Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

SECRET

GROWTH AND DEVELOPMENT OF THE CENTRAL INTELLIGENCE AGENCY

Presented at the

Conference of Pacific and Far East Military Attaches

held at Honolulu, Hawaii

October 24 - 31, 1947

Speaker: [redacted] AC

25X1

SECRET

DOCUMENT NO. _____
NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
CLASS. CHANGED TO: TS S C 2011
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE: 14 APR 1981 REVIEWER: [redacted]

25X1

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5
SECRET

GROWTH AND DEVELOPMENT OF THE CENTRAL INTELLIGENCE AGENCY

Gentlemen:

The Director of Central Intelligence, Rear Admiral Roscoe Hillenkoetter, has asked me to express his appreciation for the invitation to have representation at this conference, and to express his regret that he could not attend in person. He has instructed me to tell you something about the Central Intelligence Agency.

As you may recall, a representative of the Central Intelligence Group, as it was then called, gave a presentation upon the organization and functions of CIG at last year's conference of the War Department Intelligence Agencies in the Pacific and Far East areas. During the past year, substantial development of central intelligence has occurred. I shall endeavor to explain this growth and development after first giving very briefly some background information for thebenefit of those who were not here last year.

You are all aware, I am sure, that the Central Intelligence Group was created in answer to a widespread demand for an effective national intelligence coordinating body. This demand was long overdue.

We entered World War II with the Military Intelligence Service not fully prepared, either in its accumulation of intelligence or the means of producing and disseminating it. In the early stages, we had to depend largely upon our allies. However, as in previous wars, a highly efficient organization was developed before the fighting ended.

During thewar, the Office of Strategic Services performed important operating functions in some theaters; but it was not a coordinating agency, and its activities considerably duplicated those of the armed forces. Joint intelligence committees were also created and made important progress in the coordinating of intelligence policy. However, no single national coordinating agency existed, but there was complete unanimity of opinion that intelligence must hereafter form a keystone in the nation's first line of defense.

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Various plans were submitted by the major intelligence agencies, all contemplating that the central agency would require strong coordinating authority. The divergent views of all responsible federal agencies were exhaustively studied before the decision was reached. Finally, in January 1946, the President established the National Intelligence Authority by letters to the Secretaries of State, War, and Navy. The NIA, thus established, had four voting members--the three Secretaries of the Departments and the President's personal representative, Fleet Admiral Leahy. The President's letter also created the necessary staff organization for the NIA under the title, "The Central Intelligence Group". The Departments were required to furnish the necessary personnel and facilities to establish the Central Intelligence Group, and it was placed under a Director of Central Intelligence, appointed by the President and responsible to the National Intelligence Authority. The Director was authorized and directed to act for the NIA in coordinating all federal foreign activities relating to the national security to insure that the overall policies and objectives established by this authority were properly implemented and executed. In addition, NIA stated that recommendations approved would, where applicable, govern the intelligence activities of the several Departments represented therein. Therefore, a Directive by the NIA bound each of the three Departments, and the chain of command was carefully and fully observed.

In view of these relationships, the Director of Central Intelligence had to understand the viewpoints of the Departmental Intelligence Agencies and also how they would be affected by directives of the NIA. Accordingly, an Intelligence Advisory Board was established whose permanent members were the heads of the Intelligence Agencies of the State, War and Navy Departments and the Army Air Forces. Provision was also made to invite the head of any other agency to sit as a temporary member of the Board on a matter affecting his agency.

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Each permanent Board member therefore had a dual function: In addition to advising the Director of Central Intelligence, each held the organic position of Principal Intelligence Adviser to the NIA member directly over him.

The top structure for Central Intelligence that I have just described continued in effect until the very recent past. The legal authority for its existence was by virtue of the Presidential letter. However, the need for its having a firmer legal basis was well recognized and therefore appropriate action was taken to include a provision for the Central Intelligence function in the National Security Act of 1947. Under Title I thereof, the Central Intelligence Agency became legally established. Under the terms of the Congressional Act, the Central Intelligence Group changed its title to the Central Intelligence Agency on 26 September 1947 when Rear Admiral Hillenkoetter was sworn in and took office.

