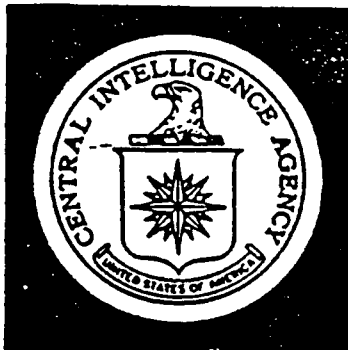


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CIA HISTORICAL STAFF

The DCI Historical Series

GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME III REORGANIZATION PURSUANT TO NSC 50

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December 1971

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THE DCI HISTORICAL SERIES

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HRP 89-3

GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME III REORGANIZATION PURSUANT TO NSC 50

by

Ludwell Lee Montague

December 1971

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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General Walter Bedell Smith
As Director of Central Intelligence
October 1950 - February 1953

Volume III Reorganization Pursuant to NSC 50

I. The Reorganization

The Survey Group Report proposes a number of major changes in the internal organization of CIA We concur in them and in the concept of CIA upon which they are based. However, we recognize that there may be other methods of organization which will accomplish the same objectives.

-- NSC 50
1 July 1949

In dutiful compliance with NSC 50, Admiral Hillenkoetter submitted, in August 1949, a plan for the integration of the Office of Policy Coordination (OPC), the Office of Special Operations (OSO), and the [REDACTED] Office of Operations (OO), as recommended by the report of the NSC Survey Group.¹/* The Department of State never acted on that proposal, which involved the amendment of NSC

* For serially numbered source references, see Appendix A.

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10/2 in a way that would have reduced State's control over OPC. Consequently it was never implemented.

On the other hand, Hillenkoetter's plan for the reorganization of the Office of Reports and Estimates (ORE), reported to the NSC on 27 December 1949,^{2/} was a transparent attempt to perpetuate the status quo under a specious pretense of compliance.* It was implemented, but was without any real effect.

Thus the organization of CIA in October 1950, when General Smith relieved Admiral Hillenkoetter, was substantially what it had been in July 1949, when the NSC had directed a radical reorganization, although there had been some few inconsequential changes in nomenclature. That organization is shown in the organizational chart, Figure 1, on the following page.

General Smith assured the NSC and the IAC that he would proceed forthwith to reorganize CIA in accordance with NSC 50, except that he would not merge OPC and OSO.** Smith looked to his Deputy, William

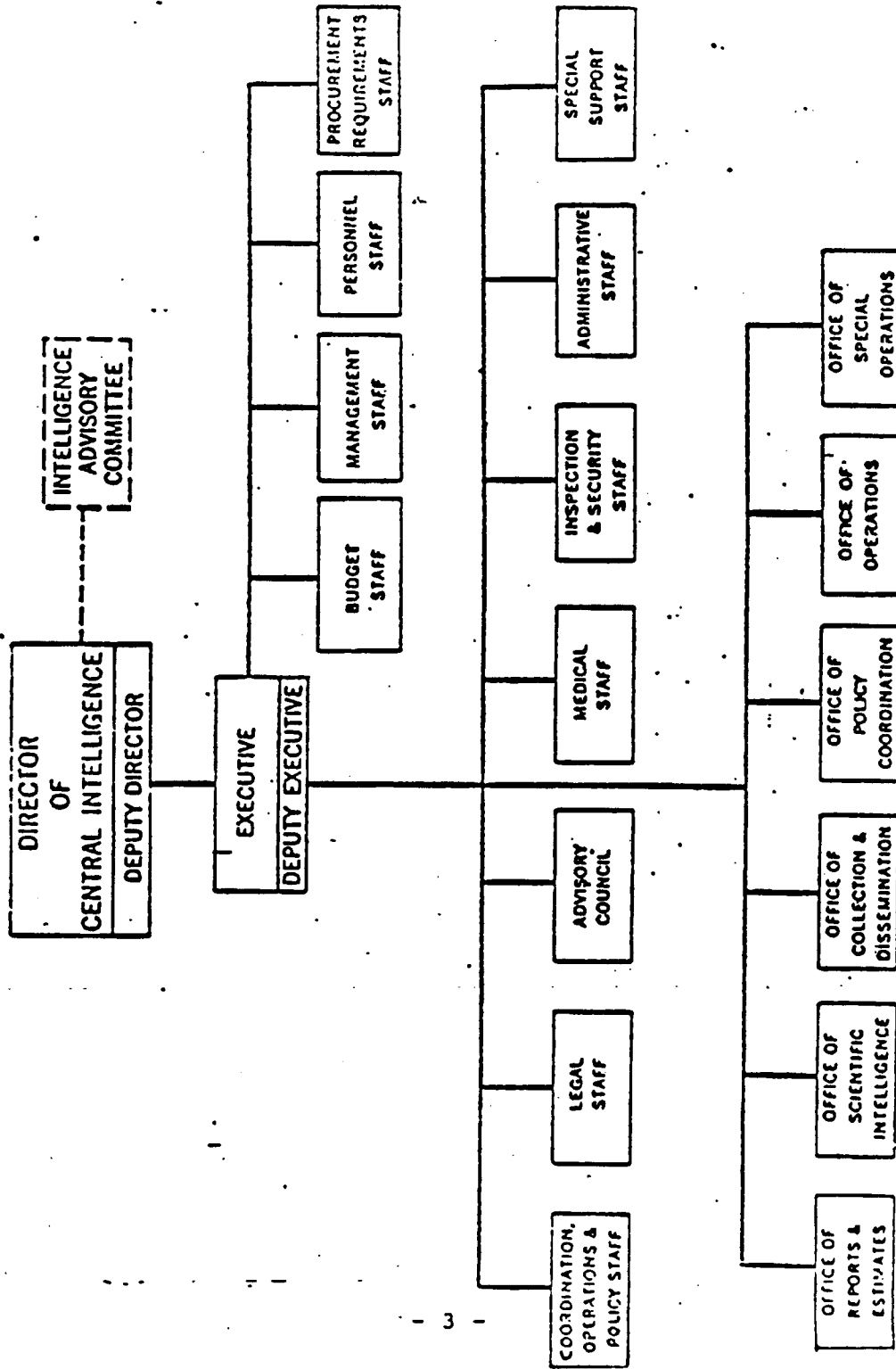
* See pp. 27-28, below, and Volume I, pp. 97-98.

** See Volume II, pp. 10-11, and 21-22.

CENTRAL INTELLIGENCE AGENCY

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(Organization as of 1 October 1950)



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Jackson, to prepare for his approval the specific plans required to carry out this commitment.* The new organizational structure that Jackson and Smith devised is shown in the chart on page 5.**

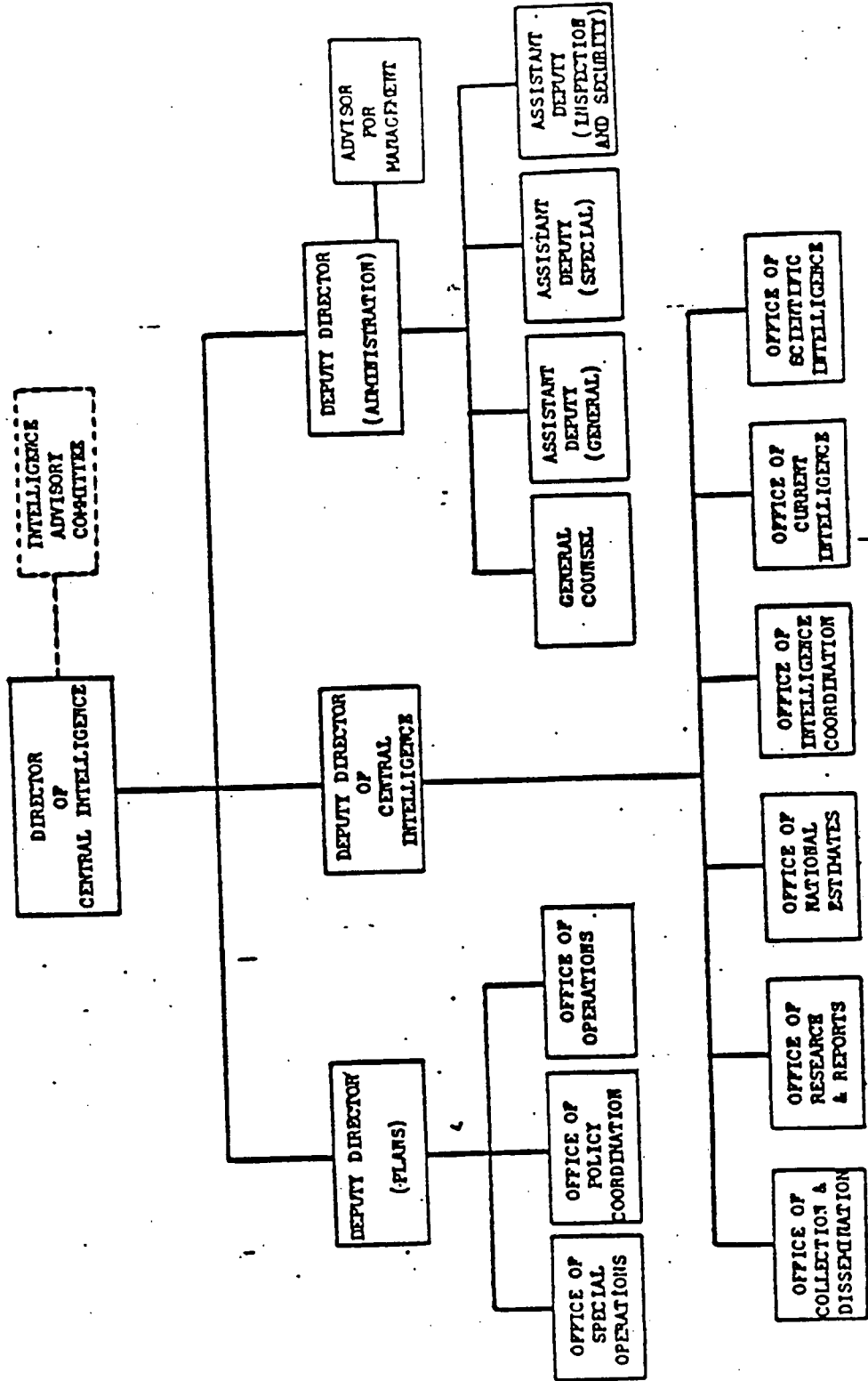
* See Volume II, pp. 10-11.

** This chart, dated 19 January 1951, is of curious interest in that it shows the DDCI in the position later occupied by the DDI: that is, with no jurisdiction over the DDP and the DDA, but in direct command of the six "DDI Offices." William Jackson did function as DDI while he was DDCI, but was not confined to that role. Allen Dulles did not function as DDI when he became DDCI in August 1951. Thus the chart is not a true reflection of the facts in particular.

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CENTRAL INTELLIGENCE AGENCY



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II. The Office of Intelligence Coordination

To devise plans for the interdepartmental coordination of intelligence activities had been from the first an explicit function of the Director of Central Intelligence.^{3/} Admiral Souers created for that purpose a Central Planning Staff composed of officers seconded from the several Departments,^{4/} not as instructed representatives, but as men familiar with Departmental interests and capabilities, working for the DCI. Vandenberg (Wright) abolished that Staff by reassigning its members, and then created another based on the same principle. It was grandiloquently styled the Interdepartmental Coordinating and Planning Staff (ICAPS).^{5/}

ICAPS was never able to accomplish much in the way of effective interdepartmental coordination. There were two reasons for its failure. One was that its members had had little or no practical experience as intelligence officers; they did not really understand the business. The other was the determined resistance of the IAC and its representative Standing Committee

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to ICAPS' constant effort to assert the superior authority and prerogative of the DCI. The energies of ICAPS were spent in haggling with the Standing Committee over the verbal terms of draft directives that in the end were compromised into ambiguity or meaninglessness. Thus frustrated in its true function, ICAPS turned instead toward giving direction to the line offices of CIA in the name of the DCI and supposedly in the interest of interdepartmental coordination.6/

The NSC Survey Group noted, in 1948, that the responsibility of the ICAPS members (whether to the DCI or to the Departments) was ambiguous, that they were not well qualified for their task, and that they tended to interfere with the operations of the line offices. It recommended that ICAPS be "reconstituted" as a staff responsible solely to the DCI and devoted solely to interdepartmental coordination.7/ That recommendation excited derision in CIA, and even in the IAC, because that was what ICAPS was already supposed to be. Its only effect was to cause Hillenkoetter to delete "Interdepartmental" from the name of ICAPS,

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making it COAPS (the DCI's personal staff for "Coordination, Operations, and Policy"). That change enabled the same incompetent group to interfere the more readily in the affairs of the line offices of CIA -- but the sands were already running out.*

Smith and Jackson had no use whatever for ICAPS, alias COAPS. They even refused to receive the respects of James Reber, the newly appointed Chief of COAPS.** For a time Jackson himself performed the functions of COAPS, personally planning the reorganization of CIA and discussing its terms and implications with the members of the IAC, especially the State Department member. Jackson even functioned personally as the Secretary of the IAC, an incidental duty of the Chief of COAPS.

* ICAPS became COAPS on 1 July 1950, only three months before General Smith took office as DCI.

** Reber, 39 in 1950, was a native of Elizabethtown, Pennsylvania, and held a Ph.D. in International Relations from the University of Chicago (1939). He entered the Department of State in 1943 and in 1950 was Chief of the Committee Secretariat in the office of the Secretary. State sent him to relieve Prescott Childs as Chief of COAPS on 1 October 1950, only six days before Smith and Jackson took office.

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In early November (after about a month in office) Jackson summoned Reber and told him that General Smith wished to appoint an ambassador or a general to his position. If Reber were to be retained, however, how would he propose to proceed? Reber replied that, first, he would resign from the Department of State; the chief of the DCI's coordinating staff should be the DCI's own man. Second, he would request the immediate relief of all other members of COAPS, except any whom he might choose to retain and who might be willing to transfer to CIA; the entire staff should be the DCI's men. Reber managed also to suggest that in the Committee Secretariat he had had more practical experience in interdepartmental coordination than any ambassador or general would be likely to have had.^{8/}

Jackson was impressed by Reber's good sense, right attitude, and address. He abolished COAPS on 1 December 1950, and on 13 December announced that Reber would serve as Acting Assistant Director for Intelligence Coordination and Secretary of the IAC. In May 1951, General Smith struck the "Acting" from Reber's title.

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The Office of Intelligence Coordination consisted only of Reber and two assistants^{9/}; it was really a small staff section rather than a line office. Reber took the position that working liaison and coordination with the Departmental agencies was, properly, a function of the line offices directly concerned, rather than of OIC.^{10/} With regard to problems of coordination requiring IAC action, he convened interdepartmental ad hoc committees with himself in the chair; the Standing Committee of the IAC was abolished.^{11/} On these occasions Reber followed the example of General Smith's approach to the IAC,* recognizing that Departmental interests were entitled to consideration and respect. He bore in mind also Jackson's dictum that CIA was not required to do all the coordinating that was done, so long as the DCI was in a position to assure himself that it was being done well.^{12/**}

* See Volume II, Chapter II.

** For an example of the application of this principle in practice, General Smith deferred to the sensitivities of the Pentagon by appointing an Army G-2 officer to be the first Chairman of the Watch Committee (see p. 139, below). ICAPS would have attempted to insist that the chair belonged to CIA.

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In October 1951, Reber set forth more fully the six principles that governed his approach to interdepartmental coordination. He held that (short of an appeal to the NSC) CIA must achieve such coordination by leadership, stimulation, and persuasion, and that the primary role and expert knowledge of the substantively responsible agency must be recognized. Actual coordination on specific problems should be decentralized as far as possible to the offices and agencies having functional responsibility, but the DCI must retain a general supervisory role, with the ADIC as his assistant for that purpose. In the end, the effectiveness of interdepartmental coordination would depend on the personal relations of the intelligence chiefs themselves, especially in the IAC. In general, a flexible, practical attitude would be far more effective than a legalistic, doctrinaire approach.^{13/}

That was sound doctrine. It was also the reverse of what the ICAPS approach had been. In general, it worked well -- given the entirely new DCI-IAC relationship that General Smith had created.*

* An exceptional case is noted in Volume II, pp. 44-46.

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On 1 January 1952 the OIC was subordinated to the DDI. Loftus Becker then superseded James Reber as the DCI's principal assistant for interdepartmental intelligence coordination.* Becker considered absorbing the small OIC into his personal staff, but refrained from doing so, probably in order not to diminish Reber's standing as an Assistant Director, which was of value in his work as an external representative and negotiator.**

* See Volume II, pp. 90-91.

** On 1 February 1954, Richard Bissell was appointed Special Assistant to the DCI for Planning and Coordination, and on 1 July 1954 he absorbed the DDI's responsibilities for interdepartmental coordination. OIC was then abolished, and its personnel were transferred from the DDI to the Special Assistant.

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III. The Office of National Estimates

The other explicit function of the Director of Central Intelligence was to

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.^{14/}

That formulation, in the President's letter of 22 January 1946, made it clear that the intelligence to be disseminated was the product of the DCI's correlation and evaluation.* The passage was commonly understood to refer only to the production of national intelligence estimates. Any other production of finished intelligence by CIG/CIA was thought to come under another provision of the President's letter, to perform "services of common concern."^{16/} This distinction, clear in the minds of Admiral Souers and his

* In the National Security Act of 1947, this language was changed to read "to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence."^{15/} The revised language was less clear on the point in question, but there was no intent to change the meaning. See Volume I, pp. 70-71.

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colleagues, was lost in General Vandenberg's omnibus Office of Research and Evaluation, alias Reports and Estimates.*

A. The Central Reports Staff

To perform this estimating function, Admiral Souers created a Central Reports Staff (CRS) in February 1946, based on Ludwell Montague's plan for a "National Estimates Staff,"**

17/ The immediate task of the CRS was to produce an all-sufficient daily summary of current intelligence, which was what President Truman particularly wanted from his Central Intelligence Group, but it was anticipated that eventually its principal function would be the drafting of national intelligence estimates for DCI-IAB consideration in accordance with the Lovett Report's doctrine -- that

* See Volume I, pp. 56-57.

** The change in name was probably made to conform to the name of the Central Planning Staff and to allow for the Staff's current intelligence function. It was unfortunate in that it deemphasized its primary estimating function.

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is, in coordination with Departmental representatives, but with a power of decision vested in the Chief, CRS, at his level, and in the DCI at his, subject to the notation of any dissents.*

The actual strength of the CRS never exceeded [REDACTED] and it never got beyond the production of current intelligence. It was never able to obtain from the Departments the assignment of men of sufficient experience and judgment to produce thoughtful estimates.** Consequently it produced none, and thus never set a precedent for the interdepartmental coordination of national intelligence estimates.

B. The Failure of ORE

For Souers's concept of a small, select estimates staff dependent on Departmental research support,

* See Volume I, pp. 28-31, 36-38, and 47-50. Montague, who had drafted JIC 239/5 and NIA Directives No. 1 and No. 2, was Chief of the Central Reports Staff.

** Actually, very few such men were available in the Departments. During the War the military intelligence agencies had been manned for the most part by reserve officers who in 1946 were impatient to return to their homes. Similarly, the professorial types in State (in the former R&A Branch of OSS) were generally impatient to return to their universities. The few qualified men who remained were not being given away to CIG.

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General Vandenberg substituted the concept of an entirely self-sufficient Office of Research and Evaluation with a strength of [REDACTED] Vandenberg's departure, however, arrested the growth of ORE at about [REDACTED]. Thus ORE conformed neither to Souers's concept nor to Vandenberg's. It continued to pretend to the self-sufficiency that Vandenberg had intended it to have, but lacked the manpower and the intellectual resources required to make good that pretension.

There were four reasons for the failure of ORE. One was its lack of a clearly defined and generally understood mission.^{18/} Another was its lack of a pertinently experienced and forceful Assistant Director.* A third was the generally poor quality of ORE

* In order to gain favor in the Department of State, Vandenberg solicited the assignment of a Foreign Service Officer to supersede Montague as ADRE. The senior FSO thus obtained knew nothing of intelligence research or estimates production and had no interest in taking charge of ORE. Within nine months he contrived an escape and was replaced by a State appointee who dared not assert his authority over his Branch chiefs. They were seconded by the several Departments and in no way beholden to him. Montague remained in ORE as Chief of the Intelligence Staff, 1946-47, and then as Chief, Global Survey Group.^{19/}

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personnel.* When ORE was recruiting toward [REDACTED] any body able to reach the door was admitted, but ORE had little more success than CRS in recruiting men for discernment and mature judgment. And the fourth reason for ORE's failure was the hostility and obstructionism of the Departmental intelligence agencies, antagonized by Vandenberg and ICAPS.

As Chief of the Intelligence Staff, ORE,** Montague strove to carry out the original conception of how national intelligence estimates should be produced, but he was frustrated by Admiral Inglis. Inglis demanded that Vandenberg make Montague stop calling for Departmental contributions. He wanted ORE to work for ONI by producing basic intelligence as a "service of common concern." He did not want ONI to have to work for ORE. Vandenberg was delighted

* Of course there were individual exceptions to this generalization. In 1950, ONE was well staffed with men selected from ORE, and other ORE men made their mark in other offices.

** The Intelligence Staff had charge of all ORE intelligence production until July 1947.

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to comply with Inglis's demand, for Inglis was providing CIG's need for independent research capabilities.20/

When Montague called for the assignment of full-time IAB representatives to the Intelligence Staff, in accordance with NIA Directive No. 2, Admiral Inglis insisted that they could be only part-time "messenger boys."*22/ These designated representatives not only refused to occupy offices in ORE, but even refused to meet occasionally with the Intelligence Staff to discuss terms of reference and draft estimates. At their insistence, ORE drafts were sent to them by courier and, after intolerable delays, they sent back the generally scornful and captious written comments of the Departmental analysts. Thus they functioned only as post offices between ORE and

* Montague's idea was that, if the IAB representatives participated regularly in the work of the Intelligence Staff, they could and would serve also as advocates of the semi-coordinated ORE draft estimates in their respective agencies, as had the members of the Senior Team of the JIS with respect to JIC estimates.21/

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those analysts.* Until July 1948 there was never any joint discussion of draft estimates such as would have made it possible to achieve mutual understanding and perhaps agreement.** ORE accepted as much, or as little, as it pleased of these working-level comments and then sent its unilaterally revised draft to the members of the IAC, separately, for concurrence, dissent, or comment.*** Even the acceptance of all working-level proposals did not guarantee the concurrence of an IAC member, who might raise issues never before mentioned. Normally the IAC did not meet to discuss the substance of an estimate.**** ORE either adjusted its text to

* These representatives were "policy" men without substantive competence to discuss and judge the issues raised by the analysts, even if they had been willing to meet.

** The two exceptions to this statement were a meeting with IAB representatives on ORE-1 (see Volume I, p. 59) 23/ and the joint ad hoc committee convoked in March 1948 (see Volume II, p. 26).24/ After the adoption of DCID-3/1, 8 July 1948, such working-level meetings were regularly held, but by that time the attitude of mutual disregard described in this paragraph had become firmly established.

*** This procedure had been prescribed by Admiral Inglis (see Volume I, p. 61).

**** It did meet for this purpose on two occasions. In both cases the circumstances were extraordinary.

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satisfy each IAC member individually or it elected to accept a dissent. The ADRE rarely saw the text of an estimate until it was disseminated in print. The DCI never did.25/

The NSC Survey Group condemned ORE for failing to enlist the effective participation of the IAC agencies in the production of national intelligence estimates.26/ It was Admiral Inglis and his colleagues in the IAC who refused such participation when ORE sought it. The resulting procedures for the "coordination" of estimates could hardly have been more rigid, indirect, ineffective, and frustrating to ORE. They provided neither true independence of action and judgment for ORE, as a national agency free of departmental bias, nor a true collective effort in the national interest.

Despite these hindrances, ORE did produce, in response to NSC requirements, some few estimates as well considered and well coordinated as any later produced by ONE.* Such estimates, however, were

* These estimates were produced under Montague's direction and control as CIA member of the NSC Staff and therefore the attorney for the NSC Staff
(footnote continued on following page)

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certainly not typical of ORE's intelligence production.

After the Intelligence Staff was dissolved, in July 1947, no one exercised effective central direction and control over the intelligence production of ORE.* Each Branch Chief suited himself in that regard. The result was a diversion of effort away from production addressed to the level of the President - and the NSC, a standard that the Intelligence Staff had endeavored to maintain, and into current and descriptive reporting at a level more commensurate with the limited capabilities of ORE's inexperienced analysts. Some of this trend was responsive to new requirements for intelligence support for OPC and the NSRB,** but most of ORE's intelligence production

within ORE.^{27/} William Jackson seems not to have been aware of them. In the report of the NSC Survey Group he cited the work of the joint ad hoc committee of March 1948 as the only example of a properly prepared national intelligence estimate.^{28/}

* The Assistant Director assumed the functions of the Chief, Intelligence Staff, but did not exercise them.^{29/}

** The National Security Resources Board, the Chairman of which was a statutory member of the NSC, depended on ORE for the satisfaction of its extensive requirements for intelligence support.

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was self-initiated. It included a proliferation of duplicatory current intelligence publications intended only for internal or, at most, for working-level distribution. These publications were said to be needed in order to provide training for junior analysts. They also helped morale by giving every analyst the satisfaction of seeing his work published, regardless of whether it was worthy of high-level consideration. The greater part of ORE's work came to be done for no better reason than its own satisfaction. Moreover, even its more serious undertakings tended increasingly to be published as uncoordinated Intelligence Memoranda, in order to avoid the vexations and delays of inter-departmental coordination. These "memoranda" were generally descriptive rather than analytical in content; some of them ran to as many as 100 pages in length. Finally, most of those papers that ORE did coordinate as national estimates were actually a mélange of current and descriptive reporting, with little, if any, analytical or estimative content.30/

The comment of the NSC Survey Group on this situation was that ORE had conspicuously failed to

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produce national intelligence estimates and instead had busied itself with producing "miscellaneous reports and summaries which by no stretch of the imagination could be considered national estimates."31/*

C. Five Proposals for Remedial Action

The situation described above still existed when Bedell Smith and William Jackson took office in October 1950. They were then cognizant of five separate proposals for remedial action, made by John Bross, William Jackson, John Magruder, Ludwell Montague, and William Donovan (in chronological order). These proposals were similar in most respects, although there were significant differences among them. All recommended the creation of a well-qualified body to be concerned solely with the production of national intelligence estimates. Each contributed in some respect to the solution devised by Smith and Jackson, the creation of the Office of National Estimates.

* ORE held that anything that it chose to produce was, *ipso facto*, national intelligence.

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During the summer of 1948, John Bross* investigated CIA for the Eberstadt Committee** and came to the following conclusion:

The greatest need in CIA is [for] the establishment at a high level of a small group of highly capable people, freed from administrative detail, to concentrate upon intelligence evaluation. The Director and his assistants have had to devote so large a portion of their time to administration that they have been unable to give sufficient time to analysis and evaluation. A small group of mature men of the highest talents, having full access to all information, might well be released completely from routine and set to thinking about intelligence only. Many of the greatest failures in intelligence have not been failures in collection, but failures in analysing and evaluating correctly the information available.32/**

* Bross, a New York lawyer, had been in OSS. [REDACTED] From 9 September 1963 until his retirement in January 1971 he was Deputy to the DCI for National Intelligence Programs Evaluation (NIPE).

