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CHAPTER III

THE ORGANIZATION AND ADMINISTRATION OF
THE CENTRAL INTELLIGENCE AGENCY

ORGANIZATION

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

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

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

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

* General Order [redacted] of the Central Intelligence Agency, dated September 14, 1948, which is to become effective shortly abolishes the post of Executive Director.

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Counsel who handles all legal and legislative work; the Advisory Council, a small staff which represents the Director in handling communications intelligence matters; the Executive for Administration and Management, in charge of financial and budgetary matters, administrative services, supply and general housekeeping, personnel and management advice and surveys; and the Executive for Inspection and Security, responsible for internal security policies and investigations, physical security arrangements, inspections and audits. (For Organization Chart as of December 15, 1948, see Annex No. 5).

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

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

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

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

TOP SECRET

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

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

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

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

TOP SECRET

ADMINISTRATION

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

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

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

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

25X1 * General Order [] provides for the centralization under an Executive for Administration (former Executive for Administration and Management) of all budget, services, personnel and management functions, both overt and covert. This measure is, in our opinion, unsound and contrary to the principles advocated in this report.

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Executive for Inspection and Security together represent a large number of



This figure does

not include personnel performing administrative functions in other parts of the organization. The criticism directed against numbers should perhaps be more properly directed against policies and procedures (See Chapter X).

BUDGET

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

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

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

SECURITY

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

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In the Washington area, the Agency occupies about twenty buildings, all of which can be readily identified as buildings of the Central Intelligence Agency. In various cities throughout the United States, the regional offices of the Office of Operations conduct their business under the name "Central Intelligence Agency". Over [redacted] publicly identify themselves with the Central Intelligence Agency which has unfortunately become publicized as a secret intelligence organization.

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

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

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

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

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

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

certainly whose operations, should remain secret. The two should be administratively and functionally separated, and appropriate concealment should be given to the secret activities as discussed below. (See page).

At the same time, a serious endeavor would need to be made to reverse the present unfortunate trend wherein the Central Intelligence Agency finds itself advertised almost exclusively as a secret service organization so that it may be presented instead to the public as the centralized coordinator of intelligence. If so it can help to cover rather than uncover its secret operations. Even with these specific steps, in the long run only organizational discipline and personal discretion will insure security.

PERSONNEL

The Central Intelligence Agency labors under a difficult personnel problem, in part because a comprehensive intelligence organization such as this has extremely varied personnel requirements. It is handicapped in meeting them because of the sensitive security considerations which limit recruitment, the anonymity which should properly be demanded of a large part of its personnel, and the special relationships which need to be maintained with the other branches of the Government. It needs persons with highly specialized talents, as well as persons with broad experience. It requires personnel who are familiar with the problems of the agencies which the Central Intelligence Agency serves and with which it works.

The youth of the organization and the conditions of change and uncertainty which have prevailed in our central intelligence organization during the past few years have made the task of recruiting and holding personnel even more difficult.

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

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

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

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

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

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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

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

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

TOP SECRET

CHAPTER II

NATIONAL INTELLIGENCE AND THE NATIONAL SECURITY ACT OF 1947

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

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

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

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

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

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

TOP SECRET

"(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

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

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

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

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

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

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

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

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

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

TOP SECRET

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

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

CONTROL OVER THE CENTRAL INTELLIGENCE AGENCY

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

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

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

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

TOP SECRET

TOP SECRET

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

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

THE GENERAL MISSION OF THE CENTRAL INTELLIGENCE AGENCY

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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

CHAPTER IV

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

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

THE STATUTORY PROVISIONS

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

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

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

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

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

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

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

THE ORGANIZATION AND OPERATION OF THE MACHINERY FOR COORDINATION

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

INTELLIGENCE ADVISORY COMMITTEE (IAC)

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

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

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

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

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

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

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

INTERDEPARTMENTAL COORDINATING AND PLANNING STAFF (ICAPS)

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

The assigned task of ICAPS is to review the intelligence activities of the Government, and assist the Director in initiating measures of coordination for recommendation to the National Security Council. In order to accomplish this mission effectively, it should have intimate knowledge of the organizations, responsibilities, activities and priorities of the various intelligence agencies. Actually, its achievements reflect inadequate knowledge of these subjects and failure to appreciate the breadth of the responsibility of the Central Intelligence Agency for coordination of intelligence activities.

