TOP SECRET
Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

In reply refer to Initials and No.

Serial 000360-B1

NAVY DEPARTMENT

OFFICE OF THE CHIEF OF NAVAL OPERATIONS

WASHINGTON 25, D. C.

21 February 1949

MEMORANDUM FOR DIRECTOR, CENTRAL INTELLIGENCE AGENCY:

Subject: Comments of the Office of Naval Intelligence on the Report to the National Security Council entitled "The Central Intelligence Agency and National Organization for Intelligence" dated 1 January 1949.

Enclosure: (A) Draft of ONI comments on subject report.

1. Enclosure (A) is forwarded herewith. It is believed that the proposals contained therein may be of interest.

2. The enclosure has not been signed and will probably be revised for the following reasons:

(a) It was drafted as a supplement to a proposed joint report from the Intelligence Advisory Committee which report will not be made.

(b) It may require revision in the light of comments by other IAC members.

(c) As drafted, it pertains only to matters of concern to the IAC and it may be deemed necessary to enlarge its scope.

NAVY review(s) completed.

J. M. Ocker

J. M. OCKER,
Captain, USN

cc: DI, GSUSA
DI, USAF
DD, JIG
Dept. of State (Mr. Armstrong)
AEC (Dr. Colby)

TOP SECRET
Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

TOP SECRET
Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

In reply refer to Initials and No.

Serial 000356-B1

NAVY DEPARTMENT

OFFICE OF THE CHIEF OF NAVAL OPERATIONS

WASHINGTON 25, D. C.

MEMORANDUM FOR THE EXECUTIVE SECRETARY,
NATIONAL SECURITY COUNCIL.

Via: Director, Central Intelligence Agency.

Subject: Comments of the Office of Naval Intelligence on the Report to the National Security Council entitled "The Central Intelligence Agency and National Organization for Intelligence" dated 1 January 1949.

1. The following comments and recommendations regarding the subject report are submitted by the Office of Naval Intelligence. The report contained herein is confined to those "Conclusions and Recommendations" contained in the subject report which are of concern to the IAC.

2. The majority of the "Conclusions and Recommendations" contained in the subject report may be catalogued under the following headings:

A. Coordination

B. The Intelligence Advisory Committee

C. The Interdepartmental Coordinating and Planning Staff

D. General, which includes such matters as personnel, wartime status of CIA, etc.

The following comments and recommendations will be placed in the foregoing categories.

A. <u>Coordination</u>

The report states that the coordination function of the CIA is not being adequately exercised and that (page 3) "what is needed is continuing and effective coordinating action under existing directives and also directives establishing more precisely the responsibility of the various intelligence agencies." The report also states that (page 5)

TOP SECRET
Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

ENCLOSURE (A)

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

"coordination can most effectively be achieved by mutual agreement among the various agencies." The National Security Act of 1947 charges the Director of the CIA with recommending to the National Security Council measures for coordination of the intelligence agencies but confers upon the Director no authority over those agencies. As each of those agencies is under its own Departmental Head such authority would be inconsistent with normal command relations. Consequently, the best organization for effectively establishing the desired degree of coordination appears to be the Intelligence Advisory Committee. The IAC will be dealt with in more detail in the next section of this report, but it is believed that the authority and responsibilities of the IAC could be broadened without conflict with the National Security Act of 1947 and thus enable this Committee to accomplish more effective coordination in the field of intelligence requirements. Among the essentials necessary to achieve proper coordination the subject report lists (page 54) "continuous examination on the initiative of the CIA of instances of duplication and failure of coordination; directives which establish more precisely the responsibilities of the various departments and the effective carrying out of plans through close interdepartmental consultation at all levels." Although the IAC has no authority at present to issue coordinating directives, it can be authorized to recommend such directives to the NSC. The other essentials listed above appear to be functions which the IAC could most effectively perform.

