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DEVELOPMENT OF A NATIONAL INTELLIGENCE PROGRAM

THE PROBLEM

To recommend action pursuant to the letter from the President dated September 20, 1945 directing the Secretary of State to "take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity."

RECOMMENDATIONS

It is recommended that:

The proposed agreement establishing an Interdepartmental Intelligence Coordinating Authority and an Interdepartmental Security Coordinating Authority contained in Annex "A", be approved.

The letter in Annex "B" be dispatched.

Centralized conduct of espionage and counter-espionage activities be approved in principle, subject to the formulation of detailed organizational and operating plans.

In lieu of a central agency responsible for producing national intelligence estimates, the projected Special Estimates Staff of the Special Assistant for Research and Intelligence be assigned this responsibility in collaboration with representatives from other interested agencies as described in the last paragraph of the following discussion.

DISCUSSION

The President, in a letter to the Secretary of State dated September 20, 1945, issued the following directive:

"I particularly desire that you take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity. This should be done through the creation of an interdepartmental group, heading up under the State Department, which would formulate plans for my approval. This procedure will permit the planning of complete coverage of the foreign intelligence field and the assigning and controlling of operations in such manner that the needs of both the individual agencies and the Government as a whole will be met with maximum effectiveness. "

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The Secretaries of War and the Navy, in a letter to the Secretary of State dated September 29, 1945, transmitted the recommendations of the Joint Chiefs of Staff as to how best to "provide for the development and coordination of Intelligence activities related to the national security". Studies on various aspects of intelligence activities in the post-war period have also been produced by many other individuals and agencies, such as the Attorney General, the Director of the Bureau of the Budget, the Secretary of the Navy, the Director of Censorship, the Librarian of Congress, and a committee in the War Department. All of these studies and recommendations have been considered in the preparation of this report.

The President's directive clearly specifies that the coordinating authority must be an interdepartmental group heading up under the State Department, but it does not specify the organization, membership, or method of operation of that group. The directive also establishes the scope of activity of the group as the entire "foreign intelligence field." It does not confine it to "intelligence activities related to the national security", security(or counter) intelligence, censorship, or other specialized fields, but expands it to cover the furtherance of our national interests as well as the safeguarding of our national security. It therefore includes the commercial and cultural fields in addition to the military and national security fields. The directive further authorizes the "assigning and controlling" of all foreign intelligence operations, and the formulation of operating plans to accomplish this for the President's approval, presumably when necessary. The directive does not specifically indicate the source of the funds, personnel, and facilities required to perform the coordinating function and any other centralized operations deemed necessary. The interdepartmental character of the group, under State Department leadership, implies, however, that such funds, personnel and facilities should be provided by the participating agencies, with the principal responsibility resting upon the State Department. The various factors which require decision under the President's directive are discussed below.

#### Organization of the Interdepartmental Group

The job of coordinating the entire intelligence fields will require two separate interdepartmental coordinating bodies; one with authority in the broad field of foreign intelligence activities, and the other

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in the specialized field of internal security and security intelligence. This division is necessary because the agencies interested, points of view, and types of operations vary markedly in those two fields. Some coordination will be necessary between the activities of the intelligence and the security coordinating authorities. This coordination, however, is accomplished through the dual membership of three agencies on the two authorities and through the existence of a single secretariat serving both authorities.

Membership of the Coordinating Authorities.

The Interdepartmental Intelligence Coordinating Authority (I.I.C.A.) will consist of the Secretary of State as Chairman, and of the Secretaries of War and the Navy. Many other departments and agencies, such as Commerce, Agriculture, Treasury, Interior, Labor, etc., have an important but specialized contribution to make to and an interest in the Government-wide foreign intelligence program. The departments designated, however, are the principal users and producers of foreign intelligence. In determining what membership would be most satisfactory, the relative advantage of including all departments of interest had to be weighed against the disadvantage of creating too large and unwieldy a top group. The interests of the departments other than State, War and Navy are provided for through representation on every Committee in which they have an interest. Thus, while the omission of many departments puts a special responsibility on the State Department to represent their interests adequately, it is suggested that the membership be limited to the three principal departments.

