led to the failure remains conjecture to this day, but it is clear the Kennedy White House thought they knew better about intelligence operations by changing the invasion’s landing site. CIA’s Richard Bissell, responsible for the CIA operation, over-played his hand, politically, thinking the President could be shamed into sending in the military to rescue the operation. But as Kennedy said in effect to Bissell and CIA Director Allen Dulles, “If we were a parliamentary government, I would have to resign, but since we are not, you must.”

Phase 2: Analysis

Sherman Kent, another OSS veteran, came into the CIA with a background in analysis rather than covert action or intelligence collection. He believed the CIA could deliver volumes of independent, objective, scholarly research and analysis to policymakers to draw on as needed. He would seem to have followed the American idea that “Gentlemen don’t read reach others mail,” followed by the Communications Act of 1934 while made it illegal to intercept and decrypt any communications, including that of the enemy. With the collapse of covert action, and the lack of intelligence collection, Kent’s tome would become the basis of CIA’s strategic intelligence production. [The U.S. did not have a single case officer in the Soviet Union until well after Gary Powers U-2 was shot down. U.S. Ambassador Llewellyn Thompson was afraid that the “dirty business” of spying could jeopardize his sensitive diplomatic mission in Moscow.]

The problem that arose, however, was that CIA analysis, without significant input from collection would, on occasion, come up short or make far-reaching misjudgments—little more than guesstimates—at the most critical time. The analyst had no answer for the greatest question of the Cold War: did the Soviets have the U.S. outgunned, the so-called “bomber and missile gap.” NIEs were often dangerously wrong on crucial strategic issues. Before the Cuban missile crisis an NIE concluded that the USSR would not dare place strategic missiles in Cuba, even though there was evidence that it had already started to do so. So much for the usefulness of analysis. There were other significant failures, such as predicting the fall of the Shah in Iran, the
acquisition of the bomb in India, and the missing Weapons of Mass Destruction (WMD) in Iraq. The CIA’s National Intelligence Estimate (NIE) on Iraq discredited analysis not based on hard, smoking gun intelligence collection. The analysts had many successes, which are not publicized. There is a clear correlation between good intelligence collection and good intelligence analysis. Every computer geek understands GIGO (garbage in, garbage out). Stalin is said to have instructed his intelligence services, “All I want are the secrets in the Americans’ safes—analysis unnecessary.” The paucity of collection contributed to the poverty of analysis.

Phase 3: Technical intelligence collection

Without intelligence collection the CIA’s analysts were unable to answer the critical “bomber and missile gap” question. President Eisenhower called in the nation’s leading scientists for advice on what technology might be brought to bear on the issue. This advisory group became known as the “Land Panel” after one the group’s more innovative and active members, Edwin “Denny” H. Land, president of the Polaroid Corporation. The panel quickly came up with solutions to the “bomber and missile gap” question, and other intelligence questions as well: 1) Get spies inside the Soviet Union, 2) Use high-altitude aerial reconnaissance to see what missiles and bombers the Soviets have and 3) begin the development of reconnaissance satellites since aerial reconnaissance will eventually be vulnerable to improving Soviet antiaircraft missile defenses. Surprisingly, Eisenhower directed the CIA to take the lead in developing and operating both the U-2 and the reconnaissance satellites, called CORONA, with support from the Air Force. DCI Allen Dulles objected, saying the CIA was not in the business of developing such high-tech systems. Eisenhower’s response was, “Well, you are in that business now, because it has to be done in secret.”

The success of the U-2 in answering that critical question was clear and unmistakable; there was no “bomber and missile gap.” The U.S. still had the Soviets outgunned—the Soviets had known it all along from the spies in the U.S., now the U.S. knew it as well. This advantage permitted President Kennedy to call Khrushchev’s bluff in the Berlin crisis of 1960, and again to end the Cuban Missile Crisis.

Recognizing that the U-2 would have a limited life, and that the CORONA satellite program was running into delaying developmental problems, the CIA launched the A-12 OXCART program as a gap-filler should the CORONA fail to become operational. The A-12 airplane had the incredible goals of flying at Mach 3.3, at an altitude near 100,000 feet—and was to be the first-ever stealth aircraft. Although the CORONA finally became operational only a few months after the U-2 was shot down over Sverdlovsk, and the A-12 not needed for over-flights, it advanced the aeronautical science and performance that is yet to be surpassed.

The CIA’s ever-more advanced high-tech intelligence collection systems, with a new generation of ultra high tech, high resolution satellites, the operation to recover the Soviet K-29 missile submarine from over 16,000 feet down in the Pacific Ocean, and the many other classified collection systems, led to CIA’s reputation as one of the nation’s leading R&D establishments.
Phase 4: A changed world order and new demands

Shortly after the 9/11 attacks on New York’s twin towers, the CIA’s paramilitary group, known as the Special Activities Division, was the only U.S. organization able to quickly deploy to Afghanistan to engage in a new kind of warfare: fighting a new kind of enemy that wore no uniforms, came from a variety of different countries, had few high-tech weapons, stayed hidden amongst the civilian population, hid behind the skirts of a primitive, violent religion, and used suicide bombers to terrorize innocent civilians. The CIA’s covert action team, long dormant, was called into action, along with analysts, and high technology weapons, such as the missile-firing Predator drones. All elements of CIA’s expertise, covert action, analysis, HUMINT and high-tech, in this phase of history, are integrated, and working closely with other NATO elements, especially the UK, and hand-in-glove with the military on the battlefield, in a coordinated way never before required—and is now the most effective covert operational capability the world has ever seen. Policymakers, even if they have no previous knowledge or experience with the role that intelligence plays in our nation’s safety and security, regardless of party affiliation, have few qualms recognizing that all elements of CIA’s intelligence, integrated with the military on the battlefield, are essential in fighting this new kind of war, known as Network Centric, or C4ISR. It is a war where even a few missteps can cost the lives of millions, and can change the fate of nations. It underscores the importance of the evolution of intelligence capabilities as the threats before us morph and metastasize, burrowing into our countries to destroy us from within. Agencies must evolve to counter their every move, and always be a few steps ahead.