

~~SECRET~~*This was with the
July 63 paper.*

HISTORICAL BACKGROUND OF THE CENTRAL INTELLIGENCE AGENCY

This paper, a study of the history of the Central Intelligence Agency, including pertinent materials on World War II intelligence organizations and plans for the postwar era, has been prepared by the Office of General Counsel, Central Intelligence Agency, as an aid to the better understanding of the present structure and functions of the Agency. While the United States has engaged in intelligence activities since its founding, it was not until the events of the early 1940's showed the need for an efficient, fast-moving intelligence service, that such an organization on a governmentwide basis was conceived and developed. The results of this effort culminated in the formation of the Central Intelligence Agency.¹

WORLD WAR II

Coordinator of Information

The events which foretold the advent of the second world war provided the impetus for forming a number of Government organizations which later served as the foundation for the United States intelligence activity during the war. By an Executive Order dated 8 September 1939, President Franklin Roosevelt provided for an office for emergency management "in the event of a national emergency" or the threat of one. Such an office was subsequently established on 25 May 1940. By an administrative order of 7 January 1941, the functions of the office were modified and further defined and included advising and assisting the President in time of emergency, coordinating emergency activities of the Government and informing the President as to the various agencies' progress in emergency matters.

Six months later, the forerunner of a centralized intelligence service was established under the Coordinator of Information. William J. Donovan was named to the position. He had authority from President Roosevelt to:

"Collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and agencies as the President may determine, and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government." 2.

The Coordinator of Information was to have access to information and data within the various departments and agencies but he was not to interfere with or impair the duties and responsibilities of the President's regular military and naval advisers. To assist him, the Coordinator could appoint committees of representatives of the various departments and agencies. Colonel Donovan was to receive no compensation but was entitled to transportation subsistence and other

~~SECRET~~

SECRET

identical expenses. Under his broad mandate, the Coordinator of Information began to build an organization capable of producing intelligence necessary for the successful carrying out of the war effort.

Office of Strategic Services

In less than a year, on 13 June 1942, by a military order, the President abolished the Office of Coordinator of Information and established the Office of Strategic Services (OSS) which operationally came under the jurisdiction of the Joint Chiefs of Staff. OSS's mandate was to:

"a. Collect and analyze such strategic information as may be required by the United States Joint Chiefs of Staff; and

"b. Plan and operate such special service as may be directed by the United States Joint Chiefs of Staff."

William J. Donovan was appointed by the President as Director of Strategic Services "under the direction and supervision of the United States Joint Chiefs of Staff."

OSS was allowed certain privileges in conducting its operations such as entering into contracts "without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts." ³ ~~Executive Order 9241, 1 September 1942.~~ Also it was imperative in performing certain of the wartime functions of OSS that latitude be granted in the expenditure of funds. It was announced policy of OSS to employ ordinary vouchered moneys whenever practicable. When, however, such use would have gravely impeded the effective prosecution of the program directed by the Joint Chiefs of Staff, OSS had the authority to resort to funds expendable without regard to laws relating to the expenditure of Government funds. For example, it would have been most difficult to have performed many of the peculiar functions of OSS under mandatory compliance with laws or regulations concerning employment procedures, annual and sick leave, dual compensation, the purchase of motor vehicles, the employment of aliens, the retaining of investigators, or the securing of laborers or other personnel in various foreign countries.

The General Accounting Office was willing to accept vouchers showing the expenditure of funds by OSS for such purposes providing that it was stated that such expenditures were necessary in the performance of its peculiar functions in disregard of existing law and regulation. The National War Agency Appropriation Act of 1945 ⁴ (~~P.L. 372~~) as it pertained to OSS read as follows:

"Salaries and expenses: For all expenses necessary to enable the Office of Strategic Services to carry out its functions and activities, including salaries of a Director at \$10,000 per annum, one assistant director and one deputy director at \$9,000 per annum

