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THE CENTRAL INTELLIGENCE AGENCY

and

NATIONAL ORGANIZATION FOR INTELLIGENCE

NSC review(s) completed.

A Report to the
NATIONAL SECURITY COUNCIL

1 JANUARY 1949

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THE CENTRAL INTELLIGENCE AGENCY
and
NATIONAL ORGANIZATION FOR INTELLIGENCE

A REPORT TO THE NATIONAL SECURITY COUNCIL

by

Allen W. Dulles, Chairman
William H. Jackson
Mathias F. Correa

1 January 1949

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LETTER OF TRANSMITTAL

January 15, 1949

National Security Council
Washington, D. C.

Attention: Mr. Sidney W. Souers
Executive Secretary

Gentlemen:

In accordance with the terms of the memorandum to the undersigned from Mr. Sidney W. Souers, Executive Secretary of the National Security Council, dated February 13, 1948, as supplemented by his memorandum of March 17, 1948,* we submit herewith our report on "The Central Intelligence Agency and National Organization for Intelligence."

On January 13, 1948, the National Security Council recommended to the President that a group comprising individuals not in Government service should make a "comprehensive, impartial, and objective survey of the organization, activities, and personnel of the Central Intelligence Agency." The group was asked to report to the Council its findings and recommendations on the following matters:

> "(a) The adequacy and effectiveness of the present organizational structure of CIA.
> "(b) The value and efficiency of existing CIA activities.
> "(c) The relationship of these activities to those of other Departments and Agencies.
> "(d) The utilization and qualifications of CIA personnel."

As a result of this action, the present Survey Group was created and the undersigned appointed by the National Security Council with the approval

* See Annexes No. 1 and 2 for the texts of these two memoranda which constitute the terms of reference for this survey.

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of the President. The terms of the resolution approved by the National Security Council were communicated to the Group on February 13, 1948.

Following discussions with the undersigned regarding the scope of the survey, the Executive Secretary of the National Security Council, with the approval of the Secretaries of State, Defense, Army, Navy and Air Force, sent to the Survey Group on March 17, 1948, a second memorandum which constituted an extension of the scope of the survey as originally set forth by the National Security Council. In particular, this memorandum included the following provisions:

> "The survey will comprise primarily a thorough and comprehensive examination of the structure, administration, activities and inter-agency relationships of the Central Intelligence Agency as outlined in the resolution of the National Security Council. It will also include an examination of such intelligence activities of other Government Departments and Agencies as relate to the national security, in order to make recommendations for their effective operation and over-all coordination, subject to the understanding that the Group will not engage in an actual physical examination of departmental intelligence operations (a) outside of Washington or (b) in the collection of communications intelligence. On behalf of the National Security Council, I will undertake to seek the cooperation in this survey of those Government Departments and Agencies not represented on the Council which have an interest in intelligence as relates to national security.
>
> "It should be understood that the Survey of the Central Intelligence Agency and its relationship to other Departments and Agencies will be done for and with the authority of the National Security Council. The survey of the intelligence activities of the Departments of State, Army, the Navy, and the Air Force, however, will be for and with the authority of the respective heads of those Departments."

It was also provided that the Survey Group should submit from time to time recommendations on individuals problems, and that problems concerning the Central Intelligence Agency should be given priority over those involving other agencies.

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The Survey Group has submitted two special reports to the National Security Council, each one in connection with particular problems being considered by the Council and its members. The first of these reports, dated May 3, 1948, dealt with [redacted] 25X1 25X1 [redacted]" The second interim report, dated May 13, 1948, dealt with the "Relations Between Secret Operations and Secret Intelligence."

The present report is based on an examination and appraisal of our national intelligence structure and operations as created by the National Security Act of 1947 and developed in the Central Intelligence Agency and the individual departments and agencies concerned with national security. In accordance with the directive from the National Security Council, emphasis has been placed upon the Central Intelligence Agency, but there has also been an examination of the principal departmental intelligence agencies in order to determine their scope in the field of intelligence, and their relations to each other and to the Central Intelligence Agency. Our examination has been confined almost entirely to the over-all intelligence organization and activities in the Washington headquarters of the Central Intelligence Agency and the Departments of State, Army, Navy and Air Force.

We have met with members of the directorate and personnel of the Central Intelligence Agency and with representatives of other agencies. With the assistance of our staff, we have consulted approximately 300 persons who by virtue of their present position or past experience are familiar with intelligence problems. In addition, a series of conferences were held at which officials of all of the intelligence agencies were invited to submit their recommendations and suggestions and discuss

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

TABLE OF CONTENTS

		Page
Letter of Transmittal		
Summary		1
Chapter I	Introduction: The Intelligence Problem in the United States	15
Chapter II	National Intelligence and the National Security Act of 1947	21
	The Duties of the Central Intelligence Agency under the National Security Act	21
	Control over the Central Intelligence Agency	24
	The General Mission of the Central Intelligence Agency	26
	Conclusions and Recommendations	27
Chapter III	The Organization and Administration of the Central Intelligence Agency	29
	Organization	29
	Administration	32
	Budget	33
	Security	34
	Personnel	36
	Conclusions and Recommendations	38
Chapter IV	The Responsibility of the Central Intelligence Agency for the Coordination of Intelligence Activities	41
	The Statutory Provisions	41
	The Organization and Operation of the Machinery for Coordination	43
	Intelligence Advisory Committee	43

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Page

Interdepartmental Coordinating and Planning Staff. 46

Office of Collection and Dissemination 48

National Security Council Intelligence Directives 50

The Degree of Coordination Achieved. 53

Scientific Intelligence. 55

Domestic Intelligence and Counter-Intelligence Affecting the National Security. 56

Communications Intelligence. 58

Proposals for Improved Coordination. 60

Conclusions and Recommendations. 63

Chapter V The Responsibility of the Central Intelligence Agency for National Intelligence Estimates. 65

The Mandate under the National Security Act and the Directives 65

The Concept of National Intelligence Estimates . 68

The Organization and Activities of the Central Intelligence Agency for the Production of National Intelligence. 70

Proposals for Improving the Production of National Estimates 76

Conclusions and Recommendations. 81

Chapter VI Services of Common Concern: Intelligence Research and Reports 83

Proposed Research and Reports Division 83

Periodical Summaries 84

Miscellaneous Reports and Memoranda. 86

The National Intelligence Survey 87

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Page

Economic, Scientific and Technological Intelligence 88

Conclusions and Recommendations 91

Chapter VII Services of Common Concern: The Collection of Overt Intelligence 93

25X1 [redacted] 93

25X1 [redacted] 101

Foreign Documents Branch 103

Conclusions and Recommendations 104

Chapter VIII Services of Common Concern: The Collection of Secret Intelligence 107

The Charter of the Central Intelligence Agency to Conduct Secret Intelligence Activities . . . 108

Organization of the Office of Special Operations 110

Field Activities of Covert Intelligence 117

Security of Secret Intelligence Activities . . . 122

Counter-Espionage. 124

Communications Intelligence. 126

The Need for Policy Direction of Secret Intelligence 127

General Appraisal. 128

Conclusions and Recommendations. 129

Chapter IX Services of Common Concern: The Conduct of Secret Operations 131

Relations between Secret Intelligence and Secret Operations 131

The Office of Policy Coordination 132

Conclusions and Recommendations 134

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

		Page
Chapter X	The Direction of the Central Intelligence Agency .	135
	General Appraisal	135
	The Question of Civilian Direction	136
	Conclusions and Recommendations	138
Chapter XI	The Service Intelligence Agencies	139
	Mission and Responsibilities	139
	Coordination of Service Intelligence Agencies .	141
	The Status of Intelligence in the Services . .	146
	Conclusions and Recommendations	149
Chapter XII	The Intelligence Functions of the Department of State	151
	The Research and Intelligence Staff	152
	Intelligence Relations between the State Department and Outside Agencies	157
	Conclusions and Recommendations	161
Chapter XIII	Conclusion	163

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ANNEXES

		Page
1.	Survey Group Terms of Reference (I): Memorandum dated February 13, 1948, from Sidney W. Souers, Executive Secretary, National Security Council.	165
2.	Survey Group Terms of Reference (II): Memorandum dated March 17, 1948, from Sidney W. Souers, Executive Secretary, National Security Council	167
3.	Presidential letter dated January 22, 1946, creating the Central Intelligence Group.	169
4.	Section 102 of the National Security Act of 1947.	171
5.	Chart: Central Intelligence Agency Organization as of January 1, 1949	173
6.	Table: Personnel Strength of Central Intelligence Agency, as of December 24, 1948	174
7.	National Security Council Intelligence Directive No. 1: "Duties and Responsibilities"	175
8.	National Security Council Intelligence Directive No. 2: "Coordination of Collection Activities Abroad".	178
9.	National Security Council Intelligence Directive No. 3: "Coordination of Intelligence Production.	180
10.	National Security Council Intelligence Directive No. 4: "National Intelligence Objectives".	184
11.	National Security Council Intelligence Directive No. 5: "Espionage and Counter-Espionage Operations".	185
12.	[redacted]	186
13.	National Security Council Intelligence Directive No. 7: "Domestic Exploitation"	187
14.	National Security Council Intelligence Directive No. 8: "Biographical Data on Foreign Scientific and Technological Personalities"	190
15.	[redacted]	191

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

SUMMARY

The primary object of this survey has been the Central Intelligence Agency, its organization and activities, and the relationship of these activities to the intelligence work of other Government agencies. Examination has been made of these other intelligence agencies only to the extent that their activities bear upon the carrying out by the Central Intelligence Agency of its assigned functions.

Section 102 (d) of the National Security Act of 1947 creates the Central Intelligence Agency as an independent agency under the direction of the National Security Council. It gives to the Council broad powers in the assignment of functions to the Central Intelligence Agency and creates a framework upon which a sound intelligence system can be built. The Central Intelligence Agency has been properly placed under the National Security Council for the effective carrying out of its assigned function. It should, however, be empowered and encouraged to establish, through its Director, closer liaison with the two members of the National Security Council on whom it chiefly depends and who should be the main recipients of its product--the Secretary of State and the Secretary of Defense.

The National Security Act, as implemented by directives of the National Security Council, imposes upon the Central Intelligence Agency responsibility for carrying out three essential functions:

(1) The coordination of intelligence activities;

(2) The correlation and evaluation of intelligence relating to the national security, which has been interpreted by directive as meaning the production of national intelligence;

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

consultation with the other intelligence agencies, of taking the initiative in seeking directives to effect it. Today this coordinating function of the Central Intelligence Agency is not being adequately exercised.

To assist it in carrying out this task the Central Intelligence Agency has available the Intelligence Advisory Committee. This group includes the Director of Central Intelligence as chairman, the the heads of the intelligence staffs of the Departments of State, Army, Navy and Air Force, the Atomic Energy Commission and the Joint Intelligence Group of the Joint Staff.

A number of formal directives for the coordination of intelligence activities have been issued by the National Security Council upon the recommendation of the Central Intelligence Agency and the Intelligence Advisory Committee. These directives, except those specifically assigning to the Central Intelligence Agency the carrying out of certain common services described below, have not gone far enough in defining the scope and limits of departmental intelligence activities. These activities continue to present many of the same jurisdictional conflicts and duplication which the National Security Act was intended to eliminate. Consequently, the absence of coordinated intelligence planning, as between the Central Intelligence Agency, the Service agencies and the State Department, remains serious. 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 field of scientific and technological intelligence is an example of lack of coordination. Responsibilities are scattered, collection efforts are uncoordinated, atomic energy intelligence is divorced from scientific

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

intelligence generally, and there is no recognized procedure for arriving at authoritative intelligence estimates in the scientific field, with the possible exception of atomic energy matters.

Another important example of lack of coordination is in the field of domestic intelligence and counter-intelligence relating to the national security. Jurisdiction over counter-intelligence and counter-espionage activities is assigned to the Federal Bureau of Investigation in the United States and the Central Intelligence Agency abroad. However, fifth column activities and espionage do not begin or end at our geographical frontiers, and our intelligence to counter them cannot be sharply divided on any such geographical basis. In order to meet the specific problem presented by the need for coordination of activities in the field of domestic intelligence and counter-intelligence relating to the national security, it is recommended that the Director of the Federal Bureau of Investigation be made a permanent member of the Intelligence Advisory Committee.

The Intelligence Advisory Committee so far has had little impact on the solution of the problem of coordination, except in formally approving proposed directives. It should be re-activated and called upon to play an important role.

To assist the Director of Central Intelligence in carrying out his duties to plan for the coordination of intelligence, the staff in the Central Intelligence Agency known as the Interdepartmental Coordinating and Planning Staff should be reconstituted and strengthened. It should be composed of personnel definitely assigned to, and responsible to, the Director of Central Intelligence and charged, on a full-time basis, with carrying on continuous planning

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

for the coordination of specific intelligence activities. This staff, which might be called the "Coordination Division," should support the Director in fulfilling one of his most important and difficult duties under the National Security Act.

In concluding the consideration of this most vital problem of coordination of intelligence activities, it should be emphasized that coordination can most effectively be achieved by mutual agreement among the various agencies. With the right measure of leadership on the part of the Central Intelligence Agency, a major degree of coordination can be accomplished in that manner.

THE RESPONSIBILITY OF THE CENTRAL INTELLIGENCE AGENCY FOR THE PRODUCTION OF INTELLIGENCE RELATING TO THE NATIONAL SECURITY

A long-felt need for the coordination, on the highest level, of intelligence opinion relating to broad aspects of national policy and national security was probably the principal moving factor in bringing about the creation of the Central Intelligence Agency. The lack of any provision for the prompt production of coordinated national intelligence of this kind was one of the most significant causes of the Pearl Harbor intelligence failure.

This type of national intelligence, expressed in the form of coordinated national estimates, transcends in scope and breadth the interest and competence of any single intelligence agency. Hence, such estimates should be fully participated in by all of the principal intelligence agencies. All jointly should share in the responsibility for them.

With one or two significant exceptions, whose occurrence was largely fortuitous, the Central Intelligence Agency has not as yet effectively carried out this most important function.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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The Office of Reports and Estimates in the Central Intelligence Agency was given responsibility for production of national intelligence. It has, however, been concerned with a wide variety of activities and with the production of miscellaneous reports and summaries which by no stretch of the imagination could be considered national estimates.

Where the Office of Reports and Estimates produces estimates, it usually does so on the basis of its own research and analysis and offers its product as competitive with the similar product of other agencies, rather than as the coordinated result of the best intelligence product which each of the interested agencies is able to contribute.

The failure of this type of intelligence product to meet the requirements of a coordinated national estimate is not substantially mitigated by the existing procedure whereby the Office of Reports and Estimates circulates its estimates to the intelligence agencies of State, Army, Navy and Air Force and obtains a formal notation of dissent or concurrence. Under this procedure, none of the agencies regards itself as a full participant contributing to a truly national estimate and accepting a share in the responsibility for it.

It is believed that this situation can be remedied if the Central Intelligence Agency recognizes the responsibility which it has under the statute and assumes the leadership in organizing its own work and in drawing upon that of the other intelligence agencies of Government for the production of coordinated intelligence. Thus, within its own organization, the Central Intelligence Agency should have, in lieu of the present Office of Reports and Estimates, a small group of specialists, which might appropriately be called "Estimates Division."

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

It would be the task of this group to review the intelligence products of other intelligence agencies and of the Central Intelligence Agency, and to prepare drafts of national intelligence estimates for consideration by the Intelligence Advisory Committee.

The final process of coordination should take place in the Intelligence Advisory Committee which would review and discuss the proposed estimates. The finished estimate should be clearly established as the product of all of the contributing agencies in which all share and for which all take responsibility. It should be recognized as the most authoritative estimate available to the policy-makers.

Where particular scientific or technical intelligence matters are involved, the Intelligence Advisory Committee should secure the views of the best qualified technical experts available to them, including experts from the Research and Development Board and the Atomic Energy Commission.

There should also be provision for the prompt handling of major emergency situations so that, as a matter of course, when quick estimates are required, there is immediate consultation and collective appraisal by the Intelligence Advisory Committee on the basis of all available information.

The inclusion of the Federal Bureau of Investigation as a permanent member should assure that intelligence estimates will be made in the light of domestic as well as foreign intelligence. Provision should be made for the representation on the Intelligence Advisory Committee of other agencies of the Government when matters within their competence are under discussion.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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production and coordination by the proposed Research and Reports Division, would result in great economy of effort and improvement of the product. For example, the organization within this division of a scientific branch, staffed by highly qualified personnel and empowered to draw upon the scientific personnel of such organizations of Government as the Research and Development Board and the Atomic Energy Commission for the purpose of dealing with specialized scientific problems, is a project which should have the highest priority.

This division of the Central Intelligence Agency should be staffed in part by representatives of the departmental intelligence services so that the reports produced would represent authoritative and coordinated opinion and be accepted as such by the various consumer agencies.

The Director's planning staff for coordination of activities, the proposed Coordination Division, should review the question as to what subjects might appropriately be assigned to the new Research and Reports Division for central research and report and what services now centrally performed in the Central Intelligence Agency might be eliminated. The Intelligence Advisory Committee would be the agency to determine the allocation of work, and in case of any failure to agree the matter would be referred to the National Security Council.

OPERATING SERVICES OF COMMON CONCERN

The operating services of common concern presently performed by the Central Intelligence Agency consist of the [redacted] 25X1

25X1 [redacted]

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collection of secret intelligence abroad through the Office of Special Operations; and the conduct of secret operations abroad through the Office of Policy Coordination.

All of these services are appropriately allocated to the Central Intelligence Agency. These operating functions are so inter-related and interdependent that they should have common direction at some point below the Director of Central Intelligence.

The general administrative problems of these operating offices are unique because of their secrecy and the consequent security requirements. They differ importantly from that part of the work of the Central Intelligence Agency which is concerned with the coordination of activities and the production of intelligence. Accordingly, these three operating offices should have common administrative services, separate from those of the balance of the Central Intelligence Agency.

The three activities, [redacted] 25X1

25X1 [redacted] should be responsible to one official charged with their direction. The new "Operations Division" would be self-sufficient as to administration and semi-autonomous. This would, to a large extent, meet the criticism frequently voiced, and with a good deal of merit, that it is essentially unsound to combine in a single intelligence agency both secret operations and over-all coordinating and estimating functions.

In its secret intelligence work, the Office of Special Operations requires a closer liaison with the other intelligence agencies, especially those of the military services and of the State Department which are its chief consumers

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In commenting on administration, the question of security should also be stressed. The Director is charged under the law with protecting intelligence sources and methods from unauthorized disclosure. One of the best methods of achieving this is to correct the present situation where the Agency is viewed and generally publicized as the collector of secret intelligence and to bury its secret functions within a Central Intelligence Agency whose chief recognized activities are the coordination of intelligence and the production of intelligence estimates.

In reviewing the work of the directorate, consideration has been given to the question whether or not the Director should be a civilian. The work of the Agency, from its very nature, requires continuity in that office which is not likely to be achieved if a military man holds the post on a "tour of duty" basis. For this reason, as well as because freedom from Service ties is desirable, the Director should be a civilian. This recommendation does not exclude the possibility that the post might be held by a military man who has severed his connection with the Service by retirement.

THE SERVICE INTELLIGENCE AGENCIES AND THE INTELLIGENCE FUNCTIONS OF THE STATE DEPARTMENT

The Service intelligence agencies and the intelligence organization of the State Department have been reviewed from the point of view of the over-all coordination of intelligence and of the contribution which these agencies should make to the assembly and production of national intelligence.

As regards the Service intelligence agencies, the active exercise by the Central Intelligence Agency of its coordinating functions should result in a more efficient allocation of effort than is presently the case. The Service

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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agencies should concern themselves principally with military intelligence questions, leaving the Central Intelligence Agency to perform agreed central services of common interest. In addition, continuing responsibility of the Central Intelligence Agency for coordination should be exercised with respect to certain Service activities, for example, espionage and counter-espionage in occupied areas. The Joint Intelligence Committee would continue to operate with its membership unchanged and would concern itself exclusively with military and strategic questions as directed by the Joint Chiefs of Staff. The Services would participate in the formulation of national intelligence estimates through their membership in the Intelligence Advisory Committee and would share in the collective responsibility for these estimates.

In the case of the Research and Intelligence staff of the State Department, the conclusion has been reached that this staff, as at present constituted, is not sufficiently close to operation and policy matters in the Department to furnish the necessary liaison or the political intelligence estimates required by the Central Intelligence Agency for the preparation of national estimates. Accordingly, it is desirable that a high official of the State Department be designated as its Intelligence Officer to coordinate these activities, to act as the Department's representative on the Intelligence Advisory Committee and, in general, to act as liaison with the Central Intelligence Agency with respect to the intelligence and related activities of the two agencies and to develop close working relations between them.

CONCLUSION

While organization charts can never replace individual initiative and ability, the Central Intelligence Agency, reorganized along the functional

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

lines indicated in this report, should be able more effectively to carry out the duties assigned it by law and thus bring our over-all intelligence system closer to that point of efficiency which the national security demands.

