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HRP 89-2

MORI/HRP

SUMMARY

I Background 1946-1950

This study traces the organizational development of the Central Intelligence Agency, using as a chronological guide the period covered by the administration of General Walter Bedell Smith (October 7, 1950 - February 26, 1953.) It is concerned only incidentally with the Agency's clandestine activities.

When General Smith became Director, Central Intelligence (as Group and Agency) was almost five years old. The principal developments during that time had been as follows:

(1) The Central Intelligence Group (CIG) was established as coordinating agent for the Secretaries of State, War, and Navy plus a personal representative of the President designated as the National Intelligence Authority (NIA), by a presidential letter of January 22, 1946. CIG was to consist of a Director appointed by the President, assisted by persons and financed by funds to be supplied by the NIA. The Director was to (a) advise the NIA concerning needed modifications

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in the existing intelligence structure of their departments; (b) "correlate and Evaluate intelligence", and (c) establish "services of common concern" wherever there were "related to the national security".

Under this directive, the first director, Sidney W. Souers (January 22, 1946 - June 10, 1946) formed two staffs: one for coordination, and the other for correlation and evaluation of intelligence. On February 8, 1946, the NIA, at the request of the President, added to CIG's duties by requiring a daily summary of current intelligence. Since CIG was dependent on the NIA for funds and personnel, there was no real staff for personnel and administration under Souers.

General Hoyt S. Vandenberg (June 10, 1946 - May 1, 1947) proceeded on the assumption that, as the President's appointee, he must take full responsibility for his acts as Director; he therefore sought commensurate authority and was empowered by the NIA to (a) hire and pay his own personnel; (b) receive and disburse independent funds, and (c) act as the "executive agent" of NIA members in dealings with their departmental subordinates. He was also empowered to

collect foreign intelligence apart from the regular departmental collection services, and to do independent research in intelligence under certain limitations. ^P To assist him in coordination of intelligence activities, Vandenberg established the Interdepartmental Coordinating and Planning Staff (ICAPS) consisting of representatives from all NIA intelligence organizations plus a chairman appointed by the Department of State. To discharge his functions with respect to correlation and evaluation of intelligence related to the national security, Vandenberg built up a full scale research organization called the Office of Reports and Estimates (ORE), which took charge of national current intelligence, intelligence estimates, basic intelligence, and interagency coordination of all three, plus a variety of other services including production of scientific, technical, and economic intelligence. In view of the independent authority now vested in the Director, staffs for personnel, administration, and security were formed under the Director's "Executive".

Admiral Roscoe H. Hillenkoetter (May 1, 1947 - October 7, 1950)

retained all authority acquired by General Vandenberg with the exception of his position as "executive agent" which Hillenkoetter renounced on June 26, 1947.

On July 26, 1947, the National Security Act made the Group an Agency (CIA) and substituted the National Security Council (NSC) for the National Intelligence Authority. Between the passage of the Act and January 13, 1948, National Security Council Intelligence Directives (NSCID's) issued in pursuance of the new law, defined relationships and allocated responsibilities among CIA and other intelligence organizations but not in such a way as to necessitate important changes in the existing CIA organization.

This organization, as of January 1, 1949, consisted of (1) The Director advised by the Intelligence Advisory Committee (established under NSCID-1); (2) certain advisory groups; and (3) six offices: Collection and Dissemination (CD), Scientific Intelligence (OSI);

Reports and Estimates (ORE), Operations (OO), Special Operations (OSO), and Policy Coordination (OPC).

During Hillenkoetter's administration, difficulties arose with respect to all of the principal CIA functions: Surveys undertaken during 1947-1950 resulted in numerous recommendations, many of which were still pending when General Smith took office on October 7, 1950.

II Organizational Revisions 1950-1953

In spite of many internal and external changes (an increase of major organizational components in Washington; new leadership in key positions; jurisdictional realignments among CIA's operating units; reallocations of budgetary assets and personnel; changes in operating programs, priorities and the like; and a variety of modifications affecting CIA's relationships with other intelligence organizations), the administration of General Smith was characterized by important elements of stability in that, basic legislation underlying the Central Intelligence system did not change; and the system remained decentralized among seven intelligence and numerous non-intelligence

agencies of the government. The Smith administration was, nevertheless, motivated toward change when it took office, partly because of recommended changes already approved by the NSC and partly as a result of the Korean War.

Organizational planning and advice were available to the new Director internally from: (1) the "Management Staff"; (2) the Coordination, Operations and Policy Staff (late ICAPS); (3) the Inspections and Security Staff; (4) the Budget Staff; (5) the Personnel Staff; (6) the Legal Staff; (7) the "Project Review Committee"; and externally from: (1) the "Eberstadt" Committee's Report to the Hoover Commission (in 1948); (2) the "Dulles Committee's" report to the National Security Council (1949); (3) the results of studies made by the State and Defense Departments in 1949 and 1950, and (4) studies promoted by the Bureau of the Budget.

Of all these, the most important and compelling was the "Dulles Report", in that it was at the same time the most detailed, comprehensive,

and objective, and a plan to whose implementation General Smith was committed.

The principal changes indicated by the Dulles Report were as follows:

(1) Creation of an "Estimates Division" to be small and carefully selected and to have charge of constructing "national" intelligence estimates in close cooperation with the other intelligence agencies.