B. <u>The Intelligence Advisory Committee</u>

The subject report states that (page 63) "the Intelligence Advisory Committee is soundly conceived, but it should participate more actively with the Director of Central Intelligence in the continuing coordination of intelligence activities." It is also further stated in the discussion of National Intelligence Estimates that (page 81) "these estimates should be submitted for discussion and approval by the reconstituted Intelligence Advisory Committee whose members should assume collective responsibility for them." The Chief of Naval Intelligence questions the statement that "the IAC is soundly conceived". The present NSCID No. 1 establishes the IAC "to advise the Director of Central Intelligence". This statement and the name of the Committee are indicative that its functions are purely advisory and that it is without authority.

In the matter of making recommendations to and advising the NSC these recommendations and this advice originate with the Director of the CIA who indicates the concurrence or nonconcurrence of the IAC members. There is no requirement that recommendations or advice which originate with members

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

of the IAC be forwarded to the Council unless the Director of CIA sees fit to do so. It is believed that recommendations or advice which originates with a member of the IAC should be forwarded to the Council whether the Director of CIA agrees or not.

Directives issued in implementation of National Security Council Directives are now issued by the Director of the CIA after unanimous concurrence by the IAC. This procedure could be strengthened as will be indicated later in this paragraph.

The second quotation above states that the IAC members "should assume collective responsibility" for National Intelligence Estimates. It is submitted that if the IAC members are to assume "collective responsibility" they should be assigned collective authority, rather than a collective advisory capacity, in the production of these estimates.

In order to effect the improvements indicated in the subject report and to overcome the defects in the charter of the IAC, it is recommended that the present NSCID No. 1 be reissued along the lines indicated in the proposed redraft attached and labelled Appendix "A". This proposal would change the name of the Committee to "Intelligence Coordinating Committee". None of the changes indicated usurp any of the authority delegated to the Director of the CIA by the National Security Act of 1947. All changes are intended to strengthen the coordinating machinery of the governmental intelligence agencies.

C. <u>The Interdepartmental Coordinating and Planning Staff</u>.

The subject report makes a number of comments regarding ICAPS, many of which are organisational in character within CIA. The report states that it should be reconstituted and suggests the name of "Coordination Division". The report further states that its assigned mission, which it has failed to execute, (page 46) is "to review the intelligence activities of the government, and assist the Director in initiating measures of coordination for recommendation to the National Security Council". The report recommends that (page 63) "ICAPS should be reconstituted as a staff responsible only to the Director of CIA." This is not understood since ICAPS is now considered responsible only to the Director of CIA. The original concept of ICAPS was that it should act as a staff for the IAC but this has not been carried out in practice. The original concept is considered preferrable

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

to the present arrangement which should be changed as indicated below.

The following recommendations regarding ICAPS are submitted:

1. Redesignate ICAPS as the "Coordinating Staff" under the IAC (ICC).

2. Prepare a procedure for this staff containing the following provisions:

   (a) The ICAPS (CS) shall be composed of members appointed by the member agencies of the IAC (ICC). A representative appointed by the Director of the CIA shall be the Chairman.

   (b) ICAPS (CS) shall: (1) keep under continuous review the status of coordination among the various intelligence agencies and make recommendations to the IAC (ICC) for improvement therein; (2) maintain close liaison with member agencies of the IAC (ICC) and other agencies of the government concerned with the National Security with a view to establishing most effective collection of essential information, determining their intelligence needs and insuring an effective interdepartmental dissemination of intelligence; (3) perform such staff functions as the IAC (ICC) may assign, including initial drafts of proposals for the consideration of the IAC (ICC) and periodic checks to insure proper implementation of intelligence directives under the cognizance of the IAC (ICC); (4) determination of "Common Services" which can be best performed by the CIA.

In other words, the ICAPS (CS) relationship to the IAC (ICC) should approximate that of the Joint Intelligence Group to the Joint Intelligence Committee, with respect to matters of policy and procedures. Approval of the above recommendations should be followed by a written charter for ICAPS (CS).