* * *

The foregoing summary is only a brief outline of the main points of the report and does not take the place of the detailed discussion in the report and the various conclusions and recommendations at the close of the respective chapters.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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CHAPTER I

INTRODUCTION

THE INTELLIGENCE PROBLEM IN THE UNITED STATES

Before considering the adequacy and effectiveness of the work of the Central Intelligence Agency and its relations to our other intelligence agencies, a brief word of background may be helpful.

Although the Central Intelligence Agency is largely an outgrowth of our experience in World War II, it would be wrong to proceed from the premise that prior to the war our Government had operated without intelligence as to the capabilities and intentions of possible enemies or prospective allies. The Department of State had long maintained a widespread information-gathering service. The Army, the Navy and certain other departments of the Government had maintained their own systems of collecting information and producing intelligence.

Prior to World War II, however, we had no integrated secret intelligence service. We had not adequately exploited the available sources of overt intelligence. We had no central agency to coordinate intelligence collection and production, and to assemble the best available intelligence for expression in national estimates to guide in the formulation of foreign policy and the preparation of our defense plans.

In World Wars I and II our European Allies, Great Britain in particular, had placed the product of their intelligence services largely at our disposal. While we can expect in the future assistance from the intelligence services of friends and allies, we have rightly concluded that we should not depend on

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them for our intelligence to the extent we were forced to do in World War I and during the early days of World War II.

It was World War II which showed both our deficiencies in intelligence and also what we could accomplish under pressure. Through the expansion of the facilities of the State Department and the military services, through the Office of Strategic Services -- our first move towards a central intelligence agency -- through enlisting the best personnel that could be found, in and out of Government service, we were turning out a very creditable performance in many phases of intelligence work well before the end of the war.

We now recognize that if we are to have adequate intelligence in times of crisis, we must prepare in time of peace, and we have seriously turned to the task of building up a central intelligence organization. The country has now accepted the verdict, even if somewhat reluctantly, that peace-time intelligence is essential to security and, as many of our military leaders have said, our first line of defense. It took us a long time to reach this conclusion, and we are only now gradually getting over our suspicions of intelligence and our tendency to confuse it with mere intrigue and the more lurid side of espionage. We are beginning to accept it as serious and honorable work and essential to our defense.

It is well to recognize, however, that an efficient intelligence organization cannot be built overnight.

It will require years of patient work to provide skilled personnel to do the job. Blueprints and organization charts, even legislation and ample appropriations will not take the place of competent and highly trained men and

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women. Without them we shall have neither effective intelligence operations nor sound intelligence estimates. Unfortunately, in the difficult organizational period since the war, the future of intelligence as a career has seemed so uncertain that many war-trained and competent men have left the service, and it has been particularly difficult to find recruits to take their place.

Finally, security for our intelligence activities is not always easy to achieve here in the United States. It is not only the penetration of fifth columnists which we have to guard against. We have the general problem rising out of our tradition that all of the affairs of the Government shall be conducted in the open. Sometimes we tend to carry this over even as regards the publication of the intimate details of intelligence operations. In peacetime, particularly, it is not always easy to reconcile our vital interest in protecting the freedom of the press with the need for silence on certain phases of intelligence.

As against these debit items, we could cite a long list of highly favorable factors. America has the potential resources, human and material, for the best intelligence service in the world. Within our borders we have every race and nationality, loyal sons speaking every language, travelling and resident in every foreign country. We have a wide geographical base for the development of intelligence work. We have the greatest reservoir of scientific and technical skills. We have important allies abroad who are ready to join their knowledge to ours and to give us the benefit of their years of experience in intelligence. And last, and possibly most important of all, in the field of intelligence work, we can develop the individual initiative, skill and ingenuity of a free people, and, in dealing with our main intelligence antagonists, even though they operate with the iron discipline imposed by the Kremlin, we can

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show that free men can be vastly more efficient than those working for a slave system.

These are some of our great assets; our problem is to mobilize them.

There are real elements of urgency in seeing that this task is accomplished.

(1) America today, as never before in time of peace, is vulnerable to sudden and possibly devastating attack. To meet an initial attack, there are no sure military weapons of defense and it may well be that our best protection lies in adequate advance knowledge of the character and timing of the danger.

(2) A vast area of the world stretching from the Elbe River in Germany to the Yangtse in China is largely behind an iron curtain where the normal sources of information are partially or wholly lacking. The techniques of an intelligence service ought to be one of the important means of penetrating this barrier.

(3) A whole new area of knowledge in the field of science has become vital for our defense. This field cuts across the functions of various Government departments and presents new problems from the viewpoint of intelligence collection and coordination.

(4) The far-flung activities of the fifth column, both here and abroad, present a new type of threat to our security, and we require a concerted intelligence program to counter this danger.

These are only a few of the developments which give to intelligence an importance in our defense system which it has never had in the past in time of peace. Fortunately, these facts are now becoming well understood, and the

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Administration, the Congress and the people share with deadly seriousness the determination that the United States here and now shall build the best intelligence service that our national genius and our great resources can provide.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER II

NATIONAL INTELLIGENCE AND THE NATIONAL SECURITY ACT OF 1947

Beginning as early as 1944 preparations were under way for the transition from war-time intelligence to a permanent intelligence organization suited to our post-war needs.

In a series of discussions among the interested Government agencies as to how the country could most effectively organize its permanent, long-range, peace-time intelligence there was general agreement on some form of a central agency. There was, however, a sharp divergence of views as to the scope of the activities of such an agency, the authority it should enjoy, the manner in which it should be administered and controlled and where in the Government it should be located. These issues were resolved at that time through the creation by Presidential letter (See Annex No. 3) of the Central Intelligence Group, and then more definitely determined through the establishment of the Central Intelligence Agency by Congress in Section 102 of the National Security Act of 1947. (See Annex No. 4).

THE DUTIES OF THE CENTRAL INTELLIGENCE AGENCY UNDER THE NATIONAL SECURITY ACT

Section 102 (d) of this Act defines the duties of the Central Intelligence Agency as follows: -

"(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council --

"(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

"(2) 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;

"(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

"(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

"(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

In these provisions the authors of the National Security Act showed a sound understanding of our basic intelligence needs by assigning to the Central Intelligence Agency three broad duties which had never before been adequately covered in our national intelligence structure. These duties are: (1) to advise the National Security Council regarding the intelligence activities of the government and make recommendations for their coordination; (2) to provide for the central correlation, evaluation and dissemination of intelligence relating to the national security; and (3) to assure the performance, centrally, subject to National Security Council direction, of certain intelligence and related functions of common concern to various departments of the Government.

The powers given to the National Security Council and the Central Intelligence Agency under Section 102 of the Act establish, in our opinion, the framework for a sound intelligence service for this country. Accordingly, we

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

do not suggest any amendments to the Act and believe it would be unwise to tamper with this legislation until we have had further experience in operating under it. Throughout our report we stress the vital importance of giving effect to the real legislative intent through the effective exercise by the Central Intelligence Agency of those functions assigned to it by the Act. We refer particularly to the responsibility of the Central Intelligence Agency for the coordination of intelligence activities and the coordination of intelligence opinion in the form of national intelligence estimates.

In providing for a semi-autonomous highly centralized agency with a broad variety of intelligence responsibilities affecting various Government agencies, we have departed from the general pattern followed by other countries. There the tendency in most phases of intelligence has been to avoid such a degree of centralization. Under the conditions existing in the United States we believe that the degree of centralization proposed under the National Security Act can be justified, provided that the distinctive functions of the Central Intelligence Agency are handled according to their special requirements.

As one recommendation designed to offset the disadvantages of over-centralization in intelligence, we later propose in this report that the branches of the Central Intelligence Agency which are directly engaged in clandestine activities, such as secret intelligence, counter-intelligence, secret operations and the like, be given a great measure of autonomy as to internal administration, the control of their operations and the selection of personnel.

In this connection we have considered the arguments which have been frequently advanced that the functions of coordination and of evaluation, on the

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

one hand, should be wholly divorced from collection and operations on the other. One argument is that the analyst will be overly impressed with the particular items of information which his own organization collects, as contrasted with the information reaching him from other sources. There is a further fear, partly substantiated by experience under the Central Intelligence Agency, that if the several functions are combined, there will be a tendency to neglect the coordinating responsibilities in favor of the more exciting field of operations. Finally, the point is made that by joining together a variety of operations whose security requirements are quite different, the possibility of providing effective security to those activities that require it most is thereby reduced.

We appreciate the weight of these arguments but do not feel that they are decisive. We believe that the recognition of the distinctive functions of the Central Intelligence Agency, and the handling of each one according to its special requirements and in proper relation to the over-all mission, would largely meet these objections. In particular, the granting of autonomy to the clandestine work and adequate emphasis on the important coordinating responsibilities of the Central Intelligence Agency would overcome the disadvantages of combining these functions in one organization.

CONTROL OVER THE CENTRAL INTELLIGENCE AGENCY

We do not agree with the argument, often advanced, that the Central Intelligence Agency, or at least its operating services, should be placed under the direct control of one of the executive departments of the Government, such as the Department of State or the National Military Establishment. The activities of the Central Intelligence Agency do not concern either of these departments

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

exclusively. Moreover, the administrative arrangements of these departments are not well suited to the conduct of extensive secret foreign intelligence operations. The fact that in time of war secret activities are primarily of concern to the military is not, in our opinion, sufficient justification for placing them under military control in time of peace. The National Security Act is flexible enough and the authority of the National Security Council sufficiently broad to permit any necessary adjustments within the Central Intelligence Agency so that these operations will be responsive to the needs of the policy-making and operating departments of the Government, without subordinating them directly to these departments.

We have also considered the question whether the Central Intelligence Agency as a whole is properly placed in our governmental structure under the National Security Council. When the National Security Act was being drafted doubts were expressed whether a committee such asthe National Security Council would be able to give effective direction to the Central Intelligence Agency. It was argued that the National Security Council was too large a body, would be preoccupied with high policy matters, and would meet too infrequently to be able to give sufficient attention to the proper functioning of the Central Intelligence Agency.

There is force to the criticism that a committee, no matter how august, is rarely an effective body for the direction of the current operations of another agency. It is true that the National Security Council cannot effectively assume the task of directing such current operations, and should not attempt to do so, except to the extent of assuring itself of compliance with its directives. However, the Council, whose chairman is the President and whose membership comprises the highest authority in the interested departments

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

of the Government, can render effective service in determining the nature and scope of the activities of the Central Intelligence Agency within the framework of the National Security Act.

We recommend, however, that provision should be made for closer liaison between the Central Intelligence Agency and the two members of the National Security Council on whom it chiefly depends: namely, the Secretary of State and the Secretary of Defense. We suggest that the Director of Central Intelligence be encouraged to seek current advice and continuing guidance from these two members of the National Security Council on matters which may not properly be the subject of its formal directives, or which have not reached the point of requiring such directives. Such close association would help counteract what we feel is a growing tendency for the Central Intelligence Agency to become a separate and independent agency of Government working to some extent in competition with, rather than for the benefit of, those departments of Government which are the primary users of what the Central Intelligence Agency should produce.

THE GENERAL MISSION OF THE CENTRAL INTELLIGENCE AGENCY

Unless the Central Intelligence Agency performs an essential service for each of these departments and coordinates their intelligence activities it will fail in its mission. The Central Intelligence Agency should not be merely another intelligence agency duplicating and rivalling the existing agencies of State, Army, Navy and Air Force. It should not be a competitor of these agencies, but a contributor to them and should help to coordinate their intelligence activities. It must make maximum use of the resources of existing agencies; it must not duplicate their work but help to put an end to

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

existing duplication by seeing to it that the best qualified agency in each phase of the intelligence field should assume and carry out its particular responsibility.

In the succeeding chapters of this report we will suggest concrete steps for giving effect to these general principles. In doing so we will start from the premise which we have stated above that the existing legislation affords a good basis on which to build a central intelligence service. Furthermore, as the most practical method of approach, we will examine what has been accomplished through the Central Intelligence Agency under this legislation and suggest as we go along the specific and, in some cases, fundamental changes which we consider desirable. In this way we will build upon what we now have rather than attempt to start anew and build from the ground up.

CONCLUSIONS AND RECOMMENDATIONS

(1) Section 102 of the National Security Act of 1947 establishes a framework for a sound intelligence system and no amendments to this Section of the Act are deemed necessary at this time.

(2) The Central Intelligence Agency is properly placed in our governmental structure under the National Security Council.

(3) The Central Intelligence Agency should be empowered and encouraged to establish through its Director closer liaison with the two members of the National Security Council on whom it chiefly depends. namely, the Secretaries of State and Defense.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER III

THE ORGANIZATION AND ADMINISTRATION OF THE CENTRAL INTELLIGENCE AGENCY

ORGANIZATION

The National Security Act of 1947 does not make detailed provision for the organization of the Central Intelligence Agency. It provides that the Agency shall be headed by a Director of Central Intelligence and that he "shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the Armed Services or from among individuals in civilian life".

With one exception, noted below, the Director is free to organize the Central Intelligence Agency as he chooses and to appoint to positions within the organization persons of his own selection, as well as to terminate their employment without regard for normal Civil Service procedures.

In this chapter we discuss the administrative organization of the Central Intelligence Agency, leaving for Chapter X, when we have completed our examination of the various activities of the Agency, an appraisal of the over-all direction of the organization in relation to its assigned mission.

In carrying out his task of organizing the Central Intelligence Agency, the Director has designated as his immediate subordinates a Deputy Director and an Executive Director*. Assisting this directing group in a staff capacity are the Interdepartmental Coordinating and Planning Staff (ICAPS); the General

* General Order No. 11 of the Central Intelligence Agency, dated September 14, 1948, which is to become effective shortly, abolishes the post of Executive Director.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Counsel who handles all legal and legislative work; the Advisory Council, a small staff which represents the Director in handling communications intelligence matters; the Executive for Administration and Management, in charge of financial and budgetary matters, administrative services, supply and general housekeeping, personnel and management advice and surveys; and the Executive for Inspection and Security, responsible for internal security policies and investigations, physical security arrangements, inspections and audits. (For Organization Chart as of January 1, 1949, see Annex No. 5).

The Interdepartmental Coordinating and Planning Staff (ICAPS), comprising persons nominated by the Departments of State, Army, Navy and Air Force, has the primary responsibility for assisting the Director and the Intelligence Advisory Committee with respect to the coordination of intelligence activities. (See Chapter IV).

The other functions of the Central Intelligence Agency are performed in five Offices*, each headed by an Assistant Director. These are the Office of Reports and Estimates (ORE), Office of Special Operations (OSO), Office of Policy Coordination (OPC), Office of Operations (OO), and Office of Collection and Dissemination (OCD). A chart showing the personnel strength of the various parts of the Agency as of December 24, 1948 is given in Annex No. 6.

The responsibility of the Central Intelligence Agency to "correlate and evaluate intelligence relating to the national security" is assigned to the Office of Reports and Estimates (ORE). However, as we will point out later, (See Chapters V and VI), a clear distinction has never been made within the

* We understand that since this report was written steps are being taken to create a separate Office of Scientific Intelligence.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Office of Reports and Estimates between the duty of correlating national intelligence and performing other miscellaneous reporting activities which are more in the nature of "static" common service functions.

The "operating" services of common concern which have been assigned to the Central Intelligence Agency are carried out by three Offices. The Office of Special Operations is responsible for foreign espionage and counter-espionage (See Chapter VIII). [redacted]

25X1 [redacted]

25X1

25X1 [redacted] The Office of Policy Coordination is charged with conducting secret operations abroad under a special mandate from the National Security Council which stipulated that the Assistant Director, Office of Policy Coordination, must be nominated by the Secretary of State, and that his appointment by the Director is subject to approval by the National Security Council. This is the only case, as mentioned above, in which the National Security Council has prescribed internal arrangements within the Central Intelligence Agency or limited the appointive authority of the Director. (See Chapter IX).

The Office of Collection and Dissemination combines a variety of functions, each somewhat differently related to the over-all mission of the Central Intelligence Agency. It performs static services of common concern in that it compiles and maintains certain biographical, library and other reference materials. It also performs a coordinating function in handling intelligence collection requests of the Central Intelligence Agency and the other departments. Finally, it performs administrative functions such as the reception and dissemination of documents and reports. (See Chapter IV).

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ADMINISTRATION

The administrative requirements of an organization such as the Central Intelligence Agency, which carries out overt and covert activities, many of which are highly specialized, cannot be expected to conform to normal administrative practice. The entire organization is, to some extent, affected by special security requirements, and these are particularly difficult to handle with respect to secret intelligence and related operations.

It is for these reasons that we are opposed to proposals for increasing the degree of administrative centralization in the Central Intelligence Agency*. In particular, the administrative problems associated with secret work abroad are of such an unconventional character that they need to be given special treatment. (See below, page 116).

Administrative arrangements which do not at first sight appear to be efficient or economical may be necessary in the Central Intelligence Agency. Personnel requirements for certain types of work cannot conform to normal Civil Service standards, and the demands of security often impose special and unusual procedures. This situation must be understood not only by those responsible for the internal organization of the Central Intelligence Agency but also by Congress and the Bureau of the Budget.

The charge is sometimes made that there are too many administrative personnel and that the Central Intelligence Agency organization is top heavy in this respect. The Executive for Administration and Management and the Executive for

* General Order No. 11 provides for the centralization under an Executive for Administration (former Executive for Administration and Management) of all budget, services, personnel and management functions, both overt and covert. This measure is, in our opinion, unsound and contrary to the principles advocated in this report.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Inspection and Security together represent a large number of personnel totalling over [redacted] out of a total of about [redacted] This figure does not include personnel performing administrative functions in other parts of the organization. However, regardless of the criticism directed against numbers, criticism should be properly directed against policies and procedures. (See Chapter X).

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25X1

BUDGET

The Central Intelligence Agency appears to have no serious budgetary problem and is favored by adequate Congressional support. The budget proposals, as approved by the Director, are submitted each year with the authorization of the National Security Council to the Bureau of the Budget where they are handled by one official who has full security clearance. Then the budget is supported before special sub-committees of the Appropriations Committee of the two Houses of Congress. After approval, arrangements are made with the Bureau of the Budget so that various parts of the budget are appropriated to other departments. Thus, there is no official appropriation to the Central Intelligence Agency, but there are a number of separate blanket and unidentified appropriations to other departments, which act as the vehicles for transmitting the funds to the Central Intelligence Agency.

Both Congress and the Bureau of the Budget have refrained from examining in detail the internal workings of the Central Intelligence Agency in order to determine the justification for the budget. It is important that such discretion and security be continued and that special treatment be accorded. However, in order to justify this, it is necessary that the National Security Council continuously assure itself as to the proper management and operations of the Central Intelligence Agency, serving as the informed sponsor of the Agency and as the protector of its security.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In summary, we believe that the present arrangements for handling the difficult question of the budget for the Central Intelligence Agency are sound and that the Agency has not been hampered in carrying out its present responsibilities by lack of funds.

SECURITY

Although there is no evidence of any laxness in the administrative arrangements for security, there are a number of circumstances and policies which detract from the general security of the Central Intelligence Agency. It is very difficult to create adequate security, other than mere physical security, around an organization which was publicly created by statute, employs about three thousand individuals, and encompasses a wide variety of activities. The fact that some of these activities are carried on is a matter of public record; the existence of others and particularly operating details are highly secret. Yet, by combining in a single organization a wide variety of activities, the security of the covert activities risks being compromised by the lower standards of security of the overt activities.

25X1

This security problem is an aftermath of the wartime period, with its public dramatization of espionage and other secret operations and a rapid

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

turnover of personnel. Intelligence has become a subject of general discussion to which the publicizing of inter-agency rivalries has contributed. For

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During the past year, there have been newspaper and magazine articles concerning the Central Intelligence Agency and its secret activities abroad.

Lest further incidents of this character occur, every effort should be made to prevent the public disclosure of secret information relating to the operations of the Central Intelligence Agency. Under the National Security Act (Section 102 (d) (3)), the Director of Central Intelligence is made responsible for protecting intelligence sources and methods from unauthorized disclosure. This mandate appears to give the Director authority to resist pressure for disclosure of secret information.

If, however, in his relations with Congress or with other Government departments, the disclosure of secret information is sought from the Director, and if he has any doubt as to whether he should comply, it should be established practice for him to refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

We believe that other steps can also be taken toward an improvement of security. There should be greater flexibility in the Central Intelligence Agency's organization by distinguishing between those functions which are written into the statute and hence are public and those whose existence, and

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Persons who might otherwise be qualified and interested in intelligence as a career have been discouraged from entering this field or have left it.

On the whole, morale within the Central Intelligence Agency is not good. The chief reasons appear to be uncertainty as to the future of a career in intelligence, the widespread criticism of the performance of the Central Intelligence Agency and dissatisfaction with leadership. Among the civilians there is a realization that military personnel who come and go occupy many of the key positions; and among some of the military personnel there is often discontent arising from a lack of interest in intelligence and a belief that a tour of duty in the Central Intelligence Agency will not lead to Service advancement.

Delay in obtaining security clearances has caused particular difficulty in recruiting personnel. Although the security of its personnel needs to be beyond question, procedures and restrictions should not be so rigid that security is obtained only by sacrificing talent, imagination and initiative.