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Membership of the Joint Chiefs of Staff is not considered necessary or appropriate since their interests and requirements are not distinct from but can be represented by the Secretaries of War and the Navy.

The Interdepartmental Security Coordinating Authority (I.S.C.A.) will consist of the Secretary of State as Chairman, and of the Secretary of the Treasury, the Secretary of War, the Attorney General, and the Secretary of the Navy. These represent the only departments with major responsibilities in that field, and other agencies having specialized interests may be adequately represented on the proposed specialized subcommittees.

Method of Operation.

The functions envisaged for the coordinating authorities are the formulation and execution of plans for coordinating all intelligence and security activities, and the conduct of certain centralized opera-

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tions where the need exists.

#### Formulation of Plans for Coordination

The formulation of plans for coordinating activities will be performed by the formation of committees covering specialized subjects, areas, or kinds of operations. The intelligence coordinating authority, for example, will establish Committees which might cover such subjects as Politics and Government; People and Social Forces; Economics; Armed Forces; Geography; etc.; and such types of operations as Standardization of Terminology, Forms and Procedures; Acquisition of Foreign Publication; Mapping and Photography; etc. Committees formed by the security coordinating authority might cover such matters as Censorship; Travel Control; Preventive Investigations; Security Advisory Services; Economic Security Controls; etc. Each Committee will consist of a Chairman responsible for the effective conduct of the Committee's affairs, and of representatives from all agencies having official responsibilities in the Committee's field of activity. The chairman will normally be detailed on a reasonably long-term basis from the agency having primary responsibility or interest in that field, as determined by the appropriate authority. Each of the other members should normally be the official in his agency responsible for the conduct of affairs in the Committee's field. In any case, he must be thoroughly cognizant of and capable of representing his agency's objectives and requirements in that field.

The ultimate objective of each Committee will be the continuing review and development of a complete operating plan to achieve most efficiently and effectively the national objectives and requirements in its field, including those of all agencies. In most cases, this will have to be done piecemeal through the preparation of a series of detailed plans covering specific problems in the field. The first step will probably determining those problems, assigning them priorities, and mapping a program along that line.

In the case of each problem, each member will submit the requirements of his agency. These will be collated and carefully studied to fill in any gaps or omissions from a national point of view.

The actual operations, such as collection, evaluation and dissemination necessary to meet these requirements will then be determined. Next, the Committee, by mutual agreement, will determine which agencies,

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accomplish the complete operation. These findings, in the form of an operating plan and in sufficient detail to permit their effective implementation, will then be submitted to the appropriate Authority for approval. The Committee will subsequently keep that plan under continuing review, and recommend promptly any desirable revisions.

#### Execution of Plans for Coordination.

The responsibility for initiating and supervising the execution of approved plans will rest with an Executive Secretary of the Authorities, who will also plan the Authorities' programs, direct and coordinate the Committees' activities, and otherwise serve the Authorities. Execution of approved plans should normally consist of transmitting such decisions to the agencies designated to implement them, and subsequently reviewing the manner of implementation.

In accordance with the President's desire for State Department leadership, the Secretary of State as Chairman of the Authorities should appoint the Executive Secretary and his deputies, and should generally be responsible for furnishing the Secretariat. This will provide for simplified, consistent and effective administration. Procurement of appropriations will also be facilitated. The alternative to this is either an independent budget, which is not possible without legislation, or dispersal of the responsibility for administrative services amongst the participating agencies. Such dispersal is undesirable.

To ensure that the officials of the various departments primarily responsible for the conduct of operations are adequately represented in the affairs of the Authorities and to assist the Executive Secretary in conducting the Authorities' affairs and implementing their decisions, there should be an Advisory Group with the Secretariat consisting of full-time representatives of the above-mentioned operating officials.

#### Conduct of Centralized Operations.

The actual performance of centralized operations will require a radically different procedure from that outlined above, and in fact should be individually designed in each case to fit the type of operation. Certain basic principles may however be established.