D. <u>General</u>

1. <u>Crisis Situations</u>

In the discussion of National Intelligence Estimates, the subject report states that (page 81) "Provision should be made in these arrangements for the handling of

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-5

crisis situations when coordinated estimates are required without delay". This comment meets with complete concurrence and presents no procedural problem within the IAC, provided one or more of the member agencies is aware of the situation. To insure timely action in crisis situations, echelons above the IAC must be made fully aware that the IAC is prepared to handle the intelligence aspects of these situations rapidly and that information of this nature received through "Eyes ONLY" messages and other similar sources must be relayed expeditiously to the IAC member under that echelon. An NSCID to this effect is recommended.

2. Wartime Status of CIA

The subject report states that "the Central Intelligence Agency is properly placed in our governmental structure under the National Security Council". This comment is considered correct during peacetime but is open to some question during war or national emergency. As this subject is under consideration by the JIC, at present, it is desired to refrain from comment until the JIC recommendations have been acted upon by the JCS.

3. The United States Communications Intelligence Board

The report recommends (page 63) that "The Director of Central Intelligence should be made permanent chairman of the United States Communications Intelligence Board." The Chief of Naval Intelligence does not concur in this recommendation. At present the chairmanship of this Committee is assigned upon an annual rotational basis and it is believed that the Committee has been functioning effectively. Unless future developments appear to warrant a change in procedure, it is recommended that the present method of assignment remain unchanged.

4. The Question of Civilian Direction

The report states (page 136) that "while we recognize that he (the Director) may be either civilian or military, we have reached the conclusion that he should be a civilian" unless (page 137) "he should resign from active military duty and thereafter work as a civilian". The report implies that a Director drawn from the military would be either (a) less competent

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-5

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

or (b) less permanent than a civilian. As to (a), the most competent individual, civilian or military, who is willing to make the assignment a career should be appointed. There are many experienced and competent officers in the Military Establishment and no legal bar to their appointment is recommended. The loyalty, patriotism, and maturity of judgment of military officers in the upper ranks has been thoroughly tested. With one possible exception, all successful foreign secret services are presently headed by military officers and have been for many years. As to (b), it is probable that even greater difficulty would be encountered in obtaining permanency of tenure with a civilian than with a military officer. Very few really outstanding civilians in this field have been persuaded to remain in government service indefinitely. It is believed that the intent of the report is that a Service man assigned as the Director of Central Intelligence should "retire" rather than "resign" as resignation would result in the loss of retirement benefits. An officer's equity in future retired pay should be protected by suitable wording in any legislation making retirement mandatory. It is suggested that an officer from the Services assigned this duty in the future undergo a trial period of approximately six months. His assignment should then be made permanent to, say, age 60, provided (1) the National Security Council is convinced of his competence, (2) the officer desires the assignment, and (3) he agrees to retire.

cc: Director of Intelligence, GSUSA
Director of Intelligence, USAF

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

SECRET
Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

PROPOSED DRAFT

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 1

COORDINATION AND ADVISORY RESPONSIBILITIES AND FUNCTIONS.

Pursuant to the provisions of Section 102 of the National Security Act of 1947, and for the purposes enunciated in paragraphs (d) and (e) thereof, the National Security Council hereby authorizes and directs that:

1. To maintain the relationship essential to coordination between the Central Intelligence Agency and the intelligence organizations, an Intelligence Coordinating Committee consisting of the respective intelligence chiefs from the Departments of State, Army, Navy, and Air Force and from the Joint Staff (JCS), and the Atomic Energy Committee, or their representatives, shall be established to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the government as relate to the National Security. The Director of the Central Intelligence Agency shall be the Chairman thereof and he shall invite the chief, or his representative, of any other intelligence agency having functions related to the national security to sit with the Intelligence Coordinating Committee whenever matters within the purview of his agency are to be discussed. The Intelligence Coordinating Committee shall establish its own procedures, including procedures for the coordination and preparation of national intelligence estimates in both routing and in crisis situations.