There is a relatively high proportion of Service personnel in key positions in the Central Intelligence Agency. Although this figure has decreased over the past year, Service personnel still occupy the three top positions. In certain instances, officers have been accepted for responsible positions who are without adequate intelligence experience or aptitude. There are the further drawbacks that Service personnel are in many cases assigned for a brief tour of duty, preventing continuity.

It is, of course, important that highly qualified Service personnel be included in responsible positions where they can use their particular background

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

and training, and work for the closer association of the Central Intelligence Agency and the Services. However, we believe that the proportion of Service personnel now in key positions is too high.

In our terms of reference, we are asked to submit our findings and recommendations as to the "utilization and qualifications of Central Intelligence Agency personnel". It is difficult to make any sweeping judgment on this subject. The Central Intelligence Agency is a large, sprawling organization which combines many diverse functions and has correspondingly difficult personnel requirements. Moreover, the organization has grown fast and, in many cases, quantity has been attained at the expense of the quality of the personnel selected. Many able persons have left the organization and few qualified ones have been attracted to it. On the higher levels, quality is uneven and there are few persons who are outstanding in intelligence work.

An appraisal of the directing personnel of the Central Intelligence Agency and of general administrative policies goes so much to the heart of this Survey that we reserve discussion of these questions until a later chapter. (See Chapter X).

CONCLUSIONS AND RECOMMENDATIONS

(1) The centralization of all administration in one office is undesirable since secret operations require their own separate administration.

(2) The present arrangements for handling the difficult budgetary questions of the Central Intelligence Agency are soundly conceived, and the Agency has not been hampered in carrying out its present responsibilities by lack of funds.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

(3) To assist the Director in carrying out his statutory duty of protecting intelligence sources and methods he should, in cases where the disclosure of secret information is sought from him and he has doubt as to whether he should comply, refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

(4) In the interest of security, the Central Intelligence Agency should increasingly emphasize its duties as the coordinator of intelligence rather than its secret intelligence activities in order to reverse the present unfortunate trend where it finds itself advertised almost exclusively as a secret service organization. In this way it can help to cover up rather than to uncover the secret operations entrusted to it.

(5) The placing in key positions of a large percentage of military personnel, many of them on relatively short "tour of duty" assignment, tends to discourage competent civilian personnel from looking to employment in the Central Intelligence Agency as a career.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER IV

THE RESPONSIBILITY OF THE CENTRAL INTELLIGENCE AGENCY FOR THE COORDINATION OF INTELLIGENCE ACTIVITIES

The coordination of the intelligence activities of the several departments and agencies concerned with national security was a primary reason for establishing the Central Intelligence Agency. This is clear from the early discussions concerning the creation of a central agency and from the language of Section 102 of the National Security Act.

THE STATUTORY PROVISIONS

To achieve this purpose, the Central Intelligence Agency was assigned the duty of advising the National Security Council in matters concerning such intelligence activities as relate to the national security and of making recommendations to the National Security Council for their coordination. The Act does not give the Central Intelligence Agency independent authority to coordinate intelligence activities. Final responsibility to establish policies is vested in the National Security Council.

This duty of advising the National Security Council, together with the two other principal duties of correlating national intelligence and performing common services as determined by the National Security Council, all serve the general purpose of coordination. In fact, these three basic duties of the Central Intelligence Agency, although distinct in themselves, are necessarily inter-related and the performance of one function may involve another.

For example, in performing its duty of advising on the coordination of intelligence activities, the Central Intelligence Agency may recommend to the National Security Council the means to be employed in the assembly of reports

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

 Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

and estimates requisite for the performance by the Agency of its second duty, the correlation of national intelligence. As another example, the Central Intelligence Agency may recommend, in accordance with its duty to make recommendations for the coordination of intelligence activities, that a particular intelligence function be performed henceforth by the Agency itself under its third duty of providing services of common concern more efficiently accomplished centrally.

The statutory limitations upon the authority of the Central Intelligence Agency to coordinate intelligence activities without the approval of the National Security Council were obviously designed to protect the autonomy and internal arrangements of the various departments and agencies performing intelligence functions. The Secretaries of departments who are members of the National Security Council are in a position to review recommendations of the Central Intelligence Agency concerning their own departments, and provision is made that other departmental heads may be invited to attend meetings of the National Security Council when matters pertaining to their activities are under consideration. In spite of these calculated limitations on the authority of the Central Intelligence Agency, it is clear that the Agency was expected to provide the initiative and leadership in developing a coordinated intelligence system. In practice, the National Security Council has, almost without exception, approved the recommendations submitted to it by the Central Intelligence Agency for the coordination of intelligence activities.

The National Security Act does not define the "intelligence activities" which are to be coordinated under the direction of the National Security Council, or specify the departments whose activities are covered. Presumably all

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

intelligence activities relating to the national security are included, from collecting information in the first instance to the preparation and dissemination of finished intelligence reports and estimates. The criterion, a very broad one, is "such intelligence activities ..... as relate to the national security" and not the identity of the departments concerned or the nature or locale of the intelligence activity. Thus, practically no limitations are set upon the scope of the intelligence activities with which the Central Intelligence Agency is to concern itself.

THE ORGANIZATION AND OPERATION OF THE MACHINERY FOR COORDINATION

Three organizations assist the Director of Central Intelligence in discharging his responsibilities respecting the coordination of intelligence activities: the Intelligence Advisory Committee (IAC), with its Standing Committee; the Interdepartmental Coordinating and Planning Staff (ICAPS) of the Central Intelligence Agency and the Office of Collection and Dissemination (OCD), also in the Central Intelligence Agency.

INTELLIGENCE ADVISORY COMMITTEE

The membership of this Committee, created by National Security Council Intelligence Directive No. 1 of December 12, 1947 (See Annex No. 7), includes the Director of Central Intelligence, as chairman, the heads of the intelligence staffs of the Departments of State, Army, Navy and Air Force, the head of the Joint Intelligence Group of the Joint Staff and the Director of Intelligence of the Atomic Energy Commission. It is the direct successor to the Intelligence Advisory Board which was created by President Truman in his letter of January 22, 1946 setting up the Central Intelligence Group (See Annex No. 3).

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Beginning with the discussions that preceded the creation of the Committee there have been two different concepts as to its proper mission. On the one hand was the view, held in the various departments, that the Committee should, in a sense, be a "governing board" for the Central Intelligence Agency. On the other hand, it was argued that Congress had set up the Agency autonomously and that any interdepartmental committee should serve merely in an advisory capacity at the discretion of the Director. The solution established in Intelligence Directive No. 1 lies between these views.

In practice, the role of the Committee has not been significant, and in our opinion, this has been one of the reasons for the weakness of the present arrangements for the coordination of intelligence. In this chapter and the next we will submit our recommendations for increasing the responsibility of the Intelligence Advisory Committee, both with respect to the coordination of intelligence activities and the preparation of intelligence estimates.

The members of the Intelligence Advisory Committee are authorized to pass upon recommendations of the Director of Central Intelligence to the National Security Council and upon directives proposed by the Director in implementation of National Security Council Intelligence Directives. Although it is incumbent upon the Director to transmit to the National Security Council dissents of members of the Committee to his recommendations, the Committee may not prevent the Director from making his recommendations to the National Security Council regardless of dissents. Where unanimity is not obtained on a proposed directive among the military department members of the Committee, the Director is required to refer the problem to the Secretary of Defense before presenting it to the National Security Council.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

The activities of the Intelligence Advisory Committee have been largely confined to taking formal action, usually by voting slips, upon directives proposed by the Director of Central Intelligence to be submitted to the National Security Council or upon implementing directives. These actions are prepared for the Committee by the Interdepartmental Coordinating and Planning Staff and the Committee's own Standing Committee of departmental representatives. The Committee has met only infrequently and has had little to do with the continuing coordination of intelligence activities or with the preparation of coordinated intelligence estimates.* This situation is probably due to a combination of circumstances, including the failure of the Director to appreciate the responsibility of the Central Intelligence Agency for bringing about coordination, lack of mutual confidence among the departments and the Central Intelligence Agency and a general failure to understand how a coordinated intelligence system can be brought about.

The conception of the Intelligence Advisory Committee is sound. It is sound because interdepartmental coordination in such a complicated field as intelligence cannot be achieved solely by directives and without the fullest cooperation of the interested departments. It requires frequent consultation and continuing collaboration on all important questions. The Intelligence Advisory Committee should be the medium for accomplishing this, but it will not succeed if it continues to meet only infrequently, and avoids serious grappling with intelligence problems and continuous consultation on questions of common interest.

*On this subject, see Chapter V and particularly page 75 where there is a discussion of the ad hoc committee set up in March, 1948.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

INTERDEPARTMENTAL COORDINATING AND PLANNING STAFF (ICAPS)

This was set up as a staff unit of the Director of Central Intelligence to assist him in his responsibilities for the coordination of intelligence activities. Its members are representatives nominated by the intelligence organizations of the State, Army, Navy and Air Force Departments; the senior State Department representative is the Chairman of the group.

The assigned task of ICAPS 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. In order to accomplish this mission effectively, it should have intimate knowledge of the organizations, responsibilities, activities and priorities of the various intelligence agencies. Actually, its achievements reflect inadequate knowledge of these subjects and failure to appreciate the breadth of the responsibility of the Central Intelligence Agency for coordination of intelligence activities.

ICAPS has been largely concerned with the coordination of intelligence activities by assisting in the preparation of the nine National Security Council Intelligence Directives and the four implementing directives of the Director of Central Intelligence.

It was originally expected that ICAPS would act as the secretariat or working staff for the Intelligence Advisory Committee, but owing in part to the infrequent meetings of the Committee, this has not happened. Moreover, there has been confusion between the functions of ICAPS and those of the Standing Committee comprising representatives from the staffs of the members of the Intelligence Advisory Committee, with the result that responsibilities are divided and unclear. Moreover, the status of the members of ICAPS has been

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ambiguous because it has never been entirely clear whether the group was primarily a staff of the Director of Central Intelligence or a committee representing the member agencies. This has left the group with divided loyalties and uncertainty as to its mandate.

The position of ICAPS has been rendered more difficult because its members have been given operating responsibilities which are not only unrelated to their primary task of assisting to formulate plans for the coordinating of intelligence, but are responsibilities which seem to belong more properly to the operating branches of the Central Intelligence Agency. Thus, one member of the staff serves as the full-time liaison officer with the Joint Intelligence Group of the Joint Staff. This is purely an intelligence research and reporting function in which the Office of Reports and Estimates has almost exclusive interest. Moreover, the official liaison officer from the Central Intelligence Agency to the National Security Council staff is the Chairman of ICAPS. This function also concerns matters affecting primarily the Office of Reports and Estimates and, in fact, a representative from that Office now also works with the National Security Council staff.

In these and other ways ICAPS has acquired operating rather than planning functions and has become, to some extent, a buffer between the operating parts of the Central Intelligence Agency and outside agencies. In carrying out both its planning and operating functions, it is not in close touch with the intelligence branches of the Central Intelligence Agency. There are numerous complaints that it is not only failing to carry out its own mission properly, but is actually impeding the other parts of the Central Intelligence Agency in carrying out theirs.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In general, we have found that ICAPS, staffed by individuals whose experience with problems of intelligence organization is not extensive, and lacking a clear and firm mandate, has failed to undertake a broad and effective program of coordination of intelligence activities. It has been allowed to dissipate its energies in activities for which it is not suited and to neglect its primary mission. It has not given the impression within the Central Intelligence Agency or outside that it grasps the nature of the responsibility for coordination of intelligence activities which is imposed upon the Central Intelligence Agency by the National Security Act.

OFFICE OF COLLECTION AND DISSEMINATION

The Office of Collection and Dissemination combines three functions, only one of which is directly related to the task of coordinating intelligence activities.

In the first place, it acts as a service organization for the other Offices of the Central Intelligence Agency by procuring intelligence data from other agencies and by disseminating to those agencies the intelligence collected or produced by these Offices. Its second task is the provision of certain services of common concern for the benefit of the Central Intelligence Agency and other agencies. These include the maintenance of an intelligence library and of certain central registers and indices.

Finally, the Office of Collection and Dissemination performs certain coordinating functions with respect to the collection of intelligence. It processes all intelligence requests received by the Central Intelligence Agency, whether these call merely for documentary material or require field collection.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

It canvasses the collection capabilities of the Agency and all other appropriate agencies in order to determine how best to meet these requests. Thus, if the Office of Naval Intelligence should request of the Central Intelligence Agency information on the petroleum producing capabilities of various foreign countries, the Office of Collection and Dissemination would determine the intelligence resources which should be tapped in order to satisfy the request. If the request cannot be satisfied within the Central Intelligence Agency, it will determine what outside agency is capable of procuring necessary information and will be responsible for forwarding the request to such agency. In the course of this action, the Office of Collection and Dissemination will attempt to discover whether any other agency has a similar requirement for information which might be combined with the original request. In this manner the Office assists in coordinating the requirements and collection requests received from within the Central Intelligence Agency and from outside agencies.

It is obvious that this function of coordination is designed to meet current requests and does not involve a broad responsibility continuously to monitor and coordinate the collection procedures and requirements of the various intelligence agencies, including the Central Intelligence Agency. Such a responsibility would force the Office of Collection and Dissemination into the position of a central clearing house for all collection requirements and requests of all agencies. It would be impractical to have such an arrangement due to the mass of administrative detail involved and the resulting delay in the satisfaction of the requests. In practice, direct inter-agency requests, not requiring coordination, may by-pass the Central Intelligence Agency completely.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVES

The formal accomplishment of over-all coordination is represented mainly by nine Intelligence Directives approved by the National Security Council upon recommendation of the Director of Central Intelligence in consultation with the Intelligence Advisory Committee, and four implementing directives which need not be discussed here.

The National Security Council Intelligence Directives* provide for the coordination of intelligence activities in various ways. The basic Directives, Nos. 1, 2, 3 and 4 seek to achieve coordination of intelligence activities by allocation of general areas of responsibility to the several departments and to the Central Intelligence Agency.

Directive No. 1, as we have pointed out, establishes the general arrangements for such coordination. It sets up the Intelligence Advisory Committee, discussed above, to advise the Director of Central Intelligence, specifies the procedures for the issuance of Intelligence Directives and defines the duty of the Central Intelligence Agency with respect to the production of "national intelligence." Insofar as practicable, the Central Intelligence Agency "shall not duplicate the intelligence activities and research of the various Departments and Agencies, but shall make use of existing intelligence facilities." The Directive provides for exchange of information between the Central Intelligence Agency and the departmental agencies, and authorizes the assignment of officers to the Central Intelligence Agency by the departmental organizations. It also includes provision for the Central Intelligence Agency to request authority to inspect intelligence material in agencies of the Government.

*See Annexes No. 7-15 for the texts of the Directives.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Directive No. 2 allocates responsibility for the collection abroad of overt intelligence among the Departments of State, Army, Navy and Air Force by establishing "certain broad categories of agency responsibility." Political, cultural and sociological intelligence are assigned to the State Department. Military, naval and air intelligence are assigned to the respective Services. The collection of economic, scientific and technological intelligence is allocated to each agency "in accordance with its respective needs." The Directive provides for coordination of these collection activities in the field by the senior United States representative.

Directive No. 3 is an elaborate definition of categories of intelligence production, i.e., basic, current, staff, departmental and national intelligence, and it assigns the responsibilities of the departmental agencies and the Central Intelligence Agency in intelligence production. The same areas of "dominant interest" are specified as for intelligence collection, and the production of "national intelligence" is reserved to the Central Intelligence Agency. However, the terms of the various definitions are broadly drawn, the exceptions are numerous, and confusion of intelligence functions has continued despite the effort to eliminate it by definition.

Directive No. 4 provides that the Central Intelligence Agency shall take the lead in preparing a comprehensive outline of national intelligence objectives, and from time to time shall indicate the priorities attaching to these objectives.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Four of the Directives, Nos. 5, 6, 7 and 8, assign certain "services of common concern" to the Central Intelligence Agency under the authority granted in the National Security Act (Section 102 (d)). These are coordinating actions in the sense that, by common agreement, they assign to the Central Intelligence Agency primary or exclusive responsibility for conducting certain intelligence activities of common concern. Directive No. 5 provides that the Central Intelligence Agency will conduct all espionage and counter-espionage operations abroad except for certain agreed activities and it also provides that the Central Intelligence Agency will coordinate covert and overt collection activities. (See Chapter VIII).

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Directive No. 7 gives the Central Intelligence Agency authority for the exploitation of domestic sources of foreign intelligence, and provides for the participation of departmental agencies in this activity. (See Chapter VII).

A fourth "service of common concern" is provided in Directive No. 8 which assigns to the Central Intelligence Agency responsibility for maintaining a central file of biographical data on foreign scientific and technological personalities.

These Intelligence Directives allocate responsibilities to the Central Intelligence Agency in fields which have been conceded to be those of common concern where work can best be done centrally. This is also true of the allocation to the Central Intelligence Agency of responsibility for the conduct of secret operations (other than intelligence) abroad by the Office of Policy Coordination which was accomplished by direct National Security Council action (NSC 10/2) and not by Intelligence Directive submitted through the Intelligence Advisory Committee. (See Chapter IX). In all of these cases where particular functions of common concern have been assigned, the allocation of functions has been generally accepted as sound.

THE DEGREE OF COORDINATION ACHIEVED

In spite of these formal directives for the coordination of intelligence activities, it is probably correct to say that departmental intelligence activities are substantially unaffected by this program of coordination except where the Central Intelligence Agency has been given exclusive responsibility for certain activities.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In general, there is an absence of effective coordination under the leadership of the Central Intelligence Agency and there is virtually no supervision of the ways in which the various directives are carried out, except that the Central Intelligence Agency controls those common service activities assigned to it. Conflicts of jurisdiction and duplication of activities remain. In many cases they have not only been unresolved, which is hardly surprising after such a short time, but they remain unrecognized and unacknowledged.

Despite the provisions of Directives Nos. 2 and 3 in regard to the allocation of dominant interest, each department collects and produces the intelligence it chooses according to priorities it establishes. The very large loopholes in these directives and the absence of any continuously effective monitoring of their implementation makes this possible. The Central Intelligence Agency itself has become a competitive producer of intelligence on subjects of its own choosing which can by no stretch of the imagination be called national intelligence. (See Chapters V and VI). The amount of undesirable duplication among intelligence agencies is considerable and the absence of coordinated intelligence collection and production is serious.

In our opinion, certain essentials for the improvement of this situation would include: continuous examination on the initiative of the Central Intelligence Agency 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 inter-departmental consultation at all levels. To a greater or lesser degree, all of these essentials are lacking at the present time.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Clearly, as pointed out above, the authority of the Central Intelligence Agency to coordinate intelligence activities is subject to directives of the National Security Council. However, the responsibility to advise the National Security Council and to make recommendations for coordination is squarely placed on the Central Intelligence Agency. Therefore, lack of authority in a specific situation should not deter the Central Intelligence Agency from exercising its responsibility to submit recommendations so that proper coordination will result. If there are doubts as to how the coordination should be affected, it is the duty of the Agency to ask the National Security Council to resolve them.

The coordination of intelligence activities today is particularly important in three fields illustrative of the general problem, namely -- scientific intelligence, domestic intelligence and counter-intelligence affecting the national security, and communications intelligence.

SCIENTIFIC INTELLIGENCE*

The field of scientific and technological intelligence is obviously one which may overshadow all others in importance. At the present time there is no proper coordination of effort in this field, which is one in which there is a broad area of common interest. In fact, this diffusion of responsibility is confirmed in National Security Council Intelligence Directives Nos. 2 and 3 which allocate collection and production responsibilities for scientific and technological intelligence to "each agency in accordance with its respective needs."

*Since this report was written, steps are being taken to create in the Central Intelligence Agency a separate Office of Scientific Intelligence and to transfer to it the Nuclear Energy Group now in the Office of Special Operations.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Each of the military Services collects scientific and technological intelligence in accordance with its own program and produces such reports as it chooses. The Central Intelligence Agency performs certain central collecting services through its Office of Operations and Office of Special Operations. The Office of Special Operations also houses the Nuclear Energy Group which is the central governmental unit for interpreting atomic energy intelligence. Separate from it is a Scientific Branch in the Office of Reports and Estimates which was expected to become the central group for stimulating and coordinating scientific intelligence. It has not yet filled this role. The Research and Development Board does not itself actively engage in scientific intelligence but has an important interest in the field. Its needs should therefore be given major consideration in plans and arrangements for coordination.

In summary, responsibilities are scattered, collection efforts are uncoordinated, atomic energy intelligence is divorced from scientific intelligence generally, and there is no recognized procedure for arriving at authoritative intelligence estimates in the scientific field, with the possible exception of atomic energy. Here is a situation which must have priority in coordination of intelligence activities. In Chapter VI we propose certain steps which come within the scope of this survey.

DOMESTIC INTELLIGENCE AND COUNTER-INTELLIGENCE AFFECTING THE NATIONAL SECURITY

Another broad field requiring coordination is that of foreign intelligence derived from domestic sources and the allied field of domestic counter-intelligence.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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25X1 responsibility for the other activities is scattered among the State Department, the Armed Services, the Federal Bureau of Investigation and the Central Intelligence Agency. There is little effective coordination among them, except on a case basis.