(2) Creation of a "Research and Reports Division" to (a) produce whatever "departmental" intelligence CIA might need, (b) take charge of "basic" intelligence, (c) take charge of research in economic, scientific, and technological (including map) intelligence as well as any other type that might in the future be authorized as a "service of common concern", and (d) take over certain support services, chiefly the library, indexing, reference, and collation activities.

(3) A merger of collection services and clandestine activities (OSO, OO, OPC) under a single Division, and with "covert" administration

compartmented from "overt" administration;

(4) Creation of a "Coordination Division", as a staff to the Director, concerned with interagency coordination, and to supervise the duties currently undertaken by the "Liaison Division" of OCD.

Other important features of the Dulles Report were:

(1) Suggestions that CIA should relinquish activities in conflict with those of other agencies;

(2) Special criticism directed at ORE for having become a competitive producer of intelligence not properly classed as "national";

(3) Special criticism with respect to scientific intelligence; communications intelligence; and "domestic intelligence including counterintelligence and the points at which domestic and foreign intelligence overlapped."

Some but not all of the recommendations in the Dulles Report were adopted by the Smith Administration in complete or modified form.

Another important influence on General Smith's planning for the Agency seems to have been a "Staff Study" issued jointly by the

State and Defense Departments on May 1, 1950. The plan here suggested would have involved a "National Intelligence Group" within CIA to produce both estimative and current intelligence (unlike the Dulles Report Plan in which current intelligence might well have been dropped from CIA activities).

General Smith reorganized the Director's staff to include two members of the "Dulles Committee", Mr. William H. Jackson as Deputy Director of Central Intelligence and Mr. Allen Dulles ~~himself~~ as Deputy Director for Operations. The former took the lead in reorganizing the Agency and inter-agency apparatus for production of intelligence; while the latter took general charge of collection and clandestine operations. Smith also appointed a Deputy Director for Administration (Mr. Murray McConnell soon replaced by Mr. Walter R. Wolf) to supervise the administrative activities of the Agency minus the new office of Training which was given independent status. It was not until January 2, 1952, that the third deputy (for Intelligence) was added to superintend the work of the "overt" offices which eventually

included National Estimates, Current Intelligence, Research and Reports, Scientific Intelligence, Intelligence Coordination, Collection and Dissemination, and Operations. In the interim, Mr. Jackson took general charge of the overt components.

While the Agency executive structure was being thus altered, Jackson and Smith gave immediate attention to the problem of re-asserting CIA's leadership in governmental intelligence. They proceeded conservatively, however, seeking to withdraw the Agency from fields where its "dominant interest" was not clear, rather than attempt to take on new functions. Jackson spent much of his time during his first weeks as Director in negotiating an agreement with the Department of State under which State conceded a dominant interest in economic intelligence to CIA while CIA withdrew from the field of research in political intelligence. (Later, CIA also withdrew from certain fields of scientific and technological intelligence.) After the first interagency agreements were negotiated, Jackson made use of the Office of Intelligence Coordination (OIC) for study of interagency problems.

General Smith was quick to call upon the Intelligence Advisory Committee to aid him directly in problems of coordination of both activities and estimates. During the next two years, the IAC was convened almost one hundred times, occupying itself chiefly with detailed discussion of intelligence estimates prepared by all agencies under the leadership of CIA for presentation to the National Security Council. The IAC also reached agreement on a wide variety of inter-agency problems.

Other coordinating boards which figured importantly during the Smith administration were:

(1) the US Communications Intelligence Board of which the DCI became chairman in the fall of 1952;

(2) the Operations Coordinating Board (formerly the Psychological Strategy Board) directly under the NSC, on which CIA was represented, the DCI acting for a time as chairman;

(3) various primarily military intelligence coordinating committees in which CIA gained influence: the Joint Intelligence

Indications Committee (which became the Watch Committee of the IAC);
and the joint military organizations for exploitation of prisoners
of war; enemy materials, and enemy documents.

In the particular matter of inter-agency coordination overseas,
General Smith gradually gained agreements in which the influence of

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The covert services

continued to maintain their own arrangements for coordination abroad.

Perhaps the most striking changes introduced into the intelligence
system by the Smith administration were those related to the production
of "national" intelligence as defined in NSCID-3. The following
division of responsibilities was gradually evolved for production
of intelligence in this category:

(1) Estimates by the newly formed Office of National
Intelligence which relied primarily upon the IAC organization for
the material underlying these.

(2) Basic Intelligence (the National Intelligence Survey)

~~was~~ by a division under the Office of Research and Reports, acting as coordinating agent for research carried on by the IAC.

(3) Current intelligence publications by the Office of Current Intelligence (but national "indications" intelligence by an inter-agency group).

This new division of responsibilities, which involved the abrupt abandonment of the Office of Reports and Estimates, was made necessary by the pressing international situation and the demands created by the National Security Council's endorsement of the Dulles Report.

III The Inter-agency Coordination Problem

It appeared essential to all CIA directors through General Smith to organize a personal staff for interdepartmental coordination of intelligence activities, to aid him in formation of decisions ultimately to be considered by the Intelligence Advisory Board (January 22, 1946-July 26, 1947) and the Intelligence Advisory Committee (after December 12, 1947).