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

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

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

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

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

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

OFFICE OF COLLECTION AND DISSEMINATION (OCD)

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

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

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

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

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

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

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

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

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

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

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

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

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The original proposal for coordination in this field sub-

mitted by the departments was that an Executive Order be issued setting up an independent, departmental board to control communications intelligence; this would not have been under the National Security Council. In opposition to this concept, the Central Intelligence Agency proposed that the Director of Central Intelligence be responsible for coordinating communications intelligence activities with the advice of the Board. As finally resolved, the Board, and not the Director of Central Intelligence, was given the coordinating responsibility, but it was placed under the National Security Council and the Central Intelligence Agency was given membership.

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

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

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

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

THE DEGREE OF COORDINATION ACHIEVED

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

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

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

In our opinion, certain essentials for the improvement of this situation would include: continuous examination on the initiative of the Central Intelligence Agency of instances of duplication and failure of coordination; directives which establish more precisely the responsibilities of the various departments; and the effective carrying out of plans through close inter-departmental consultation at all levels. To a greater or lesser degree, all of these essentials are lacking at the present time.

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

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

SCIENTIFIC INTELLIGENCE*

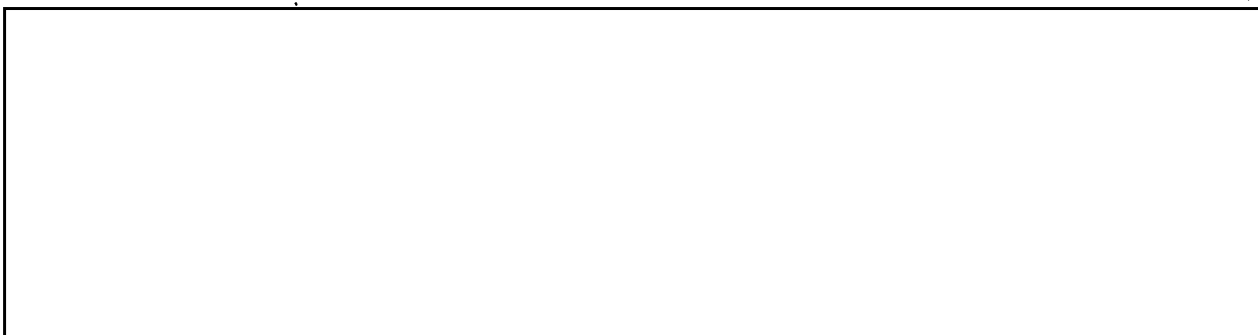
The field of scientific and technological intelligence is obviously one which may overshadow all others in importance. At the present time there is no proper coordination of effort in this field, which is one in which there is a broad area of common interest. In fact, this diffusion of responsibility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

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

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

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

DOMESTIC INTELLIGENCE AND COUNTER-INTELLIGENCE AFFECTING THE NATIONAL SECURITY



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

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

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

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

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

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

25X1 COMMUNICATIONS INTELLIGENCE

A further problem in the field of coordination of intelligence activities is that of communications intelligence.

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

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

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

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

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

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

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

PROPOSALS FOR IMPROVED COORDINATION

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

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

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

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

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

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

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

(1) The responsibility of the Central Intelligence Agency under the National Security Act with respect to the coordination of intelligence activities, which is one of the most important ones assigned to the Central Intelligence Agency, has not been fully discharged.

(2) One of the important areas where more active efforts at coordination are needed is the field of scientific intelligence. (See Chapter VI).

(3) Another important area is that of domestic intelligence and counter-intelligence insofar as they relate to the national security. To improve coordination in this area and between it and the entire intelligence field, we recommend that the Federal Bureau of Investigation should be made a member of the Intelligence Advisory Committee.