The Federal Bureau of Investigation, which has primarily security and law enforcement responsibilities, is concerned in fact with an important area of intelligence. This includes domestic counter-espionage and counter-sabotage, control of communist and other subversive activities and surveillance of alien individuals and groups. All of these functions are closely related to the comparable activities abroad of the Central Intelligence Agency. They all have an important intelligence aspect, particularly today when intelligence from domestic and foreign sources is so closely related. The fact that the Federal Bureau of Investigation is primarily concerned with security and law enforcement may result in a failure to exploit the intelligence possibilities of a situation and may create difficulties in reconciling the intelligence with the security interests.

The Federal Bureau of Investigation is not part of the existing machinery for coordination of intelligence through the Intelligence Advisory Committee or otherwise. There is no continuing manner whereby domestic intelligence and counter-intelligence are related to over-all national intelligence in order to serve the general purpose set forth in the National Security Act

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

"of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security."

In our opinion, the Central Intelligence Agency has the duty under the Act to concern itself with the problem of coordinating those phases of domestic intelligence and counter-intelligence which relate to the national security and should submit recommendations on this subject to the National Security Council. This is not inconsistent with the stipulation of the National Security Act that the Central Intelligence Agency "shall have no police, subpoena, law-enforcement powers, or internal security functions." It would in fact serve to carry out the program of coordination set forth in the Act in a broad field which has hitherto been largely neglected.

A step toward bringing about the coordination we recommend would be to provide for closer association of the Federal Bureau of Investigation with the intelligence agencies by making it a member of the Intelligence Advisory Committee.

COMMUNICATIONS INTELLIGENCE

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A further problem in the field of coordination of intelligence activities is that of communications intelligence. We have referred above to Intelligence

We have not made an on-the-spot examination of communications intelligence and, in view of the necessarily stringent security restrictions, it seemed unwise that a non-governmental committee such as ours, without specific mandate

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

to go into the whole subject, should press such an inquiry. Accordingly, the Survey Group is not in a position to express a judgment upon the efficiency of the present arrangements for the production of communications intelligence through the separate establishments of the Army and the Navy. We have, however, generally considered the problem of communications intelligence insofar as it relates to the over-all arrangements for the coordination of intelligence activities.

We consider that coordination of communications intelligence is of most vital concern not only to the Services but to the Department of State in the formulation of policy and to the Central Intelligence Agency in its operations and other activities. The procedure by which the United States Communications Intelligence Board was established conformed to what should be the normal functioning of the arrangements for the coordination of activities in that the Board was established by National Security Council Intelligence Directive adopted upon the recommendation of the Director of Central Intelligence and the Intelligence Advisory Committee.

To be effective, communications intelligence must be properly coordinated at all stages, from collection and production* to dissemination and use. One of the prime objectives of coordination in this field is to assure prompt receipt of the product of communications intelligence by its essential users in State Department and the Central Intelligence Agency, as well as in the Services. As we have pointed out in our subsequent chapter dealing with

*We understand that, at the direction of the Secretary of Defense, a committee comprising representatives of the three Services is completing a study of the question of creating a joint organization for the production of communications intelligence.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

secret intelligence operations (Chapter VIII), there is some reason to believe that these operations and communications intelligence activities are not at the present time sufficiently closely coordinated so as to provide for each the maximum support from the other's work.

We further believe that the recommendation we have made in this chapter for the coordination of intelligence activities could best be achieved with respect to communications intelligence by making the Director of Central Intelligence permanent chairman of the United States Communications Intelligence Board.

PROPOSALS FOR IMPROVED COORDINATION

In order to remedy the existing situation in respect of coordination of activities, several steps are necessary. The Director of Central Intelligence must show a much greater concern than hitherto with the general problem of coordination of intelligence activities which is one of his essential statutory duties. His is a responsibility to all of the departments concerned with national security; it can be properly discharged by leadership, imagination, initiative and a realization that only a joining of efforts can achieve the desired results.

The other members of the Intelligence Advisory Committee must also share in the general responsibility for carrying out the intent of the National Security Act by quickening their interest and exhibiting a spirit of active cooperation. No amendment to the Committee's charter as set forth in Intelligence Directive No. 1 appears necessary to bring about this improvement.

In the next chapter where we deal with the question of national intelligence estimates .we propose that the Intelligence Advisory Committee assume a

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

more active role in producing these estimates. In our opinion, this would not only improve the relevance and quality of the estimates but would give the Committee the impetus and the background it needs to deal effectively with the coordination of intelligence activities. More than any other stage in the intelligence process, the consideration of estimates should reveal the deficiencies and overlaps as well as the accomplishments in intelligence.

We believe, as stated above, that the Federal Bureau of Investigation should be added to the permanent membership of the Intelligence Advisory Committee. We also believe that the Atomic Energy Commission and the Joint Staff might be dropped from the regular membership. The role of the Atomic Energy Commission in intelligence is a limited one and confined to a highly specialized field. The representation of the Joint Staff upon the Intelligence Advisory Committee appears to be largely duplicative in view of the predominantly Service membership of the Committee. However, they, together with other interested agencies such as the Departments of Treasury and Commerce, the Research and Development Board and the National Security Resources Board, should attend meetings whenever matters of direct concern to them are being considered.

Within the internal organization of the Central Intelligence Agency the Interdepartmental Coordinating and Planning Staff (ICAPS) should be set up clearly as an integral part of the Agency, charged with the task of seeking out, studying and developing, in consultation with the other parts of the Central Intelligence Agency and outside agencies, plans for the coordination of intelligence activities. It should have no responsibility for current operations, except that certain current tasks of coordination (such as some of those now performed by the Office of Collection and Dissemination) might be

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

carried out under its direction. The reconstituted ICAPS which might appropriately be called "Coordination Division" should be small. Its members should be persons interested in, and qualified to deal with, problems of intelligence organization. Finally, and perhaps most important of all, the Director must look upon this reorganized and strengthened group as his major support in fulfilling one of his most difficult assignments under the National Security Act, that of advising the National Security Council on the intelligence activities of the Government and making recommendations for their coordination.

It is our belief that the relationship between certain of the functions presently performed by ICAPS and the Office of Collection and Dissemination should be considerably closer. ICAPS is responsible for the promulgation of plans and policy in relation to the coordination of collection activities. As one of its tasks, the Office of Collection and Dissemination coordinates actual collection and dissemination and in some respects is in a position to implement the general plans and policies for coordination. Constantly dealing with the day-to-day "working level" problems of collection, the Office of Collection and Dissemination is in a good position to make recommendations in regard to the improvement of collection procedures and the coordination of collection activities.

We, therefore, recommend that the collection and dissemination functions of this Office be placed under the new Coordination Division, subject to future determination of the extent to which individual Offices may conduct their own dissemination. (See Conclusions to Chapters VII and VIII). We further recommend that all of the library, index and register functions be separated from the Office of Collection and Dissemination and be placed in a centralized Research and Reports Division as described in Chapter VI.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER V

THE RESPONSIBILITY OF THE CENTRAL INTELLIGENCE AGENCY FOR NATIONAL INTELLIGENCE ESTIMATES

THE MANDATE UNDER THE NATIONAL SECURITY ACT AND THE DIRECTIVES

One of the principal duties assigned to the Central Intelligence Agency "for the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security" is "to correlate and evaluate intelligence relating to the national security, and provide for [its] appropriate dissemination." The Central Intelligence Agency is thus given the responsibility of seeing to it that the United States has adequate central machinery for the examination and interpretation of intelligence so that the national security will not be jeopardized by failure to coordinate the best intelligence opinion in the country, based on all available information.

In our opinion, this responsibility has not been adequately discharged, and remedial measures are necessary. There is confusion as to the proper role of the Central Intelligence Agency in the preparation of intelligence reports and estimates. This confusion has resulted from incorrect interpretation and lack of proper inplementation of the statute and the directives. The reasons for this go to the heart of the national intelligence problem and need to be examined in some detail in order to discover how the necessary improvement can be made.

Although the Act provides that "the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence," the statute does not limit the duties of the Central

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Intelligence Agency to correlate and evaluate intelligence, except by the standard of "national security." Interpretation of these statutory provisions was made by the National Security Council in Intelligence Directives No. 1 and No. 3.

Intelligence Directive No. 1 (See Annex No. 7) provides that the Director of Central Intelligence shall produce* intelligence relating to the national security, called national intelligence, and that "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." The directive also stipulates that national intelligence disseminated by the Central Intelligence Agency "shall be officially concurred in by the Intelligence Agencies or shall carry an agreed statement of substantial dissent."

These provisions are to some extent clarified in Intelligence Directive No. 3 (See Annex No. 9) which defines national intelligence as "integrated departmental intelligence that covers the broad aspects of national policy and national security, is of concern to more than one Department or Agency, and transcends the exclusive competence of a single Department or Agency or the Military Establishment."

Directive No. 3 then places on the Central Intelligence Agency the responsibility for the production and dissemination of national intelligence. Such intelligence is to be developed and assembled in coordination with other departments and agencies in order to obtain intelligence developed within the

* The term "produce," as used here, means the preparation and issuance of assembled and interpreted intelligence reports and estimates.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

scope of their respective missions which will assist in the production or complement the assembly of national intelligence. The directive also instructs all agencies to maintain sufficient research facilities to meet their individual needs and to assist in satisfying the requirements of other agencies.

Areas of "dominant interest," a term which is not specifically defined, are allocated by the directive to the various departments as follows: political, cultural and sociological intelligence to the Department of State; military intelligence to the Army, naval intelligence to the Navy, air intelligence to the Air Force; and economic, scientific and technological intelligence to "each agency in accordance with its respective needs." Upon this framework is built the formal program of intelligence production by the departmental agencies and the Central Intelligence Agency.

The significant provision of Directive No. 3 for the Central Intelligence Agency is the definition of national intelligence, for which the Agency is given exclusive responsibility, although it is recognized as having rights and responsibilities with respect to other forms of intelligence as well. In effect the directive interprets the vague provision of the National Security Act on "intelligence relating to the national security" to cover a particular type of intelligence reasonably distinct from departmental intelligence and conforming to admittedly broad but generally comprehensible specifications.

The purport of the National Security Act as supplemented by the directive in regard to the production of national intelligence can be understood and justified in the light of the history and general objectives of the Act. Behind the concept of a Central Intelligence Agency lay the necessity not only for the coordination of diversified intelligence activities (See Chapter IV), and for the performance by the central agency itself of certain services of

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

common usefulness (See Chapters VI-IX), but also for the coordination of intelligence opinion in the form of reports or estimates affecting generally the national security as a whole.

Although the Act and the Intelligence Directives give the Central Intelligence Agency the independent right of producing national intelligence, Directive No. 1 stipulates that such intelligence shall be officially concurred in by the intelligence agencies or shall carry statement of substantial dissent. As a practical matter, such estimates can be written only with the collaboration of experts in many fields of intelligence and with the cooperation of several departments and agencies of Government. A national intelligence report or estimate as assembled and produced by the Central Intelligence Agency should reflect the coordination of the best intelligence opinion, based on all available information. It should deal with topics of wide scope relevant to the determination of basic policy, such as the assessment of a country's war potential, its preparedness for war, its strategic capabilities and intentions, its vulnerability to various forms of direct attack or indirect pressures. An intelligence estimate of such scope inevitably "transcends the exclusive competence of a single Department or Agency or the Military Establishment." A major objective, then, in establishing the Central Intelligence Agency was to provide the administrative machinery for the coordination of intelligence opinion, for its assembly and review, objectively and impartially, and for its expression in the form of estimates of national scope and importance.

THE CONCEPT OF NATIONAL INTELLIGENCE ESTIMATES

The concept of national intelligence estimates underlying the statute and the directives is that of an authoritative interpretation and appraisal that

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

will serve as a firm guide to policy-makers and planners. A national intelligence estimate should reflect the coordination of the best intelligence opinion. It should be based on all available information and be prepared with full knowledge of our own plans and in the light of our own policy requirements. The estimate should be compiled and assembled centrally by an agency whose objectivity and disinterestedness are not open to question. Its ultimate approval should rest upon the collective responsibility of the highest officials in the various intelligence agencies. Finally, it should command recognition and respect throughout the Government as the best available and presumably the most authoritative intelligence estimate.

The production of national intelligence estimates by the Central Intelligence Agency falls far short of such a concept, in part for reasons which the Central Intelligence Agency does not control. The principle of the authoritative national intelligence estimate does not yet have established acceptance in the Government. Each department still depends more or less on its own intelligence estimates and establishes its plans and policies accordingly. In the Military Establishment there is some coordination through the Joint Chiefs of Staff who rely upon the advice of the Joint Intelligence Committee which, in turn, rests primarily upon the contribution of the three Service departments. Neither the Central Intelligence Agency nor the State Department participates directly in these procedures in the Military Establishment, and the estimates of the Joint Intelligence Committee are in most cases more restricted in scope than a national intelligence estimate. Within the State Department the policy-makers are, for the most part, their own intelligence advisors. Finally, there is no systematic way of tapping that domestic intelligence information, which should be chiefly in the hands of the Federal Bureau of Investigation, having

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

a bearing on broader intelligence issues. At the National Security Council level the intelligence estimate which is applied to policy papers is brought to bear through the individual departmental representatives and the independently produced contributions of the Central Intelligence Agency.

Although the task is made more difficult by a lack of general acceptance of the concept of national intelligence estimates in the Government, it is, nevertheless, the clear duty of the Central Intelligence Agency under the statute and the directives to assemble and produce such coordinated and authoritative estimates.

THE ORGANIZATION AND ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY FOR THE PRODUCTION OF NATIONAL INTELLIGENCE

Unfortunately, the attention of the Central Intelligence Agency has been largely diverted from the objective of producing national intelligence. We find in examining its organization and activities, that major emphasis is not placed on the unique national intelligence function of the Central Intelligence Agency but that this function is largely diffused and dispersed in an organization which concerns itself with a variety of intelligence-producing activities. These include summaries of current developments, political reports, background studies on countries and areas, economic reports, etc. (See Chapter VI).

In the original Central Intelligence Group it was conceived that there would be a small organization of highly qualified individuals which would limit itself strictly to national intelligence problems and base its work primarily on the specialized reports and estimates produced by the departments rather than employ a large research and analysis organization of its own. However,

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the character of the organization changed, and the Office of Reports and Estimates, which now carries out the responsibility of the Central Intelligence Agency for intelligence reporting, discharges a large number of intelligence-producing functions. These include, to a limited extent, the production and coordination of national intelligence but also other functions, to be described in Chapter VI. Some of the latter functions duplicate those carried on in other departments, and some are more in the nature of common services on behalf of the other agencies, although they are not always recognized as such.

Under the Assistant Director for Reports and Estimates and his deputy is
25X1 a large organization [redacted] There is a broad base of six regional or geographic Branches, each a research and estimate-producing unit with responsibility for one area of the world. In addition, a Map Branch does map research and publishes map and geographic data and a Scientific Branch is concerned with studies in the field of scientific intelligence.

Studies and estimates are also produced by five "Consultants Panels" dealing with economics, transportation and communications, military affairs, international organizations and "global survey," respectively. The product of these Branches and Panels is issued through one of two "Groups," the Current Intelligence Group and Staff Intelligence Group which have editorial and departmental liaison responsibilities. A third Group, the Basic Intelligence Group, performs supervisory and editorial functions with respect to the fulfilment of the National Intelligence Survey (basic intelligence) program by the Central Intelligence Agency and the departmental agencies. Finally, a Plans and Policies Staff develops programs, priorities and policies for the Office and includes a small unit which handles information from communications intelligence sources.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

The intelligence output of this organization which can be properly termed "national intelligence" is not impressive. The subjects are normally selected on the initiative of the staff itself or as the result of discussions in the National Security Council staff, where a member of the staff of the Office of Reports and Estimates generally participates. In producing these reports the Office usually employs the research of its own staff instead of drawing together and coordinating contributions from departmental agencies. Such departmental contributions are available to the Office of Reports and Estimates under the terms of National Security Council Intelligence Directive No. 3 as interpreted in No. 3/1 ("Standard Operating Procedure for the Production of Staff Intelligence") but in fact only a small number of the reports are actually derived from departmental contributions. The customary procedure has been for the Office of Reports and Estimates to prepare a basic draft which is then circulated to the Departments of State, Army, Navy and Air Force for their comments and concurrence or dissent. This procedure has proved to be ineffective as a means of producing coordinated national intelligence. The departments participate more as outsiders reviewing the material of another agency than as collaborators sharing responsibility in an enterprise of equal concern to all.

In spite of the use of the system of concurrences for certain types of reports, the position today of the Central Intelligence Agency is that of an independent producer of national intelligence, the quality of whose product is variable and the influence of which is questionable. The tendency within the Central Intelligence Agency has been to emphasize the independent production of intelligence and this emphasis has led to two results.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In the first place, the intelligence produced by the Central Intelligence Agency has not always been relevant to policy requirements and has lacked effectiveness. In the second place, there has been a failure to develop coordinated national intelligence which would supersede independent departmental efforts to produce over-all intelligence.

It is perhaps true that the efforts of the Central Intelligence Agency have been criticized partly because the opinions expressed by the Agency were occasionally at variance with the opinions held in the departments; but there have been other reasons. The independent intelligence estimate is felt to be useful but never decisive inasmuch as the Central Intelligence Agency cannot and does not by itself have all the specialized qualifications needed to produce national intelligence, and is not, as an independent agency, in constant and intimate association with the policy-makers and planners, a knowledge of whose work and intentions is indispensible to sound intelligence.

There is also criticism that the product of the Central Intelligence Agency, regardless of its quality or importance, gets formal circulation at the highest levels in the Government even though its content may not coincide with the views of departmental officials whose own information may be more reliable and complete. There is in fact a serious danger that the product of the Central Intelligence Agency may be looked upon as coordinated national intelligence, which it usually is not.

What has happened is that the creation in the Central Intelligence Agency of a large Office of Reports and Estimates performing, as will be emphasized in the next chapter, a variety of functions that are not truly related to the coordination of national intelligence estimates, necessarily means that concern

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

with national intelligence problems is diminished, that the area of competition with the departmental agencies is enlarged and that the Central Intelligence Agency concentrates more on the independent production of intelligence than on its coordination.

Administrative arrangements within the Central Intelligence Agency and between the Agency and the other departments and agencies have contributed to this situation. Personnel in the Office of Reports and Estimates who are responsible for national intelligence (and this includes almost everybody in part, inasmuch as national intelligence functions are scattered throughout all parts of the Office) receive little guidance as to what they should report on. To a large extent they select their own subjects and establish their own priorities, and this practice only increases the criticism from which much of the product suffers. Finally, the liaison relationships with outside agencies are unsatisfactory although this situation is largely the result of the lack of a clear conception of the proper mission of the Central Intelligence Agency in the coordination of intelligence opinion in the form of national estimates.

The most significant exception to a rather general failure to coordinate intelligence opinion in national estimates was a series of reports on Soviet capabilities and intentions, beginning in March, 1948, by an ad hoc committee of representatives of the Departments of State, Army, Navy and Air Force under the chairmanship of the Central Intelligence Agency. This case illustrated that, when properly used, the existing interdepartmental arrangements can, under the leadership of the Central Intelligence Agency, provide the President and top policy-makers with an authoritative intelligence estimate.

After some initial delay following the receipt by the Army of a disturbing

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

message from General Clay, the President on March 16, 1948 received from Central Intelligence Agency a brief short-range estimate as to the likelihood of war, discussed and concurred in by all the interested agencies. Divergent views had been reconciled and a unanimous estimate drafted. The importance of this procedure, particularly in an emergency situation, is difficult to overemphasize; it insures that all the interested agencies have contributed to consideration of the situation and establishes their collective responsibility for the estimate. If divergences cannot be reconciled, at least the opposing points of view can be identified.* The possibility of any one service arriving at a false or completely contradictory estimate and of independent actions being taken as a result is thereby reduced.

The procedure of consultation followed in March was in this particular case largely fortuitous. There was at the time no regularly established procedure for such consultation. It was not nor has it since become normal practice either for "ordinary" or "crisis" estimates as we believe it should.

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* The first message from General Clay was received on March 4th, but there does not appear to have been interdepartmental consultation before March 13th. Although views were at first divergent, the estimate of March 16, 1948, submitted to the President, was unanimously concurred in by the Central Intelligence Agency and the intelligence agencies of the Departments of State, Army, Navy and Air Force. It estimated the likelihood of war during the ensuing 60-day period. However, the next estimate in the series, dated April 2, 1948, which sought to extend the estimate beyond the 60-day period, was accompanied by an Air Force dissent on the grounds that the international situation was so delicate that it would be unwise to speculate beyond the short term.

The circumstances leading to the March 16th estimate received wide publicity as a result of the reference to it in Vol. I, p. 17 of the Report of the Committee on the National Security Organization (Eberstadt Committee), in the following terms: "Testimony was presented to the Committee that in the spring of 1948, a mistaken intelligence estimate, prepared by a departmental intelligence agency, stimulated recommendations -- which if followed -- might well have had serious consequences. Fortunately, in this instance, the Central Intelligence Agency and other intelligence groups correctly evaluated the available information in good time."

