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## An Overview of American Intelligence in Greece, 1943-47

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Gentlemen do not read  
each other's mail

Henry Stimson  
Secretary of State 1929

PRIOR TO THE SECOND WORLD WAR THE UNITED STATES DID NOT employ a secret intelligence service.<sup>1</sup> Essentially, intelligence gathering was the prerogative of the armed forces while information was also collected by other government agencies such as the Treasury Department but not in a manner requiring the use of espionage. By 1938, however, the deteriorating situation in Europe and Asia and the intensification of espionage activity by foreign governments in the United States forced the Roosevelt administration to take steps toward the establishment of a coordinating intelligence agency. The outbreak of war in 1939 and the early victories of the German army, culminating with the defeat of France in 1940, accelerated the process and led to the establishment of the Office of Coordinator of Information (OCI).<sup>2</sup>

<sup>1</sup>The intelligence establishments that were in operation included the Army's, Military Intelligence Division (MID), and the Navy's, Office of Naval Intelligence (ONI). In addition, several other government departments engaged in some form of information gathering such as the Treasury with its Secret Service, Narcotics Bureau, Customs, Coast Guard, and Internal Revenue Service. The FBI, although it had no mandate for foreign intelligence until 1940, collected information on organizations and individuals suspected of posing a threat to the security of the United States. (T.F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (Frederick, Md, 1981), p. 10.

<sup>2</sup>Kermit Roosevelt, ed., *The War Report of the OSS*, N. Y. 1976, pp. 5-7, hereafter cited as the War Report of the OSS.

The OCI was formed on 25 June 1941, on the initiative of President Roosevelt based on the recommendations of William J. Donovan. In July 1940 Donovan had travelled to England at the request of Roosevelt and Secretary of the Navy, Knox. His mandate was to study the effects of the German fifth column activities in Europe as well as ascertain Britain's capability to remain in the war. During his stay in London, Donovan was given access to the British intelligence services and acquired first hand knowledge of new tactics developed in unorthodox warfare. In December, Donovan once again went to Europe this time to make a strategic appreciation of the Mediterranean. His travels took him to: Gibraltar, Malta, Egypt, Bulgaria, Yugoslavia, Palestine, Turkey, Iraq, Spain, Portugal and Greece. On both occasions Donovan returned impressed with the role that psychological warfare played in the current conflict as well as the use of subversion and sabotage. Donovan reported these impressions to Roosevelt and urged the President to create a Service of Strategic Information not only to study the use of unorthodox warfare but coordinate the mass of information which was pouring into Washington from various sources and organizations.<sup>3</sup> The organization expanded quickly and William Donovan, the head of the new agency, proposed to add departments dealing with sabotage and guerilla warfare as well as espionage and propaganda. This new direction met with strong opposition from the service intelligence departments, the State Department and the FBI who considered this as a source of potential interference in their areas of responsibility. As a result, in 1942, the state of the government's information services was examined and in the re-organization which followed (13 June 1942) the OCI was reconstituted as the Office of Strategic Services and placed under the Joint Chiefs of Staff.

Two important factors which characterize the establishment of the OSS are the speed by which a coordinating intelligence agency was created and the fact that it bypassed the traditional intelligence community by having direct access to the president. Firstly, the OSS was set up so quickly it had to acquire personnel outside the military intelligence departments and government agencies which dealt with some aspect of intelligence work. Since its original function was research and analysis, Donovan, selected individuals for this function from the academic community, which included a number of distinguished scholars who provided an academic approach to the assessment and analysis of OSS reports. These included Dr. Baxter, President of William's College; Conyers Read, Walter L. Dorn, Robert K. Gooch, Gerold Robinson; Sherman Kent; Walter L. Wright, Jr.; and Preston

<sup>3</sup>The War Report of the OSS, pp. 5-7.

E. James. All of them were placed in charge of geographical desks in the Division of Special Information set up by the Library of Congress exclusively for the OCI. The Research and Analysis section of the OCI and later of the OSS was managed by an eight member Board of Analysts headed by Dr. Baxter, the other seven included: from Harvard, the historian William L. Langer (he also directed the Division of Special Information), economist Edward S. Mason and Donald C. Mackay, Professor of French history; Joseph R. Hayden, a political scientist, from the University of Michigan; economist Calvin Hooper from Duke University and Edward Earle Mead from Princeton's Institute for Advanced Studies.<sup>4</sup> The Board of Analysts was shortly abolished but the Research and Intelligence Branch continued to function along academic parameters.

According to Bradley F. Smith, the predominant number of scholars who were employed in the Research and Analysis Branch of the OSS came from the north eastern Ivy League universities and reflected the: "...condition of American higher learning in the Humanities and Social Sciences in the late 1930's."<sup>5</sup> The additional staff of the other OSS branches unlike the personnel of the professional services was, for the most part, also made up by civilian amateurs.

