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 O.I.G. Directive No. 2, dated 5 March, 1946, states (par. 1):-"a. During the war the Federal Communications Commission (FCC) conducted a Foreign Broadcast Intelligence Service (FBIS) which monitored press and propaganda broadcasts of foreign powers. The FCC was in process of liquidating this agency when its functions ware taken over by the War Department on an interim basis on 30 December, 1945.

"b. The product of the FBIS was valuable to the State Department, to the intelligence agencies of the War and Navy Departments, to the Federal Bureau of Investigation, and undoubtedly to other departments and agencies.

\*c. Since the interim arrangements will sease at the end of the fiscal year 1946, it is essential that the ultimate disposition of former FBIS functions be determined at an early date."

2. By approval of the Director of Central Intelligence and the Intelligence Advisory Board, an <u>ad hop</u> committee of five members was established. By memorandum of the Director of Central Intelligence, dated 6 March, 1946, the personnel of the committee were designated.

3. The Committee was directed to prepare and submit recommendations as follows:-

a. Which resources, facilities, and operating functions of the FBIS should be continued in the national interest;

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b. What disposition should be made of preserved resources and familities and what assignments should be made of responsibility for condusting the preserved operating functions;

that buigetary arrangements should be made,

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II. DISCUSSION:

1. The problem, as stated above, was brought to the attention of the Director of Central Intelligence by memorandum of Lieutenant General Hoyt S. Vandenberg, A.C. of S., G-2, WDGS, dated 12 February, 1946. This memorandum, which stated alearly the G-2 position in the matter, is quoted hereafter:-

"During December 1945 the War Department was informed that the Federal Communications Commission was in process of liquidating its Foreign Broadcast Intelligence Service (FBIS) which monitored press and propaganda broadcasts of foreign powers. Although systematic severage of foreign propaganda broadcasts was believed primarily the concern of the State Department, it was also valuable as an auxiliary activity to the intelligence functions of the War and Havy Departments. Other government agencies were served by the product of FBIS. Therefore, as an interim measure only, pending any program the State Department might initiate, the War Department expanded its monitoring program to meet the meed arising from the liquidation of FBIS.

"The War Department, with the approval of the Federal Communications Commission, accordingly employed former FBIS personnel and placed them on the War Department payroll

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effective 30 December, 1945; and all PBIS facilities, including those held by lease or contract, were acquired by the War Department on loan or transfer. The War Department arranged for the renegotiation of extetanding leases and santrasts, which now constitute a charge against its current operating expenses. Pending detailed arrangements, it acquired by loan fixed facilities and equipment-owned by Federal Communications Commission necessary to continue FBIS operations.

"It is inappropriate and outside the scope of its responsibilities for the War Department to continue monitoring foreign press and propaganda broadcasts beyond the fiscal year 1946 (June 30, 1946). Another government agency should be prepared to continue the YBIS function after that date. It is therefore proposed that the Director of Central Intelligence assume respassibility for the proper disponition of the YHIS and its

related Central Intelligence functions and make the necessary recommendations to the National Intelligence Authority with a view to determining the most appropriate government agency to monitor foreign propaganda broadcasts on a continuing basis.----."

2. Pursuant to C.I.G. Directive No. 2, dated 5 March 1946 and Memorandum of the Director, C.I.G. dated 6 March 1946, the <u>ad hoc</u> committee established by the Directive and designated in the Memorandum, met at 1000 on 8 March and at 1000 on 12 March, all members being present on both occasions.

3. A study of the background of the FBIS and a survey of existing coverage, both prepared in the office of Brigadier General Carter W. Clarke

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(G-2 representative on the <u>ad hos</u> committee), were made available to the committee.

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a. The present coverage is world-wide and is accomplished through several United States-sened and -operated stations directly covering certain areas and languages, plus small U. S. staffs in London and Cairo which receive, edit and transmit material furnished them by the British Broadcasting Corporation (BBC) and the British Ministry of Enformation (MOI). The coverage and its primary product are summarized as follows:-

> 1. Based upon careful sampling of the 9,250,000 words per day emitted by 1902 short, medium and long wave Foreign transmitters, the FBIS and the British monitor some 2,102,500 words per day (22.7% of the total).