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the reconciliation of intelligence estimates the Committee would almost automatically be able to assist the Director more effectively in coordinating intelligence requirements and developing sound arrangements for the coordination of intelligence generally.

The membership of the Intelligence Advisory Committee, as we have pointed out in Chapter IV, would include the Director of Central Intelligence as chairman, and representatives from the Departments of State,* Army, Navy and Air Force and the Federal Bureau of Investigation. Ad hoc membership should be given to other Agencies, such as the Atomic Energy Commission, Joint Staff and Research and Development Board, whenever appropriate.

These revised arrangements should make adequate provision for the handling of major emergency situations so that there is automatic consultation and collective responsibility when quick estimates are required. We have seen that in the past such consultation has been largely fortuitous and could not be relied upon to operate promptly.

This proposal would not affect the responsibility of the Joint Intelligence Committee to prepare strictly military estimates for the Joint Chiefs of Staff and perform such other military duties as the Joint Chiefs of Staff might assign. Through the membership of the Service intelligence chiefs on the Intelligence Advisory Committee and through close liaison between the Joint Intelligence Group and the new Estimates Division in the Central Intelligence Agency, every effort should be made to insure the consistency of the Joint

* See below, page 159, for a discussion of the status of the State Department representative.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Intelligence Committee's military appraisals and the broader national estimates of the Central Intelligence Agency and the Intelligence Advisory Committee.

Whatever arrangement is decided upon, there are certain general conditions which must be observed, if intelligence estimates are to be sound and timely. All information, whether it originates from intelligence sources or whether it comes from other sources including operations, must be available to the intelligence people who by putting together and studying all of the bits of information must provide the overall interpretation. There is always a dangerous tendency, particularly in time of crisis, when it can be most serious, for vital information to be withheld on the grounds that the intelligence personnel should not see it because it concerns operations or for alleged security reasons. In other instances the dissemination of vital but sensitive material is restricted to a very few people at the top levels with the result that those individuals who are most competent to analyze a particular situation are left out of the picture entirely. It is therefore necessary that intelligence estimates be made in full light of our own policies and operations. The preparation of such estimates should not be impeded by any barriers arising from security considerations or otherwise, which may jeopardize the soundness of the intelligence product.

Finally, any discussion of the preparation of national estimates would be inadequate without two caveats. The first applies to those who prepare the estimates; the second to those who may use them. Prejudice in the form of stubborn adherence to preconceived ideas is likely to be the gravest danger to sound intelligence. Estimates are subject to the risk of being colored and twisted to reflect the prejudices of those who prepare them. This can best be countered by providing

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

reasonable checks and balances as we have endeavored to do in the composition and responsibilities of the Intelligence Advisory Committee. If, for example, the State Department, which may be wedded to a particular policy, presents the facts distorted by faulty preconceptions, the final product, as reflected in an intelligence estimate, will be defective. It is hoped that in such a case the new Estimates Group of the Central Intelligence Agency will supply an initial corrective and that the non-State Department members of the Intelligence Advisory Committee will have sufficient breadth of knowledge to challenge the State Department estimate. Likewise, military estimates should be submitted to scrutiny so that they are compatible with each other and avoid the error, however unconscious, of magnifying the needs of their own branch of the Service.

The Intelligence Advisory Committee, if it functions properly, and is assisted by the disinterested work of the Central Intelligence Agency is the body where such distortions should be caught and corrected and the prejudices of one mind challenged by the thinking of a mind which at least does not suffer from the same prejudices.

In turn, prejudice on the part of the policy-makers may render them blind even to brilliant achievements of an intelligence service. They may just refuse to listen to what they do not like. Hence, nothing would be more dangerous than to believe that if we once had an effective intelligence service and an efficient intelligence estimating body, we would be immune to a disaster like Pearl Harbor.

This does not lead to the conclusion that intelligence is futile. It merely shows its limitations. If the intelligence appraiser can keep from twisting and coloring the data he receives and if the policy-maker can keep a

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

relatively open mind and be prepared for continual re-evaluation of the assumptions on which he is relying, then sound intelligence estimates can be a pillar of strength for our national security.

CONCLUSIONS AND RECOMMENDATIONS

(1) In the Central Intelligence Agency there has been confusion between the responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting activities.

(2) The provisions of the National Security Act for the production of national intelligence estimates, as interpreted by the National Security Council Intelligence Directives, are sound but have not been effectively carried out.

(3) There should be created in the Central Intelligence Agency a small Estimates Division which would draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates.

(4) Under the leadership of the Director of Central Intelligence, these estimates should be submitted for discussion and approval by the reconstituted Intelligence Advisory Committee whose members should assume collective responsibility for them.

(5) Provision should be made in these arrangements for the handling of crisis situations when coordinated estimates are required without delay.

(6) Coordinated intelligence estimates produced in this way must, in order to be effective, be recognized as the most authoritative estimates available to the policy makers.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER VI

SERVICES OF COMMON CONCERN: INTELLIGENCE RESEARCH AND REPORTS

PROPOSED RESEARCH AND REPORTS DIVISION

We have recommended in the preceding chapter that there be created a small, high-level Estimates Division to concern itself primarily with the correlation of national intelligence, subject to final approval by the Intelligence Advisory Committee. If the responsibility of the Central Intelligence Agency for the production of national intelligence is assumed by this Estimates Division, there will remain certain research and intelligence reporting functions now being performed by the Office of Reports and Estimates which might properly be carried out as a service of common concern by a newly constituted "Research and Reports Division". Other activities of the Office of Reports and Estimates should be discarded as being superfluous or competitive with the proper activities of departmental intelligence.

There is presently within the Office of Reports and Estimates a nucleus for the proposed Research and Reports Division in fields of common concern. It includes the Scientific Branch, which should be strengthened and have reattached to it the Nuclear Energy Group; the Map Branch, which produces maps and map intelligence as a recognized common service; the Economic and Transportation Panels; and some elements from the Geographic Branches. To these there should be added the Foreign Documents Branch of the Office of Operations (See below, page 103) and the library, biographical and other registers and indices presently maintained by the Office of Collection and Dissemination.

Generally speaking, this Division will be responsible for authoritative research and reports in economic, scientific and technological intelligence,

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the maintenance of central reference facilities, and such other matters as are deemed of common concern. To the extent necessary, it will also coordinate the activities of the other agencies in these fields. Its staff should include in appropriate cases adequate representation from the State Department and Services so that, subject to policy guidance from the principal consumers, its products will represent the coordinated opinion of the best available talent and should be fully responsive to the requirements of the consumer agencies.

In this chapter we suggest the type of activity which should be discontinued as unessential or duplicative, the type of activity which should be retained as a common service and some activities, not presently carried out in the Office of Reports and Estimates, which should be performed by the proposed Research and Reports Division as services of common concern. It would be the responsibility of the National Security Council, acting on the advice of the Director of Central Intelligence and the Intelligence Advisory Committee, to determine which of these central services might properly be performed, and we believe that the Coordination Division (reconstituted Interdepartmental Coordinating and Planning Staff) should examine this problem and prepare the necessary plans.

PERIODICAL SUMMARIES

The Office of Reports and Estimates presently produces current intelligence in two principal forms: a top secret Daily Summary and a secret Weekly Summary. The former comprises abstracts of a small number of incoming and outgoing cables received during the preceding twenty-four hours. Approximately ninety per cent of the contents of the Daily Summary is derived from State Department sources, including both operational as well as intelligence material. There

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

are occasional comments by the Central Intelligence Agency on portions of the Summary, but these, for the most part, appear gratuitous and lend little weight to the material itself. The result is a fragmentary publication which deals with operations as well as intelligence, without necessarily being based on the most significant materials in either category. In a summary of this type, circulated to the President and the highest officials of the Government, there is an inherent danger that it will be misleading to its consumers. This is because it is based largely on abstracts of State Department materials, not in historical perspective, lacking a full knowledge of the background or policy involved and with little previous consultation between the Central Intelligence Agency and the State Department. Moreover, it is incomplete because it is not based on all the most important materials.

The Weekly Summary is more widely circulated than the Daily Summary, but also represents primarily political reporting and competes for attention with several departmental weekly summaries, particularly those of the State Department and the Department of the Army.

Still another periodical publication is the monthly "Review of the World Situation."

These summaries, particularly the Daily, are the subject of considerable controversy and are received with expressions ranging from moderate interest to strong criticism. The Weekly and the Daily are, to a certain extent, duplicative in that the State Department, to which political intelligence has been assigned as an area of dominant interest, also disseminates its own operational and intelligence summaries on the highest levels. As both Summaries consume an inordinate amount of time and effort and appear to be outside of the domain

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

of the Central Intelligence Agency, we believe that the Daily, and possibly the Weekly, Summary should be discontinued in their present form. We do, however, appreciate the fact that, to some extent, there may be a need for such summaries, and we suggest that the newly constituted Coordination Division examine the situation to determine whether there is such a need and how it can best be met.

MISCELLANEOUS REPORTS AND MEMORANDA

The Office of Reports and Estimates also produces a variety of other reports, studies and summaries. Some of these are strategic and basic studies on foreign countries or areas, presenting the political, economic and military situation. Others are intended to be estimates of current international problems. These are formal reports, dealing with a variety of subjects ranging from "Possible Developments in China" to "Opposition to the ECA". These estimate-type reports are circulated throughout the various agencies for the purpose of obtaining concurrence or dissent. But the fact that they are so circulated in no way means that they are properly coordinated estimates which represent the best thinking on the subject under review. They often deal with topics which are not particularly relevant to departmental problems or national issues, with the result that the various agencies often feel that it is an imposition to be burdened with the responsibility for reviewing these documents, making appropriate comments and noting concurrence or dissent.

The Office of Reports and Estimates also initiates more informal reports by means of intelligence memoranda produced spontaneously or in answer to specific requests. These are not coordinated by circulation through the other agencies. Subjects again differ widely and include such topics as "Soviet

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Much of this production is academic, tends to duplicate work in other departments, has little relation to national intelligence, and is not produced as a recognized service of common concern. On the other hand, some of this production might, subject to general agreement, be performed as a central common service. In our opinion, the newly constituted Research and Reports Division should refrain from the production of essentially political studies and miscellaneous reports and should concentrate its effort upon the production of reports in those fields clearly assigned to it as recognized services of common concern.

THE NATIONAL INTELLIGENCE SURVEY

Under National Security Council Intelligence Directive No. 3, the Central Intelligence Agency is charged with preparing an outline for the National Intelligence Survey -- an extensive series of basic studies on all countries and areas of the world -- and with coordinating the necessary departmental contributions. This study has been assigned to the Office of Reports and Estimates, not as the producer, but rather as coordinator of the program, under specifications and priorities approved by the Joint Intelligence Committee. This coordination is achieved through the allocation of topics for research and production for the particular purpose of the Survey series, but there is no provision for centralization or coordination of current production in these fields.

Under this series, various chapters and sections have been farmed out to the State Department, the Services, and other qualified agencies. For instance, the Army has been assigned the responsibility for the sections on transportation and communications. The assignment of these sections does not mean that Army is recognized as having either primary interest in, or continuing responsibility

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

for, intelligence with respect to transportation and communications. For the purpose only of the handbooks, the National Intelligence Survey eliminates duplication of production in certain fields and provides temporary editorial coordination of basic intelligence through the allocation of topics. It does not solve the problem of centralizing or coordinating continuing research and production in the fields of common interest.

ECONOMIC, SCIENTIFIC AND TECHNOLOGICAL INTELLIGENCE

The Office of Reports and Estimates appears to have made no serious attempt to produce coordinated estimates or authoritative intelligence in the fields of economic, technological and scientific intelligence, in which no department is recognized as having a dominant interest. The six Geographic Branches, the Scientific Branch and a number of the Consultant Panels are variously interested in these fields but have seldom produced authoritative intelligence contributions therein. We have found in our examination of the Central Intelligence Agency, State Department and the three Service intelligence agencies that there is much duplication and little coordination of production on these subjects. Although often along parallel lines, studies are independently produced by the various agencies and do not, therefore, represent the best available coordinated opinion.

There has been an attempt in National Security Council Intelligence Directive No. 3 to guide the effort of the various agencies into coordinated channels by the allocation of certain fields of dominant interest, but in the fields of economic, scientific and technological intelligence, each agency is authorized to produce in accordance with its needs. Thus, it is in these fields, left open to all agencies and for which responsibility is now

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

divided and diffused, that the proposed Research and Reports Division could perform a valuable service of common interest by centralizing or coordinating research and intelligence production.

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It is doubtful whether such a high degree of centralization in these fields, including some essentially military intelligence, is desirable in this country. Our Service intelligence agencies have been assigned fields of dominant interest, and they will continue to produce military intelligence within these areas. However, even if each intelligence agency confines itself almost entirely to the production of intelligence within its field of dominant interest, there remains a vast area of common interest in such necessary supporting fields as economic, scientific and technological intelligence.

The economic field could include, for example, industrial production, economic resources, metallurgy, fuels, power, communications and telecommunications.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

These are some of the subjects where there is present duplication among our agencies and in which a great economy of effort and improvement of product would result if intelligence were produced centrally. To provide an effective contribution, the centrally produced reports on economic and industrial matters must represent the most authoritative coordinated opinion on the subject and must be accepted as such by the consumer agencies. A principal new consumer would be the Estimates Division, recommended in the preceding chapter. We also recognize that the requirements of the various agencies in these matters of common concern will differ, and that each agency will need to adapt to its own particular problems the intelligence produced in these fields.

Few subjects of intelligence are more important than science and technology, and yet little success has been achieved in this country toward coordinating intelligence collection and production in these fields. Among the agencies which are interested and in a position to contribute are not only the Central Intelligence Agency, the State Department and the three Services, but also the Atomic Energy Commission and the Research and Development Board.*

We believe that there is an obvious need for more centralization of scientific intelligence. Where centralization is not practical there should be the closest coordination among the existing agencies through the use of committees

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

such as the present interdepartmental atomic energy intelligence committee which works in consultation with the Nuclear Energy Group of the Office of Special Operations (See below, page 114). A strong Scientific Branch, as a common service within the Central Intelligence Agency, would be the logical focal point for the coordination and appropriate centralization of scientific intelligence. There appears to be no overriding reason for the segregation of the Nuclear Energy Group within the Office of Special Operations, and it would be preferable to reattach this Group to the Scientific Branch, even though some insulation may be necessary for security reasons.*

To fulfill its responsibilities as the chief analytical and evaluating unit for scientific intelligence, and consequently as the principal guide for collection, the Branch would have to be staffed by scientists of the highest qualifications. We appreciate that in such a Branch it would be impossible to obtain a leading scientist for each of the many segments of scientific and technological intelligence, but we believe that a staff of moderate size and of high quality can cope with the normal research and evaluation, co-opting, where necessary, personnel from such organizations as the Research and Development Board and the Atomic Energy Commission.

CONCLUSIONS AND RECOMMENDATIONS

(1) In addition to the Estimates Division recommended in the previous Chapter, there should be created out of the present Office of Reports and Estimates a Research and Reports Division to accomplish central research in, and coordinated production of, intelligence in fields of common interest. The staff

* We understand that since this report was written steps have been taken to create a separate Office of Scientific Intelligence which is to include the Nuclear Energy Group.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

of this Division should include sufficient representation from the State Department and the Services to insure that their needs are adequately met.

(2) The Coordination Division (reconstituted Interdepartmental Coordinating and Planning Staff) should be given the responsibility for studying the actual scope of the Research and Reports Division and for recommending those services of common concern which should be performed centrally.

(3) The propriety of the preparation by the Central Intelligence Agency of essentially political summaries should be reviewed, taking into consideration the need for such summaries, the existence of a number of duplicating summaries and the particular capabilities of the individual departments to prepare them.

(4) The various reports, studies and summaries which are not national intelligence or recognized services of common concern should be discontinued.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER VII

SERVICES OF COMMON CONCERN: THE COLLECTION OF OVERT INTELLIGENCE

ILLEGIB

The Office of Operations, under an Assistant Director, performs a central common service through the collection of overt intelligence [redacted] Foreign Documents Branch exploits foreign language documents and foreign periodicals and press for intelligence purposes.

ILLEGIB

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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FOREIGN DOCUMENTS BRANCH

The Foreign Documents Branch is engaged in completing its exploitation of large quantities of materials captured during the recent war. In addition, it monitors current press and periodical publications and besides these routine translations it occasionally translates specific documents upon request. It also maintains for the various consumer agencies a continuing program of

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

abstracting from periodical publications specific materials in such fields as electronics, transportation, etc.

There is a constant and large flow of production from the Foreign Documents Branch in the form of extracts from the foreign press; current periodical abstracts, both general and technical, dealing with items of intelligence value contained in Soviet and other foreign periodicals; an industrial card file record for inclusion in the Foreign Industrial Register of the Office of Collection and Dissemination; biographical intelligence reports; a bibliography of Russian periodicals, special accession lists and various translations of current material to meet continuing requirements.

Inasmuch as it is virtually impossible to have a large pool of expert translators who are at the same time specialists in various fields, it is most important that the work of an agency such as the Foreign Documents Branch be performed in close relationship to and under the constant guidance of the consumer agencies. It would, therefore, seem

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[redacted] it would be preferable for the Foreign Documents Branch to be a part of the proposed Research and Reports Division suggested in Chapter VI.

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CONCLUSIONS AND RECOMMENDATIONS

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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(4) The Foreign Documents Branch should be made part of the proposed Research and Reports Division if one is created.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER VIII

SERVICES OF COMMON CONCERN: THE COLLECTION OF SECRET INTELLIGENCE

Under normal peacetime conditions, the bulk of the information on which a government bases its action in the international field is obtainable by overt means -- that is to say, through diplomatic and military establishments, through the press, scientific and technical publications and the normal channels of trade and international intercourse. With these facilities available, the collection of intelligence in peacetime through secret means assumes relatively secondary importance. In fact, as mentioned above, insofar as our own Government is concerned, covert collection of intelligence was a negligible factor prior to World War II.

Today it is an understatement to describe conditions as merely abnormal. They are uniquely difficult from the viewpoint of intelligence. Where Communist regimes are in control the ordinary means of securing information are generally lacking. In these areas, it is true, we have a few diplomatic missions and here and there some consular establishments. Their staffs, however, are so restricted and spied upon that they cannot perform their usual information gathering functions. Even the type of information that is available for the asking here in the United States is unobtainable there. In this whole great area of communist domination it is not only military information which is kept secret, but it is hard to get even simple and seemingly innocuous details relating to the economic, financial and political developments which may furnish vital clues to political and military trends.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Also, the methods of fifth column penetration practiced by the Communists follow a unique pattern in various foreign countries and in the United States which calls for the best that we have in the field of counter-intelligence.

As a result of this, there is an urgent call upon our skill and ingenuity to find methods of informing ourselves about Iron Curtain countries. As we cannot do it adequately by orthodox methods, an increasingly heavy burden is placed on our secret intelligence and counter-intelligence and hence they have today a higher priority in our over-all intelligence picture than in the past.

THE CHARTER OF THE CENTRAL INTELLIGENCE AGENCY TO CONDUCT SECRET INTELLIGENCE ACTIVITIES

The responsibilities of the Central Intelligence Agency for the collection of covert intelligence abroad are performed as a "service of common concern" in accordance with the terms of National Security Council Intelligence Directive No. 5 of December 12, 1947. (See Annex No. 11). Unlike the collection of overt intelligence, where the mission of the Central Intelligence Agency is a limited one, the collection of practically all covert foreign intelligence is assigned to the Agency.

Intelligence Directive No. 5 gives to the Central Intelligence Agency the following duties:

a. To conduct all organized federal espionage operations abroad, except for agreed activities by other departments and agencies.

b. To conduct all organized federal counter-espionage abroad, including occupied areas.

c. To coordinate covert and overt intelligence collection, and to coordinate the activities of casual agents employed on covert missions by

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

protecting security. It is argued that the penetration of a centralized espionage agency might destroy its entire roster of agents, leaving the nation without an effective secret intelligence service in time of crisis, whereas penetration of one of several espionage units might destroy its networks, but would leave those of the others untouched.

We consider this view to be largely theoretical, provided espionage is properly conducted to keep the identity of chains entirely separate and if proper security is maintained in the central office. In any event, we feel that this danger is less serious than the confusion and overlapping in the field of espionage which would result if several services were engaged in it. Adoption of a centralized espionage structure has meant that, except for certain operations in occupied areas, the foreign covert operations of other agencies of the Government have been dissolved or turned over to the Central Intelligence Agency.

ORGANIZATION OF THE OFFICE OF SPECIAL OPERATIONS

The Central Intelligence Agency does not enter the intricate field of foreign espionage and counter-espionage without some background of experience. The covert operations unit, known as the Office of Special Operations (OSO), is in effect the legatee of the operating experience, the records, and many of the personnel of the secret intelligence (SI) and counter-espionage (X-2) branches of the former Office of Strategic Services and Strategic Services Unit, War Department. [redacted] 25X1

[redacted] 25X1

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

field stations originally opened by the Office of Strategic Services and maintained by the Strategic Services Unit. In its headquarters structure it has drawn heavily upon the previous experience of these organizations in conducting war and post-war operations.