Admiral Souers organized such a staff (Central Planning Staff) which, during the four months of its existence (February - June 1946) conducted numerous studies of the points at which the existing intelligence organization of the government might be strengthened with reference to the national security. This staff was not primarily representative of the agencies from which the members came, but rather consisted of advisers responsible to the DCI.

General Vandenberg dissolved Souers' staff and organized an "Interdepartmental Coordinating and Planning Staff" (ICAPS) in its place. This consisted of representatives of all IAB members with a representative from the State Department as chairman. It was in part responsible to the DCI and in part to the IAC chiefs. According to the functional description issued for ICAPS, it was to "ensure" cooperative activity by each agency as well as CIG.

Admiral Hillenkoetter retained ICAPS after CIG had become CIA with much the same theoretical responsibilities as it had had before, adding to it a second staff called the "Standing Committee". This

committee differed from ICAPS primarily in terms of seniority. The ICAPS-Standing Committee system did not work well, primarily because the staffs lacked the confidence of the IAC. Admiral Hillenkoetter was not inclined to make regular use of the IAC itself in the process of coordination.

In 1948 the Dulles Committee found the system for and results of coordination unsatisfactory on several counts. The Committee, however, emphasized what it considered to be failures in coordination of national intelligence estimates, for which the main responsibility in CIA lay in the Office of Reports and Estimates. According to the Dulles Group, rather than bring about the harmony of operation called for by the requirements of coordination, ORE had tended to create friction with respect to the type of material presented in intelligence reports and estimates; the manner of coordinating their substance; and in the field of intelligence research where ORE's activities impinged on the dominant interests of other departments. As to Hillenkoetter's immediate staff system for coordination of activities, the committee

found it inadequate as constituted at the time of reporting. In place of ORE, the report proposed a small staff for estimating and a larger one for research and reports. In place of ICAPS, the Committee recommended a "Coordination Division" with somewhat broader responsibilities than those accorded to ICAPS.

Although the National Security Council endorsed these recommendations, the only changes made in accordance with them up to October 7, 1950, entailed little more than a token internal reorganization of ORE, and a change in the name of ICAPS to the Coordinating, Operations and Policy Staff (COAPS).

The disposition made of the ORE problem by the Smith administration is outlined elsewhere in this study. COAPS remained in existence until December 1, 1950, when it was abolished in favor of the Office of Intelligence Coordination (OIC). (The "Standing Committee" was retained until April 2, 1951 when it also was abolished.) No direct effort seems to have been made to establish a "Coordination Division" in accordance with the Dulles Report specifications.

OIC was established as a small staff, with Office status, to serve as an advisory, fact-finding, and management-consultant group on various kinds of inter-agency problems of an organizational, administrative, or procedural character. Though this staff was responsible to the Director, it worked primarily with the Deputy Director during its early development.

On January 19, 1951, OIC was instructed to furnish a Secretary for IAC. In this capacity, the Assistant Director for Intelligence Coordination prepared studies and agendas for the IAC and was enabled to keep in touch with policies being formulated there.

On this same date, the Assistant Director described OIC as an Office which (1) furnished aid where needed to other CIA offices, which, however, themselves carried on inter-agency coordination as it affected their own special fields; (2) assisted in making the IAC effective; (3) worked also with and through the regular meetings of the DCI with his Assistant Directors; (4) developed an intimate knowledge of the

functions and activities of the IAC agencies as well as CIA; and
(5) foresaw future problems in the course of planning in relation
to coordination.

The principal achievements of the Office of Intelligence
Coordination to 1953 were described as: (1) Regularization of certain
IAC practices and the IAC structure; (2) intelligence publications;
(3) advice on and the negotiation of NSCID's and DCID's; resolution
of jurisdictional problems among agencies regarding intelligence
activities and stimulating cooperative action to meet urgent
intelligence needs; (5) relation of services of common concern to
the rest of the community and provision of guidance to those services;
(6) support for DD/P and psychological warfare.

After January 1952, OIC was administratively responsible to
the Office of the DDI but was not absorbed into that office during
the Smith administration.

IV The Conduct of Overt Collection

The Office of Operations (OO), an amalgamation of four organizations for collecting intelligence, from foreign broadcasts, foreign documents, domestic sources

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was originally formed as part of CIG on October 17, 1946. The oldest of its constituent parts, the Foreign Broadcast Information Division (FBID), came into being in 1940 and was transferred, as an entity, to CIG on June 29, 1946. The next, the Foreign Documents Division (FDD) originated as a military agency in 1944, and it was transferred to CIG on December 1, 1946. The third, the Contacts Division (OO/C) originated within CIG for the Office of Special Operations (OSO) in July 1946. It was transferred from OSO to OO when the latter was formed.

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The first chief of the Office of Operations was ~~Brigadier General Edwin L. Sibert (October 16, 1946 - June 11, 1946)~~

followed by ~~Mr. George C. Carey.~~

By NSCID-6 of December 12, 1947, OO's monitoring activity was designated a "service of common concern" to "conduct all Federal monitoring of Foreign propaganda and press broadcasts required for the collection of intelligence information to meet the needs of all Departments and agencies in connection with the National Security".