2. London (BBC) monitors approximately 1,072,500 words per

day and the London staff (US) conds 100,000 to Washington

- 3. Cairo (NOI) monitors approximately 257,000 words per day and the Cairo staff (US) sends 30,000 to Washington.
- 4. Portland, Oregon (US) monitors approximately 50,000 words per day from the Far East and approximately 101,000 words per day from Latin America. Of the total, 25,000 words are sent to Washington.
- 5. Kauai, T.H. (US) monitors 150,000 words per day from the Far East and sends 25,000 to Washington.
- 6. Guam (US) monitors 60,000 words per day from the Far East and sends 5,000 to Washington.

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7. Silver Hill, Maryland (US) monitors approximately h00,000 words per day from Europe and Latin America

and sends 35,000 to Washington.

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A total of approximately 220,000 words per day is received in Washington, of which 111,000 by wire and 109,000 by mail. This total is culled in Washington and a total of approximately 100,000 words is distributed daily to interested government agencies (10,000 words by wire and 60,000 words by mimeographed reports). The listed subscribers number over 300.

b. A poll of recipients of the daily reports (not all recipients replying to the questionnaire) shows the following:-

1. State Department (94 replies) - 64.9% consider the reports indispensible; 20.8% consider them valuable; only 5.3% consider them un-necessary.

- Navy Department (16 replies) 25% consider the reports indispensible; 50% consider them valuable; 25% consider them un-necessary.
- 3. War Department, except MIS (33 replies) 30.3% consider the reports indispensible; 27.3% consider them valuable; h2.h% consider them un-necessary.
- H. MIS recipients did not report by poll, but informal canvas shows that the majority favor continuation of the report service.

4. The results of the survey of users of the services, as indicated above, show clearly that the services now provided by YBIS are essential

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to the State Department and quite valuable to the War and Mavy Departments.

5. A study of the coverage by the various monitoring stations shows that most of the Russian coverage is accompliabed by RBC (London) and NOI (Gaire). The only United States controlled station regularly monitoring Russian broadcasts is at Portland, Oregon. It was suggested that it would be preferable to have the most important Russian broadcasts monitored entirely by a U. S. controlled station, and this might necessitate locating a monitoring station in occupied Germany. It was also realised that the existing coverage probably would require readjustments or expansion to more adequately satisfy the needs of governmental intelligence agencies.

6. The functional organisation of the FRIS, as taken over by the War Department on 30 December, 1946, is shown in Appendix D. The total personnel of the service at present amounts to two hundred seventy four (274) distributed as follows:-

a. Washington (including Silver Hill, Maryland) - 168.

b. Field offices - 106; made up as hereafter: - Portland, Oregon 34; Kauai, T.H. - 38; Guam - 8; London, England - 23; Cairo, Egypt - 3.

7. The Committee was informed that neither the State Department nor the Mavy Department had included any amounts for FBIS in its budget request for 1947, but that the War Department had included a request for approximately \$1,200,000, an amount which corresponds closely to the cost of FBIS operations during the fiscal year 1945.

III. CONCLUSIONS:

1. The committee agrees unanimously that the services performed by FBIS should be continued. All members are of the opinion that the existing

coverage will require readjustments, and probably expansion, to satisfy adequately the needs of the several intelligence agencies, and in particular it is felt that direct coverage of Russian broadcasts by U. S. controlled stations would be preferable to relying almost entirely wa

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BBC and MOI monitoring.

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2. A majority of the committee (Representatives of State, G-2 and ONI) conclude that the operation of the FBIS should become a function of the Central Intelligence Group as soon as practicable---in any event, not later than the beginning of fiscal year 1947 (1 July, 1946). The support for this majority view is summarised as follows:-

a. Paragraph 3c of the President's Directive of 22 January, 1946, states that the Director of Central Intelligence shall perform such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally. The majority of the committee feel that the FEIS falls within the category of services contemplated by this paragraph of the President's Directive and further, that the C.I.G. is the only agency in a position to insure that the common services so provided meets the separate needs of the several interested departments, bureaus and agencies.

b. The G-2 view is represented by General Vandenberg's statement (II, 1. above) that, "It is inappropriate and outside the scope of its responsibilities for the War Department to continue monitoring foreign press and propaganda broadcasts beyond the fiscal year 1946 (June 30, 1946)." The representative of G-2 offered to assign to C.I.G. an officer to direct the operation of FBIS.

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#### c. The State and the the second transmission of the second second

favored the continuation of operation of FBIS by G-2, War Department, with general supervision to be exercised by C.I.G. Later, however, the encoursed in the G-2 view.