Administratively, the Office of Special Operations is on the same level as the four other Offices of the Central Intelligence Agency. Contact with the Director is maintained almost exclusively by its chief, the Assistant Director for Special Operations, and his deputy. The Assistant Director's personal staff also includes an Executive Secretary, whose duties are approximately that of an executive officer, and several consultants and advisers who deal with particular aspects of agent operations, archives, budget and the like.

Under the Assistant Director, the organization is divided into three major operating groups.

The Operations Group is responsible for the actual conduct of espionage and counter-espionage. Its major subdivisions are seven regional branches, each of which controls and guides covert operations in the particular area abroad for which it is responsible. These operating branches function independently of each other except at the top level, where branch chiefs coordinate operations involving more than one area. Security of branch operations is thus fairly well maintained within headquarters. It is the policy to assign personnel to a particular area or country for considerable periods to gain adequate background for sound operations. Arrangements exist for the assignment of headquarters personnel to the field, and vice versa, although a comprehensive program for rotation of personnel has not yet been worked out.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Several staff units, including a deputy chief of operations for counter-espionage, assist the branches in directing operations of particular kinds, and in assuring orderly dissemination of the secret intelligence materials obtained as a result of operations.

The scientific and technical section of the Office of Special Operations assists the regional branches in directing operations likely to produce information in these fields. The section works closely with the Nuclear Energy Group of the Office and has some contact with the Scientific Branch of the Office of Reports and Estimates.* For its own part, it receives direction through the Nuclear Energy Group, departmental intelligence collection requests submitted via the Office of Collection and Dissemination, and the Scientific Branch, Office of Reports and Estimates.

The Information Control Section is concerned with directing the work of the regional branches, analyzing and controlling their output, and reviewing the comments on reports of the Office of Special Operations received from the Office of Reports and Estimates and occasionally from departmental agencies. This is the point to which intelligence requirements of other agencies are sent by the Office of Collection and Dissemination. It is responsible for the editorial review of intelligence reports prepared by the branches of the Office of Special Operations.

Approved reports are forwarded by the Information Control Section to the Office of Collection and Dissemination, which then determines the agencies to which they will be disseminated. When urgent dissemination is required by the nature of a report received, members of the section may deliver it personally

* See footnote below, page 115.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

to authorized recipients. This distribution is subject to review by the Office of Collection and Dissemination, which may extend it to other agencies on its own initiative. In line with our recommendation, given below, to give the Office of Special Operations greater independence and autonomy and to bring it in closer contact with the principal users of its product, we recommend that the power to determine dissemination of its reports should rest largely in the Office of Special Operations itself. In order to bring the Office closer to its chief consumers, we also recommend that there be included in the Information Control Section representatives of each of the Services and of the Department of State.

Training of staff members and career agents is undertaken by the training section of the Operations Group. Several courses in basic and advanced intelligence are given to administrative and operational personnel. The courses emphasize practical problems of field operations, not only for administrative and secretarial personnel, but also for staff members who will conduct operations. The building of a corps of trained personnel for secret intelligence work is one of the crucial problems which the Office of Special Operations has to face.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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As we mentioned in Chapter III, consideration is now being given in the Central Intelligence Agency to the removal of all of these services except for [redacted] and communications to the Executive for Administration where they would be beyond the direct authority and control of the Assistant Director for Special Operations. 25X1

We consider that the Office of Special Operations and its closely related services should be largely autonomous and self-sufficient. Hence, we believe that this proposed transfer of its administrative services is unsound. From the point of view of internal security we also deprecate it. As a general rule, secret administrative support should be as close and as accessible to secret operations as possible. The most elementary rules of security are breached when overt and covert administrative units are placed together; and by the same token the unique character of secret operations renders inapplicable most ordinary rules of administration. Removal of administrative support from the direct authority of the official responsible for secret operations would vitiate his ability to conduct the very operations with which he is charged.

The third major division of the Office of Special Operations is the Nuclear Energy Group. Unlike the Operations and Administrative Divisions which we have discussed above, it has no direct contact with agent operations or collection but is an analyzer and consumer of secret intelligence. Its character, indeed, is that of a reports staff studying foreign research and developments in the field of nuclear energy. Historically, the Group was

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

organized in the Manhattan District and was transferred to the Central Intelligence Agency at the time of the creation of the Atomic Energy Commission. Attached first to the Director of Central Intelligence, it was later transferred to the Scientific Branch of the Office of Reports and Estimates where, because of its analytic and reporting functions, it logically belonged. It was afterwards (early 1948) moved to the Office of Special Operations because of difficulties within the Scientific Branch.

The success of the Nuclear Energy Group will be measured in terms of the effectiveness of its relationship to the Atomic Energy Commission, one of its major consumers, and to the National Military Establishment. The Group's work with these agencies has been considerably improved in recent months by the appointment of a highly competent scientist as the Chief of Intelligence in the Atomic Energy Commission and the functioning of an inter-agency committee concerned exclusively with atomic energy intelligence.

As we have indicated, it is obvious that from a functional point of view, the Nuclear Energy Group does not belong in the Office of Special Operations. As a research unit, its place is clearly with the Scientific Branch of the proposed Research and Reports Division, the successor to the Office of Reports and Estimates.*

Before concluding our survey of the headquarters organization of the Office of Special Operations, we wish to add a recommendation to which we attach particular importance and which affects the relationship of this Office to other covert activities of the Central Intelligence Agency.

* See above, Chapter VI. Since this report was drafted, we understand that steps have been taken to transfer the Nuclear Energy Group to a new Office of Scientific Intelligence.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In Chapters VII and IX we briefly consider the similarity of the operations and administrative problems faced by the Office of Special Operations, the Office of Policy Coordination and [redacted] the Office of Operations. All three offices carry on activities of a highly confidential nature. These activities are inter-related and require close coordination. In addition they are able mutually to service each other. This is particularly true of the overseas operations of the Office of Special Operations and the Office of Policy Coordination. We recommend that the three activities be placed under the common control of a single directing head who would be one of the chief assistants of the Director. The three Offices might be set up as separate branches of a common service of secret activities which should enjoy large autonomy within the Central Intelligence Agency and might appropriately be called Operations Division. Whether eventually a closer merger of the three activities should be effected can best be determined in the light of experience.

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As a part of such a central organization devoted to covert operations, centralized administrative services should be established under the single chief of covert activities, and should not be identified with or combined with the administrative arrangements made for the balance of the Central Intelligence Agency. The covert organization thus established should, in particular, undertake its own personnel recruitment, using the facilities of the personnel section of the Central Intelligence Agency only insofar as they appear to serve the purpose of the covert organization.

In making this recommendation, we appreciate that the Office of Policy Coordination under NSC 10/2 has a special relationship to the Secretary of

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

State and the Secretary of Defense. We believe that substantial benefits would accrue in having this same relationship established, through the head of the Operations Division, with both of the secret overseas activities of the Central Intelligence Agency, assuming that [redacted] brought together in the manner we recommend above. 25X1

In this recommendation we have also had in mind the desirability of quickly establishing a particularly close relationship between the secret activities of the Central Intelligence Agency, the Military Establishment and the Joint Chiefs of Staff in case of war. If the measure of autonomy we suggest for these services is achieved, they could be attached, without delay, to the Secretary of Defense or to the Joint Chiefs of Staff, if the National Security Council should consider this advisable.

Subject to the foregoing recommendation, we believe that the headquarters organization of the Office of Special Operations is soundly conceived and has made a satisfactory start toward setting up our secret intelligence work.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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The Central Intelligence Agency should then endeavor to reverse the present unfortunate trend where it finds itself advertised almost exclusively as a secret service organization and become to the public the centralizer and coordinator of intelligence, not the secret gatherer. If the changes we are recommending are effected, they would furnish a good point of departure for the Central Intelligence Agency to do this.

COUNTER-ESPIONAGE

Espionage and counter-espionage have been unified in the Operations Group of the Office of Special Operations. This arrangement represents a departure

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

from the wartime structure of the Office of Strategic Services in which these activities were conducted in separate branches. It is also different from most foreign services, which have separate espionage and counter-espionage branches, integrated only through their chiefs. Possibly because of this organizational unification counter-espionage has not yet been adequately exploited as a source of positive intelligence information, as a channel for deception, as a means of protecting espionage operations and as a basis for penetrating fifth column operations abroad, which may be tied in with fifth column operations here.

The techniques of espionage seem somewhat simpler than those of counter-espionage, and the former generally is assumed to promise more decisive results. Factors such as these have influenced the concentration of the Office of Special Operations on espionage problems. It seems apparent that the present counter-espionage staff of the Office of Special Operations should be materially strengthened and more intensive counter-espionage work promoted.

Owing to the subordination of counter-espionage to espionage, the exploitation by the Office of Special Operations of counter-intelligence opportunities and its general approach to the problems of counter-intelligence have not been markedly successful. Its liaison arrangements with the Federal Bureau of Investigation, which is charged with all counter-espionage responsibilities in the United States, except those affecting personnel of the Armed Services, have been limited for the most part to exchange of information on suspect individuals.

Full collaboration on counter-espionage plans and operations has not yet been achieved, and neither organization is fully acquainted with the over-all

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

program of the other. Since the danger of foreign espionage and the menace of fifth column activities does not stop or start at our national boundaries, it is desirable that the two agencies most concerned with counter-espionage should maintain closer relations with each other. We have already pointed out in Chapter IV the extent of the responsibility of the Central Intelligence Agency to insure coordination of certain counter-intelligence activities of the Government. We can only observe here that a major aspect of such coordination is a close working relationship between the Office of Special Operations and the Federal Bureau of Investigation.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

THE NEED FOR POLICY DIRECTION OF SECRET INTELLIGENCE

To be genuinely effective, secret intelligence operations must be directed toward the intelligence objectives of greatest importance to the Government. Today, as we mentioned above, the Office of Special Operations lacks the direction which it needs to insure the maximum relevancy of its operations to the problems of foreign and military policy. It is, indeed, a fundamental failing of the American intelligence services that, in general, they are not advised of the current needs of policy-makers. Unfortunately, continuing effort is rarely made by intelligence consumers to guide intelligence activities toward the most meaningful targets.

The formal requirement lists of the military services are received by the Office of Special Operations; generally speaking, these are of a "spot", short-term nature. They are often transmitted with the implied expectation that the desired answers can be secured almost immediately. Adequate guidance from the State Department is lacking, except in the cases of a few officers of the Office of Special Operations who maintain personal contact with policy officers in the State Department. No regular evaluatory or other comments are received on the intelligence reports put out by the Office except from the Office of Reports and Estimates which is not necessarily the best source for such judgments. It is thus deprived of the guidance in specific cases which Service agencies and the State Department could supply.

We believe that these deficiencies would be remedied, at least in part, by the attachment to the Office of Special Operations, as suggested earlier in this chapter, of representatives from the Department of State and the Services and by the creation of a more direct relationship to the Secretaries of State and Defense.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

GENERAL APPRAISAL

In appraising the general results of the operations of the Office of Special Operations, it is too early to arrive at definite conclusions. Certain operations now being conducted, hitherto lacking in results, may prove to be of the first importance at some time in the future. It can be said, however, that the Office has been successful in securing certain categories of valuable intelligence. [redacted]

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25X1 Many priority targets of secret intelligence remain untouched. [redacted]

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25X1 [redacted] We recognize the vast difficulties of this type of undertaking and the need for extreme caution.

Throughout the departmental intelligence services, as we have remarked earlier, there exists a general feeling that the results of secret intelligence operations have not yet attained the level which the current concentration of personnel and funds should warrant. This, we believe, is in part due to the lack of sufficiently intimate liaison between the Office of Special Operations, the Services and the State Department.

In thus assessing achievements, it cannot be forgotten that the agency is still very young. This is the reason for some of the defects which have been pointed out in the foregoing discussion. The organization does have the services of some highly talented and experienced persons, both in headquarters and in the field. Their presence gives promise of systematic improvement for their work as a whole.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER IX

SERVICES OF COMMON CONCERN: THE CONDUCT OF SECRET OPERATIONS

RELATIONS BETWEEN SECRET INTELLIGENCE AND SECRET OPERATIONS

The collection of secret intelligence is closely related to the conduct of secret operations in support of national policy. These operations, including covert psychological warfare, clandestine political activity, sabotage and guerrilla activity, have always been the companions of secret intelligence. The two activities support each other and can be disassociated only to the detriment of both. Effective secret intelligence is a prerequisite to sound secret operations and, where security considerations permit, channels for secret intelligence may also serve secret operations. On the other hand, although the acquisition of intelligence is not the immediate objective of secret operations, the latter may prove to be a most productive source of intelligence.

It was because of our views on the intimate relationship between these two activities that we submitted our Interim Report No. 2, dated May 13, 1948, "Relations Between Secret Operations and Secret Intelligence," which was a comment on proposals, then before the National Security Council, for the initiation of a program of secret operations. In that report we made the following observations:

> "In carrying out these special operations, the Director [of Secret Operations] and his staff should have intimate knowledge of what is being done in the field of secret intelligence and access to all the facilities which may be built up through a properly constituted secret intelligence network. Secret operations [redacted] 25X1
> 25X1 [redacted] provide one of the most important sources of secret intelligence, and the information gained from secret intelligence must immediately be put to use in guiding and directing secret operations. In many cases it is necessary to determine whether a particular agent or chain should

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THE OFFICE OF POLICY COORDINATION

The National Security Council in creating within the Central Intelligence Agency, in accordance with Section 102 (d) (5) of the National Security Act, the Office of Special Projects (now known as the Office of Policy Coordination) recognized these views to the extent that both secret intelligence and secret operations were included within the same organization. However, this action did not go as far as we had recommended, with the result that the Office of Policy Coordination (secret operations) and the Office of Special Operations (secret intelligence) are not bound together by any special relationship and operate as entirely separate Offices.

Although it is too early to appraise the accomplishments of the Office of Policy Coordination which has been in existence only a few months, experience has, in our opinion, already shown that the organizational relationship between it and the Office of Special Operations should be closer. Although the problems with which the two Offices are concerned are so intimately related, there is no arrangement for coordinating their operations under common direction except insofar as they are both under the Director of Central Intelligence.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Even this relationship is weakened by the fact that NSC 10/2 which created the Office of Policy Coordination provides that "for purposes of security and of flexibility of operations and to the maximum degree consistent with efficiency, the Office of Special Projects shall operate independently of other components of Central Intelligence Agency." Thus, complete separation was made mandatory.

The Office of Policy Coordination, which is the only Office in the Central Intelligence Agency created by direct order of the National Security Council, is also given a special position in that its charter provides that the Director of Central Intelligence shall be responsible for "insuring, through designated representatives of the Secretary of State and of the Secretary of Defense, that covert operations are planned and conducted in a manner consistent with United States foreign and military policies and with overt activities" and that disagreements between the Director and these representatives shall be referred to the National Security Council for decision. Furthermore, the Chief of the Office of Policy Coordination can be appointed only upon nomination by the Secretary of State and approval by the National Security Council.

In practice, the Office of Policy Coordination enjoys a position which gives it direct ties to the Department of State and the National Military Establishment and support from them not enjoyed by the Office of Special Operations. Consequently, the two activities which should be closely integrated are in fact operating with different outside guidance and support, with dissimilar charters, and they occupy a different status within the Central Intelligence Agency.

In our opinion, this situation is unsound. The close relationship between these two activities, as pointed out above, needs to be recognized along with

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the fact that secret intelligence requires the same degree of control and support from the State Department and the Military Establishment as secret operations. As recommended in Chapters VII and VIII, we propose therefore that these two activities be closely integrated (along with parts of the Office of Operations) in a single Operations Division which would enjoy considerable autonomy, in accordance with our over-all recommendations for changes in the organization of the Central Intelligence Agency.

As we have stated above, the operations of the Office of Policy Coordination have been so recently initiated that it is premature to comment upon them in any detail. We believe, however, that the Assistant Director in charge of the Office of Policy Coordination is proceeding wisely in building slowly in this most difficult field.

CONCLUSIONS AND RECOMMENDATIONS

(1) The close relationship between covert intelligence and covert operations and the fact that the latter is related to intelligence affecting the national security justifies the placing of the Office of Policy Coordination within the Central Intelligence Agency.

(2) The Office of Policy Coordination should be integrated with the other covert Office of the Central Intelligence Agency, namely, the Office of Special
25X1 Operations, and [redacted] nd these three operations should be under single over-all direction (Operations Division) within the Central Intelligence Agency.*

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER X

THE DIRECTION OF THE CENTRAL INTELLIGENCE AGENCY

GENERAL APPRAISAL

We have reserved for this final chapter on the Central Intelligence Agency the discussion of the post of Director. An appraisal of the qualifications and achievements of the directing personnel is only possible in light of an examination of the entire organization. Within the scope of his mandate under the National Security Act, it is the Director who must guide the organization to the attainment of its objectives, establish its operating policies and win the confidence of other branches of the Government.

This is not an easy task. The Central Intelligence Agency has a diversified and difficult mission to perform. Its success depends, to a large extent, on the support it receives from other agencies which may be ignorant of its problems and suspicious of its prerogatives. It has peculiar administrative, personnel and security problems and has to handle complicated operating situations. Moreover, the pressure to build rapidly has been strong and there has been little time in which to demonstrate substantial accomplishments.

We believe that these difficulties cannot alone explain the principal deficiencies which we have discussed in previous chapters. The directing staff of the Central Intelligence Agency has not demonstrated an adequate understanding of the mandate of the organization or the ability to discharge that mandate effectively.

The duties of the Central Intelligence Agency in regard to the coordination of intelligence activities have not been fulfilled. The responsibility

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

for the correlation of national intelligence has not been carried out in such a manner as to provide the policy-makers with coordinated national intelligence estimates. Some activities are being carried out by the Central Intelligence Agency which largely duplicate the work of other departments and agencies, and there has been no adequate attempt to coordinate or centralize others. Generally speaking, satisfactory working relations have not been established with other departments and agencies. Within the Central Intelligence Agency inadequate guidance as to the intelligence requirements of the Government is received from the Director. These deficiencies exist in spite of a broad statutory mandate, reasonable appropriations and support from the National Security Council.

Administrative policies within the Agency contribute to this situation. The internal organization does not reflect an appreciation of the Agency's several distinctive yet inter-related missions under the National Security Act. In fact, the scheme of organization tends to blur and impede the performance of the organization's essential intelligence functions under the Act. The Directorate has given positions of pre-eminence to officials who are primarily administrators yet exert policy control over the intelligence Offices without being qualified to do so. There is little close consultation on intelligence and policy matters between the various stratified levels. Although the heads of the several Offices are allowed considerable latitude in conducting their respective operations, they do not share substantially in the determination of over-all policy.

THE QUESTION OF CIVILIAN DIRECTION

We have also considered the question whether the Director ought to be a civilian. While we recognize that the statute provides that he may be either

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

civilian or military we have reached the conclusion that he should be a civilian. We do not mean to exclude the possibility that a Service man may be selected for the post, but if this is done he should resign from active military duty and thereafter work as a civilian. In such a case appropriate provision should be made so that he does not lose his retirement benefits.

We have reached the conclusion that the Director should be civilian because we are convinced that continuity of tenure is essential and complete independence of service ties desirable for carrying out the duties of the Director. The post cannot properly be filled as a mere tour of duty between military assignments. Unless there is such continuity of service and complete independence of action, the Director will not be able to build up the esprit de corps, the technical efficiency, the loyalty of home staff and field workers, which are essential to the success of the enterprise. We agree with the intent of the provision of the National Security Act that the Director "shall be subject to no supervision, control, restriction, or prohibition (military or otherwise)" by the Service departments, but do not feel that this provision can alone offset the disadvantages to which we have pointed.

It is inevitable that there should be rotation in the Service intelligence agencies, though in recent years that rotation has been far too rapid in the top ranks. However, in the Central Intelligence Agency there should be stability and continuity of leadership.

Finally, we recommend a civilian Director because we believe that in working out a well balanced top echelon committee (the reconstituted Intelligence Advisory Committee) for appraising and coordinating Government intelligence, the strong, and properly strong, representation of the military intelligence

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Services on such a body should be balanced with an equally strong civilian representation.

We have considered the argument that the Director of Central Intelligence, because of the high security requirements of the post, should be a man permanently devoted to Government service, amenable to the disciplines of the Services and free of political ambitions or entanglements. We believe that the qualifications of the Director of Central Intelligence, whether his past experience has been in civilian life or in military or other Government service, should be on so high a level that there would be no more doubt as to the loyalty and responsibility of the Director than of the Secretary of State or the Secretary of Defense. In appointing the Director of Central Intelligence with the responsibilities he must carry today, we must select a man to whom we would willingly entrust any position of responsibility whatsoever in our Government.

CONCLUSIONS AND RECOMMENDATIONS

(1) The directing staff of the Central Intelligence Agency has not demonstrated an adequate understanding of the mandate of the organization or the ability to discharge that mandate effectively.