3. Exec. Order No. 9241, 7 Fed. Reg. 7185 (1942)
4. 58 Stat. 533, 1 2

SECRET

SECRET

each; procurement of necessary services, supplies and equipment without regard to section 3709, Revised Statutes; travel expenses, including expenses outside the United States without regard to the Standardized Government Travel Regulations and the Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and any general provision for the fiscal year 1945 to the contrary; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in the dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for the ordinary expenses of such interment; rental of newsreporting services; purchase of or subscription to commercial and trade reports; the rendering of such gratuitous services and the disposition, free or otherwise, of such materials as the Director deems advisable; purchase or rental and operation of photographic, reproduction, duplicating and printing machines, equipment, and devices and radio-receiving and radio-sending equipment and devices; maintenance, operation, repair, and hire of motor-propelled or horsedrawn passenger-carrying vehicles and vessels of all kinds; printing and binding; exchange of funds without regard to section 3651, Revised Statutes (31 U.S.C. 543); purchase and free distribution of firearms, guard uniforms, special clothing, and other personal equipment; the cost of a compartment or such other accommodations as may be authorized by the Director for security when authorized personnel are required to transport secret documents or hand baggage containing highly technical and valuable equipment; \$57,000,000 of which amount such sums as may be authorized by the Director of the Bureau of the Budget may be transferred to other departments or agencies of the Government, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities for which this appropriation is made: PROVIDED, That \$37,000,000 of this appropriation may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service, and \$35,000,000 of such \$37,000,000 may be expended for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director of the Office of Strategic Services and every such certificate shall be deemed a sufficient voucher for the amount therein certified." S,

The Director of OSS ^{continually} enjoyed the confidence of the Congress in managing the disposition of confidential funds, ~~as can be seen by reading over the hearings before the subcommittee on appropriation of the 78th Congress, 2d Session.~~

Plans for a Postwar National Intelligence Agency

Over a year before the war's end, studies were undertaken within OSS concerning the concept of a permanent, centralized intelligence service for the United States Government. After several months of study, a document entitled "The Basis for a Permanent United States Foreign Intelligence

S. 58 Stat. 534-535

3

SECRET

SECRET

Service," was drafted which General Donovan presented to President Roosevelt around 10 October 1944. The President returned the paper on 31 October with the comment that an adviser had informed the President that a better and cheaper intelligence system than General Donovan had devised was possible. The President, however, asked that General Donovan continue his work on a post-war intelligence organization. Several days before his death, Mr. Roosevelt requested General Donovan to call a meeting of interested agencies for their suggestions "to the proposed centralized intelligence service." 6

The 10 October document contained much of the basic scheme which eventually was accepted for the Central Intelligence Agency. General Donovan wrote that an organization was needed "which will procure intelligence both by overt and covert methods and will at the same time provide intelligence guidance, determine national intelligence objectives and correlate the intelligence material collected by all Government agencies."

Based on his experience, General Donovan advised that the establishment of a United States intelligence agency be governed by ten principles:

"1. That it should be a central overall Foreign Intelligence Service which (except for specialized intelligence pertinent to the operations of the Armed Services and certain other Government agencies) could serve objectively and impartially the needs of the diplomatic, military, economic and propaganda service of the Government.

"2. That such a Service should not operate clandestinely within the United States.

"3. That it should have no policy function and should not be identified with any law-enforcing agency either at home or abroad.

"4. That the operations of such a Service should be primarily the collection, analysis, and dissemination of intelligence on the policy or strategy level.

"5. That such a Service should be under a highly qualified director appointed by the President and be administered under Presidential direction.

"6. That, subject to the approval of the President, the policy of such a Service should be determined by the Director with the advice and assistance of a board on which the Department of State and the Armed Services should be represented.

"7. That such a Service charged with collecting intelligence affecting national interests and defense should have its own means of communication and should be responsible for all secret activities such as:

6. Memorandum from President Roosevelt to General Donovan, 5 April 1944

SECRET

SECRET

- (a) Secret intelligence.
- (b) Counterespionage.
- (c) Crypto-analysis.
- (d) Clandestine subversive operations.