** The Commission on Organization of the Executive Branch of the Government ("the Hoover Commission") established a Committee on National Security Organization headed by Ferdinand Eberstadt. That Committee's principal recommendation was for the creation of the Department of Defense.

*** Bross had consulted Montague. His conception of a small group of mature men released from administrative responsibilities and set to thinking about the substance of intelligence was derived from Montague's conception of the role of the Global Survey Group within ORE.33/

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Bross's concept was reflected in the recommendation of the Eberstadt Committee that there be established in CIA,

at the top echelon, an evaluation board or section composed of competent and experienced personnel who would have no administrative responsibilities and whose duties would be confined solely to intelligence evaluation.^{34/}

Bedell Smith had certainly read this recommendation by the Eberstadt Committee. It is likely that he had read also Bross's more extended treatment of the subject.*

The remedy proposed by William Jackson in the report of the NSC Survey Group was similar, though less explicit. It was premised upon a return to the distinction understood in early 1946, between the production of national intelligence estimates and the performance of "services of common concern."** Out of ORE there should be created two bodies: "a small, high-level Estimates Division," concerned

* See Volume II, p. 16, and p. 38, below.

** See p. 13, above.

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solely with the production and coordination of national estimates, and a "Research and Reports Division" to perform such research services as it might be agreed could best be performed centrally. The remainder of ORE's activities -- and personnel -- should be discarded.35/

The text of the Survey Group's report shows that, when Jackson proposed this "small, high-level Estimates Division," he had in mind the "small organization of highly qualified individuals" that Admiral Souers had intended the Central Reports Staff to be.36/ Montague had spent an afternoon with Jackson explaining his "National Estimates Staff" (CRS) concept and how it had been lost in ORE.37/

Montague was pleased, of course, when the NSC Survey Group adopted his proposal, first made in 1946,* but he feared that the Group's emphasis on the "collective responsibility" of the IAC would

* See p. 13, above. Since then Montague had proposed the same plan three times -- in October 1946, April 1947, and August 1947 -- without effect.38/

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nullify the Lovett doctrine* and reduce national estimates to the level of joint estimates.^{39/} In approving NSC 50, however, the NSC rejected the idea of "collective responsibility" while endorsing the idea of "a small, high-level Estimates Division" and a separate "Research and Reports Division."^{40/}

The direction given by the NSC could have been met by making the Global Survey Group of ORE the nucleus of a "National Estimates Staff" directly subordinate to the DCI -- which is, in simple terms, what finally was done in November 1950.** Within ORE it was generally supposed that that was what the NSC Survey Group had intended. Admiral Hillenkoetter, however, left it to ORE to decide how to comply with the NSC's direction*** -- and ORE had no interest in reforming itself.^{41/}

The "organizational realignment" that the ADRE proposed, and that ICAPS and Hillenkoetter accepted

* See Volume I, p. 48.

** See p. 54, below.

*** See Volume I, pp. 97-98.

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without question, was designed to preserve ORE's existing structure and practices while pretending to comply with NSC 50. Within the [redacted] regional divisions of ORE,* the editors, whose function it was to render into acceptable English the scribblings of the analysts, were solemnly declared to be divisional "estimates staffs" producing "high-level estimates" (as well as all the other miscellaneous publications of their divisions). The Assistant Director's routine administrative meeting with his Division Chiefs was declared to be the "Estimates Production Board" (although it never considered the substance of any estimate). Three odd elements of ORE were declared to be the "Central Research Group" (although these disparate elements never had a common chief and never functioned as a group).**42/ Thus

* These divisions had previously been called branches, as on p. 21, above.

** [redacted]

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the prescribed words were used, but nothing whatever was changed.*

CIA's obvious refusal to comply with the intent of NSC 50 as regards ORE, while pretending to have done so, provoked John Magruder's staff study, alias "the Webb proposals."** Magruder's draft NSC directive provided for the establishment in CIA (not in ORE) of a "National Intelligence Group" to be composed of a "National Estimates Staff" and a "Current Intelligence Staff." The strength of the group was not to exceed [REDACTED] of whom no more than [REDACTED] might be from the departmental intelligence agencies; the rest would be CIA employees. The chief of the group, representing the DCI, would be advised and assisted by full-time representatives of the members of the IAC. These IAC representatives would play an active part in framing terms of reference, obtaining responsive and timely departmental contributions, and

* Montague dissociated himself in writing from any responsibility for this palpable fraud.43/

** See Volume I, pp. 101-103.

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reviewing draft estimates. The members of the IAC would themselves participate actively in advising the DCI on the initiation and adoption of estimates.^{44/}

Magruder's plan would certainly have satisfied the requirement of NSC 50 for a small estimates office distinctly separated from any CIA research activity. Incidentally, it was in effect a revival of Admiral Souers's projected Central Reports Staff, which would have had both current intelligence and estimates branches under a chief advised by full-time IAB representatives.^{45/} Thus Magruder's plan may have been derived from NIA Directive No. 2 and CIG Administrative Order No. 3, although Magruder was certainly capable of devising an identical plan for himself. Montague's plan of 1946 and Magruder's plan of 1950 were both derived from a common source, the known intent of JIC 239/5, JCS 1181/5, and the President's letter of 22 January 1946.

John Magruder had been a strong advocate of JIC 239/5. He was probably responsible for Robert Lovett's exposition of the doctrine that the DCI

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should have the deciding voice in the IAC.* He was not an enemy of the DCI's prerogative -- rather the contrary -- but he was outraged by the contumacy of CIA as represented by ORE, ICAPS, and Hillenkoetter. That outrage no doubt affected the tone and style of his original staff study. The "corrected copy" (from which the preceding paragraph is derived) was probably truer to his essential thought. He was making an earnest effort to obtain for the departmental agencies an effective voice in national intelligence estimates, but also to ensure that they made an effective contribution to such estimates -- which they had not been doing. Because he sought an active role for the departmental agencies, he was denounced by CIA as an advocate of the "board of directors" concept^{46/} -- which he certainly was not. Such was the state of mutual sensitivity and incomprehension that existed between CIA and the departmental agencies when General Smith took office.

In late August 1950, Lawrence Houston presented both versions of Magruder's staff study to General

* See Volume I, pp. 41-42 and 48.

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Smith as evidence of a current effort on the part of State and Defense to impose their will on the DCI, curbing his independence of judgment.^{47/} On 3 October Jackson recommended Magruder's "corrected" version to Smith as "sound."^{48/} Smith adopted the essential substance of Magruder's proposal, though with important variations.

One of William Jackson's first acts as DDCI was to call on DeForest Van Slyck for a plan for an office of estimates. Van Slyck was a personal friend of Jackson. He was also Montague's deputy as Chief of the Global Survey Group, ORE. He invited the participation of Theodore Babbitt, ADRE, as a matter of courtesy, and of Montague, because he knew that Montague already had a plan in mind.

What Jackson got on 10 October 1950 was the sixth edition of Montague's plan of 1946 for a "National Estimates Staff." As such, this plan was essentially identical with Magruder's, but it went into greater organizational and procedural detail. In particular, Montague elaborated every procedural step in the production of a national intelligence

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estimate, from the perception of an NSC Staff requirement through final adoption by the DCI with the advice and concurrence (or dissent) of the members of the IAC. And Montague set forth explicitly the Lovett doctrine,* as Magruder had not.49/

Furthermore, Montague warned Jackson that in the circumstances of 1950 this plan could not be made effective unless and until positive action was taken to ensure the satisfaction of four prior conditions, to wit:

(1) Action to make sure of the availability of research support from the departmental agencies adequate as to both timeliness and content. "This condition cannot be met at present."

(2) The establishment of a research office in CIA capable of providing like support in fields of "common concern" (scientific, economic, geographical).

(3) The recruitment of requisite senior personnel. "The contemplated Office cannot be adequately manned with personnel now in CIA."

(4) Thorough indoctrination of the IAC agencies in the new cooperative concept and a new start in relations with them. "This plan will not work except on a basis of mutual confidence and cooperation in the national interest."50/

* See Volume I, p. 48.

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Montague's plan provided the basis for the procedure adopted by the IAC on 20 October* and for the initial organization of the National Estimates Staff** -- but not for the Board of National Estimates. His conditions were met during the next few months, except the first, which was only half met. The departmental agencies became willing to render research support, but the doubtful reliability of their contributions remained a continuing problem.

On 13 October 1950, William Donovan urged upon Bedell Smith, apparently not for the first time, the importance of establishing in CIA an "Evaluation Group" composed of men of "experience and imagination and constructive intellect." Donovan suggested that the group might consist of a mature scholar (e.g., William Langer), a strategist familiar with the uses and capabilities of all of the various military services, a scientist with current knowledge of new inventions, and two or three broad-gauged men of affairs. (No

* See Volume II, pp. 34-35.

** See pp. 54-56, below.

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professional intelligence officers need apply.) A "working committee" familiar with "the skills of research and analysis" would "collate the information" for submission to the Group, but "final evaluation" would be the group's responsibility. To impose that duty on the analysts would be "like a cashier being his own auditor."51/*

Donovan conceived of this "Evaluation Group" as being at the apex of a CIA "R&A Branch" obviously analogous to the R&A Branch in OSS -- or to a properly manned and competent ORE! It should be remembered that William Donovan never had any use whatever for the interdepartmental coordination of estimates -- in contrast to William Jackson, for whom such coordination was the primary consideration.

* In August 1941, when Donovan established the Research and Analysis Branch, COI (later OSS), he put it under the direction of a collegial body of eminent scholars called the Board of Analysts. He probably intended this board to review and approve the intelligence production of R&A, but it never functioned in that way.52 Donovan's proposal of 13 October 1950 may have been a modified revival of his original idea of such a board.

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In arguing for the "collective responsibility" of the IAC, Jackson contended that no one man could bear sole responsibility for a national intelligence estimate. Bedell Smith could and did accept such personal responsibility -- but he may have seen in Donovan's proposal a way to obtain for himself the reassurance of the collective judgment of a highly qualified group independent of the IAC, free of departmental bias or other institutional predilections,* and dedicated solely to the service of the DCI in his role as the deciding voice in national estimates.** Bedell Smith never imposed his personal view on any estimate, but on one notable occasion he did adopt, as his personal position, the position recommended to him by his board, in preference to the majority view of the IAC.53/**

* Such as, for example, a predilection in favor of information collected by OSO, or of the findings of OSI's research.

** Smith can have had no other reason to create the Board of National Estimates. The interdepartmental coordination of opinion contemplated by Jackson could have been accomplished without it. The creation of the board implied the exercise of independent judgment by the DCI.

*** See pp. 74-75, below.

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D. The Board of National Estimates

At his first formal meeting with the IAC, held on 20 October 1950, General Smith announced that, at the earliest practicable date, he would establish in CIA an Office of National Estimates. In his judgment (and intention) that office would become "the heart of the Central Intelligence Agency and of the national intelligence machinery."^{54/} It would include a "panel" of 5 or 6 outstanding men. Smith was trying to get Admiral Leslie Stevens* to head the panel and General Clarence Huebner** to be a member of it, possibly the head if Stevens were not available.^{55/}***

* Stevens was then Deputy Director of the Joint Staff for Subsidiary Plans, a position that he proved to be unwilling to leave. Smith had known him as Naval Attache in Moscow.

** At the time of his retirement in 1950, Huebner was the commanding general of all US forces in Europe. Smith had known him as the forceful combat commander of the 1st Division and V Corps.

*** Jackson omitted any reference to this "panel" in his official minutes of that meeting -- which suggests that he did not want to emphasize the idea to the members of the IAC. Smith's statement was recorded, however, in Colonel Howze's notes for General Bolling. Howze seems to have been more impressed by the names of Stevens and Huebner than by the significance of the creation of such a "panel."

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The "panel" was, of course, the Board of National Estimates. Smith's announcement regarding it on 20 October evidently reflected his adoption of the recommendation in Donovan's letter of 13 October.* But when Jackson explained the idea to Montague a few days later, he used the language of Bross's report to the Eberstadt Committee in 1948,** Montague was struck by that because it was also the language of his own description of an ideal Global Survey Group, written in 1947. Thus the idea of the Board of National Estimates was derived from both Donovan and Bross.

It was this idea that made the Office of National Estimates significantly different from, and superior to, any organization that had yet been devised for the production of intelligence estimates for use at the highest level of government. Indeed, more than 20 years later, the Board of National Estimates, as a group of experienced senior officers freed from all

* The number of members specified (5 or 6) was identical with the number suggested by Donovan.

** See p. 25, above.

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administrative responsibilities, distractions, and
? biases, in order to concentrate on the substance of
intelligence, is still (1971) unique in all the world.

On 20 October 1950, General Smith had Leslie
Stevens or else Clarence Huebner in mind to head this
board, but in the event it was William Langer who was
appointed to be Assistant Director for National Es-
timates and Chairman of the Board of National Estimates.*
Before 20 October, Smith had been interested in ob-
taining Langer's services in some unspecified capacity,
presumably in ONE; Donovan's letter of 13 October had
been prompted by a telephonic inquiry from Smith re-
garding Langer.^{56/} Who, then, had proposed Langer to
Smith? Donovan evidently had not, although he heartily
seconded the nomination. Neither had William Jackson,
who had a different idea.** It might have been Allen
Dulles or Park Armstrong.

* Stevens was unwilling to accept the position.
Huebner would come only as a consultant. That status
was then deemed necessary in order to protect his
military retired pay and perquisites.

** See p. 42, below.

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Langer, 54 in 1950, was a native of Boston and a Ph.D. of Harvard University (1923). Since 1936 he had been Coolidge Professor of History at Harvard. He was a member of the Board of Analysts, COI, 1941-42, and Director of the Research and Analysis Branch, OSS, 1942-46.* For two months in 1946 he was Special Assistant to the Secretary of State and the State Department member of the Intelligence Advisory Board.

Langer was embarrassed by Smith's invitation to come to CIA. He had just returned to Harvard after a nine-year absence**; he was unwilling to ask for further leave. Smith, however, appealed directly to the President of the University, stressing, no doubt, the state of national emergency and the possible imminence of World War III.***

* Including seven months after R&A's transfer to State.

** Since 1946, he had been working on *The Challenge of Isolation* and *The Undeclared War* for the Council on Foreign Relations.

*** This appeal had been used by President Truman to persuade Smith himself to become DCI. Smith used it to persuade several reluctant men to come to his aid at CIA. See Volume II, pp. 7 and 10.

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Grudgingly, Langer was granted leave for one more year.57/ He took office on 8 November. The establishment of ONE was formally announced on 13 November. Until 22 November, however, Montague remained in charge of the production of national intelligence estimates.58/

Bedell Smith took a great personal interest in the Board of National Estimates, selecting its members himself with care. (They were to be the counsellors on whom he would rely in his lonely responsibility for the substance of national estimates.) He frequently consulted their judgment, apart from their formal submission of estimates, and he probed to discover whether any significant divergence of opinion existed among them, concealed by their consensus.59/

In addition to Huebner and Langer, three other men were designated from the beginning to be members of the Board of National Estimates. They were Sherman Kent, Ludwell Montague, and DeForest Van Slyck. Montague and Van Slyck were already on deck. Kent was in Washington as a consultant as early as 20 November,60/ but his obligations to Yale University

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prevented him from accepting a full-time appointment until 12 January 1951.

Kent, 47 in 1950, was a native of Chicago, a Ph.D. of Yale University, and Professor of History at Yale. He had been a section and division chief under Langer in the R&A Branch of OSS, and Langer's deputy and successor as Director of intelligence research in State. During the fall of 1946, he was a member of the faculty at the National War College. During the first nine months of 1947 he wrote *Strategic Intelligence*, as a Guggenheim Fellow.^{61/}

There is reason to believe that Kent had been Jackson's choice to be Assistant Director for National Estimates, but that Jackson's intention had been temporarily frustrated by Smith's appointment of Langer. Jackson never approved of Langer.^{62/} He esteemed Kent as an outstanding authority on intelligence.^{*63/} When Kent reported for full-time duty,

* They became acquainted in 1949, when Jackson reviewed *Strategic Intelligence* for the *New York Times*. Jackson opened that book with prejudice, expecting nothing much from a professor and less from one who had served in OSS. He was agreeably surprised and greatly impressed. Thereafter Jackson excepted Kent from his generally poor opinion of professors.

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in January, he was made Deputy Assistant Director with Jackson's promise of the eventual succession.^{64/} Kent did succeed Langer as Assistant Director, on 3 January 1952.*

Ludwell Montague, 43 in 1950, was a native of Richmond, a graduate of the Virginia Military Institute, and a Ph.D. of Duke University. He had been Assistant Professor of History at V.M.I. when called to active duty in Army G-2 in 1940. He was the first Secretary of the US JIC, 1941-43, and senior Army member of the JIS, 1943-45; Assistant Director, CIG, in 1946; and Chief of the Intelligence Staff, ORE, 1946-47, and of the Global Survey Group, ORE, 1947-50. He had also been CIA member of the NSC Staff, 1947-50.^{65/}

Concurrently with his appointment to the board, Montague was continued as the CIA member of the NSC

* Kent held that office for 16 years, until his retirement on 1 January 1968. Langer became one of the "Princeton Consultants" (see pp. 50-51, below). He resigned that position in 1963, when he perceived that there might be a conflict of interest between it and his position as a member of the President's Foreign Intelligence Advisory Board.

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Staff. That had the advantage of keeping the board directly informed of the intelligence requirements of the NSC. Montague's particular concern was to ensure that national intelligence estimates were responsive to such requirements. Having just distinguished himself before General Smith by producing ORE 58-50 overnight and six fully coordinated NIE's in four weeks,* he became very impatient of the tendency of his academic colleagues to indulge in self-gratifying talk when decision and action were required. They considered their discussions of the profound issues of War and Peace to be more important than the immediate needs of the NSC, which they regarded with disdain as merely bureaucratic.66**

Van Slyck, 52 in 1950, was a native of New York City and a Ph.D. of Yale University. After nine years as a member of the Yale history faculty, he quit the academic world in 1929 to seek his fortune in investment banking. Eventually he became

* See Volume II, pp. 27-29 and 36-38.

** See pp. 58 and 76-77, below. Montague remained a member of the Board for 20 years, until his retirement on 31 July 1970.

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a partner in Fahnstock & Company, in charge of economic research. From May 1942 to July 1945, he served in A-2, at one time as chief of current intelligence, ultimately as a Far East specialist and estimator. During the last three months of his military service, July-September 1945, he was an executive assistant to the Commanding General, AAF, concerned with demobilization plans.

After these wartime experiences, Van Slyck found it hard to settle down to humdrum investment banking. In March 1946, Kingman Douglass, then DDCI, persuaded him to come to CIG. Thereafter he served as Montague's deputy, generally minding the store in CIG/CIA while Montague went off to the NSC Staff and elsewhere. Jackson is likely to have selected Van Slyck for the board, not as an experienced intelligence officer, but as one whom he had known in New York as a "man of affairs."* He made an outstanding contribution as a remarkably perceptive critic of other men's drafts. He was particularly concerned

* See p. 51, below.

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to distinguish between what was reasonably well supported by evidence and what was mere surmise.⁶⁷/*

Lieutenant General Clarence Huebner, 62 in 1950, reported for duty on 19 December, as a consultant.** He was a native of Kansas who had enlisted as a private soldier in 1910, had been commissioned in 1916, and had proved himself to be a forceful combat commander on D-day in Normandy. Personally-esteemed by his colleagues, he had little to contribute to their discussions, but was useful in other ways. As a distinguished soldier, he enjoyed the confidence of the JCS as well as the DCI; he had privileged access to US military information that would otherwise have been inaccessible to the Board.*** And if any IAC representatives from the Pentagon ever got out of hand, a growl from General

* Van Slyck remained a member of the Board for 10 years, until his retirement on 29 October 1960.

** During General Smith's time, all of the military members of the Board were in this status, as was then deemed to be necessary in order to protect their retired pay and perquisites.

*** See Volume V, pp. 36-37.

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Huebner was sufficient to restore good order and military discipline.68/*

Calvin Hoover, 53 in 1950, was the sixth member of the Board to report in, on 20 December. A native of Illinois and a Ph.D. of the University of Wisconsin, he had been Professor of Economics at Duke University since 1927. He had served with Langer in the R&A Branch, OSS, 1941-44, and after that with the US Group, Control Council, Germany, in 1945. During 1948 he was Chief of Economic Intelligence for the Economic Cooperation Administration in Europe. As a distinguished student of Soviet as well as German affairs, Hoover had a substantial contribution to make, but he remained a member of the Board for only eight months.**

The seventh member to arrive, on 8 January 1951, was Maxwell Foster, a Boston lawyer esteemed

* Huebner remained a member of the Board until 30 June 1954, when he was 66.

** Hoover resigned on 31 August 1951, but then became one of the "Princeton Consultants" (see p. 50, below). He resigned that position in December 1969, when he was 72.

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by Jackson as a skillful drafter, and also, no doubt, as a practical "man of affairs." He soon came to resent what he regarded as Langer's tendency to override his colleagues, himself in particular,^{69/} and resigned on 30 June 1951, after less than six months.

Raymond Sontag, 53 in 1950, was the eighth member of the Board to report for duty, on 16 January 1951. He was a native of Chicago, a Ph.D. of the University of Pennsylvania, and Professor of History at the University of California at Berkeley.* He was a specialist in German foreign relations, particularly Nazi-Soviet relations. During 1946-49 he had been Chief of the German War Documents Project in the Department of State.

Sontag was magisterial in his coordination of national intelligence estimates. He conducted the meeting with the IAC representatives as though it were a seminar and the representatives his students. Any of them who attempted to stick to his Departmental brief was made to look like an idiot. Having

* He had been a member of the history faculty at Princeton, 1924-41.

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thus led all to concur in his own conclusions, Sontag then went before the IAC as *their* spokesman -- and let no ignorant major general dare to quibble with the agreed conclusions of the substantive experts! General Smith must have inwardly enjoyed watching Sontag overawe his IAC colleagues. He never lifted a finger to protect them from the Professor.*

When Sherman Kent became Assistant Director, in January 1952, Sontag was made his Deputy.**

Sontag's appointment completed the original Board of National Estimates. In contrast to Donovan's prescription (one scholar, one strategist, one scientist, two or three "men of affairs"), Smith's original Board consisted of four eminent professors, one distinguished combat commander, one lawyer, and two men experienced in the interdepartmental coordination of intelligence estimates. It should also

* The author imitated Sontag's IAC technique with some success until Allen Dulles became DCI and put him down.70/

** Sontag resigned from the Board on 20 June 1953, but then became one of the "Princeton Consultants," a position that he still holds (1971).

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be noted that five of the eight held doctorates in history, excellent training for the exercise of critical judgment on the basis of incomplete evidence.

The six other men whom Smith subsequently appointed to the Board were Lieutenant General William Morris (April 1952 to August 1952), Vice Admiral Bernard Bieri (June 1951 to May 1953), Ambassador Nelson Johnson (December 1951 to June 1953), Dr. Edgar Hoover (January 1952 to June 1954), James Cooley (August 1952 to May 1970), and Lieutenant General Harold Bull (October 1952 to December 1957).

Because some of these fourteen men replaced others, the total number of Board members present at any one time during the Smith period never exceeded eleven. The number was ten at the time of General Smith's departure, in February 1953.

E. The "Princeton Consultants"

Smith and Jackson had no confidence in the judgment of intelligence analysts, whether in CIA or in the Departmental agencies. Jackson regarded them all as bureaucrats out of touch with reality. He shared Donovan's conception that a board composed

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of "men of affairs" was needed to subject the findings of the analysts to the test of credibility in the light of practical experience. When he realized that the Board of National Estimates was being filled up with *professors* (the sort of people Langer knew), he was disgusted. In his estimation professors were even more out of touch with reality than were intelligence analysts!71/

When Smith and Jackson found it impossible to recruit for the Board "men of great prestige with practical experience,"* they conceived of creating another body of such men, who, while not available for full-time service, might be willing to meet occasionally to give counsel on the most important and difficult estimative problems. This "Consulting Board" would meet in Princeton.72/** It came to be known as "the Princeton Consultants."

* These are Jackson's words for what Donovan meant by "men of affairs."

** The basic idea was to get away from the bureaucratic atmosphere of Washington. Since "men of affairs" would, of course, come from the Northeast, Princeton would be a convenient midpoint. Besides, Princeton is a pleasant place and Jackson had a home there.

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What Jackson meant by "men of great prestige with practical experience" is indicated by the names of the first three men chosen for this group: Vannevar Bush, George Kennan, and Hamilton Fish Armstrong.⁷²/^{*} The other original members of the Princeton group were Alexander Standish, a partner in J. H. Whitney & Company, Barklie Henry, a director of various corporations, and Burton Fahs, director of humanities for the Rockefeller Foundation.⁷⁴/ The first two were evidently Jackson's friends, the third Langer's.**

Jackson intended these consultants to exercise, in relation to the Board of National Estimates, the corrective authority that the Board had been intended to exercise in relation to the intelligence analysts. Their knowledgeable comments would set the professors

* Bush, 60, had been a professor, at M.I.T., but was also a practical scientist, an inventor. He had been Chairman of the Research and Development Board in the Department of Defense and in 1950 was President of the Carnegie Institution in Washington. Kennan, 46, was an outstanding Foreign Service officer and a specialist in Soviet and German affairs; he had been Minister-Counselor in Moscow while General Smith was Ambassador. In 1950 he was at the Institute for Advanced Study at Princeton. Armstrong, 63, had long been a close collaborator with Allen Dulles in the Council on Foreign Relations and was Editor of *Foreign Affairs*.

** Fahs had been Chief of the Far East Division, R&A Branch, OSS, under Langer.

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straight; their concurrence would give prestige and authority to national intelligence estimates. Langer had a different view of the relationship. He saw these consultants as eminent men whose views were certainly worthy of respectful consideration, but they were not responsible to anyone for the substance of national intelligence estimates. The Board of National Estimates was responsible, and should therefore exercise final judgment, subject only to the responsibility and consequent authority of the DCI.75/

Ironically, the consultants came to value the information that they obtained from ONE more highly than ONE valued the advice that it obtained from them. The ultimate irony, in view of Jackson's preconceptions, is that the Board of National Estimates is now (1971) composed predominantly of professional intelligence officers, former analysts, while the consultants are, for the most part, professors.*

* The intelligence professionalism of CIA today (1971) is far superior to anything known in 1950.

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F. The National Estimates Staff

All of the Office of National Estimates below the level of the Board came eventually to be known as the National Estimates Staff.

Langer was authorized to draft from ORE anyone he wanted for ONE. He began, on 15 November, by taking a complete unit, the Global Survey Division, which was then composed of Ludwell Montague, DeForest Van Slyck, Ray Cline, Paul Borel, Willard Matthias, and George Jackson.^{76/} Montague and Van Slyck became members of the Board; Borel became Langer's Executive Officer.* Soon afterward Langer drafted [redacted] additional men and women from ORE. They had been recommended to him individually by Montague, Van Slyck, Cline, and Jack Smith** as the persons in ORE who were best suited to ONE's requirements.

* Borel subsequently became DADNE for administration (1952), a member of the Board (1956), Assistant Director, Central Reference (1957), Assistant DDI (1963), Director, Intelligence Support Services (1966), Special Advisor to the DDI (1967), and Director, Foreign Broadcast Information Service (1969).