First of all, no central operation should be undertaken which can effectively performed by existing agencies within the normal framework of government. A centralized operation should be under

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taken only when required because no individual agency can effectively perform it. Second, when a centralized operation is decided upon, responsibility for its effective conduct should always be placed upon a single executive, who should be responsible directly to the appropriate Authority. Third, a centralized operation should be a completely cooperative venture on the part of all agencies having official responsibilities in that field. The necessary funds, personnel, and facilities should be provided by such agencies, apportioned by agreement amongst them and with the approval of the appropriate Authority on the basis of their relative responsibilities and capabilities in that field. Any other solution will not provide for maximum utilization of existing resources, will encourage over-centralization and lead to uneconomical and unnecessary duplication, and will inevitably infringe upon the basic responsibilities of existing departments and agencies. An independent budget would require an annual airing of the operation, thus jeopardizing its security which in certain cases would result in serious loss of effectiveness. Moreover, it is likely that independent agencies outside the normal governmental framework would find it increasingly difficult to obtain adequate funds. Finally, as previously noted, the President's directive, by its stress on interdepartmental activities, implies a desire for cooperative, rather than independent, operations.

#### Proposed Types of Centralized Operations.

Centralized operations which have already been proposed include the conduct of espionage and counter-espionage activities and the production of national intelligence estimates. Other types of operations which might later be given consideration as suitable to be conducted centrally are the production of topographic studies of specific areas and the maintenance of a central file of biographical records of foreign personalities.

The principle of centralized conduct of espionage and counter-espionage activities should be approved, subject to the formulation of detailed organizational and operating plans by special committees appointed by the intelligence and Security Authorities respectively immediately upon their establishment. The difficulties, dangers and expense of such activities and the imperative need for utmost security

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carefully controlled by a central Authority. Moreover, their usefulness to all agencies charged with safeguarding the national security makes it inappropriate and undesirable for any single agency to undertake such activities. Apportionment of the responsibility for providing funds, personnel and facilities will also enhance the possibilities of maintaining security. Such apportionment of funds not specifically earmarked for this purpose is understood to be acceptable to the Bureau of the Budget.

It is further recommended that the Department of State oppose the establishment of an interdepartmental or independent agency for the production of national intelligence estimates. Intelligence estimates are useless if produced in a vacuum. They are useful only when they assist directly in the formulation of foreign policy, or the conduct of foreign affairs. Any intelligence agency producing estimates must therefore be a part of somebody performing those functions. Only by such an integrated relationship can an intelligence agency keep abreast of our foreign objectives and affairs so that it may assist in their accomplishment and conduct. It has been suggested that a central agency producing national intelligence estimates could serve the President, the Secretaries of State, War and Navy and various interdepartmental groups dealing in foreign affairs. That suggestion overlooks the fact that the Secretary of State is principally responsible for advising and assisting the President in the field of foreign affairs and for coordinating the activities of all governmental agencies in that field. It is therefore appropriate that the Department of State assume the responsibility for the production of any national intelligence estimates, with the advice and assistance of other governmental agencies. Each Secretary should and will inevitably continue to look to his own intelligence agency despite the existence of a central agency.

*Int estimates sh be made objective and not influenced by preconceived notions*

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*Secretary of State has primary responsibility but Sec War & Sec Navy have responsibilities and provision should be made for each to have their own estimates prepared independently under their guidance.*

It is recommended that, in lieu of such a central agency, the projected Special Estimates Staff of the Special Assistant for Research and Intelligence undertake the production of any national intelligence estimates required by the President, the Secretary of State and other top-level or supra-departmental officials and agencies of the Government. For that purpose, the Secretaries of War and Navy should be invited to detail full time representatives from air, ground and naval intelligence to each of the four geographic sections of

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Commerce, Labor, etc., should be invited as the need arises. In TOP SECRET

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the event of disagreement within that reinforced staff, the heads of the interested agencies should attempt to reconcile such differences through consultation. Should that prove impossible, the nature of the disagreement should be clearly stated in the final estimate.

It is also proposed that the Special Estimates Staff in the Department of State, with the assistance of an adequate number of representatives from the War and Navy Departments, shall assume responsibility for preparing weekly political reports of the type that are now produced independently, and with much duplication of effort, by units in the State Department, the Military Intelligence Service and the Office of Naval Intelligence. In that manner a central reporting organization can be achieved and such organization can be given any other reporting functions of an interdepartmental character which it can perform with advantage.

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