"8. That such a Service be operated on both vouchered and unvouchered funds.

"9. That such a Service have a staff of specialists professionally trained in analysis of intelligence and possessing a high degree of linguistic, regional or functional competence to evaluate incoming intelligence, to make special reports, and to provide guidance for the collecting branches of the Government.

"10. It is not necessary to create a new agency. The nucleus of such an organization already exists in the Office of Strategic Services."

On 18 November 1944, General Donovan submitted a memorandum to the President which emphasized that "intelligence control be returned to the supervision of the President," and that the "establishment of a central authority reporting directly to you [the President] with responsibility to frame intelligence objectives and to collect and coordinate the intelligence material required by the Executive Branch in planning and carrying out national policy and strategy."

A draft directive was also ~~forwarded~~ ^{attached to the Donovan memorandum of 18 November} to the President. ~~The directive~~ ^{The directive} detailed the principles set out in the 10 October document and added several new proposals as functions and duties of the proposed agency including: "Coordination of the functions of all intelligence agencies of the Government . . .; collection, either directly or through existing Government Departments and agencies, of pertinent information . . .; procurement, training and supervision of its intelligence personnel; subversive operations abroad, and determination of policies for and coordination of facilities essential to the collection of information." The Donovan plan also recognized the element of secrecy necessary to the successful operation of an intelligence organization in that the Director was to have authority "to employ necessary personnel and make provision for necessary supplies, facilities, and services" and he "may provide for the internal organization and management . . . in such manner as he may determine."

The Donovan proposal was sent to various officials and the Joint Chiefs for comment. Various counter proposals were made and on 24 January, the Joint Strategic Survey Committee submitted a report⁷ to the Joint Chiefs of Staff, which was basically the Donovan Plan with revisions and refinements. ^{This memorandum} ~~of the~~ report ~~was then used as the~~ Joint Chiefs of Staff report⁸ which was dated ~~19 September 1945~~, over a month after the war had ended.

The draft directive, submitted by the Joint Chiefs, called for a National Intelligence Authority composed of the Secretaries of State, War and Navy and

- 7. Report by the Joint Strategic Survey Committee "Proposed Establishment of a Central Intelligence Service" (24 January 1945).
- 8. J.C.S. 1181/5 (19 September 1945).

SECRET

SECRET

12. Drafted by George McCombs, Special Assistant to the Secretary, and forwarded to the Secretary of War and Navy under a covering letter from Secretary Byrnes (19 December 1945). This memorandum took the form of a draft "Directive Regarding the Coordination of Intelligence".

a representative of the Joint Chiefs of Staff which was to be responsible for overall intelligence planning and development, inspection and coordination of all federal intelligence activities and was to assure the most effective accomplishment of the intelligence mission related to the national security. A Central Intelligence Agency with a director appointed by the President was to be responsible to the NIA and assist it in its mission. An Intelligence Advisory Board made up of the heads of the principal military and civilian agencies having functions related to the national security was to advise the Director of Central Intelligence.

The Donovan Plan undoubtedly had a great deal of influence on the Joint Chiefs even though they criticized it because the organization he proposed would "overcentralize the national intelligence service" without compensating advantages and "place it at such a high level that it would control the operation of departmental intelligence agencies, without responsibility, either individually or collectively, to the heads of departments concerned."

Various proposals by the Joint Chiefs indicate that the organization they envisaged would not be an undertaking which would result in a "too radical reorganization with the attendant disturbance of the present intelligence set-up." While accepting coordination by a National Intelligence Authority, the Joint Chiefs recommended that the existing intelligence agencies should continue to function. Their products, however, were to be freely available to the Central Intelligence Agency for synthesis, and the operations of the departmental intelligence agencies were to be open to inspection by the Agency in support of its planning function. In this connection, the interesting phrase "protection of intelligence sources and methods" was used. In the draft directive immediately following the statement that operations of the departmental intelligence agencies were to be open to the Agency, the following sentence appeared: "In the interpretation of this paragraph, the National Intelligence Authority and the Central Intelligence Agency will be responsible for fully protecting intelligence sources and methods, which due to their nature, have a direct and highly important bearing on military operations."