** Smith had been Chief of the Publications Division, ORE. He subsequently became a member of the Board (1957), Assistant Director, Current Intelligence (1962), and Deputy Director, Intelligence (1966).

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In the circumstances of that time, a call to ONE was regarded in ORE as an invitation to enter Noah's Ark.77/

By 29 November 1950 there were [redacted] people in ONE [redacted] including four Board members.* An eventual strength of [redacted] was then contemplated.78/

Montague's plan for an "Office of Estimates"** provided for a current intelligence division, five regional divisions, and a general division. The first would edit and publish the *CIA Daily Summary*, maintain secure custody of specially sensitive materials, and operate a CIA situation room and after-hours watch.*** The regional divisions would be composed of area specialists who would follow the

* Langer, Kent (as a consultant), Montague, and Van Slyck.

** See p. 32, above.

*** These had been functions of the Publications Division in ORE. The current intelligence function was included in ONE in order to assure the estimators of access to sensitive current information, particularly the highest-level State Department cables, and also to ensure that current reporting would be guided by estimative judgment.

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high-level cable traffic, produce copy for the *CIA Daily*, and contribute area expertise to the drafting of national intelligence estimates. The general division would be composed of more broadly experienced men. They would concern themselves with the more far-reaching implications of area developments, and would head the *ad hoc* task groups to be formed to draft estimates involving more than one regional division (e.g., Soviet intentions in Germany.)*79/

Langer was determined to keep ONE small and flexible. He feared that the appointment of seven division chiefs would introduce bureaucratic evils into the purely intellectual republic that he desired ONE to be. He therefore decided that ONE should have no internal organization whatever. Langer did recognize that there were within his republic of intellects four general categories (not to say classes) of citizens: the members of the Board; senior members of the staff, whom he called

* This had been the function of the Global Survey Division in ORE.

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generalists*; junior staff officers, called specialists; and clerical personnel. Langer himself would form *ad hoc* "task teams" composed of particular generalists and specialists to perform particular tasks as they arose.80/

There was, however, one task that required stable organization, procedure, and control. That was the daily publication of the *CIA Daily Summary*. Without any title, Jack Smith continued to publish the *Daily* as a matter of course, with the matter-of-course support of the Publications Division personnel and the selected area specialists that he had brought with him from ORE.81/

The CIA management's requirement for an ONE table of organization forced Langer to adopt some measure of internal organization. In that initial table Smith's *de facto* organization was recognized as the ONE Support Staff. It had a chief (Smith,

* This term, reflecting Montague's conception of a general division, was a misnomer. Six of the nine original "generalists" were area specialists. The real criterion was grade (GS-15 or -14), which was indicative of age and experience..

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of course) and included not only the three functional elements of the former Publications Division* but also the area specialists. The "generalists" were designated the Estimates Staff (they would draft *all* of the estimates), but they remained an unorganized pool of individuals without any chief.**82/

The members of the Estimates Staff were dissatisfied by their lack of organization and direction. Led by Ray Cline, then 32, they organized themselves and petitioned for leave to send a representative to the morning meeting of the Board in order to find out what estimative work there was to be done.84/***

This initiative from below was strongly supported by Montague and Van Slyck. Langer was reluctantly persuaded to invite Cline to propose a more

* That is, information control, reproduction, and the reading room, units that still exist in ONE.

** They were Derwood Lockard, John Maury, and Hiram Stout (GS-15's), and Ray Cline, George Jackson, Robert Komer, Willard Matthias, John Pendleton, and Abbot Smith (GS-14's).83/

*** There was plenty of estimative work to be done for the NSC, but the Board, absorbed in its own discussions, was paying no attention to it. See p. 44, above.85/

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effective organization of the staff.^{86/} Cline proposed that all substantive personnel, specialist as well as "generalist," be assigned to the Estimates Staff, and that Cline be designated Chief of the Estimates Staff. That would have left Smith the chief of a strictly housekeeping Support Staff.^{87/}

Smith objected strenuously, on the ground that he had to have the specialists under his own control in order to produce the *Daily*, but that argument collapsed when the current intelligence function was transferred from ONE to a newly created Office of Current Intelligence.* Langer thereupon adopted Cline's plan, with the difference that he made Smith a generalist under Cline, with only part-time responsibility for continuing supervision of the residual Support Staff.^{88/**}


* See p. 111, below.

** The personal relationship between Ray Cline and Jack Smith deserves passing notice. In 1945 Cline hired Smith to be a member of his current intelligence unit in OSS. In 1949 Smith recommended Cline to be a member of the Global Survey Group in ORE. After this clash in ONE, their paths diverged, but in 1962, when Cline became DDI, he made Smith ADCI. Smith succeeded Cline as DDI in 1966.

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As Chief of the Estimates Staff, Cline introduced system and order into the scheduling and preparation of estimates, but the capacity of ONE was limited by Cline's personal capacity to rewrite the drafts produced by his staff. Cline was a skillful and quick draftsman -- the drafts that he presented to the Board were no doubt superior to those that he had received -- but he was a bottleneck. Moreover, once Cline had perfected a draft, let no Board member dare to touch it! He had some warrant for this attitude. His drafts were derived from the consideration of evidence, or at least of responsible Departmental contributions, while the novice Board members were merely expressing their uninformed preconceptions. Thus Cline was practicing against the Board the tactic that Sontag later employed against the IAC -- he represented the substantive experts.* The Board was not thereby ingratiated.89/



* See pp. 48-49, above.

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When Cline departed, in October 1951, Jack Smith had already gone off to the National War College and Abbot Smith to the Naval War College. By that time Abbot Smith, 45, was the staff member most highly esteemed by the Board. In absentia, he was appointed Chief of the Estimates Staff. William Bundy substituted for him until his return from Newport in June 1952.**90/

In 1953 the distinction continued, within the Estimates Staff, between the "generalists," who drafted the estimates, and the specialists who rendered expert assistance to them. In the fall of 1951, however, Chester Cooper, a Far East specialist, made

[REDACTED]

** Bundy, a 34-year-old Washington lawyer, had been recruited for the Estimates Staff by Langer in June 1951. He was afterwards Deputy ADNE for administration, 1957-60, Deputy Assistant Secretary and Assistant Secretary of Defense, 1961-64, and Assistant Secretary of State, 1964-69. Abbot Smith was made a member of the Board in 1953 and its Vice Chairman (DADNE) in 1958. In January 1968, he became Director of the Office of National Estimates. He retired in April 1971.

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an issue of the fact that there was no "generalist" who knew and understood the Far East. Specifically, he was complaining of what some "generalist" had done to "improve" (that is, ruin) his draft for a Far East estimate. The immediate consequence of Cooper's protest was that Cooper was made a "generalist" -- because he was an outstanding specialist!91/* In time other "generalists" came to have specific area assignments. On 9 February 1953 the "General Group" had [redacted] members, of whom [redacted] were in charge of particular areas.**92/ Those [redacted] and their associated specialists were in effect regional divisions of the Staff. Finally, in June 1953, the existence of [redacted] such regional divisions was recognized in the table of organization.93/**

* Subsequently Cooper was made DADNE for administration (1958) and Assistant DDI for Policy Support (1962). He was detailed to the White House staff in 1965 and resigned from CIA in 1968.

** [redacted]

*** Thus the [redacted] regional divisions proposed by Montague in October 1950 came into being 2 1/2 years later. Langer's antipathy toward bureaucratic
(footnote continued on following page)

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In February 1953 (at the time of General Smith's departure) the total strength of ONE was [redacted] including [redacted] members of the Board, [redacted] members of the Estimates Staff, and [redacted] members of the Support Staff, which included all clerical personnel.94/

G. Some Early Problems

In November 1950, when Montague was still functioning as a one-man Board of National Estimates,* he met with the IAC representatives on draft terms of reference for a scheduled estimate on Communist China. Montague's draft was problem-oriented: "to estimate the stability of the Chinese Communist regime, its relations with the USSR, and its probable courses of action toward the non-Communist world."95/ It reflected a specific request by the Senior NSC Staff.96/

The four Service representatives flatly rejected Montague's draft and insisted upon the

hierarchy still prevails, however, in that they are not called divisions. At first they were called "groups." Now they are called "staffs."

* See Volume II, pp. 36-37.

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adoption of an outline applicable to any country in the world. Montague recognized it as the outline for the Army's *Strategic Intelligence Digest*, a series of general-purpose descriptive handbooks with very little estimative content. He was unable to persuade his colleagues that a national intelligence estimate should be something else: intelligence required by the President and the NSC in relation to a specific policy problem. He refused to yield to the majority and referred the issue to the DCI and IAC.

Montague put the general issue to the IAC in these terms:

The adoption of a set format requiring the inclusion of much basic descriptive matter and formal consideration of all conceivable contingencies would tend to destroy the utility of national estimates as contributions to the understanding and solution of specific national policy problems. The resultant compartmentation and volume of descriptive data would tend to obscure any analytical consideration of the critical issues.

Policy formulating bodies such as the NSC require intelligence bearing directly on specific policy problems rather than generalized and descriptive country studies. The estimation of specific situations and contingencies must, of course, rest on basic intelligence data and thorough analysis. The policy maker, however, requires only

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the conclusions derived from such basic data, with reasonable indication of the supporting argument, but without recitation of the basic data itself or step-by-step exposition of the analytical process.*

Montague called upon the IAC to agree, in general, that national intelligence estimates "should endeavor to answer specific questions related to policy determination (rather than be generalized country studies)."97/

When this matter came before the IAC, on 30 November, General Smith entertained no discussion of the subject, but instead laid down the law himself. NIE's must address directly the problems before the policy makers. They must be brief; the argumentation must summarize the findings drawn from the supporting data. All readers must understand that for a more detailed examination of the data they must go to the experts (i.e., to the Departmental agencies). The IAC accepted that dictum without demur and adopted the recommended concept.98/

On that basis, the early NIE's normally contained only one page of conclusions and a very few

* This passage is quoted at length because a different view prevails today (1971).

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(1 to 5) pages of supporting discussion. Even the landmark NIE-25 ("Probable Soviet Courses of Action to Mid-1952," 2 August 1951) contained only five pages. That estimate was a landmark in that it recorded agreement, for the first time, that the USSR would not deliberately initiate nuclear general war if it could avoid doing so.⁹⁹*

Another early problem was the character of IAC representation in coordination with the Board of National Estimates. At first these representatives tended to be front-office "policy" men. They came briefed by the Departmental analysts, but they knew nothing of the substance of the matter, beyond their briefs, and were quite incapable of entering into a searching substantive discussion with the members of the Board.¹⁰⁰

In January 1951 Langer conveyed his concern about this matter to General Smith. Smith had Langer speak to the IAC about it, which he did with diffidence.

* Subsequently, a good many largely descriptive "country studies" were published as NIE's. They related, however, to strange lands in South Asia, Africa, and Latin America, lands presumably unfamiliar to the policy makers.

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Smith thereupon took over in his own emphatic style.101/ Thereafter more substantively competent representatives were sent to meet with the Board, but that meant that they were men of lesser rank, more remote from their IAC principals in the Departmental hierarchy. This had two disadvantages. The "representatives" did not represent their principals; they represented only themselves, or else some authority in the intervening hierarchy. And, no matter what the "representatives" had agreed to, the principals would be advised by men who had never participated in joint discussion of the subject.102/

No satisfactory resolution of this dilemma has ever been devised.103/ Montague's plan of 1950, copying that of 1946, sought to avoid it by providing for the assignment of permanent representatives of the IAC principals as advisers to the ADNE. The idea was that these men would serve not only as Departmental representatives in ONE, but also as ONE representatives in direct contact with the IAC principals, as the Senior Team of the wartime JIS had done.104/ That idea, however, was apparently

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beyond the comprehension of anyone who had not observed its operation in practice. In January 1951, provision was made for the assignment of four military officers to ONE, but only as technically expert staff officers, not as representatives of the Service members of the IAC.105/*

In the concept of 1950, ONE was to be entirely dependent on Departmental contributions for research support, except for such in-house aid as it might obtain from ORR and OSI as "services of common concern." Obviously, the validity of national intelligence estimates could not rise much above the validity of these Departmental contributions. The independent, knowledgeable, and experienced Board of National Estimates might suspect that some Departmental contributions were slanted and self-serving, it might exert pressure on IAC representatives for further explanation and justification, but it had no independent sources of information except the *New York Times*, its own direct access to the State Department

* The last vestige of this arrangement is the Army position in the National Estimates Staff.

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cables, and the narrowly limited research of ORR and OSI.

In June 1951, Langer declared that the contributions received by ONE were inadequate. He proposed that ONE be authorized to give "guidance" (direction?) to the research programs of ORR, OSI, and the IAC agencies. He suggested also that the ONE staff might be enlarged so that ONE itself could produce "national intelligence studies" (as distinguished from estimates) through its own research.106/

Langer can hardly have realized it, but he was addressing the question first raised by Vandenberg in 1946 -- how can the DCI accept personal responsibility for the validity of national intelligence estimates while dependent upon the research support of agencies not under his own control? -- and was proposing the solution that Vandenberg had adopted, the creation of a new ORE.* (It would certainly have been a better ORE under Langer's direction.)

It was not to be expected that Smith and Jackson would take kindly to the idea of enlarging ONE

* See Volume I, p. 57.

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so that it could accomplish its own independent research. Nothing more was heard of that idea.

Langer was permitted to propose a "national intelligence study" to be made by G-2. That was intended to be the first of a series of such studies to provide "more detailed and rigorous analysis of certain key problems ... than now exists," in order to provide a firmer base for estimative conclusions.^{107/} That was one way in which ONE could give guidance to Departmental research. The IAC approved the idea,^{108/} but no other "national intelligence study" was ever proposed.

In July 1951, Langer made another approach to the problem by submitting to the IAC a paper on "Intelligence Gaps as Revealed by NIE-32."^{109/} The IAC referred that paper to OIC with instructions to develop "essential elements of information" related to the "gaps" specified^{110/}, and that is the last that was ever heard of it. That paper was, however, the prototype of the "Post-Mortem" series. General Smith later declared that "the identification of intelligence deficiencies in our production, including

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the conduct of post-mortems on estimates, was an essential part of the intelligence process."111/ The defect of the system was that the post-mortem findings regarding intelligence deficiencies were simply referred to the members of the IAC for such remedial action as they might deem appropriate, which might be much or nothing. Some post-mortems, however, were indeed effective in bringing about a significant redirection of intelligence collection and research.112/

In general, however, nothing was accomplished during General Smith's time to relieve ONE of the vulnerability of complete dependence on self-serving Departmental contributions. As Smith himself put it to the NSC113/:

The Central Intelligence Agency is basically an assembly plant for information produced by collaborating organizations of the Government, and its final product is necessarily dependent upon the quality of the contributions of these collaborating organizations.*

* As a result of the gradual development of research capabilities in the DDI and DDS&T areas over a period of 20 years, CIA is no longer dependent on Departmental contributions. This present self-sufficiency, which is a realization of Vandenberg's purpose in 1946, has
(footnote continued on following page)

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General Smith's fine flow of rhetoric on the importance of interdepartmental collaboration and agreement left the Board of National Estimates uncertain of its authority to take a stand and invite a dissent. The largely professorial Board spent a good deal of time and patience in an effort to educate, enlighten, and persuade the IAC representatives. Inasmuch as the professors were indeed persuasive, and were also regarded with considerable awe by most representatives, this educational effort had a generally beneficial effect, over time. Occasionally, however, it had no effect upon a particularly stubborn or strongly instructed representative. In such cases the Board tended to evade the issue rather than to force it.114/

Thus the early NIE's tended to be joint estimates and there was little occasion for IAC dissent. Such dissents as were registered were hardly substantial.

led some people to forget the primary value of interdepartmental coordination for the user of the NIE: the assurance that all pertinent authorities have been consulted and that all substantially divergent judgments have been recorded in one document.

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A member of the IAC would exercise his privilege to rephrase a passage in the text in such a way as to give it a special slant or emphasis not acceptable to his colleagues. The Departmental interest involved was readily apparent in such cases. 115/

In January 1951, IAC consideration of the Board's coordinated draft for NIE-10 ("Communist China") produced an interesting case. General Charles P. Cabell* objected, not to the substance of the draft, but to its policy implications. He produced a revised text slanted to support his preferred policy. William Jackson, the DDCI, then in the chair, ruled that proposal out of order. Did Cabell dissent from the intelligence presented in the text as written? No, he did not, but might he then attach to it a statement expressing his own view of the policy that should be adopted with regard to China? Jackson would not allow that either,

* Then Lieutenant General and Director of Intelligence, USAF. Later Cabell was DDCI, 1953-62.

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since it was not a dissent from the substance of the intelligence estimate.116/*

The first really substantial difference to develop in the IAC had to do with the estimate in SE-11, "Probability of a Communist Assault on Japan in 1951," 17 August 1951,** and then it was the DCI himself who dissented, to the horror of all who knew of and valued the Lovett doctrine.*** General Smith knew what he was doing; he stipulated that it was not to be taken as a precedent. Apparently he took the occasion to make the point that he gave more weight to the advice of his Board of National Estimates than he did to that of the IAC.117/

* In later years, many dissenting footnotes contained stump speeches of policy advocacy which were allowed on the ground that one should be free to say anything he pleased in a statement for which he was solely responsible -- a false doctrine.

** The SE (Special Estimate) series consisted of NIE's closely limited in distribution because their contents would reveal specially sensitive matters under policy consideration: e.g., SE-1, "International Implications of Maintaining a Beachhead in South Korea," 11 January 1951. At that time the 8th Army was in pell-mell retreat and the policy question was whether to attempt to hold a beachhead at Pusan or to abandon Korea altogether.

*** See Volume I, p. 48.

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The issue was a rather subtle one. The majority of the IAC (State, Army, Air Force, and the Joint Staff) held that a Soviet invasion of Japan would be unlikely *except* in the event of a general war. On the advice of the Board of National Estimates and with the support of the Director of Naval Intelligence, the Director of Central Intelligence held that to be unlikely *even* in the event of general war. The DCI did not put himself into a footnote. The majority view was expressed in one paragraph of the text, the view of the DCI and DNI in the following paragraph.118/

The underlying issue was the denial of US military information to Intelligence.* The majority expressly excluded US military capabilities from consideration. The DCI and DNI held that to be unrealistic. They held that the Soviets would take into account US capabilities to defeat an invasion of Japan, and would be deterred thereby.119/

In January 1952 the subordination of ONE to the newly created DDI, Loftus Becker, produced a

* See Volume V, pp. 35-42.

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tense situation. With reason, Sherman Kent, the newly appointed ADNE, regarded as essential the direct relationship between the Board of National Estimates and the DCI. Kent had no intention of submitting coordinated national estimates, or even Board memoranda for the DCI, to the judgment of some intervening bureaucrat. Kent and his deputy, Sontag, regarded Becker, personally, with contempt. That feeling was reciprocated. 120/

In February 1952, Becker declared to Smith that any adolescent who had been reading the newspaper could have produced a better estimate of the Iranian situation than NIE-56. Smith acknowledged that estimates were being watered down in the process of interdepartmental coordination, but condoned that practice in the circumstances of that time.*

Becker's principal complaint against ONE was that its estimates were not relevant or timely in relation to the intelligence requirements of the Senior NSC Staff, of which he was the CIA member.

* See Volume II, p. 42.

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There was irony in that complaint, for it was Becker's responsibility to keep the Board informed of NSC requirements and he had neglected to do so.* But the other side of this matter was that the Board of National Estimates did indeed take a rather cavalier attitude toward the "bureaucratic" requirements of the NSC Staff.**

In February 1952, Bundy informed Becker that the Board was proceeding at a leisurely pace with an estimate required by the Senior NSC Staff in conjunction with a scheduled policy paper and would not meet the NSC schedule.121/** Becker laid on a "crash" and demanded of Kent an account of the responsiveness of ONE estimates to NSC requirements. A review of the record revealed that:

* During the summer of 1951, Montague was relieved of his assignment to the NSC Staff, so that he might spend full time with the Board. By February 1952, Becker was the CIA member of the Senior NSC Staff and Bundy the NSC Staff Assistant.

** See pp. 44 and 58, above.

*** Another case in point occurred in April 1952, when Becker was outraged to discover that the Board had cancelled an estimate required by the Senior NSC Staff because a State contribution had not been forthcoming.122/

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- (1) One or more NIE's had been produced on almost every problem that had been before the NSC.
- (2) In some problem areas (e.g., the Far East) the coverage had been extensive.
- (3) There was, however, little correlation between the publication dates of estimates and NSC consideration of the subject.
- (4) There was also a lack of comparability in scope between some estimates and some policy papers.
- (5) Although there were no major gaps in coverage, some old estimates were "expiring."*
- (6) The NSC had called for very few estimates on likely reactions to the adoption of a given US course of action.**
- (7) A closer "integration" of the estimates program and the NSC program would be feasible (with closer liaison).123/

With reference to this report, Becker laid down the law that there must be more systematic planning,

* The "expiration" of estimates resulted from the early practice of giving them short-term terminal dates. For example, NIE-25, 17 August 1951, committed itself only to mid-1952, [REDACTED]

In the early 1950's the estimators dared not commit themselves for a longer term.

** The first such "contingency estimate" was SE-20, "The Effect on the Communists of Certain US Courses of Action," 15 December 1951.

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not only with regard to the estimates schedule but also with regard to the research required for estimates.124/

On Kent's initiative, the Board of National Estimates met with the Steering Committee of the Senior NSC Staff, on 10 April 1952, to discuss how NIE's could be made more useful in the preparation of NSC policy papers. One result was the preparation of a long-term (12-month) estimates program which the Steering Committee considered and approved on 29 April.125/ Since then it has been the practice to review and extend this program quarterly, in consultation with the NSC (later, the White House) Staff, and of course in coordination with the IAC (later, USIB).

On 1 July 1952 the Steering Committee of the Senior NSC Staff agreed with Becker that it would be desirable for NIE's to show more of the "factual" basis for the discussion and conclusions, and also to give some clearer indication of the reliability of these basic "facts."126/ ONE sought to meet this requirement by adding appendices, called "Tabs," to the standard NIE format.

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The Service representatives rebelled against this innovation -- a reaction quite inconsistent with their demand a year earlier that NIE's should consist predominantly of basic data.* Specifically, they demanded the deletion of the 8-page appendix of background information that State and ONE had prepared to go with the 9-page NIE-69, "Probable Developments in North Africa," then a relatively unfamiliar area. The Service representatives had no objection to "Tabs" that presented, in tabular form, military order of battle or weapons characteristics. What they were balking at was the commitment of their IAC principals to concur in an additional 8 pages of discussion of the political, economic, and social factors involved in the North African situation -- matters with regard to which they had little interest and less competence.127/

The Board of National Estimates urged the Director to retain the appendix to NIE-69 in view of the Senior NSC Staff's request for more information.

* See p. 63, above.

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At the IAC, General Smith decided to disseminate the appendix with the estimate, but separately bound as a Supplement. The members of the IAC were required only to note the Supplement, not to concur in it (or dissent). In future the DDI would decide, in consultation with the IAC agencies, what similar supplements should be similarly disseminated with NIE's. They would consist of background information only, and would be prepared by the IAC agencies, not by ONE.128/

The Board of National Estimates did not regard this Judgment of Solomon as a good solution of the problem. It had no confidence in what the IAC agencies might produce in the way of supplements. It circumvented General Smith's decision by introducing more and more background material into the Discussion part of estimates. And so it was that the once slender NIE's began to grow stout.129/*

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IV. The Office of Research and Reports*

The NSC Survey Group recommended, in January 1949, that out of ORE there should be created not only a "small Estimates Division" but also a "Research and Reports Division" to perform such research services in fields of common interest as the NSC might determine could best be performed centrally.

[REDACTED]


[REDACTED] in this connection, but doubted that the US central research agency should have so broad a mission.** It suggested that science, technology, and economics would be appropriate fields for centralized research. It emphatically excluded political intelligence research. That should be exclusively the business of the State Department's Office of Intelligence Research (OIR).130/

* For a more extensive account, see the history of this Office now in preparation (1971).


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The same order that announced, on 13 November 1950, the creation of ONE also changed the name of ORE to Office of Research and Reports (ORR). All concerned knew that the change in name was but the beginning of the end of ORE. Some ORE personnel would be selected out for ONE. Some might be retained for the residual ORR dimly outlined in the Dulles Report. Some, particularly among the political analysts, might be taken up by OIR to meet its increased responsibilities for political research* -- but, from the ORE point of view, that would be the same as going over to the Enemy. The rest would be fired. Some escaped that fate by finding refuge in OSO and OPC, which were expanding. Others resigned.131/

From the first it was evident that two divisions of ORE would survive in ORR: 

* See pp. 116-17, below.



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[REDACTED] * The Dulles Report had recommended their inclusion. But what else? Science and technology, as the Dulles report had suggested? At the end of 1948 the Scientific Branch of ORE had been made a separate Office of Scientific Intelligence (OSI)**; it was soon evident that OSI would not be resubordinated to ORR. Economics? ORE had some economic assets: an Economics Division, a Transportation Division, [REDACTED]

William Jackson discussed the question of what functions should be assigned to ORR at length with members of the IAC, especially with Park

* This division had no research function; rather it was a coordinating and editing staff in charge of the production of National Intelligence Surveys, compendia of descriptive information of interest primarily to war planning agencies such as the Joint Staff. CIA (ORE) had assumed that function in 1948, in succession to the JIC's Joint Intelligence Studies Publication Board. The division chief, Kenneth Knowles, had been in ORE since 1946. In August 1955, Basic Intelligence was made a separate DDI office and Knowles became ADBI.

** See pp. 142-47, below.

[REDACTED]

Armstrong, the State Department member. State claimed primary jurisdiction in economic as well as political intelligence* but, getting so much that it wanted from the demolition of ORE, was willing to permit ORR to engage in some subsidiary tasks of economic research, mainly related to Soviet war potential:



But State did not insist that ORR confine itself to the Soviet Bloc; it was willing for ORR to study commodities production and trade on a global basis.^{133/} It was William Jackson who decided that ORR's economic research should be addressed primarily to the Soviet Bloc.^{134/**}

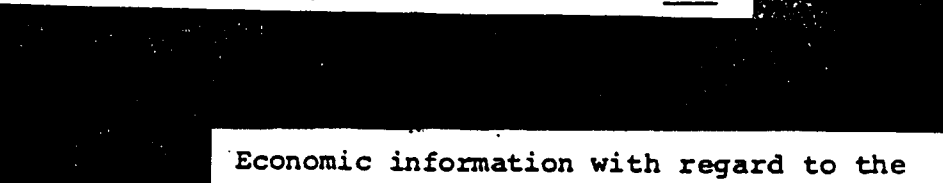
There was reason in that. The Soviet Bloc was later defined to include Communist China and North

* The pertinent NSCID said that each Department should produce its own economic intelligence according to its own needs.

** This voluntary restriction later came to be regarded as a contract. ORR eventually escaped from it by observing that it could not measure the menace of Soviet trade and aid penetrations without studying the economies of the target countries.

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Korea, but not Yugoslavia and Finland. 135/



Economic information with regard to the rest of the world was abundant and easily obtainable.