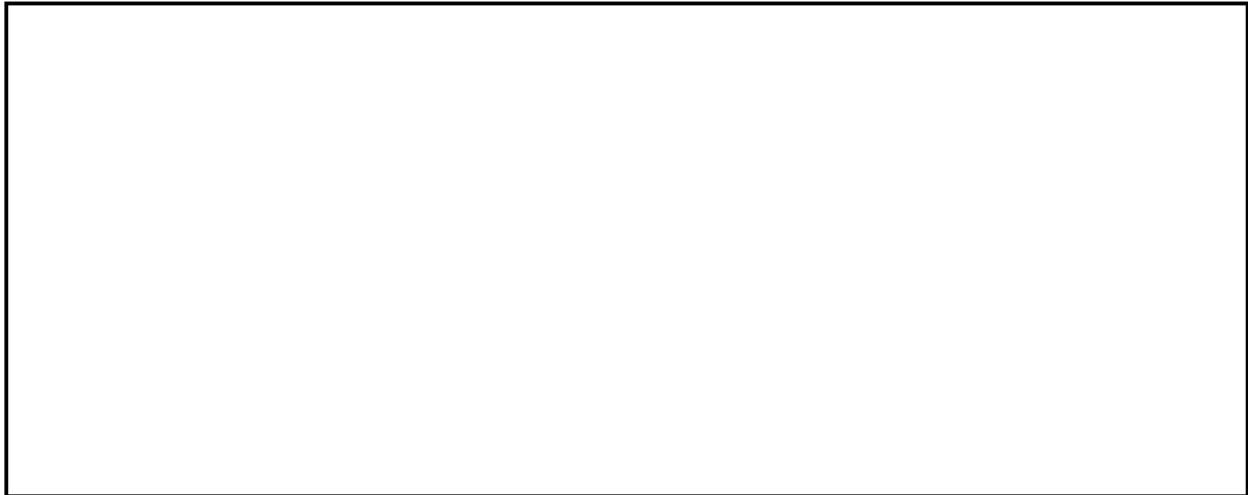
The work of OO/C received similar authorization by NSCID-7 ⁱⁿ of February 1948. Included were agreements with the FBI, which at

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first feared CIA interference with its domestic security responsibilities.



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The Dulles Report commended the work of OO in general but objected to its organization as a separate office. Instead, the Committee recommended that the Contact Division be made part of a proposed "Operations Division" in which OSO and the Office of Policy Coordination should be the other two elements; that the Foreign Documents Division should be made part of the Committee's proposed Research and Reports Division; and that the Foreign Broadcast Information Division "should probably" be administered under the same. Admiral Hillenkoetter rejected these proposals on the advice of the Assistant Director for OO.

General Smith at first seemed to agree with Admiral Hillenkoetter's position in that he told the NSC on October 12, 1950, that he opposed the OSO-OPC-OO merger. In November 1950, however, Smith changed his

views to the extent of appointing Mr. Allen Dulles as Deputy Director for Operations (DDO), to superintend the work of OO, OPC, and OSO.

This reversal of General Smith's views seems to have been

motivated primarily by (1)

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(2) the need for coordination between overt

and covert collection problems; and (3) Mr. Dulles' special qualifications for collection work.

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In spite of this new dispensation for intelligence collection (published in chart form January 19, 1951) OO remained intact as an office without important change in its functional assignments.

Nevertheless, those in charge of the Office of Operations were not convinced of the wisdom of the merger. The OO Assistant Director made representations to the DCI and others to this effect during 1951 and 1952.

The principal arguments against the merger were (1)

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This proposal was adopted in February 1952,

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In spite of the above-described changes in OO's status, the Office continued to operate productively during 1950-1953 with

respect to all its various functions

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Statistics for the period 1950-1953 show that:

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(1)

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(2) The Foreign Broadcast Information Division continued to

represent a problem of both mass and quantity, as the Division increased

its daily output, derived from monitoring an estimated

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foreign

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broadcasting stations.

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(3) The Foreign Documents Division continued to furnish a variety of translation, abstracting, and research services both for CIA and the IAC agencies. It also served as a coordination center to reduce duplication and confusion in the translation field. During the period it increased both its volume of service and the number of languages it could handle.

VI Problems of Scientific and Technical Intelligence

The exceptional importance of establishing an efficient post-war apparatus to deal with scientific intelligence from the point of view of national security was recognized from 1946 on, but a long series of difficulties arose as attempts were made to devise an appropriate system.

The first agreement of importance in this field established a Scientific Intelligence "Branch" within the Office of Reports and Estimates of CIG. This organization (which was severely criticized by the Dulles Committee on the basis of its 1948 survey) proved to be a failure for numerous reasons and was supplanted as of January 1, 1949, by an Office of Scientific Intelligence (OSI) in CIA.

In September 1949, after the unexpected Soviet explosion of an atomic bomb, this Office complained that its mission was impossible of accomplishment under current circumstances. The principal reasons given were, first, that the Office of Special Operations did not furnish adequate scientific intelligence from the field; and second, that the