Secretary of the Navy, James Forrestal, considered the Joint Chiefs of Staff paper "soundly conceived" and in a memorandum to the Secretary of War on 13 October 1945 suggested that the proposal for a federal intelligence agency should be pushed "vigorously at the White House." Shortly thereafter, Assistant Secretary Lovett was placed in charge of a committee in the War Department to study the matter and provide recommendations which could be used as a basis for discussions with the Secretaries of State, War and Navy who had already informally discussed a national intelligence organization.

After considering the views and opinions of a great many people experienced in wartime intelligence, the Lovett Committee submitted a report to the Secretary of War which presented the case for a centralized national intelligence organization very similar to that in the Joint Chiefs of Staff report submitted six weeks previously. The Lovett Committee report served as a basis for the recommendation to the President for the establishment of a national intelligence organization which was submitted on 7 January 1946 by the Secretaries of State, War and Navy. A State Department proposal that the intel-

11. including an extensive "Report on Intelligence Matter" from Brig. Gen. John Magruder, Director, Strategic Services Unit (26 October 1945).
10. Memorandum For The Secretary of War "Preliminary Report of Committee Appointed to Study War Department Intelligence and Intelligence" (3 November 1945)

SECRET

SECRET

ligence agency draw its funds from the departments participating in the National Intelligence Authority rather than from an independent budget was the only major change incorporated in the Lovett Committee report.

Under section 17 of the original State Department plan, funds for the conduct of intelligence operations by the National Intelligence Authority, as distinct from those operations conducted by the individual agencies, would be provided by the departments and agencies participating in such operations. The amounts and proportions to be agreed to by the participating agencies would be based on the responsibilities and capabilities of those agencies. The State Department submitted a revised plan¹ later in December in which it was stated that "the State Department strongly believes . . . that an independent budget for the Central Agency should be avoided for security reasons. Since passage of the Independent Offices Appropriations Act, 1945 (Public Law 358, 78th Congress), a nondepartmental agency without an independent budget appears to be impossible."

In their final recommendations² to the President, the Secretaries of State, War and Navy apparently agreeing with the State Department proposal suggested that funds for the National Intelligence Authority be provided by the participating departments in the amount and proportions agreed upon by members of the Authority. The Director of the Central Intelligence Agency, under the Authority, would be able to "employ necessary personnel and make provisions for necessary supplies, facilities and services" within the limits of the funds made available. 14.

The Central Intelligence Group

The National Intelligence Authority and the Central Intelligence Group were formally authorized by a Presidential Directive dated 22 January 1946. Two differences between the recommendations of the Secretaries and the Presidential Directive are of significance. Paragraph 9 limited CIG to investigations outside the continental limits of the United States and its possessions except as provided for by law and Presidential Directives. Paragraph 10 broadened the responsibility of NIA and the Director of Central Intelligence toward protecting intelligence sources and methods. As originally contemplated, the responsibility in this field was confined to protecting sources and methods with which the Central Intelligence Director became familiar in inspection agencies especially those bearing on military operations. The Presidential Directive touched upon the question of appropriations only in the first sentence of Paragraph 2.

Text of Directive - 22 January 1946

"1. It is my desire, and I hereby direct, that all federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate

13. Drafted by Mr. McCormack and submitted to the Secretaries of War and Navy, on 15 December 1945.
14. Draft "Directive Regarding the Coordination of Intelligence Activities," p 8.

SECRET

SECRET

you, [Secretaries of State, War and Navy] together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

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

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

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

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

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

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

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

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

SECRET

SECRET

"6. The existing intelligence agencies of your departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

"7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

"8. Within the scope of existing law and Presidential Directives, other departments and agencies of the Executive Branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

"9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions; except as provided by law and Presidential Directives.