(4) The Director of Central Intelligence should be made permanent chairman of the United States Communications Intelligence Board.

(5) The Intelligence Advisory Committee is soundly conceived, but it should participate more actively with the Director of Central Intelligence in the continuing coordination of intelligence activities.

(6) The Intelligence Advisory Committee should consist of the Director of Central Intelligence and representatives of the Departments of State, Army, Navy and Air Force and the Federal Bureau of Investigation. Other departments and agencies would sit as ad hoc members when appropriate.

(7) The Interdepartmental Coordinating and Planning Staff should be reconstituted as a staff* responsible only to the Director of Central Intelligence

*In this chapter we have called this new staff "Coordination Division." It should be noted that this name and other names we have given to proposed branches of the Central Intelligence Agency are only for purposes of illustration and simplification and not given as a formal recommendation.

with the task of developing plans for the coordination of intelligence activities.

(8) The responsibilities of the Office of Collection and Dissemination with respect to the coordination of collection requirements and requests and the dissemination of intelligence should be carried out under the new Coordination Division. This is subject to future determination of the extent to which individual Offices may conduct their own dissemination.

CHAPTER VI

SERVICES OF COMMON CONCERN: INTELLIGENCE
RESEARCH AND REPORTS

PROPOSED RESEARCH AND REPORTS DIVISION

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

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

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

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

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

PERIODICAL SUMMARIES

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

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

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

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

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

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

MISCELLANEOUS REPORTS AND MEMORANDA

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

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

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

THE NATIONAL INTELLIGENCE SURVEY

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

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

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

ECONOMIC, SCIENTIFIC AND TECHNOLOGICAL INTELLIGENCE

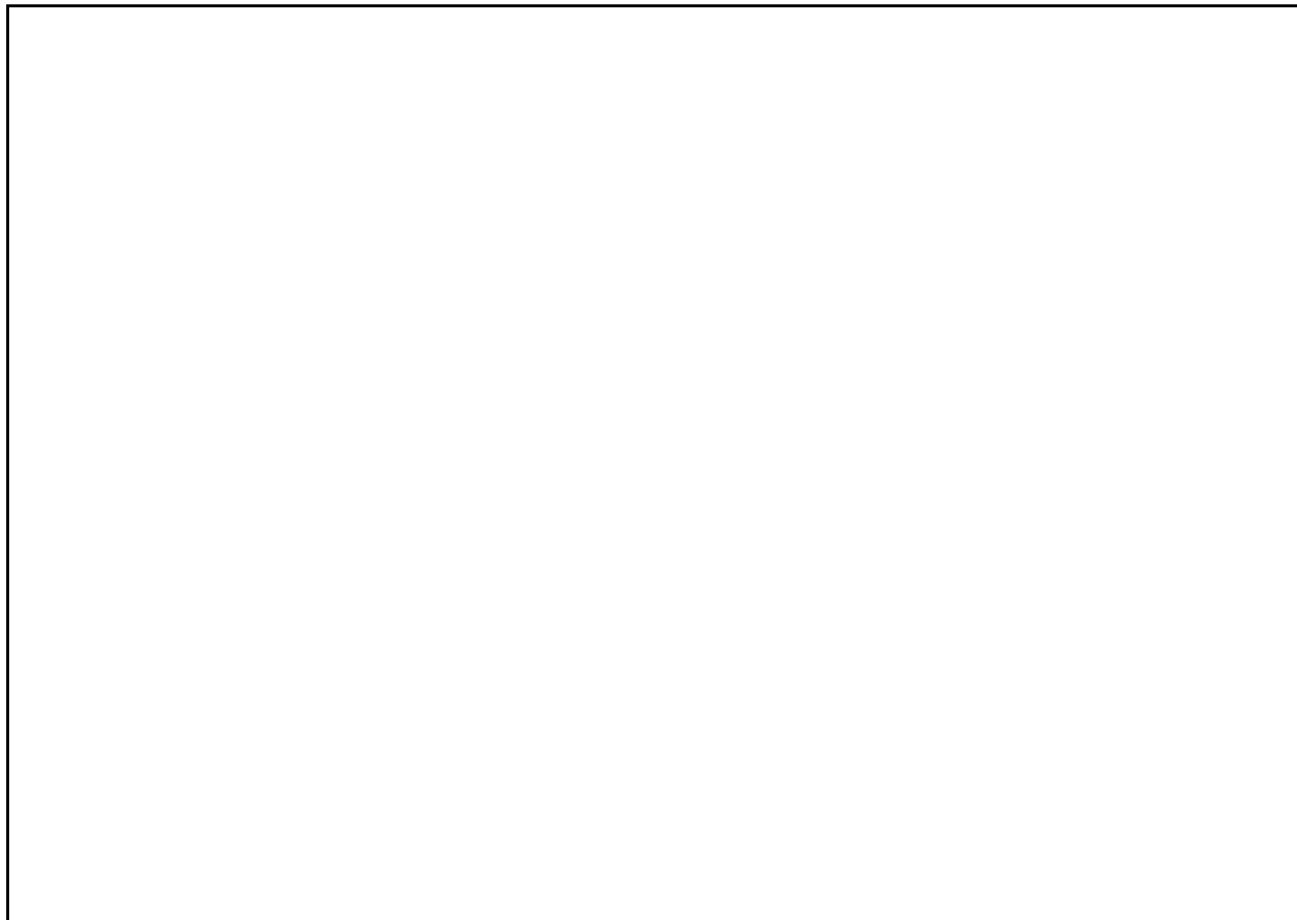
The Office of Reports and Estimates appears to have made no serious attempt to produce coordinated estimates or authoritative intelligence in the fields of economic, technological and scientific intelligence, in which no department is recognized as having a dominant interest. The six Geographic Branches,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