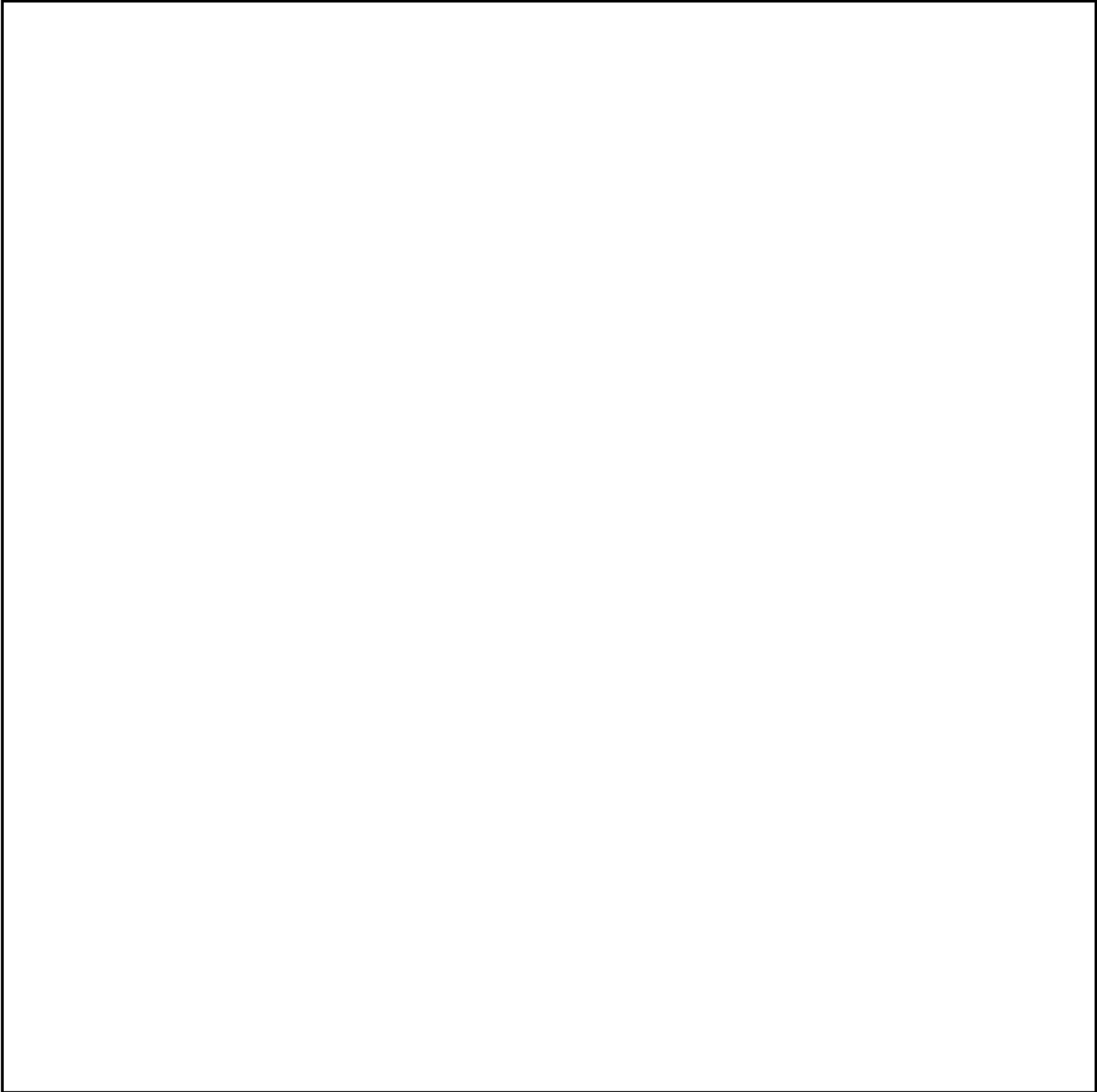
intelligence system under the IAC did not cooperate for scientific intelligence purposes. OSI proposed, in effect, that it be given a greater control over OSO with respect to scientific intelligence and that the Director should assert complete authority over the IAC.

Neither of these recommendations was carried out, but in the course of an ensuing controversy involving the Assistant Directors for Scientific Intelligence and Special Operations, the former resigned.

As a result, a new Assistant Director for Scientific Intelligence took office seven months before the coming of the Smith administration under circumstances of some delicacy with respect to the internal organization of CIA. These special circumstances, along with general difficulties attending the ORE-ONE-ORR reorganization in 1951, may have had a part in the tendency shown by the Smith administration at this time to concentrate on other problems than that of scientific intelligence. No attempt seems to have been made in 1950-1951 to transfer scientific and technical intelligence to ORR, as had been proposed by the Dulles Committee, or until 1952 to modify the arrangements

for inter-agency coordination that had been begun under the previous
administration.

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In origin it seems to have resulted from a compromise adopted by the IAC in preference to a method of coordinating medical intelligence proposed by Secretary of Defense Forrestal in March 1949. Its principal mission was to produce coordinated estimates, for which purpose it relied on sub-committees specializing in various fields considered to be of scientific and technical importance.

The Office of Scientific Intelligence itself, when General Smith became Director, was almost two years old but still largely in a formative stage of organization.

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Largely because it had been unable as yet to

recruit a large enough and competent enough staff, its achievements to October 1950 had been limited. The Office had expressed dissatisfaction on numerous occasions with the quantity and quality of material collected by the field and made available to OSI. Under regulations promulgated by the Smith Administration early in 1951, the emphasis with respect of OSI's functional responsibilities was

shifted in the direction of furnishing national scientific intelligence for use in estimates to be produced by ONE.

At the end of fifteen months, the Scientific Intelligence Committee began to show signs of fundamental disagreement. This came to a head in April 1951 with a divided vote on a motion to abolish certain sub-committees considered to be engaged in work belonging exclusively to the military establishment. As a result of this and other disagreements, the matter of departmental jurisdiction in various fields of scientific and technical intelligence came before the Intelligence Advisory Committee on August 2, 1951.