"10. In the conduct of their activities the National Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods."

On the initiative of the Executive Department, the United States for the first time in its history, launched a national intelligence organization. Its charter was written in broad terms, which enabled the embryonic agency to "feel its evolutionary way and handle obstacles only in such order as it deemed best." ¹⁵ Many of the obstacles, however, were inherent in the charter under which the national intelligence system was to operate. The criterion of all NIA action was whether the action was necessary to the planning, development and coordination of Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security. The term "national security," if interpreted narrowly, was considered by some to be an unfortunate limitation upon CIG because "many national interests, other than security, can be served by a central intelligence agency submitting information to the policy makers within the Government." ¹⁶

The operating agency under the National Intelligence Authority, the Central Intelligence Group, was independent in name only because for all practical purposes the activities of CIG were subject to the budget heads of the three departments - State, War and Navy. Also, the agency had no employment rights, obtaining its personnel by assignment.

After the NIA and CIG system was in existence for about one year, as a purely executive creature, a great deal of interest had developed in the Congress which culminated in legislation creating a National Security Council and a Central Intelligence Agency. Studies made by the Senate Armed Services Committee "and all testimony received by it, shows the need for closer and

15. Memorandum to General Magruder from Commander Donovan, General Counsel
OSS (23 January 1946).

16. *Ibid.*

SECRET

16717

SECRET

continuous coordination on a high level within the Government of our domestic, foreign and military policies, for an appropriate intelligence organization to serve both military and civilian agencies of security . . ."

17. insert A →

The postwar Congressional investigations into the Pearl Harbor disaster have been cited as one of the compelling reasons for the establishment of the Central Intelligence Agency. As a result of its investigation in December of 1946, the House Committee on Military Affairs issued "A Report On the System Currently Employed in the Collection, Evaluation and Dissemination of Intelligence Affecting the War Potential of the United States," which recognized the need for strong intelligence as the "nation's first line of defense." The Committee made nine recommendations:

Recommendation 1: That the National Intelligence Authority, established on January 22, 1946, by Presidential directive, be authorized by act of Congress. (This is designed to give the new authority a firmer base.)

Recommendation 2: That the National Intelligence Authority shall consist of the Secretaries of State, War, and the Navy, or deputies for intelligence. (The Secretaries are obviously too busy to give this highly important subject the attention it deserves.)

Recommendation 3: That the Central Intelligence Group receive its appropriations direct from the Congress. (At present the Group receives its appropriations as grants from the State Department, War Department, and the Navy Department, an unwieldy and sometimes awkward procedure.)

Recommendation 4: That the Central Intelligence Group have complete control over its own personnel. (At present the Group receives drafts from the Departments of State, War, and Navy.)

Recommendation 5: That the Director of the Central Intelligence Group be a civilian appointed for a preliminary term of 2 years and a permanent term of 10 years, at a salary of at least \$12,000 a year.

(A civilian would be less subject to the control or criticism of any military establishment, less likely to have ambitions in another direction, would be more in keeping with American tradition, would be more symbolic of the politico-military nature of the problem posed by intelligence in peacetime; furthermore, there is nothing to keep a qualified Army or Navy officer from accepting the post in civilian clothes, and there is every desire, by setting the tenure of office at 10 years and making the salary substantial, to make the post attractive to one who has learned intelligence thoroughly in the Army, Navy, or Foreign Service of the State Department. Continuity of service is recognized as very important.)

Recommendation 6: That the Director of the Central Intelligence Group be appointed by the President, by and with the consent of the Senate.