There has been an attempt in National Security Council Intelligence Directive No. 3 to guide the effort of the various agencies into coordinated channels by the allocation of certain fields of dominant interest, but in the fields of economic, scientific and technological intelligence, each agency is authorized to produce in accordance with its needs. Thus, it is in these fields, not left open to all agencies and for which responsibility is now

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

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Our Service intelligence agencies have been assigned fields of dominant interest and they will continue to produce military intelligence within their fields. However, even if each intelligence agency confines itself almost entirely to the production of intelligence within its field of dominant interest, there remains a vast area of common interest in such necessary supporting fields as economic, scientific and technological intelligence.

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

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

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

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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

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

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

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

CHAPTER IX

SERVICES OF COMMON CONCERN:
THE CONDUCT OF SECRET OPERATIONS

RELATIONS BETWEEN SECRET INTELLIGENCE AND SECRET OPERATIONS

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

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

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

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primarily be used for secret intelligence or for secret operations, because the attempt to press both uses may endanger the security of each.



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"The Allied experience in the carrying out of secret operations and secret intelligence during the last war has pointed up the close relationship of the two activities.



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THE OFFICE OF POLICY COORDINATION

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

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

9-2

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

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

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

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

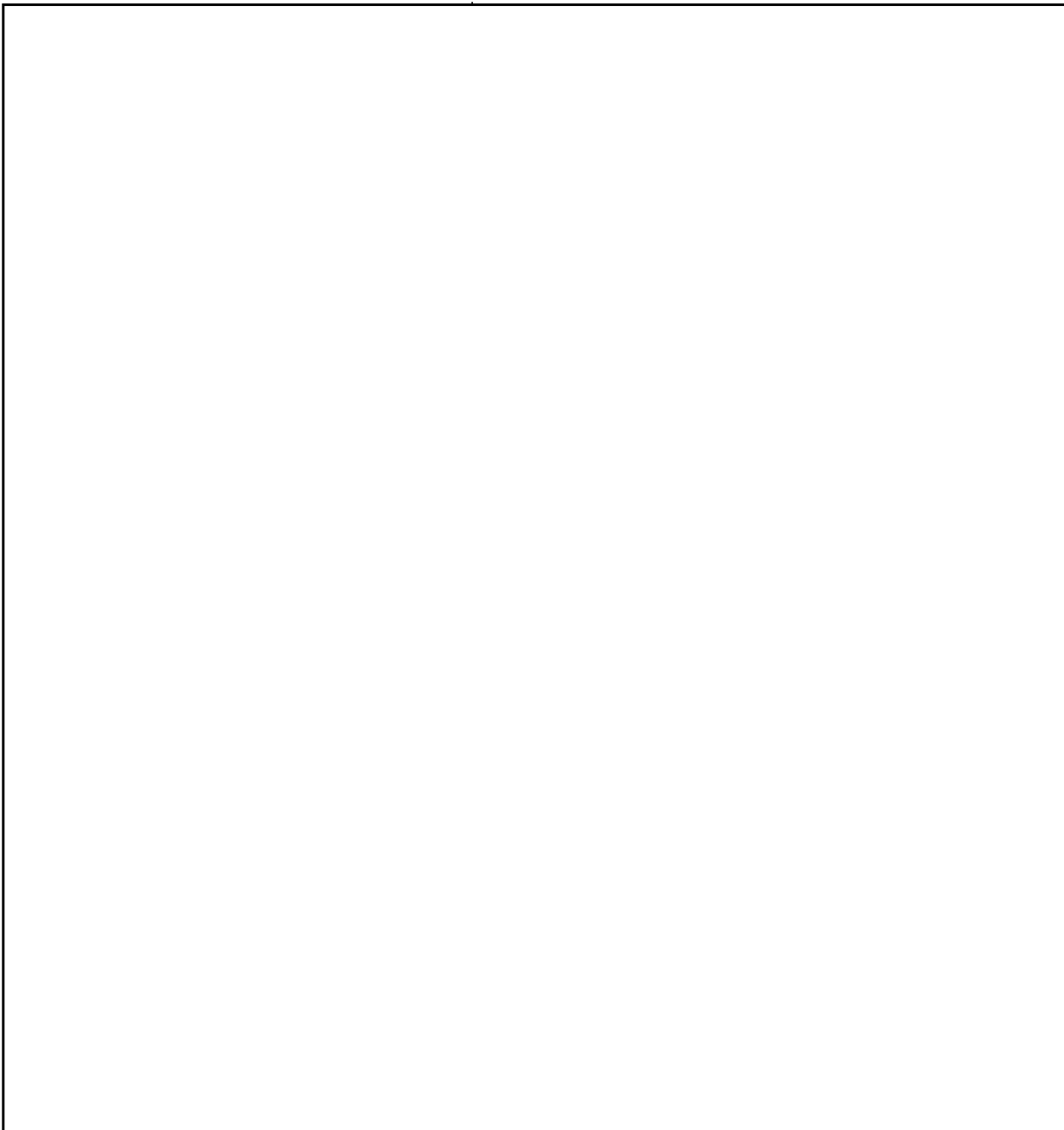
(1) The close relationship between covert intelligence and covert operations and the fact that the latter is related to intelligence affecting the national security justifies the placing of the Office of Policy Coordination within the Central Intelligence Agency.

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

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

7-11

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

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

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

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be preferable

for the Foreign Documents Branch to be a part of the proposed Research and Reports Division suggested in Chapter VI.

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7-12

CHAPTER X

THE DIRECTION OF THE CENTRAL INTELLIGENCE AGENCY

GENERAL APPRAISAL

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

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

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

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

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

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

THE QUESTION OF CIVILIAN DIRECTION

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

10-2

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

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

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

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

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

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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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

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

THE SERVICE INTELLIGENCE AGENCIES

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

Mission and Responsibilities

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

The mission of the military services involves the enormous responsibility of

maintaining the security of the United States. It is incumbent upon them to produce or obtain from other agencies the intelligence necessary to fulfill this mission. In the past this responsibility has been discharged to a large extent by the Services acting independently and without the benefit of systematic coordination. Although it is now generally recognized that such coordination is urgently needed, there is still a tendency on the part of the Services to strive to create their own self-contained systems of intelligence.