As eventually defined in NSCID-15, 13 June 1951, the economic research responsibilities of CIA (ORR) were perhaps deliberately left vague. CIA would merely *supplement* the economic research done by the several Departments, an echo of Vandenberg's evasion in 1946. *136/

A. The Creation of ORR

Theodore Babbitt, the former ADRE, was temporarily retained as ADRR, but it was evident to all, except perhaps to him, that his days were numbered.**

* See Volume I, p. 57.

** On the evening of 10 October 1950 (see Volume II, pp. 26-27), when General Smith learned that CIA had no current coordinated estimate of the situation in Korea, he ordered that Babbitt be summarily fired, but Jackson persuaded him that it should not be done that abruptly. 137/ Babbitt, or rather the chief of his Planning Staff, spent considerable effort developing unrealistic plans for the organization of ORR, 138/ which suggests that they hoped to survive the cataclysm. When superseded in ORR, Babbitt became the Director of Intelligence in the Office of Civil Defense.

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It was also evident that his replacement should be a first-rate economist and administrator: [REDACTED]

[REDACTED] a coherent and capable Soviet Bloc economic research organization would have to be created from generally mediocre material and then be strengthened by recruitment. Seeking a man to perform this Herculean task, William Jackson consulted Sherman Kent, who recommended Max Millikan.^{139/}

Millikan, 37 in 1950, was a native of Chicago and the son of a Nobel Laureate in physics. He received his Ph.D. in economics at Yale in 1941 and afterwards served in the Office of Price Administration and in the War Shipping Administration. In 1946, Kent recruited him for the intelligence research organization in State. He left State in 1947 to be assistant secretary of the President's Committee on Foreign Aid. In 1949 he became Associate Professor of Economics at the Massachusetts Institute of Technology.

Millikan reported for duty on 15 January 1951. His arrival had an electric effect in raising from

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the depths the morale of ORR.^{146/} He gave the left-over personnel of ORE a sense of commitment to a well-defined and important mission pursuant to a well-conceived plan and under an able and forceful, but considerate, leader. They had known nothing like that in ORE, much less during the three-month interregnum.

The new ADRR intended to stay for only one year. He did not bring his family to Washington, but lodged in the home of Richard Bissell, with whom he had worked in the War Shipping Administration.* Having no family life, he did most of his paper work at night and spent much of the day visiting the economic units of ORR, becoming acquainted with his people, showing a personal interest in them and their work, consulting and encouraging them.141/

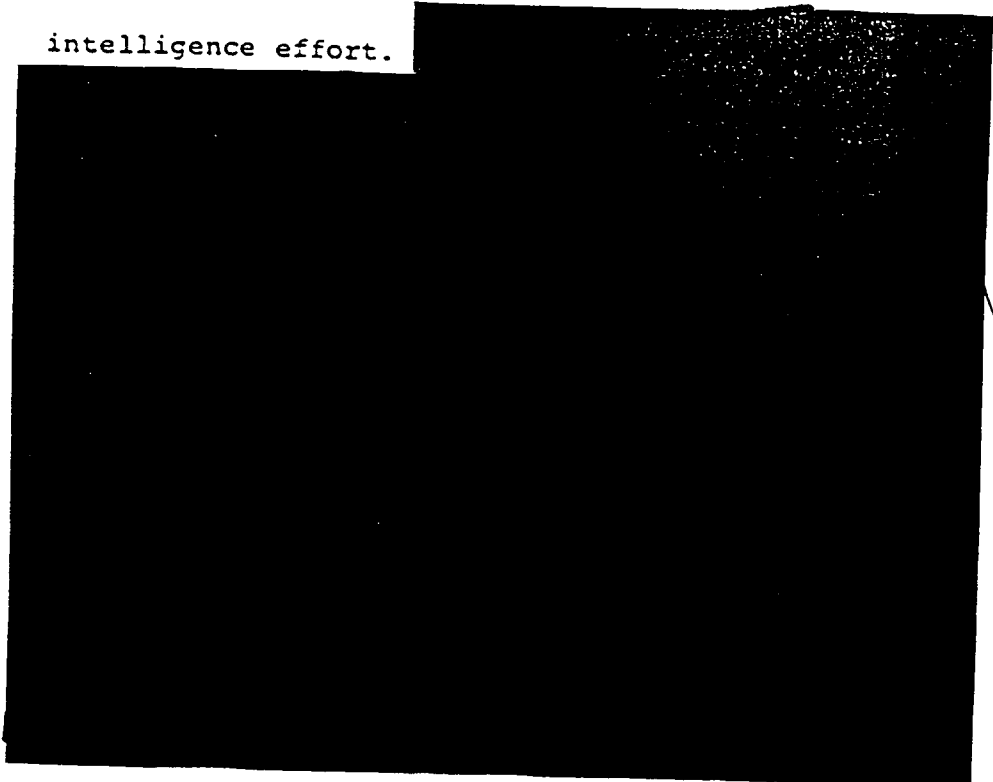
Millikan left [REDACTED]

[REDACTED] to run themselves and devoted his personal attention to organizing and directing the new economic

* Bissell was afterwards Special Assistant to the DCI, 1954-58, and Deputy Director, Plans, 1959-62.


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intelligence effort.



Millikan abolished Babbitt's overweening Planning Staff, on the ground that planning should be done by the men responsible for substantive results -- that is, by the ADRR and his division chiefs.142/

Millikan reanimated the economic elements of ORR by putting long-idle hands hard to work compiling



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what he called an "Inventory of Ignorance" -- that is, a systematic inventory of what was reasonably well known about the Soviet Bloc economies and what more needed to be learned in order to complete the picture. That provided a useful guide to collection and research. Since perfect information was unlikely to be obtained, he proposed to proceed by the "method of successive approximations" -- that is, to estimate what Soviet production might be, at least and at most, and then to work to narrow the difference between those extremes.143/

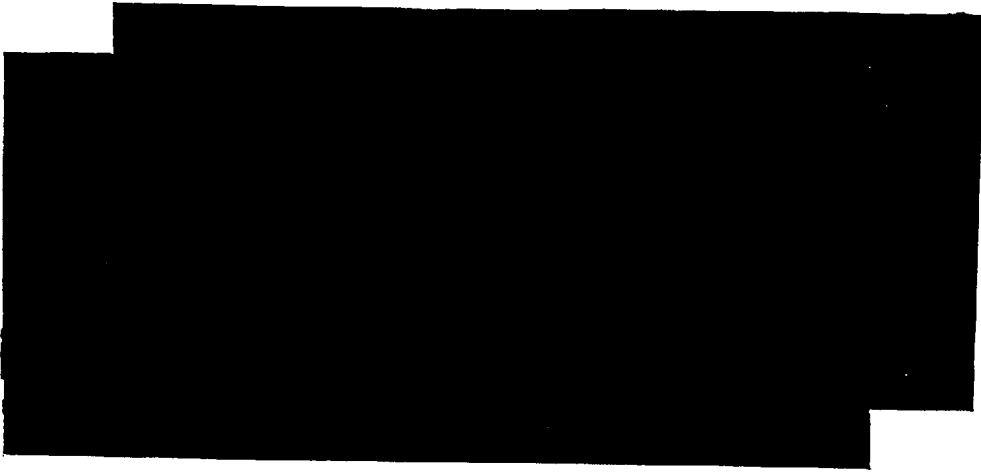
Millikan had been authorized to dismiss anyone in ORR who, in his judgment, would be unable to make a positive contribution to the new Soviet Bloc economic research program, but he conducted no purge. Instead, he decided to keep the personnel that he had, training them on the job if need be, while he pursued a vigorous recruitment program designed to raise the general competence of the Office as well as to enlarge it. He hoped to recruit experienced economists, especially among those who had worked with him at State in 1946, but he was hindered in that by delays

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in obtaining security clearances and by the subsidence of apprehension regarding the imminence of general war. He then turned instead to the recruitment of well-recommended graduate students. He devoted most of his own time to that effort, with good results.144/



B. The Economic Intelligence Committee

A week after Millikan's arrival, William Jackson declared that the IAC should be briefed on the reorganization of CIA, with particular emphasis on the point that henceforth CIA (ORR) research would be limited to Soviet economics.147/ On 15 February, Dr. Millikan delivered a briefing on ORR. His Office would concentrate on Soviet economics as a "service of common concern." It could also fill gaps in the

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economic research undertaken by State and Defense, and serve as a useful *coordinator* of the entire economic intelligence effort.^{148/} At the Staff meeting the next morning, particular note was taken of the fact that no member of the IAC had objected to the idea of ORR as coordinator of economic intelligence.^{149/}

This gingerly approach to the IAC suggests that in February 1951 Smith, Jackson, Reber, and Millikan, all newcomers on the scene, were not aware that eleven months earlier the NSC had directed the DCI (Hillenkoetter) to study the adequacy of existing arrangements for coordinating the production of economic intelligence and to submit a "comprehensive" plan. However, when Smith proposed such a plan to the IAC, on 9 May 1951, it was as a response to an NSC directive dated 3 March 1950!^{150/}

It would be interesting to know who discovered (or revealed) the existence of this year-old and unfulfilled NSC directive.* In any case, Millikan

* Presumably this NSC directive had been lost from sight during CIA's preoccupation with the "Webb proposals," the outbreak of the Korean war, the advent of General Smith, and the ensuing reorganization.

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seized the opportunity that it presented. He made a quick survey and found that 24 Government departments and agencies were producing economic intelligence according to their various needs, without any coordination whatever.^{151/} He proposed the establishment of an Economic Intelligence Committee (EIC) to effect the coordination that was obviously needed. Its basic membership would correspond to that of the IAC, but the other departments and agencies interested in economic intelligence would be invited to participate on an *ad hoc* basis. The seven functions that Millikan proposed for the EIC all related to various aspects of coordination.^{152/}

Millikan also proposed a new NSCID on economic intelligence. It assigned to CIA three broadly stated coordinating functions and a supplemental research function, as a "service of common concern."^{153/}

Smith submitted these proposals to the IAC, which concurred in them, as amended, on 17 May 1951.^{154/} The principal amendment was the assignment of an eighth function to the EIC, that of preparing "coordinated reports which present the best available

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foreign economic intelligence."155/ It was agreed that the EIC should publish such reports without submitting them to the IAC, except in cases of serious disagreement.156/

The NSC adopted NSCID-15, "Coordination and Production of Foreign Economic Intelligence," on 13 June, and the Economic Intelligence Committee was formally established soon thereafter. The ADRR was its Chairman, *ex officio*; the EIC Secretariat was an element of his personal staff. The EIC established 13 permanent subcommittees and various *ad hoc* working groups. During the next two years the Committee produced 17 "surveys" related to coordination and 13 substantive intelligence reports. In addition to the six IAC agencies, 20 non-IAC agencies participated in some part of this work, as appropriate.157/

In practice, EIC papers were drafted in ORR and were then put through the EIC machinery in much the same way that ONE produced NIE's. Through the EIC, however, ORR was able to exercise a much stronger influence on the direction and coordination of departmental intelligence research than could ONE.

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C. The Reorganization of ORR

After a year as ADRR, Max Millikan was satisfied that both ORR and the EIC were well launched and well able to develop further without him. Meanwhile he had developed the idea of a Center for International Studies (CENIS) at M.I.T. He was impatient to return to M.I.T. to organize and direct CENIS.158/* He was impervious to Bedell Smith's appeals to him to stay on, even to Smith's suggestion that he was just the man to succeed eventually as DCI.159/

Robert Amory, Millikan's successor as ADRR, was 37 in 1952. He was a native of Boston and a graduate of Harvard (1936) and of Harvard Law School (1938). After practicing law in New York, he enlisted as a private soldier in 1941 and rose to the rank of colonel in 1946; he commanded a battalion of combat engineers in New Guinea and a regiment in the Philippines. After the war, he was Professor of Law at Harvard until called to CIA. Loftus Becker, the new DDI, proposed him to General Smith160/; Becker

* On leaving ORR, Millikan became a CIA consultant and, somewhat later, one of ONE's "Princeton Group."

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and Amory had worked together in the same New York law firm before the war. Becker recruited Amory by holding out to him the prospect of becoming DDI after about a year as ADRR. 161/ Amory became a consultant on 11 February 1952 and ADRR on 17 March.

Inasmuch as Amory was a lawyer and accountant, rather than an economist, he felt a need to put a professional economist in charge of the five economic research divisions that Millikan had personally directed. The consequence was a reorganization of ORR, announced on 24 August 1952. This reorganization was, however, a consolidation rather than a radical innovation.

Amory reduced his span of control by having three subordinate chiefs reporting directly to him.



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During the spring of 1952, ORR was devoting an increasing proportion of its time and effort to direct intelligence support for the working groups of the Economic Defense Advisory Committee (EDAC),



In that forum, however, ORR's intelligence findings were condemned as unreliable by the representatives of OIR, although they had nothing better to offer. Conceding the uncertainties in all Bloc economic intelligence in 1952, this criticism was plainly a matter of jealous spite.* Contention regarding it hindered the work of the EDAC working groups. 163/

* See p. 114, below.

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On 23 April 1952 the EDAC delivered to the NSC a report, over the signatures of Dean Acheson and Averell Harriman, that condemned "the general inadequacy of intelligence pertaining to East-West economic relations" and blamed "the absence of intelligence support" for the US failure to obtain West European cooperation in restricting the use of Western ships in Bloc trade. These strictures in an NSC paper of limited distribution were widely disseminated by publication in the State Department's *Current Economic Developments*.164/

This incident aroused the ire of Robert Amory, and of Bedell Smith as well. On 3 June, Smith addressed a strong and scornful rebuttal to the NSC. He showed that substantial intelligence support had in fact been rendered to EDAC, particularly with regard to the use of Western shipping in Bloc trade, and recommended that future EDAC progress reports "reflect a more accurate appraisal of the information and intelligence support that is available in the economic field."165/

One of Bedell Smith's specific complaints was that the EDAC report had failed to note that a special

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"intelligence working group" was being set up to coordinate intelligence support for EDAC. This Intelligence Working Group (IWG) was formally chartered by the IAC on 14 August 1952. Because the content and sources of the required intelligence were highly sensitive, it was established outside of the EIC system. 166/ [REDACTED] ORR's Coordination Staff was to it as the EIC Secretariat was to the EIC.

[REDACTED]

Robert Amory exercised command and control by assigning tasks and deadlines. Having done that, he kept in touch, but did not interfere. He expected the work to be well done and to be completed on time, and if he was disappointed in those respects, he could be explosive. 169/

During Amory's tenure as Assistant Director, ORR continued to grow. [REDACTED]

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On 23 February 1953, Amory was made Assistant DDI, and Otto Guthe, Chief of the Geographic Research Area, became ADRR.* On 1 May Amory succeeded Becker as DDI.

* Although economic intelligence was ORR's long suit and Guthe was a geographer, Amory had decided that Guthe was best qualified to head the Office as a whole.

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V. The Office of Current Intelligence

OCI was a third Office derived from ORE, but one that had not been originally contemplated. The Report of the NSC Survey Group had questioned the propriety of ORE's production of current intelligence and had strongly condemned its political research in duplication of that of the State Department's Office of Intelligence Research. William Jackson had intended that OIR should have its pick of ORE's political analysts, after ONE had taken its choice, and that any not chosen by ONE or OIR should be declared surplus and dismissed. As it turned out, however, OCI was the haven in which the surplus analysts of ORE found refuge, to Jackson's great chagrin!

The nucleus of OCI was the short-lived Office of Special Services (OSS), [REDACTED]

[REDACTED] OCI was formed through the piecemeal accretion of former ORE functions and personnel to OSS.

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A. Current Intelligence in CIA

Neither the President's letter of 22 January 1946 nor the National Security Act of 1947 said anything about a current intelligence function in CIG or CIA. Every intelligence organization, however, produces current intelligence for the information and the authority that it serves. The day that CIG came into existence (on 8 February 1946, with the adoption of NIA Directives No. 1 and No. 2), President Truman impatiently demanded of it the immediate production of a daily summary of current intelligence. He wanted a single, all-sufficient daily summary to replace, at least insofar as he was concerned, the multiplicity of departmental summaries that he was required to read.* He received the first number of the *CIG Daily Summary* on 15 February,

* President Truman was a remarkably dutiful reader of intelligence. He desired the *CIG Daily* to summarize operational as well as intelligence information for his convenience, but was disappointed in that -- the War and Navy Departments refused to release operational information to CIG. State, on the other hand, furnished its most sensitive ("S/S") cables, under some restrictions with regard to their use.

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and was well pleased with it.171/

The Secretary of State (Mr. Byrnes) protested the publication of the *GIG Daily Summary*. In the circumstances of 1946 it was derived almost entirely from State cables, duplicating the State Department's daily summary. The President rejected that protest, saying that CIG was his own personal intelligence staff. The Secretary forbade CIG to comment on the significance of State cables, reserving that function to State. Not long afterward, however, President Truman demanded, and of course got, CIG comments on items in the *CIA Daily Summary*.172/

CIA's publication of current intelligence was more formally sanctioned by NSCID No. 3, 13 January 1948. It provided that all intelligence agencies should produce and disseminate current intelligence as might be necessary to meet "their own internal requirements or external responsibilities."173/ DCID 3/1, 8 July 1948, provided that current intelligence was not subject to coordination.174/

The NSC Survey Group noted that the CIA *Daily Summary*, *Weekly Summary*, and *monthly Review*

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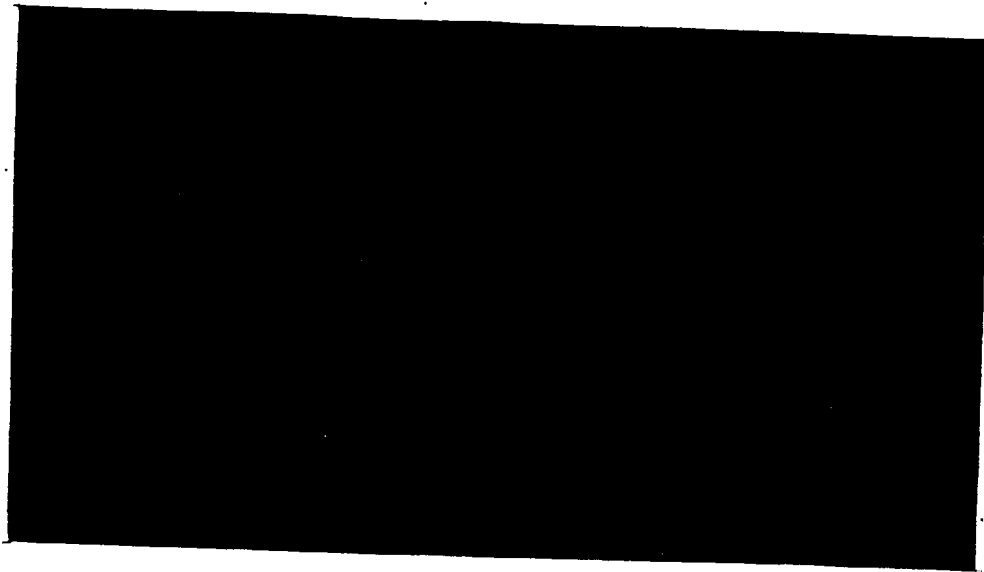
of the World Situation were almost entirely political in content. Probably at the instigation of OIR, it questioned the propriety of those publications and recommended their discontinuance.^{176/} In response, Admiral Hillenkoetter pointed out that they were the only current intelligence publications prepared expressly for the President and the NSC, as distinguished from specialized departmental audiences.^{177/} He knew, as the NSC Survey Group apparently did not, that the *Daily* was prepared at the express direction of the President and the monthly *Review* at that of the NSC.

* This *Review* deserves passing notice. The first number was prepared by the Global Survey Group (GSG), ORE, as a briefing for Admiral Hillenkoetter to present to the newly constituted NSC, at its request. It was fully coordinated with the IAC agencies. Hillenkoetter was pleased with it and ordered it to be published as an estimate. The NSC was also pleased and requested that it be repeated on a monthly basis. When Montague attempted to coordinate subsequent numbers with the IAC agencies, they begged off, insisting that a monthly estimate was current intelligence. The true reason was that no IAC agency had anyone cognizant of the global situation. To coordinate with GSG, each agency had to send a squad of regional specialists, and these regional specialists fell to quarreling among themselves as each sought preferment for his particular region.^{175/}

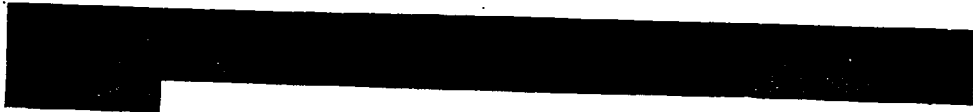
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To General Smith it was as axiomatic as it had been to Admiral Hillenkoetter that CIA had a responsibility to keep the President currently informed. In October-November 1950 there was no question of discontinuing the *CIA Daily Summary*, but the current intelligence function was then transferred from ORR (later ORE) to ONE in accordance with Montague's plan.* Langer then discontinued the *Weekly* and the *monthly Review*.

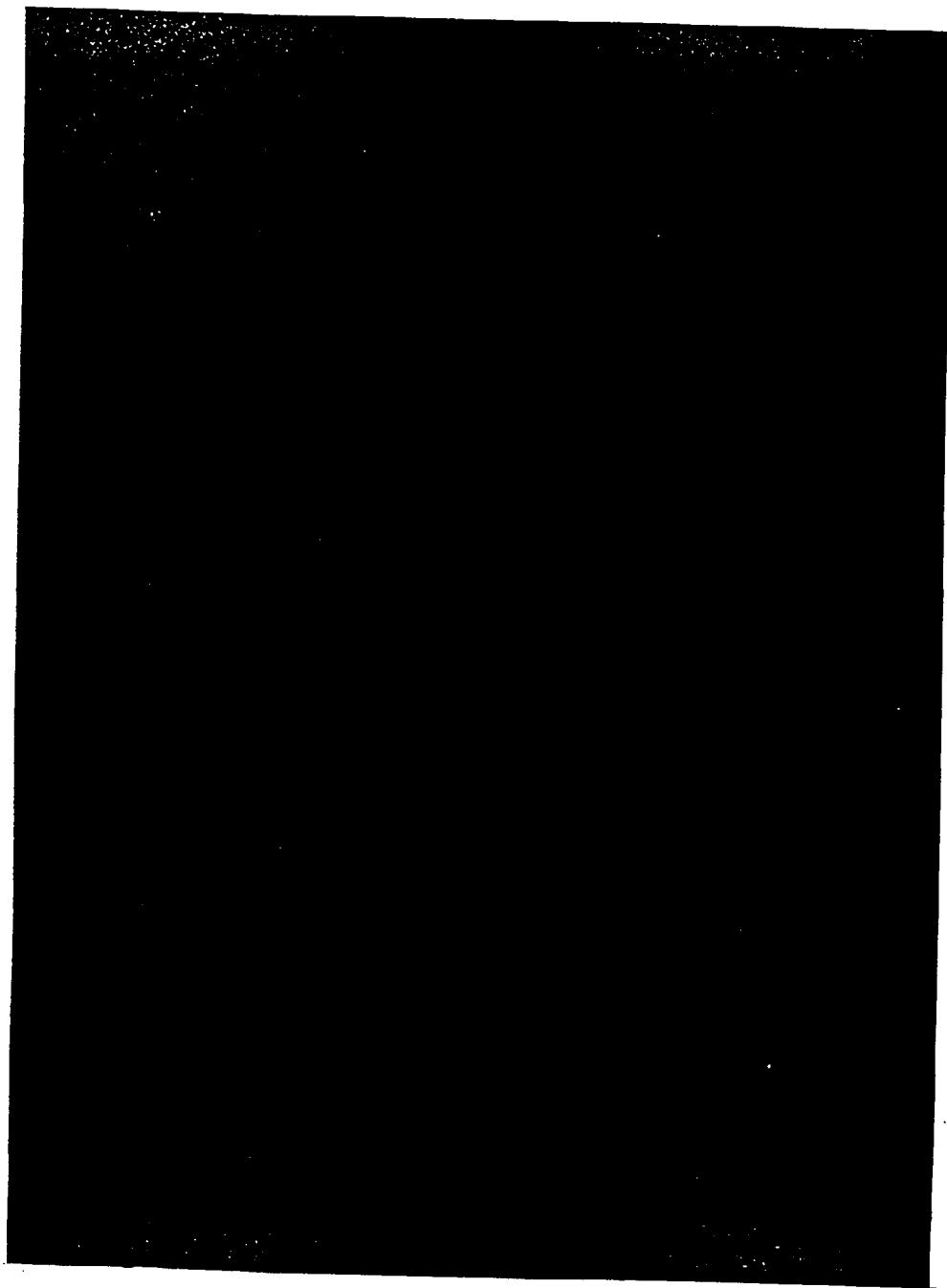


* See p. 55, above.