2. Coordination of intelligence activities should be designed primarily to strengthen the overall governmental intelligence structure. Primary departmental requirements shall be recognized and shall receive the cooperation and support of all other intelligence agencies.

a. Recommendations of the Director of Central Intelligence and of the Intelligence Coordinating Committee shall be forwarded to the National Security Council by the Chairman of that Committee. These recommendations shall indicate the concurrence or nonconcurrence of the members of the ICC and shall contain the views of the dissenting members set forth in full. When unanimity is not obtained among the Department Heads of the National Military Establishment, the Chairman shall refer the problem to the Secretary of Defense before presenting it to the National Security Council. The foregoing procedure shall also be followed by the

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3
Appendix "A"
SECRET

Director of Central Intelligence in forwarding recommendations or in giving advice to the National Security Council.

b. Recommendations of the Director of Central Intelligence, or of the Intelligence Coordinating Committee, shall, when approved by the National Security Council, issue as Council Directives to the originator. The respective intelligence chiefs shall be responsible for insuring that such orders and directives, when applicable, are implemented within their intelligence organizations.

c. The Intelligence Coordinating Committee shall act for the National Security Council to insure full and proper implementation of Council Intelligence Directives by issuing such supplementary ICC directives as may be required. Such implementing directives in which the Intelligence Coordinating Committee concurs unanimously shall be issued by the Chairman thereof, and shall be implemented within the departments as provided in paragraph b. Where disagreement arises between members of the Intelligence Coordinating Committee over such directives, the proposed directive shall be forwarded to the National Security Council for decision as provided in paragraph a.

3. The Director of Central Intelligence shall produce intelligence relating to the national security, hereafter referred to as national intelligence. In so far as practicable, he shall not duplicate the intelligence activities and research of the various departments and agencies but shall make use of existing intelligence facilities and shall utilize departmental intelligence for such production purposes. For definitions see NSCID No. 3.

4. The Director of Central Intelligence shall disseminate National Intelligence to the President, to members of the National Security Council, to the Intelligence Chiefs of the IAC agencies, and to such governmental departments and agencies as the National Security Council from time to time may designate. Intelligence so disseminated shall be officially concurred in by the intelligence agencies or shall carry an agreed statement of substantial dissent.

5. When Security Regulations of the originating agency permit, the Director of Central Intelligence shall disseminate to the Federal Bureau of Investigation and other departments or agencies intelligence or intelligence information which he may possess when he deems such dissemination appropriate to their functions relating to the national security.

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

6. The Director of Central Intelligence shall perform for the benefit of the existing intelligence agencies such services of common concern to these agencies as the National Security Council determines can be more efficiently accomplished centrally.

7. The intelligence organizations in each of the departments and agencies shall maintain with the Central Intelligence Agency and with each other, as appropriate to their respective responsibilities, a continuing interchange of intelligence information and intelligence available to them.

8. The intelligence files in each intelligence organization, including the CIA, shall be made available under security regulations of the department or agency concerned to the others for consultation.

9. The intelligence organizations within the limits of their capabilities shall provide, or procure, such intelligence as may be requested by the Director of Central Intelligence or by one of the other departments or agencies.

10. The Director of Central Intelligence shall make arrangements with the respective departments and agencies to assign to the Central Intelligence Agency such experienced and qualified officers and members as may be of advantage for advisory, operational, or other purposes, in addition to such personnel as the Director of Central Intelligence may directly employ. In each case, such departmental personnel will be subject to the necessary personnel procedures of each department.

11. The provisions of this directive shall not be construed as an abrogation of any right or responsibility conferred upon any individual or organization by duly constituted authority.

NOTE: If this directive is approved DCI Directive 1/1 will require revision to conform.

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

25X1

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500020047-3