No action was taken by the IAC at this or later meetings during 1951. The Scientific Intelligence Committee continued to function as usual, though its actions were under study by OIC. In January 1952, however, it was announced to the Committee that the Joint Intelligence Committee of the Joint Chiefs of Staff had established a technical subcommittee whose work would obviously duplicate that of the SIC. Closely following this new development came two new surveys of the scientific intelligence situation.

DCID 3/3 and the SIC were to be retained, *according to the recommendations in this report -*

While the Inspector General's survey was going on, General Smith attacked the scientific intelligence problem from a new angle by requesting "interested members" of the IAC to designate representatives to an ad hoc committee on scientific and technical intelligence under the chairmanship of CIA's Deputy Director for Intelligence. This Committee was to study "existing arrangements relating to the production of scientific and technical intelligence." It reported on August 1, 1952. It concluded that no new NSCID on scientific intelligence was needed because the allocations of responsibility in this field to be found in NSCID-3 were adequate. It proposed, however, a substitute for DCID 3/3 which should interpret those allocations to the extent of differentiating between "scientific" and "technical" intelligence along the lines set forth in the Inspector General's report.

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VII Current Intelligence, Warnings, and Estimates

CIA disseminated current intelligence from February 1946 through 1950 in accordance with a requirement originally issued by the NIA at the request of the President. In 1949, the Dulles Committee recommended that this activity be discontinued by CIA, or if not, that a survey be made to determine whether the current intelligence being issued by CIA was justifiable in relation to similar material being disseminated by other agencies.

The Hillenkoetter Administration, rejecting this recommendation, continued to produce a daily summary based on dispatch traffic from all sources available to CIA; a Weekly Summary of the same; a Monthly Review produced at the request of the National Security Council, and a variety of other services designed to keep policy officers informed of the most important world developments as seen in reports from the field. At the request of the President in July 1950; CIA also issued a special daily summary of developments in the Korean War.

Immediate responsibility for production of all these lay with the

Office of Reports and Estimates

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~~was also shared with national estimates, basic intelligence, research and reporting in all intelligence fields except scientific, and a variety of other duties.~~ Nevertheless, the "excessive" time said to be devoted by ORE to current intelligence was the subject of criticism by the Dulles Committee and within ORE itself during 1949 and 1950.

The Smith Administration considered two alternative proposals regarding current intelligence when it took office in October 1950: one that current intelligence should be produced under a "National Intelligence Group"; the other that it be produced under the proposed Office of National Estimates. No serious consideration seems to have been given to dropping current intelligence activities.

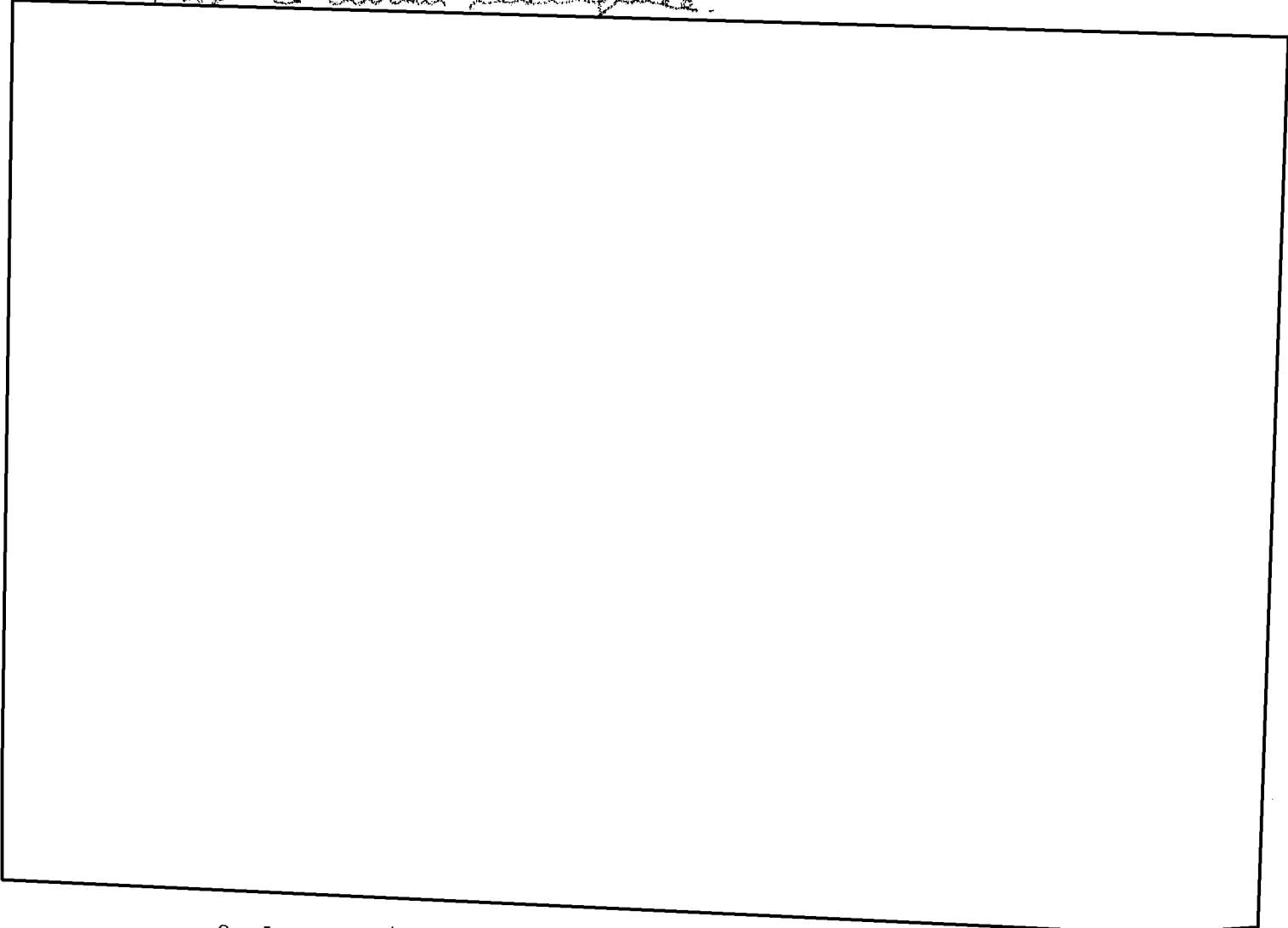
Late in November 1950, most current intelligence activities still remaining in ORE were transferred to the Office of National Estimates. This was not, however, intended to be a permanent arrangement. ONE acquired from ORE sufficient staff to produce the old CIA Daily Summary (the other publications being dropped with exception of the