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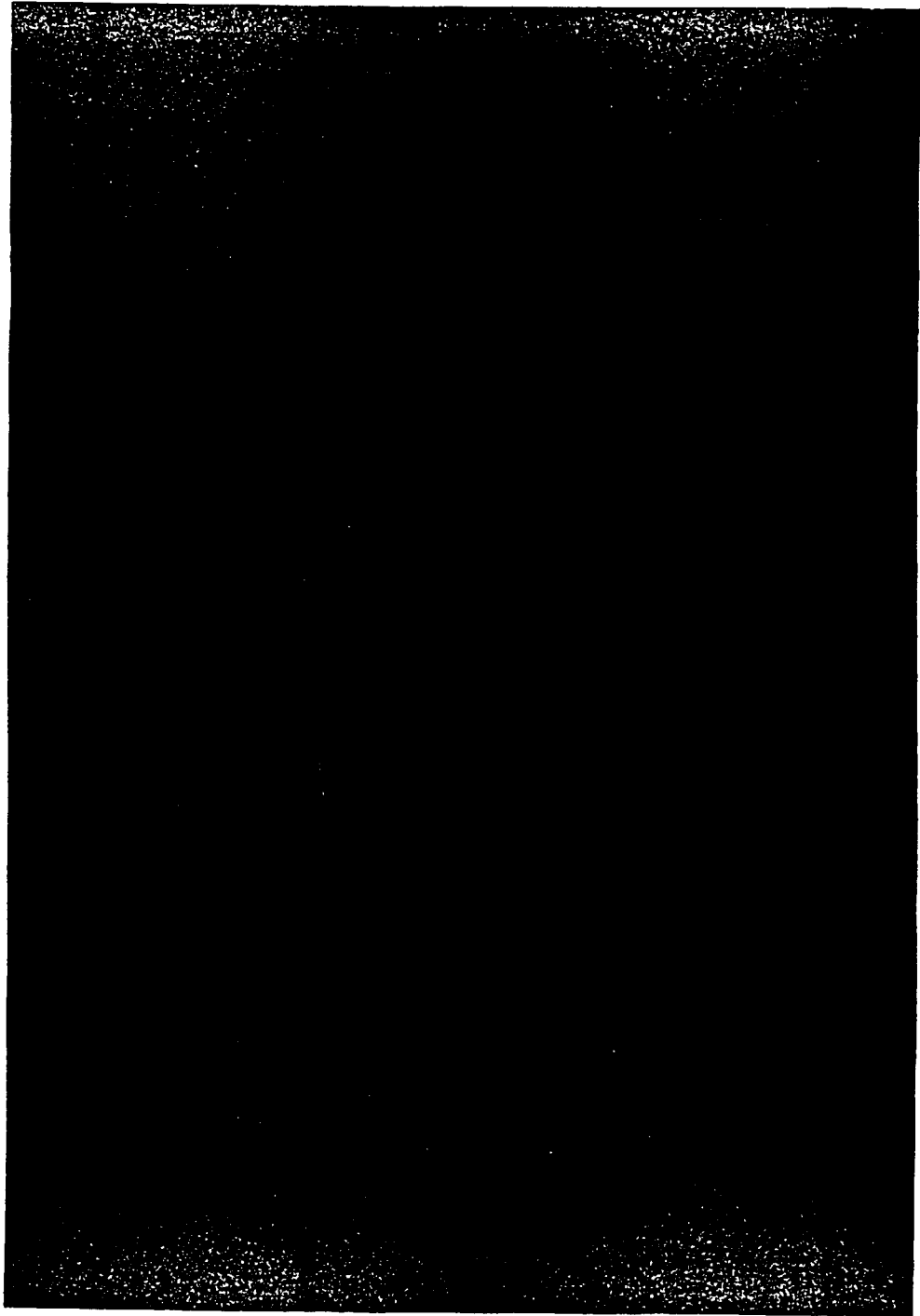
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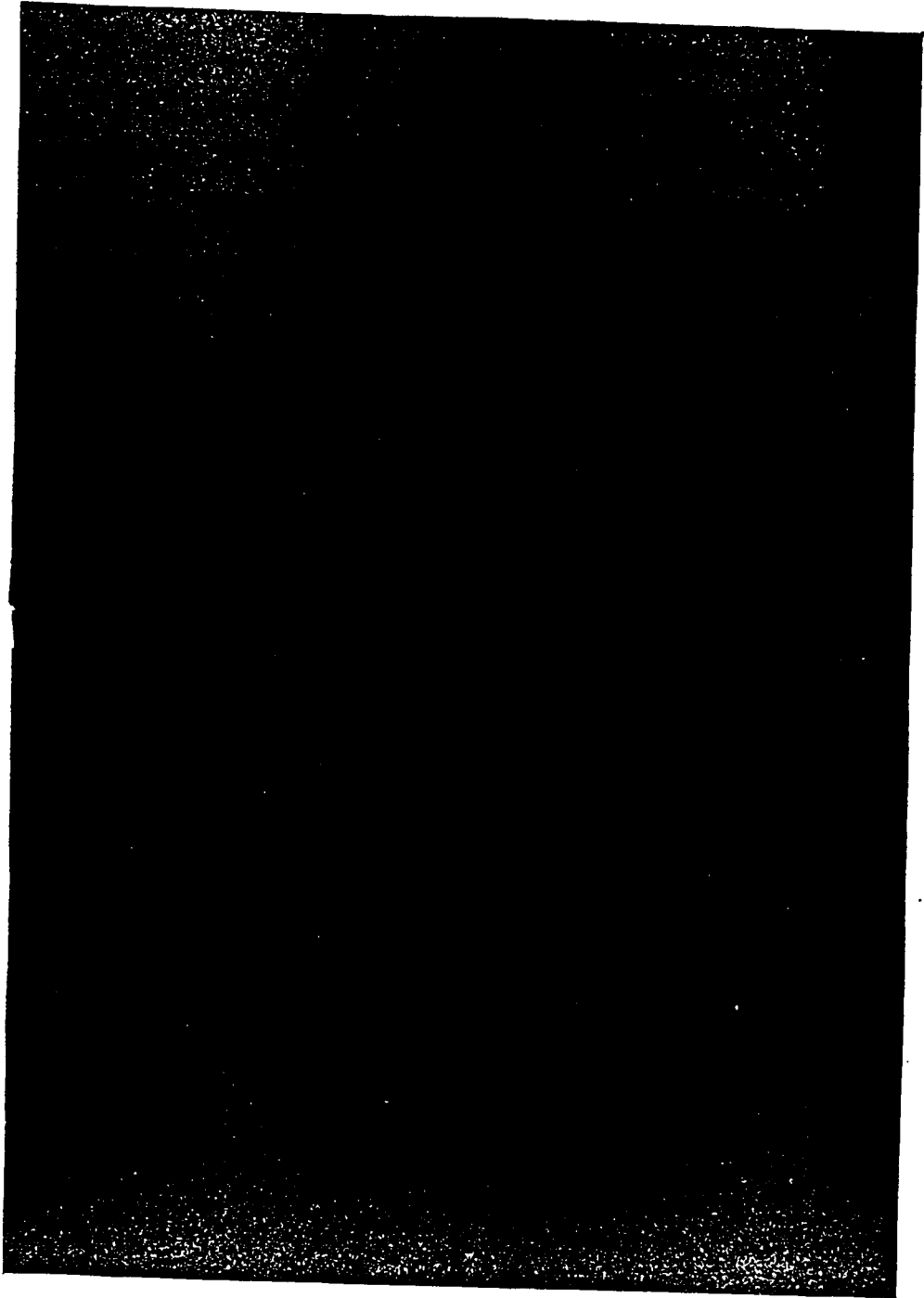
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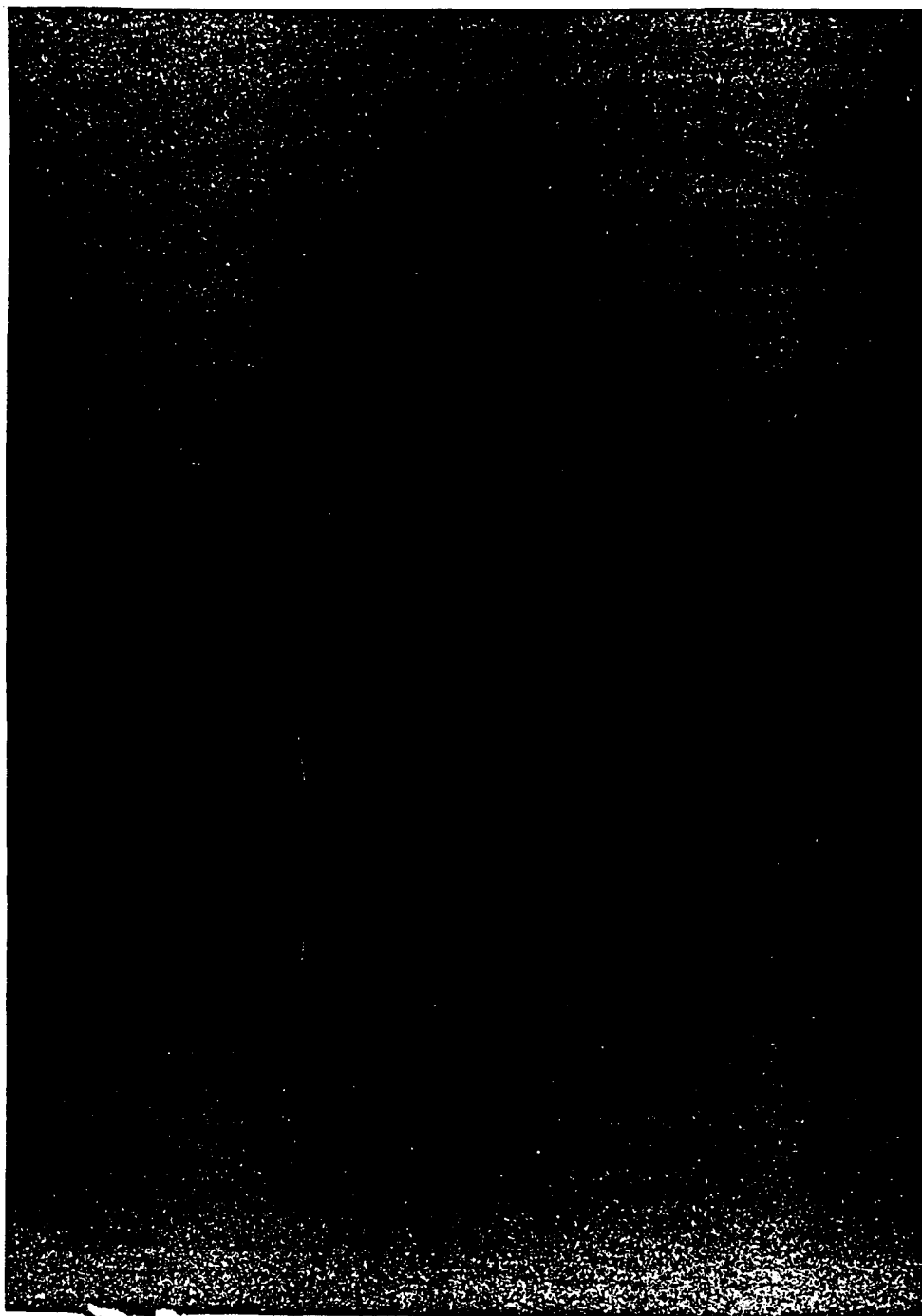
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C. The Office of Special Services

Such was the situation [REDACTED] when Bedell Smith became DCI. His first concern was to pull together under one clear command authority the several elements in CIA [REDACTED]. He did that by combining the functions and personnel of the Advisory Council and the Special Research Center* into one Office of Special Services (OSS). The creation of that Office was announced on 1 December 1950.185/

[REDACTED]

The first Assistant Director for Special Services was Horace Craig, who had been Chief of the Advisory Council since August 1950, but, after only a month as Assistant Director, Craig was transferred

* The Special Research Center was not a command, but a place, the secure area that housed [REDACTED] the General Division of ORE [REDACTED]

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to the Office of Training and Kingman Douglass was designated ADSS in his stead on 4 January 1951.^{187/}

Kingman Douglass, 54 in 1950, was a financial consultant to Dillon, Reed & Company. A native of Chicago and graduate of Yale University, he had earned a Distinguished Service Cross as an Army aviator in 1918. During World War II he had been the senior US Army Air Force intelligence liaison officer in the British Air Ministry. In 1946 he had been Acting Deputy Director of Central Intelligence under Souers.

William Jackson had known Kingman Douglass in New York and in London. It was Jackson who induced Douglass to return to CIA. Douglass would hardly have consented to come just to be ADSS; something grander than that must have been held out to him in prospect. In his discussion of the subject with Jackson, they must have agreed upon the conception of OCI as an "all-source" current intelligence service for the President and the DCI.

D. The Creation of OCI

On 18 December 1950, William Jackson announced that he was now ready to take up the problem of

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current intelligence.188/ Three days later he met with Langer, Craig, and Babbitt to consider the proper location of that function in CIA.189/ Babbitt contended that current intelligence could not properly be produced without immediately available research support. That was ORE doctrine. Jackson angrily accused Babbitt of trying to perpetuate ORE in ORR, and Babbitt acknowledged that to be true. Jackson could not be expected to agree to that conception.* Langer, for his part, did not want to be responsible for current intelligence, if ONE could otherwise be assured of prompt access to the "S/S" cables. Saying that, he resigned the current intelligence function to OSS.190/

As soon as Kingman Douglass took office, he put his staff to work on trial runs for a new all-source *Daily*.191/ When Jack Smith learned of this, he protested vigorously,192/ but in vain. On 12 January, it was announced that "OCI" would produce the *Daily Summary*.193/ Three days later the name

* Nevertheless, Babbitt's conception ultimately prevailed in the actual development of OCI. See pp. 119-22, below.

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of OSS was publicly changed to Office of Current Intelligence.194/

In this case, OCI got the function without the personnel; the experienced staff that Jack Smith had selected out of ORE (ORR) remained in ONE. Jack Smith continued to publish the *CIA Daily Summary* until 28 February, when OCI, after two months of practice, finally put out the first number of its new *Current Intelligence Bulletin (CIB)*.195/ It was not until two months later that Bedell Smith finally declared himself to be entirely satisfied with the *CIB*.196/*

Bedell Smith sent a copy of the first number of the *CIB* to the Secretary of State with a note emphasizing that it was an *all-source* publication, not just a summary of State Department cables, as the former *Daily Summary* had been.197/ He sought thus to answer State's repeated complaints about the publication of "political summaries" by CIA. The difference was attributable as much to the Korean

* In August 1951, OCI supplemented the daily *CIB* with an all-source weekly *Current Intelligence Review*.

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War as to the reorganization of CIA. [REDACTED]

[REDACTED]

OCI and the CIB were a good, albeit belated, response to the new current intelligence requirements generated by the war. Current intelligence was necessarily a very incidental function in ONE. [REDACTED]

[REDACTED]

OCI was not limited in that way, but it still had to find the integral research support that Babbitt, with reason, had declared to be indispensable to the proper performance of the current intelligence function.

E. Political Research in CIA

ORE had felt free to engage in any research that it deemed to be useful in the service of the President, the NSC, any defense-related Government agency that had no intelligence capabilities of its

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own (e.g., the NSRB), or, of course, the other components of CIA (e.g., OSO). It was disposed to rely on the military intelligence agencies for technical military data but, with reason, had only scorn for their strongly held, but extremely naive, political views. ORE's regard for the political interpretations of the State Department's OIR was not much higher. It knew that OIR was a pariah within the Department. Relations between ORE and OIR were poisoned by OIR's resentment of ORE's intrusion into the field of political intelligence, and by ORE's resentment of OIR's consequently captious criticisms intended to demonstrate the incompetence of ORE.198/

The NSC Survey Group was strongly sympathetic with OIR in this matter. It held most emphatically that CIA should engage in no political intelligence research whatever199/ -- and political intelligence could be construed to cover everything except the most narrowly and technically defined scientific, economic, and military matters.

At his first formal meeting with the IAC, Bedell Smith was as emphatic in stating that CIA (ORR)

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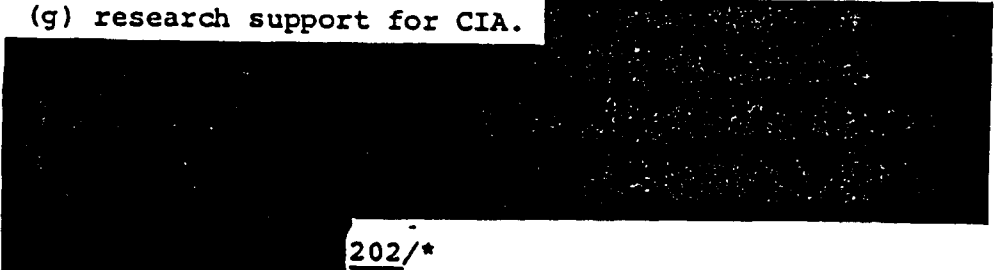
would not thereafter engage in political intelligence research.200/

During the next three months, William Jackson and Park Armstrong discussed the practical consequences of that determination. Then, on 1 February 1951, Bedell Smith despatched a letter to the Secretary of State reminding him that NSCID No. 3 made the Department of State primarily responsible for political, cultural, and sociological intelligence research; informing him that CIA, relying on State, was no longer engaged in such research; and suggesting to him that the State Department might have to increase its intelligence research staff in order to meet the requirements of CIA and the other IAC agencies for political research support.201/

Jackson's letter of the same date to Armstrong was more explicit. State (OIR) was now responsible for the political, cultural, and sociological work formerly done by ORE, including (a) the initiation of appropriate collection requirements, (b) the evaluation of OSO reports, (c) research to meet the requirements of the NSC, the JCS, and other Departments,


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- (d) intelligence support for psychological warfare,
 - (e) research on international organizations -- e.g., the UN,
 - (f) research on International Communism, and
 - (g) research support for CIA.
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At the same time, Jackson forwarded to Armstrong a request from the Joint Staff to CIA for material for a JIC psychological warfare intelligence estimate, requesting that OIR respond to it.204/ Two months having passed without response, the Joint Staff again addressed the DCI. Smith passed that inquiry on to Armstrong for direct response.205/



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Thus Smith and Jackson were firmly determined to take literally State's claim to a monopoly of political intelligence research, to permit nothing of that sort to be done in CIA under any pretext, to require all requests for political research support to be addressed to State, and to require State to respond directly to the requestors.

The dénouement came in June 1951, when Armstrong addressed an appeal to Smith. State had included in its 1952 supplemental budget 250 positions required to meet the additional responsibilities set forth in Jackson's letter of 1 February. The Bureau of the Budget had allowed only 40 percent of the positions and 31 percent of the funds requested for this purpose. The reason was that the surplus personnel of ORE had been absorbed in CIA, instead of being transferred to State, so that the proposed increase in OIR's personnel strength was an addition to the Federal payroll. Would the DCI please intervene with the Bureau of the Budget on State's behalf?206/



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Jackson was deeply chagrined to learn that, but Kingman Douglass knew what he was doing. He was acquiring the integral research support that Babbitt had declared to be indispensable to the proper production of current intelligence.

But more than research support for current intelligence was involved. The fact is that no sooner had ORE disappeared than it was sorely missed, especially by OSO. As early as 13 February, OSO expressed its concern at being made dependent on OIR for political research support, especially as regards the integrated study of the ramifications of the international Communist conspiracy.^{208/} ORE had performed that service for OSO; in his letter of 1 February Jackson had listed it specifically as one of the ORE functions to be assumed by State. OIR, however, was extremely reluctant to take up that task; by May it was apparent that it would not do so.^{209/} (OIR regarded the product as domestic propaganda rather than intelligence.) There ensued, in the Deputy Director's daily staff meeting, earnest

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discussion of the proper location in CIA of a unit to render operational research support to OSO and OPC, and significantly, in that connection, of the amount of research that could appropriately be done in OCI.210/

This trend of thought alarmed William Jackson. He expressed to the Director his concern about the development of research tendencies in OCI and proposed to inspect that Office, with the apparent intention of arresting that development. Bedell Smith authorized that inspection, but stressed the point that Assistant Directors should be permitted to organize and run their Offices as they thought best, so long as they produced the desired results.211/ In the end, it was Stuart Hedden who made the inspection of OCI, as a practice run before his formal appointment as Inspector General.* His report, dated 7 December 1951, suggested some few administrative improvements. Hedden did not concern himself with the doctrinal principle that had concerned Jackson.

* See Volume II, pp. 119-20.

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In late November, Allen Dulles spoke up to question the propriety of OCI's unilateral reporting on purely political matters in the CIB. He suggested prior coordination with OIR in such cases.* Bedell Smith answered curtly that the purpose of the CIB was to report on every matter that CIA thought should be brought to the President's attention, and that the President had so directed.212/

Thus it was that the development of "research tendencies" in OCI went unchecked and OCI became an independent political research organization comparable to ORE. Although ORR was, administratively, the continuation of ORE, OIR (and ONE) came to realize that ORE had actually survived in OCI.213/



* Almost certainly this intervention was prompted by Park Armstrong. Dulles and Armstrong had been in close rapport at least since 1948. See Volume I, p. 92.

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regional divisions followed the developing situation in their respective areas on an all-source basis and prepared copy for the daily *Current Intelligence Bulletin* and the weekly *Current Intelligence Review*. The material that they submitted was reviewed and accepted, modified, or rejected by a Publications Board composed of the Chief of the Intelligence Staff and the [redacted] division chiefs. A subordinate editorial staff then perfected the English and attended to reproduction and dissemination. 215/

F. Bad Blood Between OCI and ONE

The spirit of ORE still dwelt in OCI. The prevailing doctrine in ORE was that the ultimate authority on any subject was the desk man who studied it daily -- even though he might be in rank and



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experience the most junior person concerned. Pure truth resided only in his independent, well-informed, and expert judgment. Any higher level review must necessarily introduce adulteration; the higher the rank of the reviewer, the less well informed he would be. And any deference to the views of other agencies in interdepartmental coordination was shameless prostitution. This ORE view became the prevailing view in OCI, at least among the analysts.216/

This unofficial, but nevertheless prevailing, view was, of course, diametrically opposite to the doctrine of William Jackson and to the conception of ONE, which included review by a distinguished Board of National Estimates as well as interdepartmental coordination.

This philosophical difference between OCI and ONE was sharpened by personal animus. The personnel of the National Estimates Staff were the elect of ORE. The personnel of OCI were the rejected, those not wanted in ONE, or ORR, or OSO and OPC. They could assuage their feelings, however, by thinking of themselves as the purveyors of pure truth in the service

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of the President, in contrast to those *coordinators* in ONE, hopelessly entangled in their time-consuming and humiliating procedures.

The conflict that ensued between ONE and OCI was perhaps inherent in the difference between their respective functions in dealing with the same subject matter, but its intensity can be fully understood only with reference to this psychological background.

On 13 February 1951, two weeks before the publication of the first number of the *CIB*, General Smith declared that it was to be a "joint production" prepared by OCI in collaboration with ONE, ORR, and OSI.*218/ Subsequently the OCI Publications Board considered occasional contributions from ORR or OSI on economic and scientific subjects, on the same basis as contributions from the regional divisions of OCI. ONE

* He said also that he wanted the *CIB* to be on his desk "first thing in the morning," which meant that it would have to be produced before the beginning of the normal working day. Since 1946, the *CIA Daily* had been published at noon, on the principle that a morning paper can publish only *yesterday's* news, while a midday paper can publish *today's* news from the Eastern Hemisphere.217/ Either no one present understood that point, or no one dared to point it out to General Smith.

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never submitted such contributions, and OCI never voluntarily consulted ONE.

From the outset the *CIB* contained "CIA" (that is, OCI) comments on the significance of the items reported. Bedell Smith tried to explain the standing of those comments in his letter to the Secretary of State transmitting the first number of the *CIB*.*

It should be emphasized [he wrote] that the comments do not necessarily represent the mature appreciation of the Central Intelligence Agency and have not been coordinated with the other intelligence agencies represented on the Intelligence Advisory Committee. They are actually the first impressions of CIA on "spot" information and are subject to later revision.

In the opinion of ONE, OCI's "CIA comments" were often ill-considered and misleading. More particularly, ONE observed that many of them contained far-reaching estimates, and that some of these estimates, published by OCI in the name of CIA, flagrantly contradicted national intelligence estimates recently published in the name of the DCI.

* See p. 113, above.

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In May 1951, Langer complained to Douglass about this "casual estimating" in a current intelligence publication,219/ but his remonstrance had no apparent effect.

In June, Langer complained to Jackson, who brought the matter to Smith's attention. Smith's response was that Langer, who knew that OCI would be commenting in the name of CIA, "should take the necessary steps for coordination"220/ -- that is, any lack of internal coordination was Langer's fault.

That remark was not understood at the time; certainly nothing was done in response to it. Smith seemed to have inverted the standard rule of coordination, that he who would publish a statement must himself seek and obtain the concurrence of other interested parties. What Smith meant can be understood only with reference to the special circumstances of this case. He meant that it would be unreasonable to expect OCI, working to a before-office-hours deadline, to withhold comment because it could not coordinate with ONE, no one in ONE having yet come

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to work. If Langer objected to what OCI was saying, he should arrange to have an ONE representative available to be consulted by OCI's "dawn patrol."

Jackson brought the subject up again in July, and this time Smith made himself clear: someone from ONE should monitor OCI's production. Jack Maury was immediately appointed to sit with the OCI Publications Board.221/*

Apparently Maury was not able to control OCI's estimative tendencies. In September, Langer again complained about OCI estimates, this time to Dulles, the new DDCI. Dulles had evidently been receiving similar complaints from Armstrong (State).** It appears that Dulles proposed that OCI be forbidden to comment on current intelligence. Smith and Jackson*** both jumped on him for that, declaring that the President wanted CIA comments. Maury was

* Maury had been Deputy Chief of the [REDACTED] Division in ORE and was in 1951 a "generalist" in ONE. He served also as ONE's watchdog with the Watch Committee (see p. 139, below). He is now (1971) the DCI's Legislative Counsel.

** See pp. 121-22, above.

*** Present as the DCI's Senior Consultant.

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supposed to control their estimative content. Smith added that he was not excited about any minor inconsistencies between OCI's "flash" comments and ONE's deliberately considered estimates. The difference in standing between those two forms of expression should be obvious to all concerned. 222/

This dismissal of the subject did not quiet ONE's complaints. A month later Larocque and Becker thought that Jackson ought to investigate the embattled relations between ONE and OCI. 223/ In March 1952 the new ADNE, Sherman Kent, reported to the new DDI, Loftus Becker, that, whereas ONE's relations with ORR and OSI were excellent, its relations with OCI left much to be desired. ONE's last words on the subject of "CIA" comment in current intelligence publications were as follows:

Evaluation and comment on raw intelligence currently reported is essential. It is undesirable on the other hand to pass on to high officials of the government estimates hastily produced by a single CIA office which does not represent and may actually conflict with considered and coordinated judgments. In practice, the distinction between evaluation of intelligence and the drawing of estimates is difficult to maintain and O/CI comments in the CIA Daily and

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Weekly publications frequently ignore the distinction Up to now CIA current publications often seem to have ignored the agreed views of the IAC agencies as expressed in national intelligence estimates.224/

Another aspect of this problem was OCI's complaint, first made in December 1951, that it was allowed no voice in the preparation of national intelligence estimates.*225/

ONE understood that its drafts for national intelligence estimates were to be based on its evaluation of contributions received from the IAC agencies and from ORR and OSI as accepted "services of common concern." It knew that OCI's political research was a bootleg operation without acceptance and standing in the IAC community. It considered itself sufficiently informed by OCI's current intelligence publications, and had no regard for OCI's estimative judgment.226/

The issue being raised, however, Sherman Kent was accommodating. He invited OCI comment on the

* The specific occasion was OCI's criticism of a draft for NIE 46 (Iran). Becker's subsequent criticism of that estimate as finally adopted by the DCI and IAC (see p. 76, above) was evidently inspired by OCI.

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contributions received by ONE and the drafts prepared by ONE, and OCI representation at all meetings of the Board of National Estimates to review both terms of reference and draft estimates. He told the ADCI "I wish to assure you of the Board's interest in having your people participate as much and as directly as possible, and always as members of the family."227/

In taking this conciliatory line, Kent sought to develop a better spirit of collaboration between ONE and OCI -- or else to create a sharp contrast between ONE's willingness to consider the views of OCI and OCI's disregard of the views of ONE. OCI took some advantage of the opportunity to make disparaging comments on Departmental contributions and ONE drafts, but would not attend meetings with the Board. In short, OCI was ever ready to criticize, but not to enter into joint discussion of the subject.228/ Why not? Did it fear to compromise its independence? -- or to be worsted in argument? -- or to be arbitrarily overruled by the Board?

A third aspect of this problem was the estimative content of OCI special memoranda prepared for

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the information of the DCI or the President. Requests for such memoranda on particular subjects were usually referred to ONE when it was perceived that major estimative judgments were involved, but OCI got the bulk of that trade for the simple reason that OCI, with its integral research facilities, could produce "factual" information faster than ONE could.