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

The general definition of Departmental intelligence must then be qualified by practical limitations and subject to the overriding necessity for coordination of the intelligence activities of all Government agencies, pursuant to the National Security Act. The need for limiting the tendency toward self-sufficiency, while

acknowledging the broad interests of the departments, is formally recognized in National Security Council Intelligence Directives No. 2 and 3. These directives assign to the Departments of the Army, Navy and Air Force, respectively, dominant interest in the collection and production of military, naval and air intelligence. The directives also recognize that the concern of the Services in intelligence is broader than their specific areas of dominant interest. Directive No. 2, concerning intelligence collection, provides:

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

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

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

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

Coordination of Service Intelligence Activities

Intelligence collection by the Services is an important part of our intelligence system. There are for example the intelligence components of overseas commands in Europe and the Far East, and attaches stationed with U. S. diplomatic posts throughout the world who are in a position through official liaison and observations to collect valuable information, besides military missions in various countries,

specialized representatives such as the Air Technical Liaison Officers abroad, and the London office of the Office of Naval Research. The Services are also the exclusive collectors of communications intelligence. All of these channels are used to meet the collection requirements of the Services as broadly interpreted by them, as well as some of the collection requirements of other departments and agencies which make use of Service collection facilities. Some duplication and overlap is inherent in the existence of several independent collection agencies operating in all parts of the world. As pointed out in Chapter IV, there has been no continuing coordination of these intelligence efforts. The only formal limitations which have been imposed by directives generally prohibit certain methods of intelligence collection, such as espionage and the monitoring of foreign broadcasts, which have been assigned to the Central Intelligence Agency as services of common concern. More effective coordination of collection is a recognized necessity and should be performed in accordance with the procedure outlined in Chapter IV. In addition, coordination can be improved within the Services either upon their own initiative or upon that of the Secretary of Defense.

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

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

In addition to basic studies in their respective fields of dominant interest, including such tasks as determining the armament potential of various countries, each Service accomplishes a large amount of research and compilation of data in the fields of economic, scientific and political intelligence, a broad area in which there is much duplication. This includes such materials as the "Strategic Intelligence Digests," containing basic military, political, economic and sociological information, produced by the Army. In our examination of the Central Intelligence Agency and the intelligence agencies of the Departments of State, Army, Navy and Air Force, we have^{also} found that there is overlapping of interest and duplication in intelligence research and production in such fields as petroleum resources, communications, industrial production and scientific intelligence.

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

Estimates are the most important type of staff intelligence produced by the Services. They are prepared to meet both the requirements of the departments and the Joint Chiefs of Staff. The present position with respect to the production of these estimates is not satisfactory. Each Service produces its estimates in accordance with assumptions, standards and methods of its own selection and gives to them the scope it desires, not necessarily limiting them to its own field of interest.

As pointed out in Chapter V, the Central Intelligence Agency has not as yet adequately exercised its function to coordinate these and other estimates, for example

those of the State Department, for the purpose of preparing national estimates. The Joint Intelligence Committee performs this task to some extent in the military sphere, but arrangements are lacking for regularly insuring that assumptions are comparable, analytical methods valid, and the final estimates as sound as possible. In our opinion, an important step toward improving this situation would be taken if the recommendations submitted in Chapter V regarding the production of national estimates were adopted.

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

In the field of counter-intelligence primary emphasis has usually been placed on the protective security function which does not have intelligence as its primary aim and has often been performed by non-intelligence personnel (for example, AF). The counter-espionage function, which has as its objective the identification of foreign intelligence personnel, methods and aims in order to defeat their purpose,

is truly an intelligence function. Exclusive responsibility for counter-espionage abroad has been assigned to the Central Intelligence Agency, except for the counter-intelligence activities of the Services necessary for their own security. In the areas of United States military occupation, this exception has been broadly interpreted and, in particular, the Counter Intelligence Corps, both in Germany and Japan, has devoted considerable effort to counter-espionage, including the use of intelligence networks extending beyond the actual areas of occupation. There has not been adequate recognition of the need for coordination of these activities with the broader responsibilities of the Central Intelligence Agency. The dissipation of trained personnel, failure to centralize information concerning intelligence targets, the risks inherent in the uncoordinated conduct of agent operations all tend to weaken our prospects of success in counter-espionage. This need for coordination also exists in the United States where, however, the responsibilities of the Services are limited in relation to those of the Federal Bureau of Investigation.*