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3. The Steering Member of the committee does not concur in the view of the other members of the committee as stated in para 4, above. This dissent is based upon the following considerations:-

a. The FRIS is being satisfactorily operated 5: G-2, War Department at the present time. It is not clear that the FRIS, although a service of common concern, "can be more efficiently accomplished comtrally".

b. War Department signal communication facilities are employed extensively by FBIS in transmitting its product and General Vandenberg's letter, quoted in II, 1, above, states that, "the War Department expanded its monitoring program to meet the need arising from the liquidation of

FBIS". The more expansion of an existing activity appears to be more economical and immediately more efficient than the outright transfer of an activity to a new agency, however "central" the new agency may be.

c. As a matter of present policy, it would appear to be unwise for the C.I.G. to assume the operation of the FBIS for the following reasons:-

> 1. Each time it takes over an operation which presently is being performed satisfactorily elsewhere, the C.I.G. sets a pattern which every agency will hasten to follow with regard to any function which it dislikes to perform, and efforts to unload onto C.I.G. all of the functions

not particularly desired by other agencies, will multiply rapidly.

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If the G.I.G. begins to take under its wing, so early in its existence, functions and operations which are being performed satisfactorily elsewhere, it lays itself open to the charge of "empire building" and its usefulness easily may be jeopardised. The measure of the success of the C.I.G. will be the degree of public confidence which supports it. The confidence of the public often is undermined by the writings of misinformed or partially informed persons and the unfavorable testimony of prejudiced witnesses.

The maintenance of the <u>status quo</u> with regard to the <u>operation</u> of the FRIS appears to be the wisest policy for the C.I.G. to recommend in this case at this time.

d. It is felt that the coordinating function of the C.I.G. can be exercised appropriately, in connection with the FBIS, by means of directives governing coverage, dissemination, etc., to be issued by the Director of Central Intelligence as required.

4. All members of the committee are in agreement that the sum of approximately \$1,200,000 set up in War Department budget estimates for fiscal year 1947, is adequate for the operation of FBIS.

IV. RECOMMENDATIONS:

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1. Unanimous recommendations:

a. It is recommended that the existing facilities and operating functions of the FBIS be continued in the national interest.

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b. It is recommended that readjustment, and where necessary, expansion of FBIS coverage be effected with a view to satisfying adequately the needs of intelligence agencies.

c. It is recommended that the sum of approximately \$1,200,000 set up for FEIS operation in the War Department budget estimates for fiscal year 1947, be supported by representatives of the C.I.G. when hearings on the War Department Budget are held in the Congressional Committees concerned.

d. It is recommended that FBIS be a continuing budgetary responsibility of the War Department.

e. It is recommended that the State, War and Navy Departments agree, through formal action by the N.I.A., to make available for the continued functioning of FBIS such communication facilities as may be  $\checkmark$ required.

2. <u>Recommendations by a majority of the Committee (the Steering</u>

Member dissenting):

a. It is recommended that the operation of FBIS be transferred from War Department (G-2) to Central Intelligence Group effective at the beginning of the Fiscal Year 1947.

b. It is recommended that all FBIS facilities, activities and personnel be transferred from War Department (G-2) control to Central Intelligence Group control.

c. It is recommended that a permanent Advisory Committee composed of representatives of State, War (G-2 and A-2) and Havy Departments and the officer in charge of FBIS operations for C.I.G., be formed; this

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Committee to meet periodically to examine the operation of FBIS and to make appropriate recommendations for change if necessary.

3. <u>Recommendations by minority of the Committee (the Steering</u>

a. It is recommended that the operation of FBIS by 0-2, WDGS, be continued for the Fiscal Year 1947, under directives as to coverage, dissemination, etc., to be issued by the Director of Central Intelligence as required to satisfy adequately, the needs of intelligence agencies.

b. It is recommended that the matter be re-examined by an appropriate Committee at some future date prior to the preparation of Budget Estimates for Fiscal Year 1948 and that such Committee submit appropriate recommendations for review by the Director of Central Intelligence.

Colonel, Air Corps, USA Steering Member.

> John D. Corcoran, Member Representing State Dept.

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Carter W. Clarke, Brigadier General, USA Nember Representing G-2, WDOS

Abel C. Sabalot, Captain, USN Member Representing Navy Dept. (Q N I)

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#### Appendices:

1997) - 1997 - 1997 President's Directive, 22 January, 1946;

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- B. C.I.G. Directive No. 2;
- C. Memorandum of the Director of Central Intelligence, 6 March, 1946;
- D. Functional Organisation of the FBIS.

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