On 1 February 1952, Kent sought to get this matter under some control by proposing to Douglass that each Office should supply the other with copies of all of the intelligence memoranda that it produced for the DCI, the DDCI, or the DDI.229/ At the same time he proposed to Becker that, if a current situation threatened to develop into a crisis requiring estimative judgment, the DDI should form a joint OCI-ONE "Task Team" to deal with it. OCI would be responsible for the initial reporting, keeping ONE fully informed, but, when a "spot estimate" was judged to be needed, the action would pass to ONE, with the "factual" support of OCI and with OCI's participation in the Board's consideration of the subject.230/

It appears that nothing came of this initiative, for in July Sontag (then Acting ADNE) returned to the

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subject with a simpler proposal. He urged Becker to establish the principle that *every* intelligence memorandum destined for the White House or the NSC should be reviewed by the Board of National Estimates. He suggested that *all* requests for such memoranda should be referred to OCI for the preparation of a first draft, but that *all* OCI drafts should be reviewed by the Board with the ADCI sitting as an *ad hoc* member.231/

Becker's decision on Sontag's proposal was that intelligence memoranda for the White House might be prepared by either Office, according to the nature of the request, but that *all* such memoranda should be reviewed by the Board of National Estimates and the ADCI, acting jointly. The ADCI would be supported by the appropriate members of the OCI Publications Board.232/

By this time there was a new ADCI, Huntington D. Sheldon. A native of Greenwich, Connecticut, and a graduate of Eton College and Yale College, he was 49 in 1952. After a career as an investment banker and corporation executive, he entered Air

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Intelligence in 1942 and eventually became the Deputy A-2 of the US Strategic Air Force in Europe. After the war he operated a chicken hatchery in New Jersey. Kingman Douglass recruited him to be his successor as ADCI.* Sheldon entered on duty in OCI on 27 June 1952 and succeeded Douglass on 12 July.**

Sheldon's subordinates in OCI regarded him as an aloof, but strong and forceful, character, unquestionably in complete command of OCI, as Douglass had not been.^{233/} On the other hand, Sherman Kent later said that dealing with Sheldon was like pressing upon a pillow: there was no resistance, but also no lasting effect.^{234/} In short, Sheldon would agreeably appear to acquiesce in whatever was proposed

* Douglass retired from the Agency on 11 July 1952 to return to his personal business in New York City. He died on 8 October 1971.

** Sheldon subsequently pursued a distinguished career in CIA. He normally served as Acting DDI during Amory's absences, but did not succeed Amory in that office. He was appointed Assistant DDI under Cline (April 1962) and afterwards Special Assistant to the DDS&T (November 1963). In that position he was actually a special assistant to the DCI for various important and sensitive tasks. He retired in January 1970, when he was 67.

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to him, but then do as he pleased as though nothing had been said.

In August 1952, CIA was committed to briefing the two principal candidates for the Presidency on foreign situations related to the national security.* Kent understood that these briefings would be prepared in accordance with Becker's decision on 25 July -- that is, that OCI would prepare briefings on the current situation in the countries under consideration on each occasion, that ONE would prepare estimative paragraphs to be attached to OCI's country briefings, and that the Board and the ADCI would meet to review and combine these drafts. Sheldon apparently acquiesced in this idea, for he asked that the meeting be kept small, that the whole Board not attend. Apparently he was concerned lest the OCI delegation be heavily outnumbered.235/

It did not work out that way. In casual conversation with Sheldon at lunch, Kent was astonished to learn that OCI had already briefed one of the candidates without consulting ONE. Naturally, Sheldon

* See Volume V, p. 108.

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was reluctant to give a different briefing to the other. Kent, however, insisted in going through with the agreed procedure and understood that Sheldon finally acquiesced. Nevertheless, when Sheldon was later notified of the time of the Board meeting, he flatly refused to attend. His position was that he had no interest in what ONE might choose to say on the subject, and that what OCI had said or might say was none of ONE's business.236/

On Sunday, 10 August, the Board of National Estimates met to review the OCI and ONE drafts. Becker, the DDI, was present. Becker certainly was not partial toward ONE.* He was impressed, however, by the cooperative attitude of the Board, and by the refusal of OCI to participate.237/

In September, Sheldon told Amory (then the Acting DDI) that Becker had authorized OCI to make short-term (up to six months) estimates.238/ If so, that was no solution of the problem, which concerned the distinction between evaluating the

* See Volume II, pp. 91-92, and pp. 75-76, above.

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credibility of a report and estimating the likely consequences of the reported fact.*

On 25 October, Sontag obtained from Becker, in Sheldon's presence, a reaffirmation of Becker's decision of 25 July.^{239/} That made no difference. Sheldon simply ignored it.

This issue was never officially resolved, in General Smith's time or later. It did, however, - fade away with the passage of time -- perhaps as the proportion of ORE alumni gradually diminished in both OCI and ONE.

G. The Watch Committee of the IAC

One of OCI's important functions was to provide CIA support for the Watch Committee of the IAC.

The failure of Intelligence to give clear warning of the impending attack on South Korea in June 1950 stimulated the development of mechanisms intended to give timely warning of any military attack likely to affect the security interest of the United States. The Joint Intelligence Committee established

* See pp. 130-31, above.

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a Joint Intelligence Indications Committee, of which Brigadier General John Weckerling, the Chief of the Intelligence Division, Army G-2, was chairman. At the same time CIA developed an interdepartmental "Check List Group" with an identical function: to compile a check list of specific actions indicative of the imminence of military operations, and to give warning if any significant combination of these listed indications was seen to be occurring.

On 24 November 1950, James Reber (Acting Secretary, IAC) proposed, with the concurrence of the Standing Committee of the IAC, that the "Check List Group" be formally established as the Watch Committee of the IAC, under the chairmanship of CIA.240/

Soon afterward Reber learned that the military members of the IAC would resist this proposal, presumably out of jealous concern for the JIIC and on the ground that warning of impending attack was a military function not to be entrusted to civilians. It should also be noted that COMINT was then the most likely source of warning, and that the Army was then extremely jealous of its control of that

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source. In accordance with the maxim "if you can't beat 'em, join 'em," Reber recommended to General Smith that the "Check List Group" be scrapped, and that the JIIC be made the Watch Committee of the IAC.241/

When the IAC met to consider this matter, on the ninth anniversary of Pearl Harbor, General Smith declared that he was responsible for seeing to it that the Government had an effective Watch Committee, but that it need not be headed by CIA. He withdrew the proposal before the house, announced the dissolution of the "Check List Group," and proposed that the JIIC be established as the Watch Committee of the IAC, with its membership expanded to include all members of the IAC.242/

The military were delighted, of course. General Bolling, the G-2, hastened to have the JIC charter of the JIIC rescinded and to propose to the IAC a suitably modified charter for the Watch Committee.243/ It was adopted on 28 December 1950.244/

It was agreed that Watch Committee reports should be strictly factual, with evaluative comments, of course, but no estimating.245/ This was a delicate

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matter, similar to that at issue between OCI and ONE.* Inevitably, estimates sometimes crept into Watch Committee reports. The members of the IAC, however, were as jealous as ONE of their prerogative to do any estimating that was done. Consequently any objection to the appearance of an estimate in a Watch Report was generally sufficient to obtain its immediate deletion by the IAC.246/

General Weckerling served as Chairman of the Watch Committee until August 1952 and was succeeded by Brigadier General John Willems, his successor in Army G-2.**

General Smith listed the establishment of the Watch Committee among his major achievements, but retained a realistic view of what it could be expected to accomplish. As he put it to the NSC:

* OCI represented CIA in the Watch Committee, but Jack Maury went along as watchdog for ONE.

** Eventually, in 1954, the DDCI (then General Cabell) became Chairman of the Watch Committee. In 1965, when General Carter retired as DDCI, Huntington D. Sheldon became the first civilian Chairman.

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Despite the utmost vigilance, despite watch committees, and all of the other mechanisms for the prompt evaluation and transmission of intelligence, there is no real assurance that, in the event of sudden undeclared hostilities, certain advance warning can be given. 247/

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VI. The Office of Scientific Intelligence*

Smith and Jackson found an Office of Scientific Intelligence already established in CIA, and a Scientific Intelligence Committee already formed to coordinate scientific intelligence activities. Although the NSC Survey Group had contemplated the inclusion of scientific intelligence research in ORR, they decided to leave well enough alone. In 1952, however, Smith and Becker, under pressure from the military intelligence agencies, did act to curb the scope of OSI's independent research and to reduce its role in interdepartmental coordination. Remarkably, this development was the reverse of that which had occurred with regard to economic intelligence through the creation of ORR and the EIC. The difference was that the military intelligence agencies wanted the services rendered by ORR and the EIC, while they resented the intrusion of OSI and the SIC into areas that they regarded as exclusively military.

* For more extensive treatment of this subject, see Karl Weber, "History of the Office of Scientific Intelligence," DDS&T Historical Paper No. OSI-1.

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A. The Creation of OSI and the SIC

Under prodding by the Joint Research and Development Board,* a Scientific Branch was established in ORE late in 1946. It was conceived to be a panel of in-house consultants who would provide expert advice to the regional branches of ORE with regard to scientific matters. The Scientific Branch itself had no considerable scientific intelligence research capabilities.248/



* A joint board of the War and Navy Departments headed by Dr. Vannevar Bush and concerned with the development of US weapon systems.

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In 1948 both the Eberstadt Committee and the NSC Survey Group were shocked to discover the inadequacy of the US scientific intelligence effort.* The Survey Group recommended that centralized scientific intelligence research and the coordination of all such research be made the principal business of its proposed "Research and Reports Division."250/ Instead, Admiral Hillenkoetter chose to reunite the Scientific Branch and the [REDACTED] in a new Office of Scientific Intelligence [REDACTED]

OSI came into being on 1 January 1949 -- two weeks before the report of the Survey Group was submitted to the NSC.251/

The first Assistant Director for Scientific Intelligence was Dr. Willard Machle, a forceful character with a strong sense of mission. Unencumbered by responsibility for the situation that the Survey Group had condemned, he was determined to

* One of their principal informants was Ralph Clark, then of the staff of the Research and Development Board. In October 1949, Clark became the DADSI.

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carry out its prescription.* His efforts to develop the internal research capabilities of OSI were hindered by the difficulty of recruiting suitably qualified personnel, who were in great demand elsewhere. His principal achievement was the creation of the Scientific Intelligence Committee as a means of coordinating the entire scientific intelligence effort. The SIC was, plainly, the model for the later (and more successful) EIC.

The SIC was established by DCID-3/3, which was drafted by Karl Weber,** coordinated through ICAPS, and accepted by the IAC on 28 October 1949. The coordination was stormy. The military intelligence agencies were outraged by the prospective intrusion of CIA into the area of weapon systems development. Machle and Weber adhered to the British conception that scientific and technical intelligence included all research and development up to the initiation of

* Compare the resistance of ORE, pp. 27-28, above.

** As Acting ADSI. Machle, who had directed that it be done, was absent in Europe.252/

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series production. The military sought to distinguish between basic scientific capabilities and weapon systems applications, reserving the latter to themselves exclusively. It happened, however, that the Research and Development Board in the Department of Defense was extremely dissatisfied with the intelligence support obtainable from the military intelligence agencies, and was correspondingly in favor of Machle's plan, which in effect commissioned the SIC (Machle) to be the primary source of intelligence support for the RDB.253/ The prestige of the RDB within the Department of Defense outweighed the resistance of the military intelligence agencies. DCID-3/3, as finally adopted, conformed to Machle's conception.254/

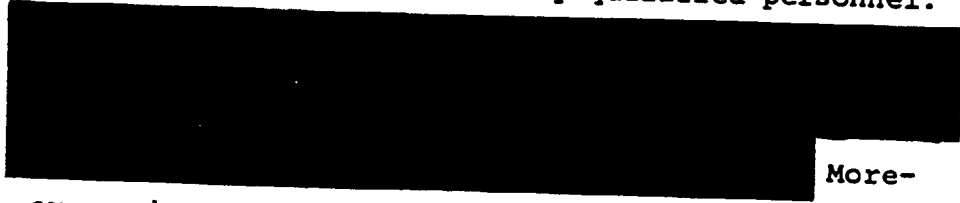
DCID-3/3 authorized the SIC to "plan, support, and coordinate the production of scientific intelligence as it affects the national security." The SIC and its subcommittees would formulate national scientific intelligence requirements, prepare interdepartmental intelligence production plans, assign production tasks to the various constituent agencies, and evaluate scientific intelligence collection

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activities. The chairman would be from CIA (Machle), the members from the Army, Navy, Air Force, State, and the AEC.255/

Willard Machle was outraged that scientific intelligence should be dependent on clandestine collection by ignorant "spooks." He insisted that the collection of such information should be controlled and conducted by scientifically qualified personnel.



More-
over, when Machle suspected OSO of withholding information from OSI,* he encouraged the members of his [redacted] to exploit their former OSO contacts to get it -- that is, OSI effected a clandestine penetration of OSO! When that was discovered, the earth trembled with the shock, and Machle was asked to resign.257/

* At about this time an OPC officer characterized OSO as a great repository of unused information -- gathered at great expense, but unused because OSO would let no one see it for security reasons.

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Machle's successor as ADSI, announced on 6 March 1950, was Dr. Marshall Chadwell, from the New York office of the Atomic Energy Commission. In contrast to Machle, Chadwell was a notably mild mannered and conciliatory man.258/*

General Smith not only maintained OSI but also authorized a gradual increase in its personnel strength



Smith yielded, however, to a military counterattack on the jurisdiction that Machle had established for OSI and the SIC.

Late in 1950 a number of noted scientists in the Boston area, men involved in US weapon systems development and deeply concerned about the poverty of US intelligence on corresponding Soviet developments, approached Chadwell with an offer of assistance. Out of this offer developed the Boston Scientific


* Chadwell, 52 in 1950, was a native of Amesbury, Massachusetts, and a Ph.D. of Harvard University, in physical chemistry. He had served during the war in the Office of Scientific Research and Development, and since then with the Rockefeller Foundation in New York. He had been Deputy Manager of the New York office of the AEC for eighteen months when called to CIA.

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Advisory Panel, a body analogous to ONE's "Princeton Consultants." The group included, for example, the men who later became the first three Presidential scientific advisers: James Killian, George Kistiakowsky, Jerome Wiesner. Whatever the value of their scientific advice, the active interest and moral support of such men were of inestimable value to OSI during its time of trouble.260/

B. The Military Counteroffensive

With recognition of the special competence of OSI  the military accepted the Joint Atomic Energy Intelligence Committee (JAEIC), the subcommittee of the SIC concerned with that subject. With reluctance, they accepted also the subcommittees on biological warfare, chemical warfare, electronics, and guided missiles that Machle established in November 1949, and the subcommittees on aircraft and anti-aircraft weapon systems that Chadwell established in June 1950. They were outraged, however, when they learned that Chadwell was considering the establishment

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of SIC subcommittees on undersea warfare and army ordnance. These were subjects plainly within the jurisdiction of single military services and therefore, it was contended, not subject to coordination.261/

In February 1951, the Army member of the SIC opened the military counteroffensive by questioning the justification for any SIC subcommittees on weapon systems applications. There ensued a prolonged wrangle within the SIC, which was evenly divided between its military and civilian members: Army-Navy-Air Force versus CIA-State-AEC. In April, after a formal 3 to 3 vote, Chadwell undertook to consult the DCI. In July, presumably pursuant to instructions, he finally consented to dissolve the aircraft and antiaircraft subcommittees of the SIC.262/ That sacrifice did not appease the military, who continued their attack on the chemical warfare, electronics, and guided missiles subcommittees.263/

The persistence of the military evidently irritated General Smith. Jackson told Larocque that Smith would take up the matter with the IAC and, if he got no satisfaction there, would take it to the

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NSC. Smith was considering the idea of asking Dr. Compton to investigate the entire field of scientific intelligence.^{264/} Dr. Karl Compton was the former Chairman of the Research and Development Board who had insisted on the adoption of DCID-3/3. At this point Smith was evidently disposed to uphold the SIC and to put down the military.

Smith did take up the matter with the IAC, on 2 August, but not with the force that Jackson had expected him to use. His position was that the SIC had no authority to abolish a subcommittee, that only the IAC could do that.^{265/} That seems to have been a misconception: the IAC had established the SIC, but the SIC had established the subcommittees and presumably could disestablish them. The effect, however, was to change the venue from the SIC to the IAC, where Smith (rather than Chadwell) would be in the chair, and that, plainly, was General Smith's purpose.

Smith went on to say that, before the IAC acted on this matter, he wished to obtain the advice of President Conant of Harvard.^{266/} His reference to

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Conant must have been a slip for an intended reference to Compton. If so, it was unfortunate; the name of Compton would have struck more terror in the ranks of the military than the name of Conant did. Smith may have expected the military to fall back before this threat of an independent (and hardly impartial) investigation. If so, he was disappointed.* General Bolling, the G-2, replied that four of the SIC subcommittees were a waste of time for their military members. Smith had to agree that any subcommittee that was not useful should be abolished.267/

In any case, action had to be suspended while General Smith took counsel. In September Dr. Compton agreed to make the desired survey of the entire field of scientific intelligence,268/ but later he excused himself. Smith then directed Stuart Hedden to survey OSI.

In January 1952, Marshall Chadwell and Ralph Clark** were alarmed to learn that the exclusively

* This tactic worked, however, when General Smith employed it for a second time, one month later. See Volume II, pp. 44-46.

** See p. 143, above. Clark had been DADSI since 21 October 1949.

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military Joint Intelligence Committee was setting up a Joint Technical Intelligence Subcommittee. They spoke to Loftus Becker, the new DDI, about that, and Becker spoke to Bedell Smith. Becker's thought was that the military should be encouraged to improve their coverage of scientific and technical matters, that the SIC should confine itself to subjects that the military could not handle as well. Apparently Becker was not aware that the SIC existed only because of the intense dissatisfaction of the Research and Development Board with military scientific and technical intelligence. Smith was probably aware of that. His thought was that, even where CIA's jurisdiction had been established, as in the case of the SIC, he was prepared to reconsider, if the military did take effective action to improve their performance. 269/

At the February meeting of the SIC, the Army member announced that the JTIS had established subcommittees on guided missiles, biological warfare, chemical warfare, and military electronics. He perceived unnecessary duplication and moved for the

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abolition of the SIC subcommittees on those subjects.270/
(That was, of course, Vandenberg's 1946 strategy in
reverse.*) At about the same time, the military re-
fused to participate in a conference that the SIC
had arranged with the British on guided missiles and
electronics.271/ And at this point the CIA Inspector
General made the unkindest cut of all by reporting
his conclusion that OSI should cease duplicating the
scientific intelligence research of the military
intelligence agencies.272/

General Smith was not stampeded. He declared
that the situation was more complicated than anyone
realized. But he ordered that Hedden's report be
distributed to the members of the IAC, and that the
subject be put on the agenda of the next meeting of
the IAC.273/

At that meeting (6 March 1952) General Smith
forcefully reiterated his position that no SIC sub-
committee could be dissolved by a majority vote of
its members.** Only the IAC could do that. However,

* See Volume I, p. 56.

** Apparently the military majorities in the four
SIC subcommittees under attack had voted to dissolve
them.

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that forceful pronouncement was only an artillery barrage to cover his retreat. He announced the establishment of an "Ad Hoc Committee to Survey Existing Arrangements Relating to the Production of Scientific and Technical Intelligence," the mission of which would be to prepare a revision of DCID-3/3. Loftus Becker, the DDI, would be chairman. The IAC members should name their representatives. 274/

C. DCID-3/4 and the Scientific Estimates Committee

It must be noted that the survey conducted by Becker's *Ad Hoc* Committee was not an independent survey such as Dr. Compton might have made. Instead, it was in fact an inter-agency negotiation accomplished through an IAC subcommittee. And, with Loftus Becker in the chair, the result was a foregone conclusion, in view of his previously stated attitude.

At the same time, it must be noted that Bedell Smith had little option in the matter. With the military members of the SIC in effect on strike, the SIC could no longer function. Smith must have concluded that it would prove counterproductive to carry the issue to the NSC, and that instead he should do

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whatever he could to salvage something from the wreck. Moreover, there was some hope that the military, having set up the JTIS, might now do better than they had hitherto in the field of scientific and technical intelligence.

On 15 July 1952, Becker discussed his draft report with Ralph Clark, the DADSI. Clark, who remembered well the circumstances in which the SIC - had been set up,* observed with distress that CIA was abandoning its role of leadership in the field of science and technology. He must have expressed his long-held view that the military intelligence agencies were simply incompetent in that field. Becker refused to accept either point. He could not, he said, prejudge that the JTIS would prove to be incompetent.275/

On 14 August 1952 the DCI and IAC approved the report of the *Ad Hoc* Committee, rescinded DCID-3/3, and adopted DCID-3/4.276/

DCID-3/4 assigned to the intelligence agencies of the Department of Defense primary intelligence

* See p. 299, above.

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production responsibility with regard to weapons, weapons systems, and military equipment and techniques, including intelligence on related scientific research and development. It assigned to CIA (OSI) primary responsibility with regard to scientific resources in general, fundamental research in the basic sciences, and medicine (other than military medicine). Atomic energy intelligence was made free for all.277/ -

DCID-3/4 stipulated, however, that no single agency was to be regarded as the final authority on any subject. The interest of each agency in the work of the others was recognized; provision was made for the exchange of papers and for working-level conferences "as appropriate." Nothing was said about how any disagreements discovered at these conferences were to be resolved.278/

The SIC and all of its subcommittees were dissolved, except that JAEIC was retained as a subcommittee of the IAC itself. JAEIC actually antedated the SIC. It had been established in November 1946 as the Joint Nuclear Energy Intelligence Committee (JNEIC) and since 1947 had been producing a semi-annual

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estimate of the Soviet atomic energy program that went directly to the IAC for approval without passing through the processes of ORE or, later, ONE. This function and this relationship were simply continued.279/

DCID-3/4 created a new IAC subcommittee called the Scientific Estimates Committee. This SEC differed from the SIC in that it had no authority to coordinate scientific intelligence activities, although it was charged with stimulating and guiding inter-agency liaison and working-level conferences. Its primary function was to prepare "integrated" scientific and technical intelligence as required for "national intelligence."280/ That passage was understood to mean that the SEC could produce only integrated contributions to national intelligence estimates and surveys (the NIE and NIS series), that it could publish nothing in its own name (as did the EIC),281/ although the passage could have been more broadly construed.

It was left up to the SEC to elect its own chairman. It elected John Routh, the OSI member. He was chief of [REDACTED] Division of OSI. Chadwell and Clark, in their chagrin, would have nothing

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to do with the SEC; they had appointed Routh to it in their stead. 282/

The adoption of DCID-3/4 had a devastating effect upon the morale of OSI. Becker resented OSI's resistance; it was an implicit criticism of him. He was particularly sensitive to the charge that he had cravenly abandoned CIA's established position of leadership in the field of scientific intelligence.

On 21 August, Becker met with the senior officers of OSI for the purpose of jacking them up. He freely acknowledged that there was serious doubt whether the military intelligence agencies and the JTIS were competent to meet the responsibilities assigned to them by the DCID, but he demanded that OSI quit its petty quibbling and make a loyal effort to make the Director's directive work effectively. If OSI wanted to exercise leadership, it must earn that position by superior performance. If its performance was really superior, it could exert leadership in the working-level conferences, whether or not it was in the chair. Becker flatly refused to produce a detailed explanation in writing of how he

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expected the new system to function. It was up to OSI to work that out.283/

This performance did not convince OSI that Becker had known what he was doing when he produced DCID-3/4. OSI never reconciled itself to that document. But Becker's speech did have an effect. Thenceforward OSI devoted less of its attention and energy to asserting CIA's authority to coordinate scientific intelligence activities and more to developing OSI's internal capabilities for intelligence research in all fields of scientific intelligence, including weapon systems development, in anticipation of a day when a new DCI and a new DDI would value such independent capabilities.284/ And that day did come.

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VII. The Office of Collection and Dissemination*

The NSC Survey Group recommended the dismemberment of OCD. Two years later William Jackson, the DDCI, moved to carry out that recommendation, which was his own idea. Bedell Smith, however, decided not to do this. Smith's reversal of Jackson must be attributed to the persuasive powers of James M. Andrews, the Assistant Director for Collection and Dissemination.** Thus OCD survived untouched the general reorganization of CIA pursuant to NSC 50.

The cabal of colonels who came to CIG with General Vandenberg*** had read in an Army regulation that the intelligence process consisted of collection, evaluation, and dissemination. On their advice,

* For a more extended treatment of this subject, see George Jackson and Martin Claussen, *Organizational History of the Central Intelligence Agency, 1950-1953*, DCI Historical Series, HS-2, Chapter V.

** James M. Andrews, the ADCD, is not to be confused with James D. Andrews, the contemporary Advisor for Management.

*** See Volume I, p. 56.

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Vandenberg established an Office of Collection, an Office of Evaluation (ORE); and an Office of Dissemination.^{285/} The Office of Collection had nothing to do with the collection of information in foreign parts. Its function was to gather from State and the Pentagon the intelligence materials that ORE would "correlate and evaluate." The Office of Dissemination would then distribute to the White House, State, and the Pentagon the "strategic and national policy intelligence" that ORE produced. Two months passed before it occurred to some bright mind that the same set of liaison officers and couriers who collected information for ORE could also disseminate the ORE product, that two separate offices for collection and dissemination were not required. The two offices were then combined to form one Office of Collection and Dissemination.^{286/}

This episode is indicative of the level of sophistication that General Vandenberg and his preferred advisors brought to the direction of intelligence.

The plan for ORE included a "Library," which was to contain not only standard reference works

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but also a central file of all the intelligence documents that would come into ORE's possession. Ted Shannon, then the CIA Executive for Administration and Management, and Kenneth Addicott, then in ORE, took particular interest in this "Library" and from it developed the idea of a Reference Center in which all of the intelligence materials in the possession of the Government would be deposited, indexed, and made available to all intelligence agencies. As might have been expected, the Departmental agencies flatly refused to surrender their files to CIG; the Reference Center could be no more than CIG's central reference facility.287/

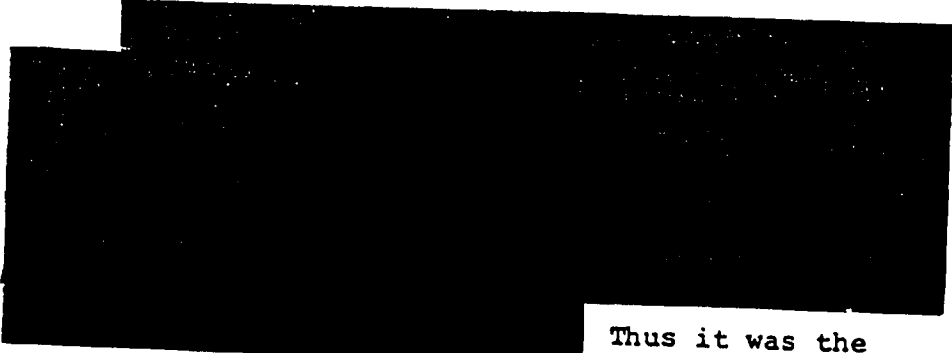
The management of ORE, engrossed in more urgent internal and external problems, paid no attention to the development of the Reference Center. For that reason Shannon transferred it from ORE to his own office, in September 1947.288/ In January 1948 he engaged James M. Andrews to be its Chief.289/ Andrews was an enthusiastic advocate of the use of business machines for the indexing, retrieval, and analysis

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of information.* In May 1948 the Reference Center was merged into the original OCD and Andrews was made the Assistant Director for Collection and Dissemination.290/



Thus it was the Reference Center that had taken over OCD, rather than vice versa.

Andrews sought to instill in OCD personnel the idea that OCD existed only to serve the other components of CIA, and the Departmental agencies as well, insofar as practicable. They must forget about pretensions to superior coordinating authority

* Andrews, 43 in 1948, was a native of Schenectady and a Ph.D. of Harvard University. He was, before the war, a research associate in anthropology and Assistant Curator of Somatology at Harvard. During the war he was a specialist in statistical analysis in ONI. It appears that he was recommended to Shannon by Captain A. H. McCullom, who had served in ONI and in 1947 was DADRE. Andrews came to CIG from Harvard.