We have seen that within the Military Establishment there is no general machinery for intelligence coordination. ⁷

The Secretary of Defense at present has no staff to coordinate the intelligence efforts of the three Services under him or to do more than exercise very general

* (Footnote) On IIC

supervision and control. He is able to initiate particular projects for coordination and has, in fact, done so with respect to the production of communications intelligence and the attache systems. He can also resolve particular controversies which cannot be settled at a lower level in the Military Establishment. Other examples of coordination in limited fields are the Joint Intelligence Committee's responsibility for estimates required by the Joint Chiefs of Staff, arrangements for the production of communications intelligence, and the existence of the Air Intelligence Division for Air Force - Navy production of air intelligence.

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

The Status of Intelligence in the Services

Recognition of the important role of intelligence in the determination of national policy and of the major responsibility which the Services have in intelligence requires that the Service intelligence agencies enjoy in their departments a position comparable to the size of the task assigned to them. In order to be able to carry out their responsibilities to their departments and to make an effective contribution toward a coordinated national intelligence system, the Service agencies must work closely with the planning and operational staffs and be fully conversant with departmental policies.

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

conceived courses. In consequence, the quality of both the intelligence officers and the attaches has risen in recent years.

The theory of rotation in the Services has been a detriment to sound intelligence work in that it militates against experience and continuity. An assignment to intelligence will probably last not more than four years, and usually a shorter time, and this obviously means that just at a time when an intelligence officer has grasped the essentials of his job, he is transferred to some other field of activity. It not only means that the individual officer cannot become highly proficient in intelligence, but that the Service intelligence agency is in a constant state of flux and is staffed mainly by half-trained Service personnel. This unfortunately is true especially on the higher levels, as witnessed by the fact that the Army Intelligence Division has had seven chiefs in seven years, and that the recently formed Director of Intelligence, Air Force, has already had two directors.

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

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

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

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In conclusion, we wish to note that ^{a measure of} great progress has been made in that the ~~attitude and disposition~~ of the service intelligence agencies have ^(manifested an attitude) become such as to create ~~an atmosphere~~ conducive to the accomplishment of effective coordination of intelligence. ^{The Services are} conscious of their grave

responsibility for averting a national military catastrophe which modern methods of warfare make all too ^(substantial a risk.) possible.

^The services have come to recognize the absolute need ^{for} that effective coordination of ~~all of the efforts of our~~

~~Government in the intelligence field be achieved~~ to the end that the intelligence ~~product~~ ^(the national policy makers) upon which ~~we~~ must act

be the very best obtainable from ^{every} ~~the~~ sources available

~~to us~~. This attitude and disposition on the part of the service agencies is in marked ^(and encouraging) contrast to the situation

which prevailed not only immediately prior to our entry into World War II but even in the early days of that

conflict itself. We ~~strongly~~ believe that, given effective leadership, ^(the whole hearted) ~~the service agencies are prepared to cooperate~~ ^{of}

~~in~~ the achievement of genuine coordination ~~in this~~ ^{field} of intelligence, can be attained.

In conclusion, we wish to note that a measure of progress has been made in that the service intelligence agencies have manifested an attitude conducive to the accomplishment of effective coordination of intelligence. The services are conscious of their grave responsibility for averting a national military catastrophe which modern methods of warfare make all too substantial a risk.

The services have come to recognize the absolute need for effective coordination to the end that the intelligence upon which the national policy-makers must act be the very best obtainable from every available source. This attitude and disposition on the part of the service agencies is in marked and encouraging contrast to the situation which prevailed not only immediately prior to our entry into World War II but even in the early days of that conflict itself. We believe that, given effective leadership, the wholehearted cooperation of the service agencies in the achievement of genuine coordination of intelligence can be obtained.