Contact with the British intelligence services had been established as early as November 1941. By September of 1943 relations between the OSS and the British SOE and SIS were formularized in a series of agreements which gave each organization certain geographic spheres of responsibility. Under the terms of these agreements the Special Operations Executive was designated as the responsible agency for the Balkans and Middle East.<sup>6</sup>

Initially, OSS agents destined for employment in Greece were of Greek origin many of whom were recruited in Cairo. It was decided quite early, however, that OSS teams should be led by non-Greek Americans in order for them to carry more credibility with the resistance groups and guarantee objective reporting.<sup>7</sup> For the most part OSS personnel in Greece tended to support whichever organization they accompanied, regardless of their ethnic origin.<sup>8</sup> An important consideration

<sup>4</sup>Troy, *Donovan*, pp. 84-85. Also see: Robin W. Winks, *Cloak and Gown: Scholars in the Secret War, 1939-1961*, New York 1987, *passim*.

<sup>5</sup>Bradley F. Smith, *The Shadow Warriors: OSS and Origins of the CIA* (New York, 1983), p. 361.

<sup>6</sup>WO 201/1598 74206.

<sup>7</sup>The War Report of the OSS, p. 329.

<sup>8</sup>The War Report of the OSS, p. 120-121.

<sup>9</sup>The War Report of the OSS, p. 119.

<sup>10</sup>The War Report of the OSS, p. 329.

however, is that OSS Special Operation teams had orders to use British communications under the command of a senior SOE officer. On the other hand, the Secret Intelligence groups avoided SOE control and maintained independent communications.

These restraints in the field did not prevent OSS headquarters in Cairo from developing their own appraisal of the situation in Greece and one which went contrary to that of the British. OSS reports criticized British policy in Greece and accused them of supporting Greek reactionary elements while trying to impose the pre-war political establishment in Greece.<sup>11</sup>

By August 1944, OSS reports on the situation in Greece began to circulate outside OSS headquarters in Washington and some were used by the columnist Drew Pearson in a bitter attack against Winston Churchill and his policy in Greece.<sup>12</sup> This resulted in an angry letter to Donovan from Churchill accusing the OSS of obstructing British policy toward Greece while reminding him that Greece was a British responsibility. Donovan, as far as is known, did not reply. Earlier, in July 1944, Donovan had ran into difficulties with British orders to withdraw all allied missions from Greece unless EAM-ELAS agreed to accept the Papandreou government. The OSS in Cairo opposed this action and Donovan, after informing the State Department of the situation and securing their support, decided to keep the American teams in Greece regardless of what the British did.<sup>13</sup>

The anti-British sentiment in the OSS culminated in September 1944 with the report of Moses Hadas, a distinguished classical scholar and head of the Greek Desk of the Research and Analysis branch. Hadas was particularly hostile to British interference in Greek affairs. He accused the British of duplicity towards EAM-ELAS and maintained that British policy reflected a contemptuous colonial attitude resented by Greek liberals and conservatives.<sup>14</sup> Donovan sent copies of this report to the State Department, Joint Chiefs of Staff and a paraphrased version to Roosevelt. This did not prevent Roosevelt from continuing to support King George of Greece, a support based primarily on the President's personal fondness for the King, but not shared by the State Department.<sup>15</sup>

During the December uprising OSS team Pericles provided the only allied contact with EAM headquarters while another team was

<sup>11</sup>PREM 3/2121/2 74320.

<sup>12</sup>The British, however, were convinced that there was no connection between the Drew Pearson article and the OSS (PREM 3/2121/2 74320).

<sup>13</sup>Anthony Cave Brown, *The Last Hero: Wild Bill Donovan* (New York 1982), p. 600.

<sup>14</sup>NARS RG 226 L46149.

<sup>15</sup>Brown, *The Last Hero*, p. 609.

instrumental in the evacuation of 965 British prisoners captured by ELAS.<sup>16</sup> After the end of hostilities in January, OSS personnel in Greece was decreased to twenty-three and by July 1945 to thirteen.<sup>17</sup>

By October the entire OSS organisation was dismantled, some branches such as Research and Analysis were absorbed by the State Department and the rest were transferred to the War Department.<sup>18</sup> In the process many senior analysts as well as rank and file returned to civilian life while those that remained in government service were viewed with some apprehension.<sup>19</sup> The feeling of some State Department administrators was that the OSS analysts were ideologically: "far to the left of the views held by the President and his Secretary of State," and they were committed to: "a socialized America in a world Commonwealth of Communist and Socialist states dedicated to peace through collective security, political, economic, and social reform; and the redistribution of national wealth on a global basis."<sup>20</sup>

The abolition of the OSS represented the reassertion of military and State Department control over intelligence which had been challenged by the creation of a central intelligence apparatus. As a result, by 1946 the intelligence community had reverted to its pre-war structure, collecting information to serve the specific needs of each department. Accordingly, during the critical 1945-1947 period, intelligence about Greece was focussed on military and security considerations and the implications for American strategy in the region as perceived by each service.