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and do their utmost to service every demand or request that came to them, no matter what the source.^{292/} That was indeed a remarkable doctrine in the CIA of 1948.

The NSC Survey Group examined OCD just after this reorganization had gone into effect. It had no cognizance of the previous period of trial and error. It could not know how the new arrangement would work out.

On theoretical rather than empirical grounds, the Survey Group concluded that the Liaison Branch of OCD had a coordinating function that should be assigned to its proposed "Coordination Division."* The rest of OCD (the former Reference Center) was plainly related to research and should therefore be assigned to the proposed "Research and Reports Division."^{293/} Andrews's comment on this proposal was that it was, in effect, a return to the situation

* By this time the Liaison Branch had undertaken the coordination of specific collection requirements, as distinguished from the general coordination of collection operations, which remained a function of ICAPS.

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that had existed before September 1947, which had been unsatisfactory.294/ Hillenkoetter rejected the proposal, but the NSC approved it in NSC 50.295/

In accordance with the "Dulles Report" and NSC 50, Jackson included in his plan for ORR a Reference Division composed of the former Reference Center elements of OCD. The Liaison Branch would go to OIC and OCD would cease to exist.296/

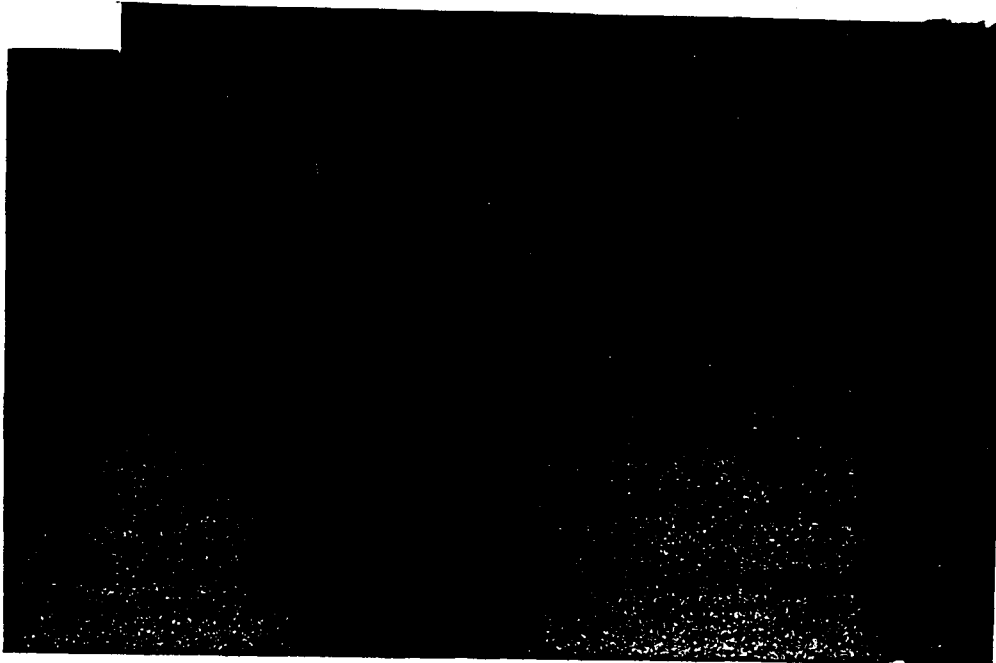
Andrews was resigned to the demise of OCD, but determined that the Reference Center he had created should not be subordinated to ORR, as the "Library" had been in ORE. No doubt with the support of Shannon, Andrews appealed to General Smith. His line was that OCD was a service organization, in the service of all of the components of CIA and of the IAC agencies as well. It should not be subordinated to just one of its many customers. The result would be the neglect from which the Library had suffered in ORE, or at least a reduction in its functions to suit the limited interests of ORR. If OCD must be abolished, let all of its elements be assigned to OIC, where they could continue to serve the whole intelligence community.297/

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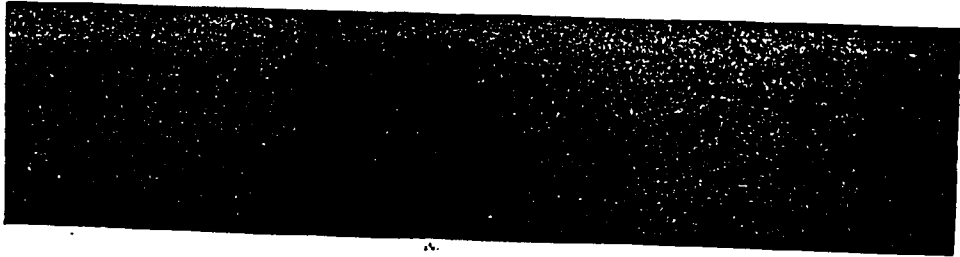
General Smith was no doubt impressed by this argument -- and even more by Jamie Andrews's spirit and his grasp of his business. Smith readily agreed that the Reference Center elements of OCD should not be subordinated to ORR. At the same time, he perceived that the day-to-day service operations of OCD would be incongruous in OIC. Most importantly, he saw that James Reber was not the man to take the place of James Andrews in charge of that business.298/ His decision was to leave Andrews and OCD exactly as he had found them.299/



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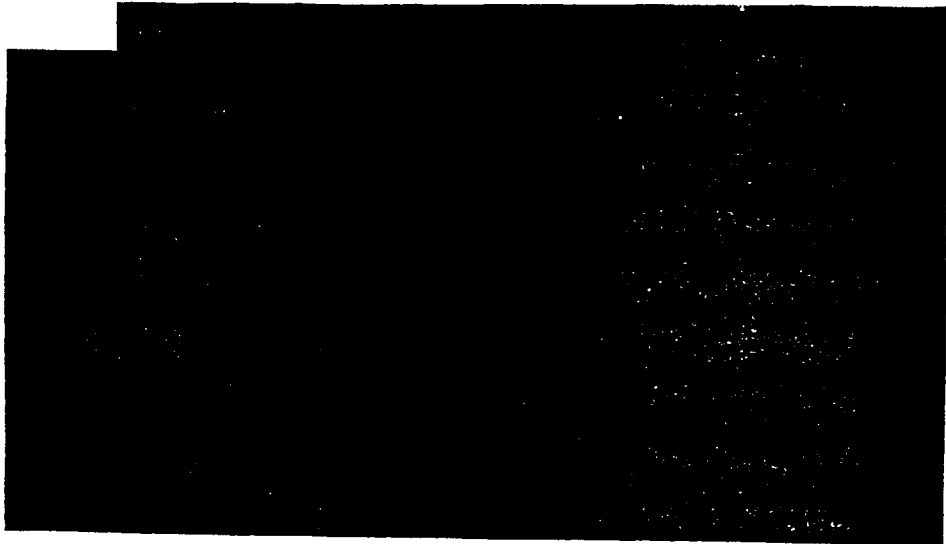


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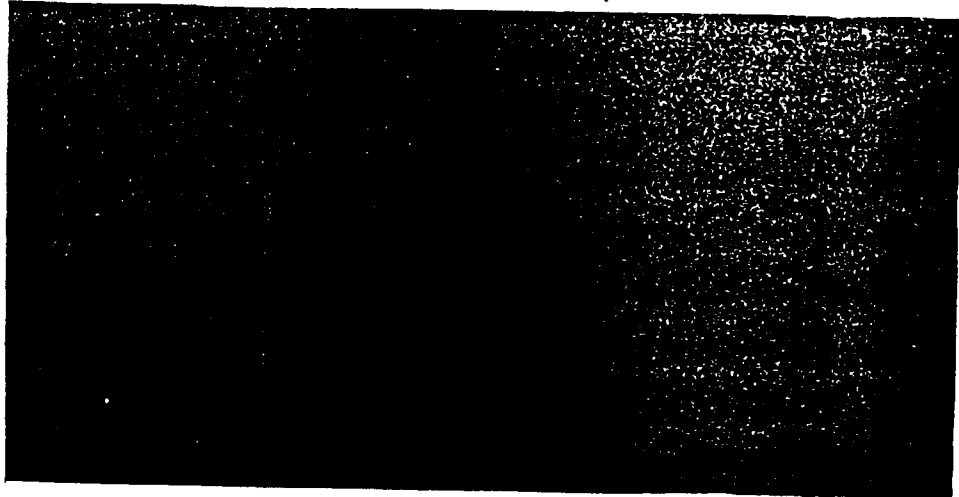
VIII. The Office of Operations*

The advent of Bedell Smith had little effect on the operations of the three constituent elements of the Office of Operations. The Office as a whole was subordinated to the Deputy Director, Plans, during 1951, but was transferred to the Deputy Director, Intelligence, on 1 March 1952.



* For a more extended treatment of this subject, see Louise Dickey Davison, *Office of Operations: Overt Collection, 1946-65*, DDI Historical Series, in preparation (1971).





The FBID had its origins in a unit formed by the Federal Communications Commission in 1940 to monitor foreign propaganda broadcasts. It was transferred to CIG as a "service of common concern" by NIA Directive No. 5, 29 June 1946, and was at first assigned to the Office of Collection.301/

The FDD originated in the Army and Navy units organized in 1944 to exploit the rapidly growing volume of captured documents. These units were merged as the Washington Document Center, in April 1946. It was transferred to CIG in December 1946, and was briefly assigned to ORE.302/

OSS had engaged in the exploitation of domestic contacts for foreign intelligence purposes. When

the Office of Special Operations was established in CIG, on 11 July 1946, the ADSO was given a "B" Deputy in charge of domestic contacts. He was Kingman Douglass, who had been Admiral Souers's Acting DDCI and was later to be General Smith's ADCI. Douglass developed a plan for a domestic contacts organization, but favored its separation from OSO.303/

In July 1946 General Vandenberg sent Kingman Douglass and William Jackson to London [REDACTED] and to Frankfurt to see whether Brigadier General Edwin Sibert could be recruited for CIG. Later, Vandenberg himself, accompanied by Wright and Galloway,* visited Sibert in Frankfurt. Sibert readily agreed to come to CIG.**

All accounts indicate that Sibert was offered something grand as an inducement to come. Jackson's

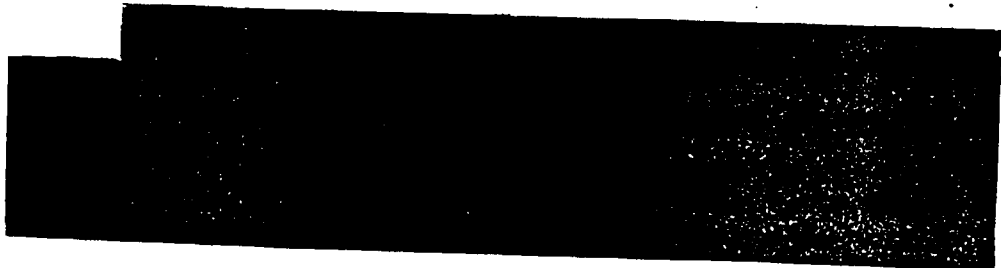
* Two of the colonels Vandenberg had brought from Army G-2. See Volume I, p. 56.

** Sibert, 49 in 1946, was a graduate of West Point (1918) and a professional Army officer. His first intelligence experience was as military attache in Brazil, 1940-41. He was G-2, ETO, 1943-44; G-2, 12th Army Group, 1944-45; and G-2, US Forces, European Theatre, 1945-46.

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recollection was that Sibert was to be DDCI, or else to be chief of all CIG collection activities. As Douglass remembered it, Sibert was to be both DDCI and chief of all field collection, with the prospect of the succession as DCI. Sibert himself was reticent on the subject. He later said that his primary motive in consenting to come to CIG had been to get home after three years overseas. Vandenberg had offered to make him Assistant Director in charge of *all* collection activities; Wright and Galloway had demurred; and Vandenberg had then deferred the precise definition of what Sibert's function would be. 304/

General Sibert reported for duty on 13 September 1946. He was kept in the DCI's office until 17 October, when the Office of Operations was created and Sibert was made ADO. On the same date Colonel Galloway was made ADSO, a position in which he had been Acting since July.



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Thus the Office of Operations was a makeshift combination of three elements, each valuable in itself, but none essentially related to another or to any other CIG Office. It appears to have been put together primarily for the expedient purpose of providing an Assistant Directorship for General Sibert in lieu of whatever it was that General Vandenberg had in mind when he first sent Douglass and Jackson to recruit him.

Certainly Sibert himself was bitterly disappointed by the position that he actually got in CIG.307/ No matter what had or had not been promised him, he had a right to expect something better, as a senior brigadier general with four years of intelligence experience, three of them in positions of great responsibility. He was a more broadly experienced intelligence officer than any other then in CIG, including the DCI himself and his Executive, Colonel Wright.

Kingman Douglass was mortified to think that he had induced Sibert to come to CIG with promises


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that had proved false.* He attributed the disappointment of Sibert's expectations to a personal attack on him by Drew Pearson. Pearson had charged that Sibert, as G-2, 12th Army Group, was responsible for the heavy American casualties in the "Battle of the Bulge," and that he was unfit to hold any high position in CIG.308/

Richard Helms** had a different explanation: the intimate relationship between Vandenberg and Galloway. When Galloway heard that Sibert was to have charge of *all* CIG collection, he protested vigorously that Vandenberg could not do that to him. Galloway had been Vandenberg's classmate at West Point; the two families were very close socially.309/

Both of those considerations no doubt had bearing on the outcome. So did the determination of Colonel Wright, Vandenberg's *éminence grise*, that Wright should be DDCI and Galloway ADSO.

* Douglass's departure from CIG coincided approximately with Sibert's arrival.



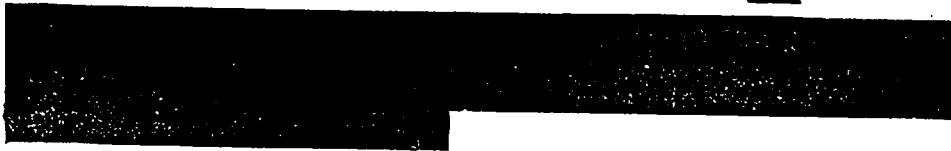
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Wright had driven away all of Souers's Assistant Directors that could possibly have contested his preeminence: Kingman Douglass, Louis Fortier, and William Goggins.* He can hardly have welcomed the arrival of a brigadier general of Sibert's stature as an intelligence officer. He may have thought to provoke Sibert's resignation by disappointing his expectations.** Sibert, however, knew that he had no commitment from Vandenberg beyond an undefined Assistant Directorship, and, having committed himself, he probably thought it unsoldierly to quit before serving out a minimal two-year tour.311/ Actually, he returned to the Army on 14 June 1948.***

Sibert's Deputy Assistant Director was George Carey, a remarkably engaging individual. A native

* See Volume II, p. 49.

** Wright's point of view on this deserves mention. Wright knew that he was an abler man than Sibert (he was), yet Sibert had got a star and Wright had not, presumably because Sibert was a West Pointer, while Wright was a "mustang." Despite that handicap, Wright eventually became a major general.310/



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of Ilchester, Maryland, he left Johns Hopkins University in 1918, at the age of 18, to become a lieutenant in the Royal Canadian Air Force. What he did with himself from 1919 to 1921 is not recorded. From 1921 to 1931 he was employed, in alternate years, as a collector of big game for the Field Museum and as an investment banker. From 1932 to 1941 he was engaged in organizing and conducting big game hunting expeditions to East Africa and South Asia, at first for Thomas Cook & Son, later in the same business for himself. During the war he was in the Operations Division of the Headquarters, Army Air Forces, but was generally in the field negotiating for the establishment of airbases in the areas in which he had hunted big game. He left the service, a colonel, in 1946, to become a farmer in Maryland.

Carey was recruited late in 1946 to succeed

Kingman Douglass [REDACTED]

[REDACTED] As soon as Sibert met him, he made his his Deputy.313/ When Sibert departed, on

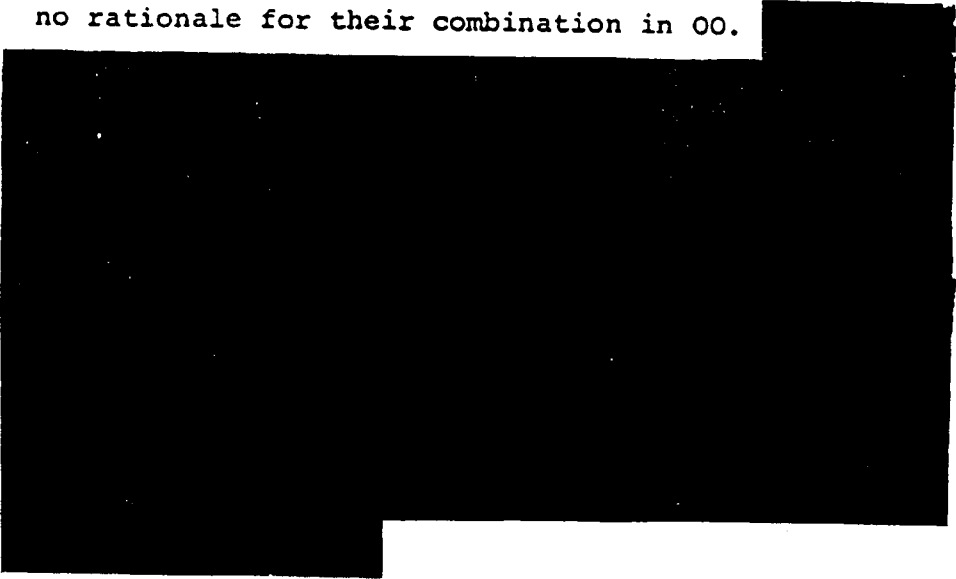
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14 June 1948, Carey succeeded him as ADO. He was then 48.*

The NSC Survey Group praised the constituent branches of the Office of Operations, but perceived no rationale for their combination in OO.



When the time came to respond to this recommendation, George Carey was at home with a broken

* As further evidence of the universal esteem in which Carey was held, it may be noted that when General Wright departed, in March 1949, Hillenkoetter asked Carey to be DDCI. Carey declined on the advice of Stuart Symington (then Secretary of the Air Force), who told him that Hillenkoetter's ship was sinking and that he had better remain ADO. Carey's personal friendships with important people in Washington were of great value to CIA, quite apart from his services as ADO.

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leg. Lyman Kirkpatrick [REDACTED]

[REDACTED] secretly favored the integration of that Branch with the clandestine services*; his defense of the integrity of OO was feeble.316/ Carey, however, entered a vigorous defense.** His general argument was similar to Andrews's with regard to OCD: OO was in the service of the entire intelligence community; its components should not be subordinated to particular customers. [REDACTED]

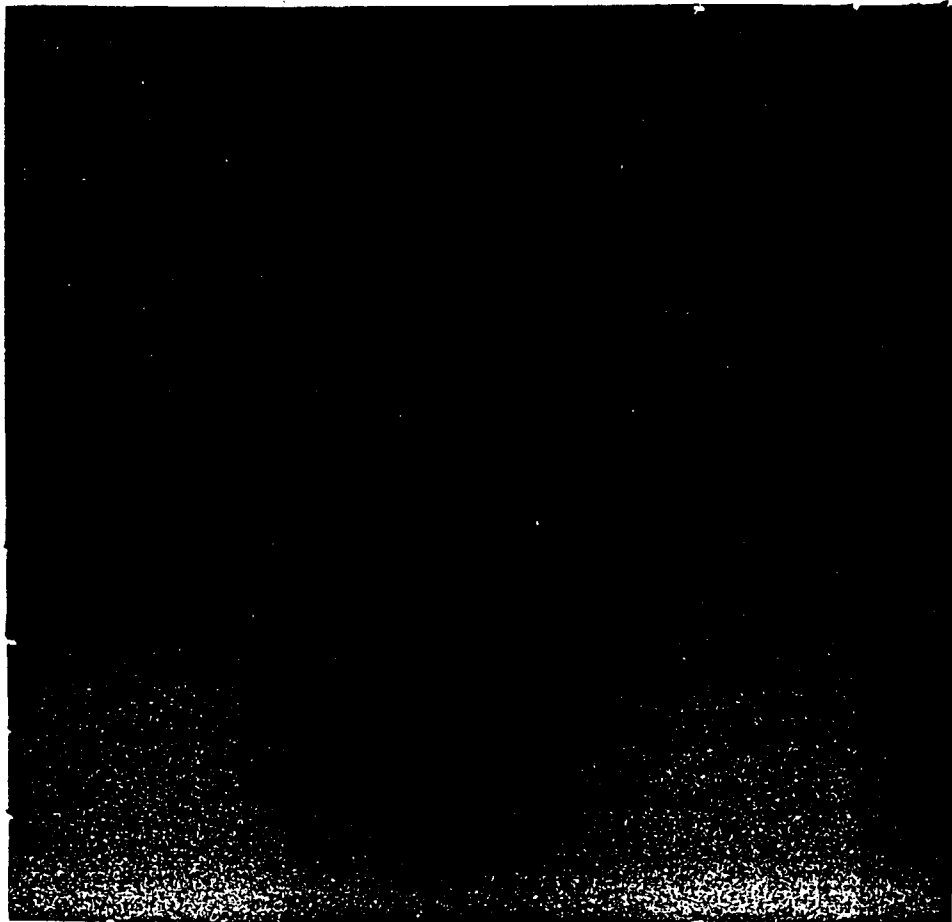
[REDACTED]
Hillenkoetter adopted Carey's position, [REDACTED]
[REDACTED]

* Kirkpatrick's ambition to pursue a career in the clandestine services was forwarded when Bedell Smith made him DADSO on 1 July 1951, and ADSO in December, but was frustrated when he was stricken with polio in July 1952. He later became Inspector General (April 1953) and Executive Director (April 1962).
[REDACTED]

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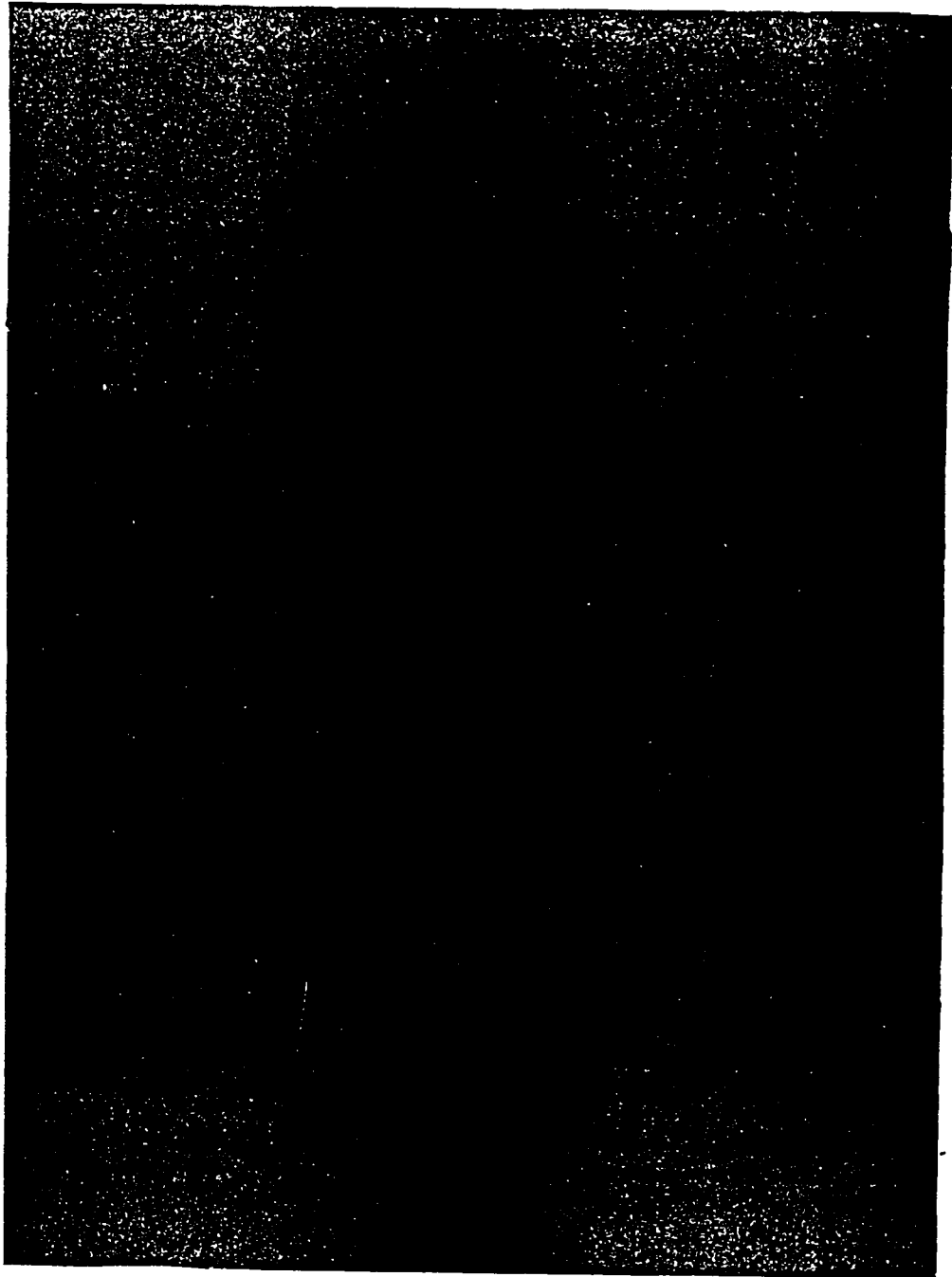