Korean Summary which continued for some months to be produced in ORR).

The Summary was produced by the Office of National Estimates until

February 27, 1951. Personnel acquired from ORE in connection with

the Summary remained in ONE, *after that office moved to* STAT
Produce Current Intelligence.



On January 15, 1951, General Smith created the Office of Current Intelligence (OCI), by changing the name of the Office of Special Services.

OCI, under a new assistant director, was to consolidate all CIA current intelligence activities, including those maintained by ONE, those that had been attached to the Office of Special Services, and those that were still in ORR.

OCI was distinguished from its predecessors mainly in being concerned with current intelligence only, and through its ability to combine communications and "collateral" intelligence in "all-source" publications. Between January and June 1951, OCI built up an

organization

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and for substantive and editorial review

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of publications. The first increment of OCI personnel was drawn

from former ORE employees

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Later additions were from outside recruitment.

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The publications issued by the Office up to February 1953 were: two dailies, the Current Intelligence Bulletin and Daily Digest;

two weeklies, the Situation Summary and Current Intelligence Bulletin; the Daily Korean Summary; and occasional Intelligence Memoranda.

Two current intelligence problems apart from those solved through the creation of OCI were of special concern to the Smith administration: that of reporting vs. estimating, and that of central responsibility for warnings and hostility indications.

The first involved an adjustment between the Office of National Estimates and that of Current Intelligence within CIA and with the IAC Watch Committee outside CIA. Although the Office of Current Intelligence adopted an approach to current intelligence reporting which allowed for interpretations intended to represent the immediate opinion of OCI only, ONE found them from time to time in conflict with ONE's function with respect to estimating. Methods designed for closer intra-office coordination were adopted to resolve the conflict. As to the Watch Committee, there were complaints both that its reports bordered too closely upon estimates of the situation,

and that the reports were too little interpretive to be useful.

The Watch Committee itself was formed as an agency of the IAC during General Smith's administration to take the place of organizations within CIA and the Defense Department which were attempting to put early-warning intelligence on a systematic basis.

Although General Smith spoke with some pride of developments in current intelligence during his administration, he warned the National Security Council that CIA could not guarantee "certain" advance warning of sudden undeclared hostilities.

VIII The Office of Research and Reports

The Office of Research and Reports that was suggested by

the Dulles Committee in January 1949 was to carry on research

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and be responsible for "such other matters

as are deemed of common concern".

As actually authorized under an Order of November 1950,

however, ORR's functions were more limited than this. By the Order,

ORR acquired ORE's functions and assets

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when it began, therefore,

ORR consisted of certain residual functions and assets of ORE,

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No permanent organization for ORR was adopted until mid-January

when negotiations had been completed by the DDCI as a result of

which research in political intelligence was assigned to the Department of State while CIA took the principal responsibility in the economic field.

Other negotiations, begun under the previous administration culminated in the spring of 1951 whereby CIA was given primary responsibility for production of economic intelligence as a service of common concern. Under the authority of this Directive and with approval of the IAC, the DCI formed the Economic Intelligence Committee (EIC), through which it became possible to coordinate not only economic intelligence production as among the IAC and related agencies, but to coordinate economic intelligence activities throughout the government to an extent which had no precedent in CIA history. The nature of the new system was such that ORR became the primary research facility for material published by the Economic Intelligence Committee.