In addition, the intelligence system which followed in the wake of the OSS when confronted with crises in: China, Yugoslavia, France, Italy, Greece and Turkey was unable to deal with these conflicts in terms of their relative importance or provide the administration with an integrated analysis of each case.<sup>21</sup> As a result, the administration received streams of information about a specific situation but only as a response to or just before a crisis.<sup>22</sup>

It soon became apparent that the decentralization of intelligence left the president as the only authority responsible for the coordination of intelligence. The byproduct was a crisis management approach to the use and application of intelligence in the formation of policy.

<sup>16</sup>The Wartime Report of the OSS, p. 329.

<sup>17</sup>Ibid. p. 330.

<sup>18</sup>Troy, *Donovan*, p. 303.

<sup>19</sup>Ibid. p. 313, Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency*, Berkeley and Los Angeles 1972, p. 365.

<sup>20</sup>Quoted by Dean Acheson, *Present at the Creation*, New York 1969, p. 160.

<sup>21</sup>William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York, 1977), p. 276.

<sup>22</sup>Ibid. p. 274.



This forced Truman, in July 1946, to order the establishment of the National Intelligence Authority and the Central Intelligence Group as mechanism for the coordination of intelligence. Both organizations, however, lacked the personnel and resources to make any contribution in the formation of the Truman Doctrine. The problem of intelligence coordination was finally addressed by the creation of the central Intelligence Agency in July 1947.

In Greece, intelligence activity between 1945-1947 was directed by a policy committee consisting of the ambassador, counsellor, economic counselor, cultural, military and naval attaches, who submitted reports and evaluations to their respective agencies in Washington.<sup>23</sup> By February 1947, the administration was receiving alarming reports not only from this group but also from the head of the American Economic Mission and the American representative on the United Nations Commission of Investigation indicating the imminent collapse of Greece. This was followed on the 21st of February with the British declaration that they could not sustain their support of Greece and Turkey.

The response of the Truman administration was to react to an imminent crisis with little consideration for the long-term implications of American involvement in Greece. In fact, the programme of assistance designed to support Greece and Turkey was put together on Saturday the 22nd of February by a group in the State Department and approved by the administration on the 26th of February.<sup>24</sup>

The absence of comprehensive and integrated analysis of the problems in Greece left the administration with little alternative other than to perceive this situation as part of a general threat posed by the Soviet Union to the security of the United States. The crisis in Greece, however, represented a symptom of a greater problem requiring massive intervention to protect American interests in south eastern Europe and the Near East. The failure of intelligence during this period also served as one of the prime catalysts for the creation of the Central Intelligence Agency.

<sup>23</sup>Lawrence S. Witner, *American Intervention in Greece, 1943-1949* (New York 1982), p. 150.

<sup>24</sup>Bruce R. Kuniholm, *The Origins of the Cold War in the Near East: Great Power Conflict and Diplomacy in Iran, Turkey, and Greece* (Princeton N. J. 1980), pp. 404-06.

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## Approaches to the Early Post-War Greek Economy: A Survey

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STUDIES OF THE POSTWAR MODEL OF DEVELOPMENT OF THE Greek economy tend to emphasize the "historical peculiarities" of the accumulation process which differentiate it from typical processes in developed capitalist countries, as well as from experiences of fragmented economies in Third World countries. Naturally, the origin of these "peculiarities" can be traced to the early postwar period, the late 1940s and early 1950s. This approach has been followed in the case of politics but not in the case of economics. Most studies, conventional and radical alike, have used the mid-1950s as their point of departure and focus mainly upon the significant transformations of the 1960s. The preceding period is, in fact, ignored.

Conventional approaches to economic events in the 1940s and early 1950s tend to emphasize the political and economic constraints that prevented the "stabilization" and rapid "reconstruction" of the economy. These approaches suggest that, under conditions of Civil War, the establishment of economic functions would be a very slow process. A phase of development would follow only as the free market system gradually became integrated into the international economy. The "Markezinis reform" of 1953 is usually considered the point of departure of the developmental phase of the postwar economy. At that point the monetary, fiscal, and other mechanisms of the state had been re-established, and the framework of the international economic relations of the country had been formulated. The system had gained the required degree of internal "stability" and external "openness," which allows the mechanisms of free trade and competition to mobilize the economic resources and to efficiently allocate them.

Radical thinking has not systematically addressed this period. The political regime of "restricted democracy," with institutionalized forms