17. S. Rep. No. 239, 80th Cong., 1st Sess. (1947)
18. 16. New York Times, October 19, 1946, p. 3, col. 1.
19. 17. H.R. Rep. No. 2734, 79th Cong., 2d Sess. (1946)

SECRET

SECRET

Recommendation 7: That the Director of Central Intelligence shall (1) 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, and in so doing making full use of the staff and facilities of the intelligence agencies already existing in the various Government departments; (2) plan for the coordination of such of the activities of the intelligence agencies of the various Government departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission; (3) perform, for the benefit of said intelligence agencies, such services of common concern related directly to coordination, correlation, evaluation, and dissemination as the National Intelligence Authority shall determine can be more efficiently accomplished contrarily; (4) perform such other similar functions and duties related to intelligence affecting the national security as the Congress and the National Intelligence Authority may from time to time direct. It is specifically understood that the Director of Central Intelligence shall not undertake operations for the collection of intelligence.

(This paragraph is intended to enable the Central Intelligence Group to concentrate on the analysis and evaluation of high-level intelligence for the President and others who have to determine national policy. One should not remove any intelligence operation from the agencies where day-to-day policies and decisions have to be made; the collection and basic analysis in each field of intelligence should be assigned to the agency having primary responsibility in that field.)

Recommendation 8: That Paragraphs 2, 4, 5, 6, 7, 8, 9, and 10 of the Presidential directive of January 22, 1946, relating to the establishment of a National Intelligence Authority be enacted into law, with such revisions in wording as may seem necessary.

(The President's directive was carefully prepared and had at the time of its publication, the support of the interested agencies.)

Recommendation 9: That the Army be requested sympathetically to examine further the question of the establishment of an Intelligence Corps for the training, development, and assignment of especially qualified officers.

In July 1946, a draft of enabling legislation for a proposed Central Intelligence Agency (CIA) was sent to the White House by the Central Intelligence Group. It called for a National Intelligence Authority (NIA) consisting of the Secretaries of State, War, and Navy, a personal representative of the President and the "Director of the Central Intelligence Agency" as a non-voting member. The NIA was to supervise the activities of CIA. It was

SECRET

SECRET

provided that CIA was to be established "with a Director who shall be the head thereof." In December a more detailed and comprehensive draft was submitted to the White House which reflected the experience gained after 10 months of operation under the 22 January 1946 Executive Order.

In proposing this legislation CIG attempted to overcome the unworkable features of its charter, one of the most glaring of which was the necessity for CIG to obtain personnel from the State, War and Navy Departments. It was not until well into the summer of 1946 that arrangements were made for CIG to hire personnel directly. Budgetary problems also were very difficult to handle until agreement was reached which established a working fund at the disposal of the CIG. Fortunately for CIG all of the departments and agencies of the Government and particularly the Bureau of the Budget, the General Accounting Office and the State, War, Navy and Treasury Departments, were quick to realize the special administrative problems which arose in the administration and operations of an intelligence agency. They made possible the arrangements which enabled the agency to operate. However, the manner of administrative and logistical support was always considered to be of a temporary nature pending the passage of some form of military unification legislation.

One of the drafts of enabling legislation had incorporated the term "with a Director of Central Intelligence who shall be the head thereof." This particular wording was the same as the terminology in the 22 January directive. Its apparent purpose was to create a post to be filled by an official, responsible for the centralized intelligence functions for the entire Federal Government, with an intelligence agency to assist him.

In January 1947, at the time this proposed legislation was being studied at the White House, President Truman announced that the War and Navy Departments had agreed on a legislative program for unification of the armed services. Shortly thereafter, a serious effort was made to draft unification legislation for submission to Congress. A team consisting of Vice Admiral Forrest Sherman, Major General Lauris Norstad and Charles Murphy, Administrative Assistant to the President, was selected to write the White House version of the National Defense Act of 1947.

The draft which resulted made the CIA the coordinating agency for intelligence, apparently adapting to the intelligence field the example made in earlier military unification proposals, which envisioned a single defense organization to which was attached a number of coordinating agencies, some for inter-military departmental coordination, and others for military-civilian coordination.

The team did not include in their draft many of the more controversial proposals contained in the December CIG draft, probably because of anticipated difficulties in getting them through Congress. Instead, they sought simply to lay down the broad framework of a central intelligence service upon which the detailed organization could later be developed.

SECRET