(2) Administrative organization and policies tend to impede the carrying out of the essential intelligence functions of the Central Intelligence Agency under the Act.

(3) Continuity of service is essential for the successful carrying out of the duties of Director of Central Intelligence.

(4) As the best hope for continuity of service and the greatest assurance of independence of action a civilian should be Director of Central Intelligence. If a Service man is selected for the post he should resign from active military duty.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER XI

THE SERVICE INTELLIGENCE AGENCIES

The Survey Group has been primarily concerned with examining the structure, administration, activities and inter-agency relationships of the Central Intelligence Agency. In the examination of the Service intelligence agencies, emphasis has been placed on their contribution to national intelligence and their relation to the Central Intelligence Agency. On the basis of this study, the Survey Group does not consider itself qualified to submit recommendations regarding either the details of the internal administration of the Services or of their methods of collecting information and producing intelligence.

MISSION AND RESPONSIBILITIES

The National Security Act, in providing for the systematic coordination of intelligence, also safeguarded the role of the Services in intelligence by providing in Section 102 (d) (3) that "the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence." Subsequently, the National Security Council in Intelligence Directive No. 3 (See Annex No. 9) defined departmental intelligence as "that intelligence needed by a Department or independent Agency of the Federal Government, and the subordinate units thereof, to execute its mission and to discharge its lawful responsibilities."

The mission of the military services involves the enormous responsibility of maintaining the security of the United States. It is incumbent upon them to produce or obtain from other agencies the intelligence necessary to assist them in fulfilling this mission. In the past this need for intelligence has been met to a large extent by the Services acting independently and without

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the benefit of systematic coordination. Although it is now generally recognized that such coordination is urgently needed, there is still a tendency on the part of the Services to strive to create their own self-contained systems of intelligence.

This tendency stems in part from the military doctrine that "intelligence is a function of command," a doctrine which has been interpreted to require the control of the collection and production of all necessary intelligence by the staff of the commander requiring it. The doctrine so construed can only result in an obviously unsatisfactory and impractical attempt at self-sufficiency. As a matter of fact, at all staff levels intelligence must be supplemented by contributions of both raw information and finished intelligence from other departments and agencies.

The general definition of departmental intelligence must therefore be qualified by practical limitations and subject to the overriding necessity for coordination of the intelligence activities of all Government agencies, pursuant to the National Security Act. The need for limiting the tendency toward self-sufficiency, while acknowledging the broad interests of the departments, is formally recognized in National Security Council Intelligence Directives Nos. 2 and 3. These directives assign to the Departments of the Army, Navy and Air Force, respectively, dominant interest in the collection and production of military, naval and air intelligence. The directives also recognize that the concern of the Services in intelligence is broader than their specific areas of dominant interest. Directive No. 2, concerning intelligence collection, provides:

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

"No interpretation of these established over-all policies and objectives shall negate the basic principle that all Departmental representatives abroad are individually responsible for the collection and for the appropriate transmission to their Departments of all intelligence information pertinent to their Departmental missions."

Similar safeguards are included in Directive No. 3 concerning intelligence production which provides that:

"Each intelligence agency has the ultimate responsibility for the preparation of such staff intelligence as its own Department shall require. It is recognized that the staff intelligence of each of the Departments must be broader in scope than any allocation of collection responsibility or recognition of dominant interest might indicate. In fact, the full foreign intelligence picture is of interest in varying degrees at different times to each of the Departments."

In practice, the Service departments, while concentrating on their respective areas of dominant interest, collect and produce substantial quantities of information in fields with which they are not primarily concerned. As a result, there is considerable duplication in the material collected and produced by them and by other agencies.

COORDINATION OF SERVICE INTELLIGENCE ACTIVITIES

Intelligence collection by the Services is an important part of our intelligence system. [redacted]

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All of these channels are used to meet the collection

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

requirements of the Services as broadly interpreted by them, as well as some of the collection requirements of other departments and agencies which make use of Service collection facilities.

Some duplication and overlap is inherent in the existence of several independent Service collection agencies operating in all parts of the world. As pointed out in Chapter IV, there has been no continuing coordination of their efforts. The only formal limitations which have been imposed by directives generally prohibit certain methods of intelligence collection, [redacted] 25X1 [redacted] which have been assigned to the 25X1 Central Intelligence Agency as services of common concern. More effective coordination of collection is a recognized necessity and should be performed in accordance with the recommendations outlined in Chapter IV. In addition, coordination can be improved within the Services either upon their own initiative or upon that of the Secretary of Defense.

The production of intelligence by the Service agencies generally falls into the three categories of current, basic and staff intelligence (including estimates).

Current intelligence is prepared by each of the Services in the form of daily, weekly or monthly summaries, briefings and digests derived from varied sources. Much of this product, particularly that dealing with general military and political developments, is duplicative and of such common interest that some consolidation of effort is desirable and should be possible. We recommend that this situation be reviewed in order to determine what effort may be properly dispensed with, what consolidation is possible, and what common services the Central Intelligence Agency might render in this regard. (See Chapter VI).

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

In addition to basic studies in their respective fields of dominant interest, including such tasks as determining the armament potential and order of battle of various countries, each Service accomplishes a large amount of research, compilation of data and reporting in the fields of economic, scientific and political intelligence with which they all have some concern. In our examination of the Central Intelligence Agency and the intelligence agencies of the Departments of State, Army, Navy and Air Force, we have found that there is overlapping of interest and duplication of effort in intelligence research and production in such fields as petroleum resources, communications, industrial production, guided missiles and biological warfare. Established procedures for coordination in these and related subjects are lacking.

It is in order to improve this situation that we have recommended in Chapter VI the creation, within the Central Intelligence Agency, of a Research and Reports Division which would perform research and production of intelligence in fields of common concern on behalf of all of the interested agencies, and would coordinate their efforts in these fields when centralization was undesirable. This office, which should operate in close relationship with the Services and be staffed in part with Service personnel, should perform much of the work now being done in the fields of economic, scientific and technological intelligence. There will, of course, be specialized matters for which the individual Services must continue to be ultimately responsible, but there is a vast area of common interest from which they can all draw.

Estimates, prepared to meet the requirements of the departments and the Joint Chiefs of Staff, are the most important type of staff intelligence produced by the Services. The present position with respect to their production

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

is not satisfactory. Each Service produces its estimates in accordance with assumptions, standards and methods of its own selection, and gives to them the scope it desires, not necessarily limiting them to its own field of interest. Departmental plans and policies may be based on such independently produced estimates, regardless of the divergent and even contradictory estimates of other departments.

As pointed out in Chapter V, the Central Intelligence Agency has not as yet adequately exercised its function to coordinate these and other estimates, for example those of the State Department, for the purpose of preparing national estimates. The Joint Intelligence Committee performs this task to some extent in the military sphere, but arrangements are lacking for regularly insuring that assumptions are comparable, analytical methods valid, and the final estimates as sound as possible. In our opinion, an important step toward improving this situation would be taken if the recommendations submitted in Chapter V regarding the production of national estimates were adopted.

These steps, together with the creation of the Research and Reports Division in areas of common interest, would have the effect of bolstering the Joint Intelligence Committee in its special role and promoting the coordination of Service estimates in both broad and limited fields. It is important that the strictly military estimates of the Joint Intelligence Committee and the national estimates produced by the Central Intelligence Agency and the Intelligence Advisory Committee, partly on basis of the same material, should be in harmony.

In the general field of counter-intelligence, the Services have usually placed primary emphasis on protective security activities which do not necessarily have intelligence as their primary aim and have often been performed by

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

non-intelligence personnel.* The more specialized counter-espionage function, which has as its precise objective the identification and thwarting of the personnel, methods and aims of unfriendly foreign intelligence services, is a true secret intelligence activity. Exclusive responsibility for its conduct abroad has been properly assigned to the Central Intelligence Agency, except for the counter-intelligence activities of the Services necessary for their own security. (See Chapter VIII).

25X1

25X1

There has not been adequate recognition of the need for coordination of these activities with the broader responsibilities of the Central Intelligence Agency. The dissipation of trained personnel, failure to centralize information concerning counter-intelligence targets, the risks inherent in the uncoordinated conduct of agent operations, all tend to weaken our prospects of success in counter-espionage.

This need for coordination of the counter-intelligence effort also exists in the United States where the responsibilities of the Services are limited in relation to those of the Federal Bureau of Investigation.**

* The Air Force has recognized this emphasis by transferring practically all counter-intelligence functions from the Director of Air Intelligence to the Inspector General.

**Coordination in this field is carried out in accordance with the Presidential memorandum of June 26, 1939, which stipulated that the War Department, Navy Department and Federal Bureau of Investigation would be the only agencies of the Government to conduct investigations into matters involving espionage, counter-espionage, or sabotage. The principal function of the Interdepartmental Intelligence Conference set up as a result of this memorandum has been to delimit the respective investigative responsibilities of the three agencies in the United States.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

We have seen that within the Military Establishment there is no general machinery for intelligence coordination. The Secretary of Defense at present has no staff for this purpose or to do more than exercise very general supervision and control. He is able to initiate particular projects for coordination and has, in fact, done so with respect to the production of communications intelligence and the attache systems. He can also resolve particular controversies which cannot be settled at a lower level in the Military Establishment. Other examples within the Military Establishment of coordination in limited fields are the Joint Intelligence Committee's responsibility for estimates required by the Joint Chiefs of Staff, arrangements for the production of communications intelligence, and the existence of the Air Intelligence Division for the production of air intelligence by the Air Force and Navy.

Although coordination has been attempted or accomplished by the Services, either on their own initiative or at the instigation of the Secretary of Defense, in limited areas such as those mentioned above, effective coordination of the Service intelligence agencies requires the over-all coordination of the activities of all intelligence agencies in the Government. This is a duty assigned to the Central Intelligence Agency in consultation with the Intelligence Advisory Committee. In Chapter IV we have recommended that the Intelligence Advisory Committee, on which the Services are represented, should participate more actively with the Director of Central Intelligence in the continuing coordination of intelligence activities. To a very considerable extent, responsibility for the successful operation of this machinery rests with the Services.

THE STATUS OF INTELLIGENCE IN THE SERVICES

Recognition of the important role of intelligence in the determination of national policy and of the major responsibility which the Services have in

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

intelligence requires that the Service agencies enjoy in their departments a position comparable to the size of the task assigned to them. In order to be able to carry out their responsibilities to their departments and to make an effective contribution toward a coordinated national intelligence system, the Service agencies must work closely with the planning and operational staffs and be fully informed regarding departmental plans and policies.

To meet adequately their vital responsibilities and to maintain their proper position in the departmental structure, the Service intelligence agencies must be staffed with qualified personnel. This was too little recognized prior to the last war, and upon the outbreak of hostilities we found that we were seriously deficient in numbers and quality of intelligence officers. We did attempt to take steps to correct this situation in the various intelligence schools and by acquiring personnel from civilian life to be trained as intelligence officers. Recently, the importance of intelligence training has been more fully realized, and the Services have taken steps to provide adequate schools. In consequence, the quality of both the intelligence officers and the attaches has improved in recent years.

The theory of rotation in the Services has been a handicap to sound intelligence work in that it militates against experience and continuity. An assignment to intelligence will probably last not more than four years, and usually a shorter time. This not only means that the individual officer has difficulty in becoming proficient in intelligence, but that the Service intelligence agency is in danger of suffering from a lack of continuity of leadership trained in intelligence. For example, the Army Intelligence Division has had seven chiefs in seven years, and the recently formed Directorate of Intelligence, Air Force, has already had two directors.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

It is not our purpose to suggest once more the often discussed possibility of an intelligence corps, but we do believe that, if the corps theory is unacceptable, some alternative method should be developed whereby officers, although taking an occasional tour of duty in command, operations or other staff positions, will feel that intelligence is their permanent interest and concentrate in it over the major portion of their careers.

In the past, capable officers have not been attracted to intelligence work due to their belief that intelligence was a backwater, might delay promotion, and in any event would not further their careers. This tendency must be overcome and officers made to feel that their opportunities for advancement will not be impaired by an assignment to intelligence duty. Intelligence must be given prestige, and it must be made sufficiently attractive so that an officer will seek an intelligence assignment as he would one to command or operations.

In addition to making a career in intelligence more attractive in the Services, it is important to provide for the training and availability of reserve officers. There are thousands of such officers today who, during the last war, were in various intelligence agencies or at overseas commands, and many proved of inestimable value. Their talents and their willingness to serve must not be lost.

In conclusion, we wish to note that a measure of progress has been made in that the Service intelligence agencies have manifested an increased interest in intelligence and an attitude conducive to accomplishing its effective coordination. The Services are conscious of their grave responsibility for helping to avert the danger of a national military catastrophe, created by modern methods of warfare. They have come to recognize the need for effective

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

coordination to the end that the intelligence upon which the national policy-makers must act shall be the very best obtainable from every available source. This tendency on their part is in marked and encouraging contrast to the situation which prevailed not only immediately prior to our entry into World War II, but even in the early days of that conflict itself. We believe that, given effective leadership, the full cooperation of the Service agencies in the achievement of genuine coordination can be obtained.

CONCLUSIONS AND RECOMMENDATIONS

(1) The Service intelligence agencies have manifested an increased interest in intelligence and an attitude conducive to accomplishing its effective coordination.

(2) In order to meet adequately their vital responsibilities and maintain their proper position in the departmental structure, the Service intelligence agencies should be staffed with qualified personnel who concentrate in intelligence over the major portion of their careers.

(3) In accordance with a program of coordination initiated and guided by the Central Intelligence Agency, the Service intelligence agencies should confine themselves principally to those fields of intelligence in which they have the primary interest.

(4) A more active program of coordination by the Central Intelligence Agency would result in a higher degree of centralization and coordination of intelligence production in fields where the Services have a common interest.

(5) There should be effective coordination between the work of the Joint Intelligence Committee in the field of military estimates and that of the Central Intelligence Agency and Intelligence Advisory Committee in the field of national estimates.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER XII

THE INTELLIGENCE FUNCTIONS OF THE DEPARTMENT OF STATE

The State Department is assigned dominant interest in the collection and production of political, cultural, and sociological intelligence by the National Security Council. It necessarily follows from this allocation that it is the agency to which the Central Intelligence Agency and the military services should turn to secure the reports and estimates they may require in these fields of intelligence.

Possibly we can best explain our ideas of the State Department's role by a concrete but hypothetical illustration. We shall assume, for example, that the Secretary of the Navy, to prepare himself to meet his responsibilities in connection with a visit of naval units to the western Mediterranean, desires a report on political conditions in Spain. To secure it, he would turn to his Chief of Naval Intelligence. The latter in turn should seek the desired information from the State Department, either directly or through the Central Intelligence Agency. He should not try to get it from his own intelligence analysts, any more than he would expect the State Department to furnish from its own resources an estimate of the strength of the Spanish Navy. The reason is obvious. The State Department is the main repository of political information about Spain. It is also the final arbiter of our attitude with respect to Spain. For the Navy, our policy in this situation is a fact, and a vital fact, to be taken into account.

If, to take another hypothetical case, the National Security Council felt the need for an over-all estimate of the Spanish situation -- an estimate that would include not only political information from the State Department but

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

military and strategic elements as well -- then, as indicated more fully in Chapter V, a national estimate should be prepared in the Central Intelligence Agency for review and approval by the Intelligence Advisory Committee. Here would be brought together the intelligence resources of State, of the military services, of the Central Intelligence Agency, and of any other agency equipped to make a real contribution on the subject. The State Department representative on the Intelligence Advisory Committee would, of course, share in the responsibility for the final estimate.

Because of the intelligence contribution which the State Department should be prepared to make to the National Security Council and to other Government agencies, including the Central Intelligence Agency, the Department is called upon to assume an important role in the field of intelligence, even apart from its task of supplying the information required by its own policy officers. We have examined the intelligence functions of the State Department, and particularly the intelligence organization of the Department, known as the Research Intelligence staff, solely to determine how effectively the State Department is organized to meet these outside intelligence requirements, particularly those of the Central Intelligence Agency.

THE RESEARCH AND INTELLIGENCE STAFF

The Research and Intelligence staff is unique among the departmental intelligence agencies for at least two reasons. In the first place, it is an intelligence agency within an intelligence agency, since the collection and interpretation of all information bearing on our foreign relations is a primary objective of the Department as a whole and of its officers in the field. In the second place, the Research and Intelligence staff was not established by

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

the Department in response to keenly felt internal needs. It was the result of the transfer to the Department in 1945, of the Research and Analysis and the Presentations Branches of the Office of Strategic Services.

At the head of the Research and Intelligence staff is a Special Assistant to the Secretary. The staff is divided into three units: the Office of the Special Assistant, comprising several personal assistants and a rather substantial unit conducting research in special source material; an Office of Libraries and Intelligence Acquisition, and an Office of Intelligence Research which is the intelligence producing branch of the organization.

The research analysts in the Office of Intelligence Research are for the most part persons of academic background, and many of them are of high quality. In general, however, the recruitment of first-rate intelligence analysts and other specialists has become increasingly difficult as the future of the Research and Intelligence staff became more and more uncertain.

The functions of the Research and Intelligence staff, as officially defined, are to develop and implement a "comprehensive and coordinated intelligence program for the United States;" and to develop and implement a similar coordinated program for "positive foreign intelligence" for the Department, including procurement of information and the production of intelligence studies and spot intelligence. In addition, Research and Intelligence is authorized to initiate instructions to Department officers abroad and to determine what information flowing into the Department is required for the production of "timely intelligence."

This definition of functions and responsibilities does not indicate the

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

particular kind of "program for positive foreign intelligence" which Research and Intelligence will develop. In particular, it does not clearly distinguish between factual studies and intelligence estimates, and it does not give the staff any special authority or responsibility in producing intelligence, such as the intelligence agencies of the military services enjoy in their respective departments. The charter is broad and vague, and invites a variety of interpretations.

The intelligence reports which Research and Intelligence prepares and circulates within the Department are of several different kinds. They include intelligence memoranda, which comprise a brief analysis of information on current subjects; information notes, which are factual reports involving little interpretation or estimating; Office of Intelligence Research studies, which are exhaustive summaries of available information on subjects of particular significance; periodical reports, which are confined to factual reporting on subjects of continuing interest; and situation reports, which comprise reviews of the political, economic and social situations in foreign countries.

With the exception of situation and periodical reports, the studies of the Office of Intelligence Research are prepared, at least in theory, at the request of policy or other officers of the department. Actually, many of them are written on the initiative of the Office itself. A majority are in principle requested by other offices in the Department, but generally result from proposals which the Office of Intelligence Research has made and which have elicited an indication of interest which can serve as a "request." The situation reports have ordinarily not been prepared in response to requests, but are now integrated with the National Intelligence Survey program (see Chapter VI) in which Research and Intelligence is extensively participating.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

The quality of these different reports varies greatly. The main criticisms of them are that they tend to be academic, are unrelated to immediate policy problems, and are often too lengthy and detailed to influence busy policy officers. It has been observed that Research and Intelligence produces "Ph.D. intelligence," scholastically admirable, but of somewhat limited use in the day-to-day formulation of policy.

The Policy Planning Staff and the political (geographical) desks and economic affairs offices of the Department are the principal recipients and users of such reports. As indicated earlier, these offices request a relatively limited number of reports on their own initiative, and for the most part do not consider them essential to their work.

It is open to question whether Research and Intelligence occupies a position in the State Department which permits it to play an effective and necessary role in the over-all intelligence picture of the Government. As we have stated, Research and Intelligence was, in effect, grafted upon the existing organization of the Department. There was no large body of opinion within the Department or the Foreign Service which keenly supported the contributions which an intelligence staff could make to policy decisions. In fact there was substantial feeling that the functions called "intelligence" were at least parallel to, if not inclusive of, many of those already performed by the policy offices. For these reasons many members of the Department were originally reluctant to make use of the physically separate intelligence staff.

This aloofness is confirmed by the failure to bring the intelligence organization into important policy councils. In view of the special nature of the Department's work, throughout which intelligence and policy are closely

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joined, this is understandable. In any event, the effect is to establish the intelligence staff not as the sole source of intelligence analysis, but merely as one possible source which could be employed if the policy authorities so desired. The intelligence staff, in the opinion of many policy officers, has not seemed to offer the Department any uniquely significant contributions which would justify its regular and intensive employment.

The precise function of Research and Intelligence in producing intelligence reports has never been adequately defined. It has not been made clear whether Research and Intelligence should limit its activities to preparing exclusively factual studies at the request of policy officers, or should produce intelligence estimates.

Whatever the designed scope of its functions, Research and Intelligence has moved increasingly during the past year in the direction of intelligence estimating. In this respect it has sought to assume a responsibility long accepted by the other departmental intelligence agencies. But its movement in this direction has brought it into conflict with the policy officers of its own Department who consider it their own function to be the analysts of current problems as well as the formulators of our policies.

Accordingly, Research and Intelligence enters the field of the policy officers when it presents estimates of its own, which appear to analyze the policy implications of a given problem. The conflict over this aspect of the Research and Intelligence role is most evident in regard to intelligence memoranda prepared by the organization on more or less current developments. Although such reports may represent a high degree of analytic skill, they are likely to be regarded by the policy officer as a useless repetition of

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

information with which he is already familiar, or an unwarranted attempt to tell him what he should think about a problem under his consideration.