A. Subordination to DDP



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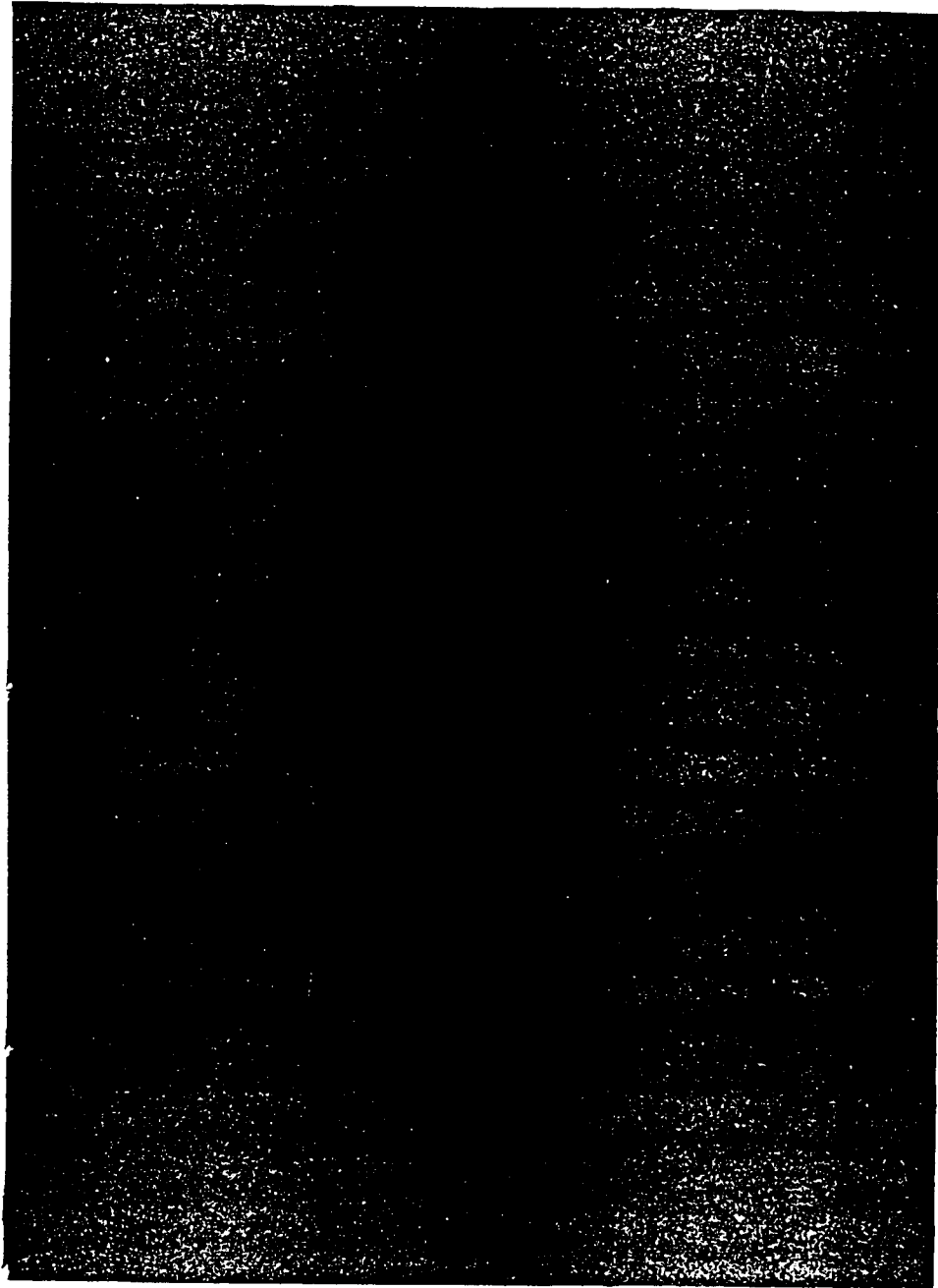
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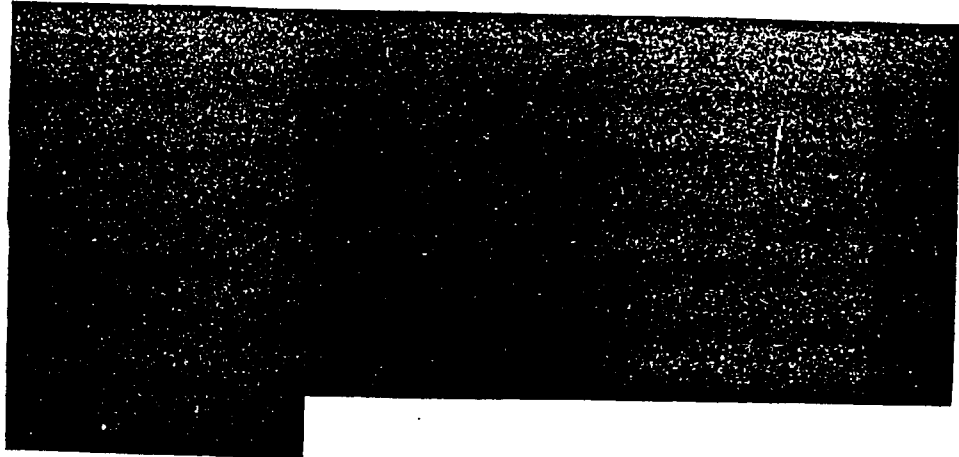
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B. Subordination to the DDI

Having successfully averted the dissolution of OO, through its subordination to the DDP, Carey began to importune the DCI, the DDCI (Dulles), and the DDP (Wisner) for its separation from the clandestine services. Bedell Smith once declared in exasperation that he would have to subordinate OO to himself directly, since it was neither overt nor covert.323/

During 1951 William Jackson was "surveying" the offices subordinate to the DDP, first as DDCI, then as the DCI's Special Assistant and Senior Consultant (in effect, as Inspector General*). In

* See Volume II, p. 116.

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August he got around to OO, and in November, persuaded by Carey, he recommended that OO be separated from the DDP and subordinated to the prospective DDI.324/ That was a reversal of the position taken in the "Dulles Report," to which Jackson was a party, but that part of the "Dulles Report" reflected the conceptions of Allen Dulles rather than those of William Jackson.

Frank Wisner (the DDP) was strongly opposed to this recommendation and argued strenuously against it, repeating the considerations marshalled by Dulles in 1948 to show an essential relationship between the [REDACTED] and the clandestine services. Dulles himself, as DDCI, was less strongly opposed; he suggested that the decision be deferred until the new DDI had been chosen and consulted. Carey heartily endorsed Jackson's recommendation (which was his own) [REDACTED]

Loftus Becker, the new DDI, had no interest in acquiring OO, but he was persuaded by George

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Carey's strong feelings on the subject. He spent considerable time reviewing the matter with Dulles, Wisner, Jackson, Hedden, Carey, and Larocque. It was finally settled on 12 February 1952, when Dulles and Wisner agreed to what Becker proposed. 326/ Bedell Smith was not personally involved, although he must have approved the agreed solution. On 1 March the Office of Operations was transferred from the DDP to the DDI. [REDACTED]

[REDACTED] Thus the final solution was just what George Carey had wanted it to be.

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IX. Progress Report to the NSC

On 11 June 1951 Bedell Smith evidently considered that his reorganization of CIA pursuant to NSC 50 had been completed. He then directed the preparation of a final report to the NSC on the implementation of NSC 50.327/*

Because of the pressure of more urgent business, this report was not ready for the Director's signature until 22 April 1952.328/ It covered the reorganization of CIA through 31 December 1951.

In this document, Bedell Smith reported and commented on the "reactivation" of the IAC and the creation of ONE, OCI, ORR, the EIC, the Watch Committee, and the CIA Career Service, in that order. He also mentioned four instances of special operational services rendered pursuant to specific NSC direction -- a matter that was hardly germane to

* Hillenkoetter had rendered previous reports on the subject. This "final" report by Smith with reference to NSC 50 is not to be confused with other similar reports rendered by him with reference to the implementation of NSC 68/4, for which see Volume IV.

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NSC 50, but which did show the new CIA to be alert, capable, and responsive. Finally, Smith discussed four unsolved problems.^{329/} They were as follows:

(1) The relation between Intelligence and Operational Planning (see Volume V, p. 23)

(2) The security problem resulting from the dispersal of CIA among 28 buildings in the Washington area and the consequent need to construct a secure new building large enough to house the entire Agency (see Volume IV, pp. 15-18)

(3) The confusion of responsibility for COMINT. The matter was currently under study by a committee appointed by the President (see Volume V, pp. 53-56)

(4) The coordination of scientific and technical intelligence, concerning which there had been less progress than in any other field. The matter was currently under study by an interagency committee. (That was the Becker Committee -- see Volume III, p. 154)

Thus the reorganization of CIA directed by the NSC in July 1949 was finally accomplished by Bedell Smith during 1951. In accordance with their agreement at the 21 Club,* it was chiefly the work of William Jackson, with only occasional personal interventions by Smith. Everything that was done, however,

* See Volume II, p. 9.

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was done by Smith's authority. It could not have been done without his mastery of the situation.330/

The reorganization of 1950-51 was an essential part of Bedell Smith's performance as Director of Central Intelligence. It was one of his three principal achievements.*

* The other two were his mastery of the IAC (Volume II, Chapter II) and his organization of the Clandestine Services (Volume IV, Chapter III).

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Appendix A

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1. Letter from the DDI to the Secretary of State, 19 Aug 49 [REDACTED]
2. Memo from the DCI to the Executive Secretary, NSC, 27 Dec 49 [REDACTED]
3. Letter from the President to the Secretaries of State, War, and Navy, 22 Jan 46, [HS/HC-450, item 2, para 3b.]
4. NIA Directive No. 2, 8 Feb 46, [HS/HC-450, item 4.]
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6. *Ibid.*
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8. James Reber to Ludwell Montague, 20 Nov 70.
9. The Executive Assistant's Official Diary, 28 Nov 51, [REDACTED]
10. SC-M-14, 4 Apr 51 [REDACTED]
11. IAC-M-24, 2 Apr 51, IAC Minutes [REDACTED]
12. SC-M-1, 18 Dec 50 (10, above [REDACTED])
13. James Reber, ADIC, "Report on Coordination," 5 Oct 51 [REDACTED]
14. The President's Letter (3, above), para. 3a.

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15. The National Security Act of 1947, Sect. 102 (d) (3).
16. The President's Letter (3, above), para. 3c.
17. Memo from Col. Montague to Col. McCormack, "Special Estimates Staff," 14 Jan 46, [HS/HC-135; NIA Directive No. 2, 8 Feb 46, [HS/HC-450, item 4; CIG Administrative Order No. 3, 4 Mar 46, [HS/HC-333.]
18. William Reitzel, "Analysis of ORE Production," 19 Jul 49, [HS/HC-502, p. 1.]
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27. Montague, "Intelligence Service" (19, above), pp. 59-61.
28. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), pp. 5, 74-75.
29. Montague, "Intelligence Service" (19, above), pp. 53-55.

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30. Author's recollection and comment; Reitzel, "Analysis of ORE Production" (18, above).
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32. John A. Bross, "Chapter II, the Central Intelligence Agency, National and Service Intelligence," [HS/HC-47, item 1,] p. 49.
33. John Bross to Ludwell Montague, 27 Aug 69; Memo from Ludwell Montague for the ADRE, "Functions of the Global Survey Group," 17 Jul 47, [HS/HC-450, item 22, para. 2;] Montague, "Intelligence Service" (19, above), pp. 56-57.
34. Report of the Committee on National Security Organization ("the Eberstadt Committee") to the Commission on Organization of the Executive Branch of the Government ("the Hoover Commission"), 15 Nov 48, [HS/HC-47, item 2, p. 16.]
35. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), p. 83.
36. *Ibid.*, p. 70.
37. Author's recollection.
38. CIG 16/1, 26 Oct 46, HS/HC-400, item 15; Draft Memo for the Director, 15 Apr 47, [HS/HC-450, item 18;] Memo from the ADRE to the DCI, 11 Aug 47, [HS/HC-450, item 23.]
39. Memo from the Chief, Global Survey Group (Montague) to the ADRE, "Comment on the Dulles-Jackson Report," 11 Feb 49, [HS/HC-450, item 28.]
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44. Memo from Lawrence Houston for Lt. Gen. W. B. Smith, 29 Aug 50, [REDACTED]
45. CIG Administrative Order No. 3 (17, above).
46. Hillenkoetter to Webb, 26 Jul 50, [REDACTED]
47. Memo from Houston for Smith (44, above).
48. Memo from W. H. Jackson for Gen. Smith, 3 Oct 50, [HS/HC-400, item 23.]
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53. IAC-M-40, 13 Aug 51, [REDACTED]
54. IAC-M-1, 20 Oct 50, [REDACTED]
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56. Letter, Donovan to Smith, 13 Oct 50 (51, above).
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108. IAC-M-34, 5 Jul 51, [REDACTED]
109. IAC-D-25, 2 Jul 51, [REDACTED]
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145. *Ibid.*, VII, 10n, 35.
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148. IAC-M-20, 15 Feb 51, [REDACTED]

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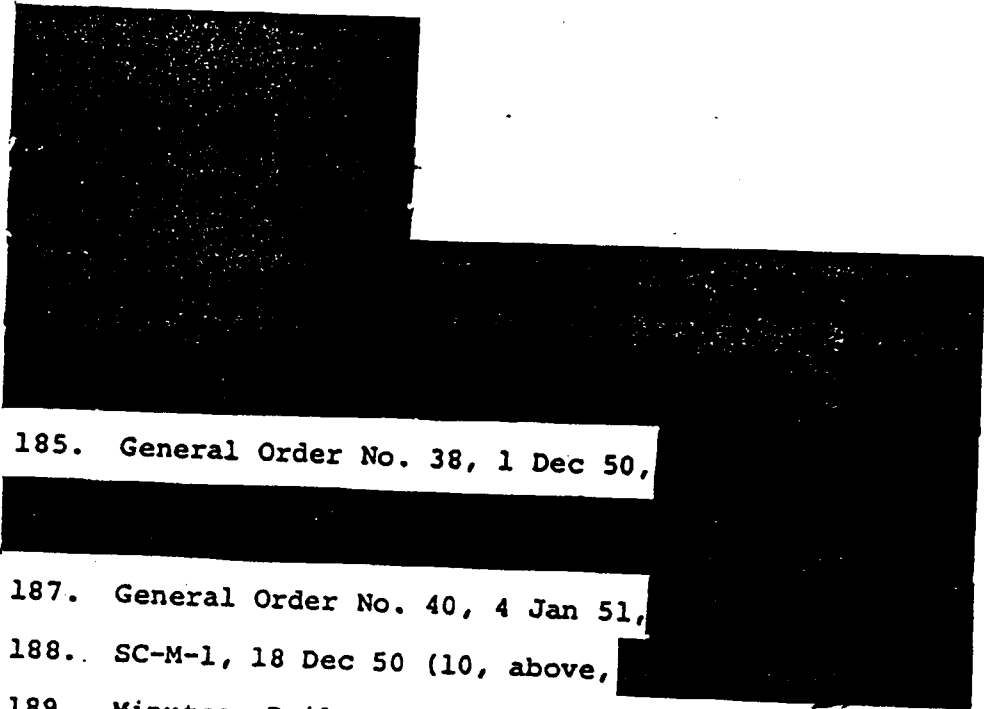
149. Minutes, Daily Staff Meeting, 16 Feb 51 (106, above, [REDACTED])
 150. IAC-D-22, "Action Proposed as a Result of a Survey of the Requirements, Facilities, and Arrangements of the United States Government for Foreign Economic Intelligence Relating to the National Security," 9 May 1951, [REDACTED]. In this document, Appendix A to Tab A is a Memo from the Executive Secretary, NSC, to the DCI, 3 Mar 50, informing him that the NSC had approved a proposal made by the Chairman, NSRB, 2 Feb 50.
 151. *Ibid.*, Tab A, Appendix C.
 152. *Ibid.*, Tab A.
 153. *Ibid.*, Tab B.
 154. IAC-M-31, 17 May 51, [REDACTED]
 155. IAC-D-22/1 (Revised), 29 May 51, [REDACTED]
 156. IAC-M-31, 17 May 51, [REDACTED]
 157. IAC-D-22/2, 17 Aug 53, [REDACTED]
 158. [REDACTED] to Ludwell Montague, 26 Jan 71.
 159. Robert Amory to Ludwell Montague, 9 Aug 71, quoting Millikan. The Minutes of the Director's Meeting (106, above) make it clear that Bedell Smith did indeed try hard to retain Millikan's services.
 160. Minutes, Director's Meeting, 25, 30, 31 Jan 52 (106, above, [REDACTED])
 161. Robert Amory to Ludwell Montague, 9 Aug 71.
- [REDACTED]

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163. Vladimir Grinioff, draft history of "CIA Participation in the Economic Defense Program, 1947-1971," Vol. I, Chap. III, pp. 19-20.
164. *Ibid.*, pp. 21-22
165. *Ibid.*, pp. 23-23b, quoting in full Memo from the DCI for the NSC, 3 Jun 52.
166. IAC-D-53/1, 25 Jul 52, [REDACTED] Memo from Robert Amory, ADRR, to the DDI, 6 Jan 53, [REDACTED]
167. Jackson and Claussen, *Organizational History* (133, above), VII, 46.
- [REDACTED]
169. Phyllis Beach to Ludwell Montague, 17 Feb 71.
- [REDACTED]
171. Author's recollection. The author was in charge of the production of the *CIG Daily Summary*.
172. *Ibid.*
173. NSCID No. 3, 13 Jan 48, [REDACTED]
174. DCID 3/1, 8 Jul 48, [REDACTED]
175. Ludwell Montague, "Intelligence Service, 1940-1950" (19, above), pp. 57-59.
176. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), pp. 84-86, 92.
177. "The Central Intelligence Agency and National Organization for Intelligence," [HS/HC-80, p. 26.]
- [REDACTED]

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185. General Order No. 38, 1 Dec 50,
187. General Order No. 40, 4 Jan 51,
188. SC-M-1, 18 Dec 50 (10, above,
189. Minutes, Daily Staff Meeting, 21 Dec 50
(106, above,
190. Author's recollection and comment.
191. SC-M-4, 8 Jan 51 (10, above,
192. Memo, R. J. Smith to W. L. Langer, "The CIA
Daily Summary," 9 Jan 51, [HS/HC-296.]
193. Minutes, Daily Staff Meeting, 12 Jan 51
(106, above,
194. General Order No. 41, 15 Jan 51,
195. Jackson and Claussen, *Organizational History*
(133, above), VIII, 35.
196. SC-M-17, 30 Apr 51 (10, above,
197. Letter, W. B. Smith, DCI, to the Secretary of
State, 28 Feb 51,

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214. Office of Personnel statistics [REDACTED]
215. Jackson and Claussen, *Organizational History* (133, above), VIII, 31-34, and Annex B, Tab 6.
216. Author's recollection.
217. Montague, "Intelligence Service, 1940-1950" (19, above), p. 35.
218. SC-M-8, 12 Feb 51 (10, above, [REDACTED])
219. Memo, Langer to Douglass, 22 May 51, cited in Jackson and Claussen, *Organizational History* (133, above), VIII, 41.
220. Minutes, Director's Meeting, 27 Jun 51 (211, above, [REDACTED])
221. *Ibid.*, 16 and 17 July 51.
222. *Ibid.*, 7 Sep 51 [REDACTED]
223. The Executive Assistant's Official Diary, 13 Oct 51 (9, above).
224. ONE, "Statement of Activities and Problems," 1 Mar 52, [HS/HC-112, item 19.]
225. Official Diary, 19 Dec 51 (9, above).
226. Author's recollection and comment. See also ONE, "Activities and Problems" (224, above).
227. Memo from Kent, ADNE, to the ADCI (Douglass), "Inter-Office Relationships in the Production of NIE's," 1 Feb 52, [HS/HC-112, item 25.]
228. Author's recollection and comment. Sherman Kent to Ludwell Montague, 12 Feb 51.
229. Memo from Kent, ADNE, to the ADCI, 1 Feb 52 (227, above).

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198. Author's recollection and comment.
199. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), pp. 87, 92.
200. IAC-M-1, 20 Oct 50, [REDACTED]
201. Letter, W. B. Smith, DCI, to the Secretary of State, 1 Feb 51, [REDACTED]
202. Letter, W. H. Jackson, DDCI, to Park Armstrong, 1 Feb 51 (201, above).
[REDACTED]
204. Letter, Jackson to Armstrong, 29 Jan 51 (201, above).
205. Letter, Smith to Armstrong, 21 Mar 51 (201, above).
206. Letter, Armstrong to Smith, 22 Jun 51 (201, above).
[REDACTED]
208. Minutes, Daily Staff Meeting, 13 Feb 51 (106, above, [REDACTED])
209. *Ibid.*, 16 May 51.
210. *Ibid.*, 24 May 51.
211. Minutes, Director's Meeting, 23 May 51 [REDACTED]
212. *Ibid.*, 23 Nov 51 [REDACTED]
213. Author's recollection of OIR comment on the subject.

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- 230. Memo from Kent, ADNE, to the DDI (Becker), "Production for Making Spot Estimates," 31 Jan 52, [HS/HC-112, item 26.]
- 231. Memo from Sontag, ADNE, to the DDI, "Intra-CIA Coordination of Intelligence Memoranda Prepared for the White House and the NSC," 22 Jul 52, [HS/HC-112, item 9.]
- 232. DDI Diary, 25 Jul 52 (121, above).
- 233. Thomas Lawler to Ludwell Montague, 17 Feb 71.
- 234. Sherman Kent to Ludwell Montague, 12 Feb 71.
- 235. Sherman Kent, Memo for Record, 30 Sep 52, [HS/HC-112, item 5.]
- 236. *Ibid.*
- 237. DDI Diary, 10 Aug 52 (121, above).
- 238. *Ibid.*, 19 Sep 52.
- 239. Paul Borel's note on a copy of Kent's Memo for Record (235, above).
- 240. IAC-D-6, 24 Nov 50, [REDACTED]
- 241. Jackson and Claussen, *Organizational History* (133, above), VIII, 48-49.
- 242. IAC-M-10, 7 Dec 50, [REDACTED]
- 243. IAC-D-61/2, 27 Dec 50, [REDACTED]
- 244. IAC-M-12, 28 Dec 50, [REDACTED]
- 245. IAC-M-11, 21 Dec 50, [REDACTED]
- 246. Author's recollection of such occasions.
- 247. W. B. Smith, *Report to the NSC* (113, above).

248. Author's recollection and comment.

[REDACTED]

250. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), pp. 8-9, 83, 88, 90-91.

251. Weber, *op. cit.* (249, above), p. 8.

252. Karl Weber to Ludwell Montague, 11 Mar 71.

253. Weber, *op. cit.* (249, above), p. 23.

254. *Ibid.*, pp. 13-14, 18; Annex IV, p. 2-3.

255. *Ibid.*, Annex IV, pp. 1, 3.

[REDACTED]

257. [REDACTED] to Ludwell Montague,
25 May 71.

258. Weber, *op. cit.* (249, above), pp. 16-17, 19.

259. *Ibid.*, p. 20; [REDACTED]

260. *Ibid.*, pp. 25-26.

261. *Ibid.*, Annex IV, pp. 4-5.

262. *Ibid.*, Annex IV, p. 6.

263. The Executive Assistant's Official Diary,
26 Jul 51 (9, above).

264. *Ibid.*, 30 Jul 51.

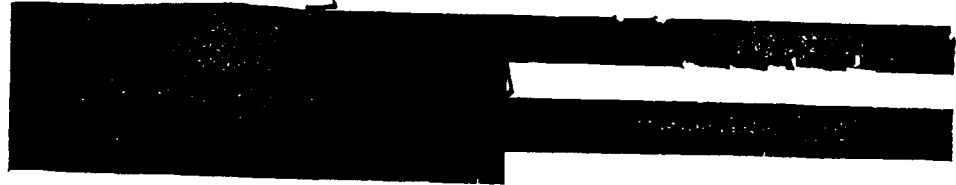
265. IAC-M-30, 2 Aug 51, [REDACTED]

266. *Ibid.*

267. *Ibid.*
268. The Executive Assistant's Official Diary, 13 Sep 51 (9, above).
269. DDI Diary, 6 Jan 52 (121, above).
270. Weber, *op. cit.* (249, above), p. 7.
271. DDI Diary, 18 Feb 52 (121, above).
272. Kenneth Greer, Draft "History of the Office of the Inspector General," pp. 8-15.
273. Minutes, Director's Meeting, 3 Mar 52 (211, above, [REDACTED]).
274. The subject is not mentioned in IAC-M-63, 6 Mar 52 (it must have been discussed in executive session), but the action in the IAC is covered in Becker's DDI Diary, in the entry for 18 Feb 52, which must have been written up in final form after 6 Mar 52.
275. DDI Diary, 15 Jul 52 (121, above).
276. IAC-M-79, 14 Aug 52, [REDACTED]
277. DCID-3/4, 14 Aug 52, [REDACTED]
278. *Ibid.*
279. Weber, *op. cit.* (249, above), Annex II, pp. 14-16, 24. See also the IAC-D-10 series, [REDACTED]
280. DCID-3/4, 14 Aug 52, [REDACTED]
281. Weber, *op. cit.* (249, above), p. 21.
282. Karl Weber to Ludwell Montague, 26 Feb 71.
283. DDI Diary, 21 Aug 52 (121, above).

- 284. Weber to Montague, 22 Feb 71.
- 285. CIG Administrative Order No. 6, 22 Jul 46, HS/HC-333.
- 286. CIG Personnel Order No. 13, 10 Sep 46, [REDACTED]
- 287. Jackson and Claussen, *Organizational History* (133, above), V, 13.
- 288. *Ibid.*
- 289. Agency Notice No. 1-48, 13 Jan 48, [REDACTED]
- 290. Jackson and Claussen, *Organizational History* (133, above), V, 15.
[REDACTED]
- 292. *Ibid.*, V, 23-25.
- 293. Dulles, Jackson, and Correa, *Report to the NSC* (7, above), pp. 48, 62, 64.
- 294. Jackson and Claussen, *Organizational History* (133, above), V, 30.
- 295. NSC 50 (40, above), p. 10.
- 296. Jackson and Claussen, *Organizational History* (133, above), V, 44.
- 297. *Ibid.*
- 298. Author's interpretation of the considerations that would have moved General Smith.
- 299. [REDACTED]
[REDACTED]

- 301. *Ibid.*, IV, 3-4, as corrected by Louise Davison with regard to the number of the NIA Directive.
- 302. *Ibid.*, IV, 4-5.
- 303. *Ibid.*, IV, 6-7.
- 304. Louise Dickey Davison, Draft history, "The Office of Operations: Overt Collection, 1946-1965," DDI Historical Series, DCS-Appendix A.



- 307. Lawrence White to Ludwell Montague, Nov 70.
- 308. A. B. Darling's interview with Kingman Douglass, 28 May 52, HS/HC-800, Vol. I.
- 309. A. B. Darling's interview with Richard Helms, 10 Nov 52, HS/HC-800, Vol. II.
- 310. Walter Pforzheimer to Ludwell Montague, 1 Jul 71.
- 311. Author's comment.



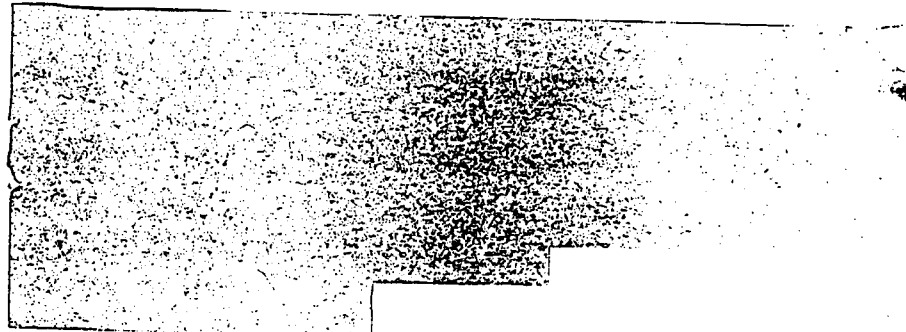
- 313. Louise Davison to Ludwell Montague, 10 Mar 71.
- 314. *Ibid.* Mrs. Davison's source was George Carey.



- 316. Louise Davison (313, above).



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- 323. *Ibid.*
- 324. *Ibid.*, IV, 62.
- 325. *Ibid.*, IV, 64-65.
- 326. DDI Diary, 10-14 and 31 Jan, 1, 8, and 10-12 Feb 52 (121, above).
- 327. Minutes, Director's Meeting, 11 Jun 51 (211, above).
- 328. *Ibid.*, 22 Apr 52.
- 329. W. B. Smith, *Report to the NSC* (113, above).
- 330. William Jackson to Ludwell Montague (62, above), para. 10.

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