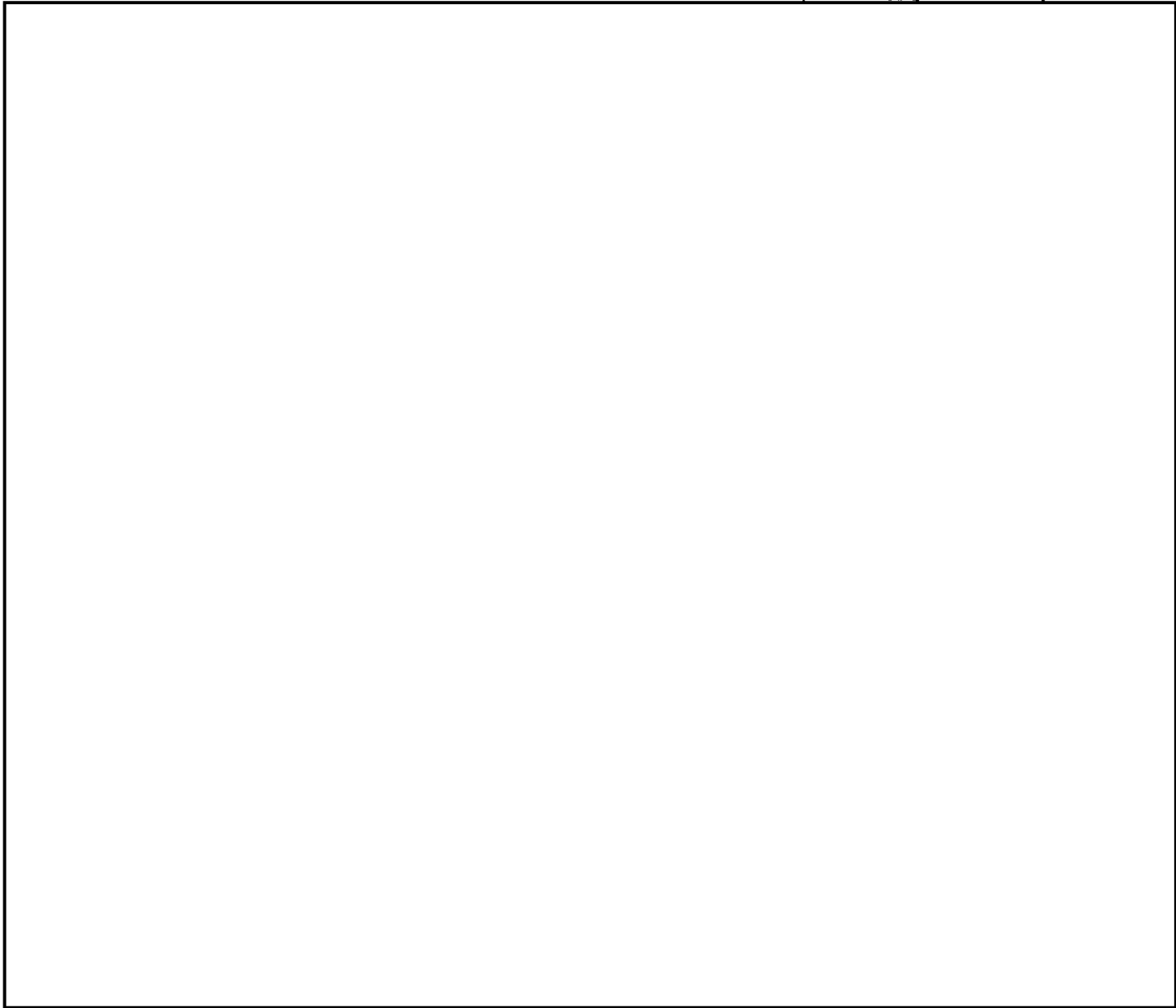
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With a view to these decisions regarding economic intelligence, ORR's Assistant Director (appointed January 15, 1951) accepted a plan

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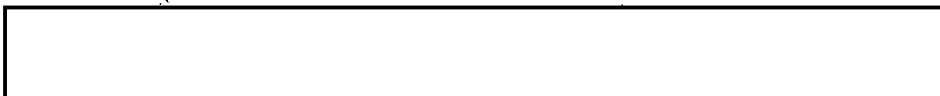
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of organization whereby the Office became a three-part unit



problems of personnel and morale were pressing in ORR during

most of 1951.



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Recruitment, therefore, became an urgent problem during

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1951-1953. The low morale existing in the Office in 1950 improved rapidly as a positive research program was developed.

Because it was, in effect, necessary during 1951 to create an entirely new office to specialize in economic research (along with appropriate machinery for the EIC), volume of production was not great during that year, except

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where work went forward as it had normally done in the past. Numerous economic reports were disseminated, nevertheless, including important

contributions to national intelligence estimates. Much of the work

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produced was considered tentative, the Office not being in position during its period of formation to publish

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The National Intelligence Surveys (compendia of "basic" intelligence) were assigned to CIA by NSCID-3 of January 1948. Earlier CIA had acquired the Joint Army-Navy Intelligence Survey (JANIS) program which had originated in 1943, and had organized a "Basic Intelligence Group" in ORE to administer the NIS program.

All contributions to the NIS were compiled by the intelligence organizations under the IAC and by other segments of the government, this work being coordinated by an NIS committee with the chief of the CIA basic intelligence unit as chairman. In accordance with NSCID-3, this Committee during 1948 produced a complete outline and requirements for Surveys on [] areas of the world, excluding Antarctica and the United States. STAT

The shift of the NIS unit from ORE to ORR in 1950 did not importantly affect its work which was, however, somewhat interrupted as a result of the Korean War. Steps were taken during 1952 to strengthen the program against future interruptions of this sort. STAT

By 1953, the NIS program was in a stronger position than ever before, having shown a [] in 1952 over 1951 [] STAT [] over 1952.

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