Perhaps the most telling evidence of the Department's attitude toward the Research and Intelligence reports is the line which appears in the printed heading of each: "The conclusions expressed herein are based upon research and analysis by the Intelligence Organization, and do not necessarily represent the views of other offices of the Department of State."

If, in fact, Research and Intelligence does prepare estimates, there is the possibility that on certain matters two or more separate studies or estimates covering the same subject may exist simultaneously in the Department. The Policy Planning Staff or the geographical desks, for example, are accustomed to draft their own estimates quite independently of Research and Intelligence. Yet Research and Intelligence, knowing that a particular matter is one of general concern to policy officials, may prepare an estimate of its own. So long as these remain in the State Department no direct harm may result, although the duplication of effort and the existence of unreconciled points of view on the same subject may be undesirable. If, however, as may well occur, the separate estimates are used outside the Department in satisfying the needs of the National Security Council, the Central Intelligence Agency, or the Services, the possibility of confusion is obvious.

INTELLIGENCE RELATIONS BETWEEN THE STATE DEPARTMENT AND OUTSIDE AGENCIES

In the future -- particularly if action is taken on our recommendations for the elimination of much of the miscellaneous political intelligence work now done outside of the State Department -- the latter will be called upon more and more to make intelligence contributions to the Services, to the

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Central Intelligence Agency and to national intelligence estimates. Then it will be doubly important that the responsibility for the State Department's contribution be more clearly fixed within the Department.

One possible solution might be to limit the Research and Intelligence staff to factual reporting and to place on the policy officers of the Department the responsibility for passing upon any political intelligence estimates used outside of the Department. Alternatively these estimates might be prepared by Research and Intelligence and then passed upon by the appropriate policy officers of the Department before they go to the Central Intelligence Agency or to other Government departments. A third solution might be to allocate the personnel of Research and Intelligence among the policy offices (geographical desks) of the Department or attach them to the Policy Planning Staff and then place on the policy officers or Planning Staff the responsibility for State Department estimates for the Central Intelligence Agency or for other outside Government agencies.

The State Department should, of course, be protected from burdensome and unreasonable demands for political estimates from other agencies. If such call should create a problem, the Intelligence Advisory Committee, on which the Department will be represented, should exercise its coordinating function to reduce the demands to manageable proportions.

Furthermore, the Department has a primary responsibility to exercise its intelligence functions for the purpose of formulating its own policies. It must adopt the methods and techniques which will best meet this primary responsibility. How this is done is not within our competence. However, in working out its own internal procedure, it is important to the over-all intelligence

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

set-up and particularly to the proper functioning of the Central Intelligence Agency, with which this report is immediately concerned, that the State Department should equip itself to meet the legitimate request for political intelligence submitted by the Central Intelligence Agency or other Government intelligence agencies and to effect the closer liaison with the Central Intelligence Agency which we have recommended in this report.

To meet these requirements we recommend that the State Department give consideration to assigning to some senior officer of the Department the functions of Intelligence Officer.* Such officer should have the prestige, the authority, and the access to operational and policy matters which would equip him to guide the production and control the dissemination of State Department intelligence estimates. The Special Assistant for Research and Intelligence and his staff do not today have such powers or position. Whether, in a given case, the intelligence estimates would emanate from the Policy Planning Staff, the political offices (geographical desks), or from a combination of the two, plus the Research and Intelligence staff, is a matter for internal State Department determination.

The appointment of an Intelligence Officer, with the powers and functions we have indicated, and with a small but highly trained staff, in our opinion, would result in a more efficient system whereby the Department could meet any legitimate needs of the Central Intelligence Agency and of other Government agencies for political intelligence. In this way the Department could also effect closer liaison with the Central Intelligence Agency and the Service

* We have used the term "Intelligence Officer" here for reasons of clarity only. As a practical matter and for security reasons some other and more innocuous title would be desirable.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

agencies. This Intelligence Officer would serve as the Department's representative on the reconstituted Intelligence Advisory Committee, described in Chapter IV. He would also act as the Department's principal liaison officer for other matters concerning the Central Intelligence Agency, including liaison with the Office of Policy Coordination as provided by the National Security Council and with other covert activities of the Central Intelligence Agency as suggested in this report. This Intelligence Officer would combine the functions now being handled by several departmental officers or not being handled at all. He should not, however, stand between other department officers and the appropriate officials of the Central Intelligence Agency, but he should coordinate these relationships. For example, the various desks in the operating and estimating units of the Central Intelligence Agency should develop close working relationships with the corresponding geographical desks or other policy officers of the Department.

We recognize that in recommending that the political intelligence reports and estimates be passed upon by the policy officers of the Department, there is the risk, which we discussed above in the chapter on national estimates, that these reports will be colored, possibly even distorted, by the policy prejudices of those who prepare them. As between this danger and that of having the reports prepared by a group which is not thoroughly acquainted with the operational and policy decisions of the Department, we choose the former. We do so in the hope that if the Central Intelligence Agency, and particularly its Estimates Division, and the Intelligence Advisory Committee function as we believe they should, an opportunity will be afforded to challenge departmental estimates and to appraise them in the light of reports available to members of the Intelligence Advisory Committee from other sources. (See Chapter V). Here

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

it may be possible to correct estimates of any single department that have gone "overboard" for a particular policy line which from a broader view of available facts may be shown to be unsound.

CONCLUSIONS AND RECOMMENDATIONS

(1) The State Department, to which the National Security Council has assigned dominant interest in the collection and production of political, cultural and sociological intelligence, should equip itself more adequately to meet the legitimate requirements of the Central Intelligence Agency and of other Government intelligence agencies for such intelligence.

(2) The specialized intelligence staff in the State Department, the Research and Intelligence staff, does not now have sufficient current knowledge of departmental operations and policies to furnish, on behalf of the Department, the basic estimates which may be required by the Central Intelligence Agency and the Service intelligence agencies.

(3) The liaison between the State Department and the Central Intelligence Agency should be closer and put on a continuing, effective basis.

(4) To meet the foregoing requirements, consideration should be given by the Department to designating a high officer of the Department, who has full access to operational and policy matters, to act as intelligence officer. This officer, with a small staff, should process requests for departmental intelligence received from the Central Intelligence Agency and other agencies and see that legitimate requests are met through the preparation of the requisite intelligence reports or estimates by the appropriate departmental officers. He should also act as continuing Intelligence liaison officer with the Central Intelligence Agency and the Service intelligence agencies.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ANNEXES

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CHAPTER XIII

CONCLUSION

At the outset of this report we gave a brief summary of our survey and findings, and at the various chapter endings we have added those conclusions and recommendations which were applicable to the subject matter of the chapter.

We have been critical of the direction and administration of the Central Intelligence Agency where we felt that there had been failures to carry out its basic charter. We have also pointed out what we have judged to be inadequacies in administration and lack of over-all policy guidance within the organization. At no time, however, have we overlooked the great difficulties facing a relatively new and untried organization which has been viewed with some suspicion and distrust even by those whom it should serve. We believe that some measure of this suspicion and distrust is being dissipated and that what is needed today is for the Central Intelligence Agency to prove that it can and will carry out its assigned duties. We have proposed specific steps which can be taken toward this objective.

The progress of the Central Intelligence Agency should be continuously tested by the National Security Council against the accomplishment of the purposes of Sec. 102 of the National Security Act. That is to say, the Central Intelligence Agency should be prepared to show what is being accomplished:

(1) To coordinate the intelligence activities of the Government;

(2) To provide, in close collaboration with other governmental intelligence agencies, for the central correlation of intelligence relating to the national security; and

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

(3) To perform the intelligence and related services of common concern assigned to it by the National Security Council.

In these fields the Central Intelligence Agency has the duty to act. It has been given, both by law and by National Security Council directive, wide authority, and it has the open invitation to seek from the National Security Council any additional authority which may be essential. It must not wait to have authority thrust upon it. Its basic mandate is clear. We recognize that it will require initiative and vision to carry it out. If this is done, we will have made a satisfactory start toward achieving one of our most essential defense requirements, an adequate intelligence service.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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ANNEX 1

SURVEY GROUP TERMS OF REFERENCE I

NATIONAL SECURITY COUNCIL
WASHINGTON

February 13, 1948

MEMORANDUM FOR: Mr. Allen W. Dulles
Mr. Mathias F. Correa
Mr. William H. Jackson

SUBJECT: Survey of the Central Intelligence Agency

This is to confirm our understanding that you will serve as the group to make a survey of the Central Intelligence Agency, in accordance with the enclosed resolution approved by the National Security Council.

This memorandum is your authorization to proceed with this survey and, upon presentation by you, will constitute a directive to the Director of Central Intelligence and the Intelligence Chiefs of the Departments represented on the Council, to furnish you necessary information and facilities as indicated in the second paragraph of the enclosed resolution.

Your willingness to participate in this vitally important survey is sincerely appreciated by all members of the National Security Council.

SIDNEY W. SOUERS
Executive Secretary

Incl
National Security Council Resolution

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NATIONAL SECURITY COUNCIL RESOLUTION

January 13, 1948

The National Security Council has agreed that a group of two or three specially qualified individuals not in the Government service should make a comprehensive, impartial, and objective survey of the organization, activities, and personnel of the Central Intelligence Agency. As a result of this survey, this group should report to the Council its findings and recommendations on the following matters:

a. The adequacy and effectiveness of the present organizational structure of CIA.

b. The value and efficiency of existing CIA activities.

c. The relationship of these activities to those of other Departments and Agencies.

d. The utilization and qualifications of CIA personnel.

The National Security Council also authorized and directed the Director of Central Intelligence and the Intelligence Chiefs of the Departments represented on the Council to give the above group access to all information and facilities required for their survey, except details concerning intelligence sources and methods.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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ANNEX 2

SURVEY GROUP TERMS OF REFERENCE II

NATIONAL SECURITY COUNCIL
WASHINGTON

March 17, 1948

MEMORANDUM FOR: Mr. Allen W. Dulles
Mr. Mathias F. Correa
Mr. William H. Jackson

SUBJECT: Survey of the Central Intelligence Agency

1. I have already sent you a memorandum with the terms of the resolution of the National Security Council providing that a survey should be made of the activities of the Central Intelligence Agency and its relationship to other Departments and Agencies.

2. As a result of our further discussions on this subject, it may be helpful if I set forth my understanding regarding the scope of the survey and the procedures to be followed.

3. The survey will comprise primarily a thorough and comprehensive examination of the structure, administration, activities and inter-agency relationships of the Central Intelligence Agency as outlined in the resolution of the National Security Council. It will also include an examination of such intelligence activities of other Government Departments and Agencies as relate to the national security, in order to make recommendations for their effective operation and over-all coordination, subject to the understanding that the group will not engage in an actual physical examination of departmental intelligence operations (a) outside of Washington or (b) in the collection of communications intelligence. On behalf of the National Security Council I will undertake to seek the cooperation in this survey of those Government Departments and Agencies not represented on the Council which have an interest in intelligence as relates to national security.

4. It should be understood that the survey of the Central Intelligence Agency and its relationship to other Departments and Agencies will be done for and with the authority of the National Security Council. The survey of the intelligence activities of the Departments of State, the Army, the Navy, and the Air Force, however, will be for and with the authority of the respective heads of those Departments.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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5. The survey group will submit from time to time recommendations on individual problems which need to be brought to the attention of the Council or the heads of the respective Departments and Agencies concerned. Problems concerning CIA will be given priority over those involving other Agencies. It is contemplated that the survey will be completed and final report submitted on or before January 1, 1949.

6. It is my understanding that at your request Mr. Forrestal has agreed to lend to the investigating group the services of Mr. Robert Blum to head the staff work. I would appreciate the group's advice as to additional staff members it may require in order that I may clear them for this work. The members of the staff, when cleared by the heads of the Agencies concerned, will be given access to information and facilities required for the survey in the same manner as provided for your group in the Council's resolution.

7. Compensation and expenses for the members of the investigating group and its staff will be paid for out of funds available to the National Security Council and the Central Intelligence Agency.

8. I will be pleased to render so far as practicable any further assistance which you may require in conducting your survey.

SIDNEY W. SOUERS
Executive Secretary

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ANNEX 3

PRESIDENTIAL LETTER CREATING THE CENTRAL INTELLIGENCE GROUP

THE WHITE HOUSE
WASHINGTON

January 22, 1946

To The Secretary of State
The Secretary of War, and
The Secretary of the Navy

1. It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof.

3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

b. Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under this directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

8. Within the scope of existing law and Presidential directives, other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.

10. In the conduct of their activities the national Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods.

Sincerely yours

/s/ Harry Truman

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ANNEX 4

NATIONAL SECURITY ACT OF 1947

(PUBLIC LAW 253 - 80th CONGRESS)

* * * * * * *

CENTRAL INTELLIGENCE AGENCY

Sec. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. The Director shall receive compensation at the rate of $14,000 a year.

(b) (1) If a commissioned officer of the armed services is appointed as Director then--

(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which $14,000 exceeds the amount of his annual military pay and allowances.

(c) Notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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ANNEX 6

CENTRAL INTELLIGENCE AGENCY

PERSONNEL STRENGTH AS OF 24 DECEMBER 1948

OFFICE

Director

Executive for Administration
- Executive
- Budget & Finance
- Services
- Personnel
- Management

ICAPS

General Counsel

Advisory Council

Office of Reports & Estimates

Office of Scientific Intelligence

Office of Collection & Dissemination

Executive for Inspection & Security

Office of Special Operations

Office of Policy Coordination

Office of Operations

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25X1

TOTAL -

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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ANNEX 7

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 1

DUTIES AND RESPONSIBILITIES

December 12, 1947

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 Advisory 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 Commission, or their representatives, shall be established to advise the Director of Central Intelligence. The Director of Central Intelligence will invite the chief, or his representative, of any other intelligence Agency having functions related to the national security to sit with the Intelligence Advisory Committee whenever matters within the purview of his Agency are to be discussed.

2. To the extent authorized by Section 102 (e) of the National Security Act of 1947, the Director of Central Intelligence, or representatives designated by him, by arrangement with the head of the department or agency concerned, shall make such surveys and inspections of departmental intelligence material of the various Federal Departments and Agencies relating to the national security as he may deem necessary in connection with his duty to advise the NSC and to make recommendations for the coordination of intelligence activities.

3. Coordination of intelligence activities should be designed primarily to strengthen the over-all governmental intelligence structure: Primary departmental requirements shall be recognized and shall receive the cooperation and support of the Central Intelligence Agency.

a. The Director of Central Intelligence shall, in making recommendations or giving advice to the National Security Council pertaining to the intelligence activities of the various Departments and Agencies, transmit therewith a statement indicating the concurrence or non-concurrence of the members of the Intelligence Advisory Committee; provided that, when unanimity is not obtained among the Department heads of the National Military Establishment, the Director of Central Intelligence shall refer the problem to the Secretary of Defense before presenting it to the National Security Council.

b. Recommendations of the Director of Central Intelligence shall, when approved by the National Security Council, issue as Council Directives to the Director of Central Intelligence. The

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

respective intelligence chiefs shall be responsible for insuring that such orders or directives, when applicable, are implemented within their intelligence organizations.

c. The Director of Central Intelligence shall act for the National Security Council to insure full and proper implementation of Council directives by issuing such supplementary DCI directives as may be required. Such implementing directives in which the Intelligence Advisory Committee concurs unanimously shall be issued by the Director of Central Intelligence, and shall be implemented within the Departments and Agencies as provided in paragraph b. Where disagreement arises between the Director of Central Intelligence and one or more members of the Intelligence Advisory Committee over such directives, the proposed directive, together with statements of non-concurrence, shall be forwarded to the NSC for decision as provided in paragraph a.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

10. 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.

11. 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.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

7. There shall be free and unrestricted interdepartmental exchange of intelligence information to meet the recognized secondary needs of each department and agency for intelligence usually obtained or prepared by other departments or agencies.

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

(3) Any intelligence agency, either through the Director of Central Intelligence or directly, may call upon other appropriate agencies for intelligence which does not fall within its own field of dominant interest. Such requests shall be made upon the agencies in accordance with their production capabilities and dominant interest.

(4) As a part of the coordination program, the Director of Central Intelligence will seek the assistance of the IAC intelligence agencies in minimizing the necessity for any agency to develop intelligence in fields outside its dominant interests.

(5) The CIA and the agencies shall, for purposes of coordination, exchange information on projects and plans for the production of staff intelligence.

(6) It shall be normal practice that staff intelligence of one agency is available to the other intelligence agencies permanently represented on the IAC.

d. Departmental Intelligence

(1) Departmental intelligence is that intelligence including basic, current, and staff intelligence needed by a Department or independent Agency of the Federal Government, and the subordinate units thereof, to execute its mission and to discharge its lawful responsibilities.

e. National Intelligence

(1) National intelligence is integrated departmental intelligence that covers the broad aspects of national policy and national security, is of concern to more than one Department or Agency, and transcends the exclusive competence of a single Department or Agency or the Military Establishment.

(2) The Director of Central Intelligence shall produce and disseminate national intelligence.

(3) The Director of Central Intelligence shall plan and develop the production of national intelligence in coordination with the IAC Agencies in order that he may obtain from them within the limits of their capabilities the departmental intelligence which will assist him in the production of national intelligence.

(4) The Director of Central Intelligence shall, by agreement with the pertinent Agency or Agencies, request and receive such special estimates, reports, and periodic briefs or summaries prepared by the individual Departments or Agencies in their fields of dominant interest or in accordance with their production

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

capabilities as may be necessary in the production of intelligence reports or estimates undertaken mutually.

2. The research facilities required by any agency to process its own current and staff intelligence shall be adequate to satisfy its individual needs after taking full cognizance of the facilities of the other agencies. Each agency shall endeavor to maintain adequate research facilities, not only to accomplish the intelligence production tasks allocated to it directly under the foregoing provisions but also to provide such additional intelligence reports or estimates within its field of dominant interest as may be necessary to satisfy the requirements of the other agencies under such allocations.

3. For the purposes of intelligence production, the following division of interests, subject to refinement through a continuous program of coordination by the Director of Central Intelligence, shall serve as a general delineation of dominant interests:

Political, Cultural, Sociological Intelligence..	Department of State
Military Intelligence.....	Department of the Army
Naval Intelligence.....	Department of the Navy
Air Intelligence.....	Department of the Air Force
Economic, Scientific, and Technological Intelligence.....	Each agency in accordance with its respective needs

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

CONFIDENTIAL Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

ANNEX 10

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 4

NATIONAL INTELLIGENCE OBJECTIVES

December 12, 1947

Pursuant to the provisions of Section 102 (d) (5) of the National Security Act of 1947 and for the purpose of providing intelligence support for the preparation of studies required by the National Security Council in the fulfillment of its duties, it is directed that:

1. The Director of Central Intelligence, in collaboration with the other agencies concerned, shall prepare a comprehensive outline of national intelligence objectives applicable to foreign countries and areas to serve as a guide for the coordinated collection and production of National Intelligence.

2. The Director of Central Intelligence, in collaboration with the other agencies concerned, and under the guidance of the NSC Staff* shall select from time to time and on a current basis sections and items of such outline which have a priority interest. These selections will be issued by the Director of Central Intelligence to supply the desired priority guidance for the production of National Intelligence by the Central Intelligence Agency and for the contributions to such production by other agencies concerned.

* For this purpose, the NSC Staff shall consist of the Executive Secretary and the Departmental representatives designated by Council members to advise and assist the Executive Secretary. Any cases of disagreement within this group will be referred to the National Security Council for decision.

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8 TOP SECRET

ANNEX 11

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 5

ESPIONAGE AND COUNTERESPIONAGE OPERATIONS

December 12, 1947

Pursuant to the provisions of Section 102 (d) of the National Security Act of 1947, the National Security Council hereby authorizes and directs that:

1. The Director of Central Intelligence shall conduct all organized Federal espionage operations outside the United States and its possessions for the collection of foreign intelligence information required to meet the needs of all Departments and Agencies concerned, in connection with the national security, except for certain agreed activities by other Departments and Agencies.

2. The Director of Central Intelligence shall conduct all organized Federal counter-espionage operations outside the United States and its possessions and in occupied areas, provided that this authority shall not be construed to preclude the counter-intelligence activities of any army, navy or air command or installation and certain agreed activities by Departments and Agencies necessary for the security of such organizations.

3. The Director of Central Intelligence shall be responsible for coordinating covert and overt intelligence collection activities.

4. When casual agents are employed or otherwise utilized by an IAC Department or Agency in other than an overt capacity, the Director of Central Intelligence shall coordinate their activities with the organized covert activities.

5. The Director of Central Intelligence shall disseminate such intelligence information to the various Departments and Agencies which have an authorized interest therein.

6. All other National Security Council Intelligence Directives or implementing supplements shall be construed to apply solely to overt intelligence activities unless otherwise specified.

TOP SECRET
Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8

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Approved For Release 2003/08/18 : CIA-RDP86B00269R001100090002-8