With the enactment of the National Security Act, the National Intelligence Authority ceased to exist and was replaced by the National Security Council. The National Security Council now consists of the President, the Secretary of State, the Secretary of Defense, the Secretary of Army, the Secretary of Navy, the Secretary of the Air Forces, the Chairman of the National Security Resources Board and certain additional members who may be designated thereto by the President under certain conditions. The Act, therefore, in effect, merely changes the title of the Central Intelligence Group to the Central Intelligence Agency, reaffirms the original functions and states that the Agency, under the direction of the National Security Council, shall discharge intelligence coordinating functions substantially the same as those originally established by the Presidential letter of January, 1946. In addition, the personnel, property and records of CIG were transferred to the Central Intelligence Agency when the Group ceased to exist last month. Following this, the National Security Council at its first meeting, directed that all the National Intelligence

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Authority directives to the Central Intelligence Group be continued in full force and effect until specifically repealed, altered or augmented by the National Security Council.

It is also contemplated that the Intelligence Advisory Board will continue to function as advisers to the Director of Central Intelligence. Just recently, a new member was added to the Advisory Board. He is the Director of Security and Intelligence of the Atomic Energy Commission, of which Mr. Lillenthal is the Chairman. This step was of major importance as it assured coordination of intelligence on Advisory Board level of all agencies having primary responsibilities for national security.

On the operating level also, provision was made for complete coordination of all intelligence related to Atomic Energy, by the transfer to CIA of the Foreign Intelligence Section of the Manhattan Engineering District when that organization was deactivated. Under the Director of Central Intelligence this Section continues to function in close cooperation with the Atomic Energy Commission. This assures the utilization of all facilities in the development of intelligence in this important program.

With this background, we will now touch on the mission, functional responsibilities and the internal organization of the CIA. Basically, the mission of Central Intelligence is one of directed coordination of intelligence activities and the production of national intelligence. The four major functions, designed to produce the best national intelligence for the aid of the President and appropriate officials are:

(1) Coordination of intelligence policies and intelligence activities of the Government.

(2) Coordination of collection and dissemination operations and dissemination of national intelligence.

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

(3) Coordination of research operations and production of national intelligence.

(4) Performance of common services for all agencies.

In order to discharge these functions the CIA has, in general, established a separate office to carry out each major function. In keeping with the idea that an office which coordinates should not also operate, a clear separation has been made; i.e., a CIA office which performs coordinating functions does not at the same time perform operating functions and vice versa. I realize that the internal organization of the CIA is perhaps of little interest to you. However, I have provided a chart showing the organizational breakdown, and will take just a few minutes to explain very briefly the operations of the major offices in order to show the close tie-in with the Departmental Intelligence Agencies on the staff and operating levels.

An Interdepartmental Coordinating and Planning Staff called "ICAPS" for short, plans the overall coordination of departmental intelligence activities and works out recommendations for the National Security Council for the establishment of major policies and objectives. The members of ICAPS are representatives of the Departments of State, Army, Navy and Air, designated by them, but under the administrative control of CIA. This group, in coordination with the Departments and Agencies, developed the policies which resulted in the publication of the NIA Directives. These Directives were published infrequently, but they still have far-reaching effect since they announce the overall policies by which intelligence operations of all agencies are coordinated. The one NIA Directive with which you gentlemen are directly concerned is NIA Directive No. 7 which provides for the coordination of collection activities in the field. I will not elaborate on this as I believe you are all familiar with it since it was circulated some time ago by the State, War and Navy Departments under appropriate instructions. As I have already mentioned, this

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

and all other NIA Directives remain in full force until further notice.

The Office of Collection and Dissemination or OCD, accomplishes the coordination of collection and dissemination through a clearing house arrangement which serves the intelligence requirements of all authorized Departments and Agencies. The basic principals are simple. Each Department determines its own requirement for intelligence information. If it is unable to satisfy its own requirement completely from its own resources, the requirement is submitted to the Office of Collection and Dissemination. OCD maintains direct contact with all agencies which may have intelligence material in their files or which have field collection facilities. It coordinates the request received, eliminates duplication, and assures that appropriate file search is made to see whether or not the material is already in Washington. If not, OCD then allocates a field collection mission to the appropriate agency or agencies. The collected material comes to the Reading Center, OCD, from where it is disseminated to the requesting agency as well as other interested agencies. The Reading Center also reviews the daily intake from intelligence agencies of the Government and assures that each item is available to every agency having a proper need for it. It now processes more than 10,000 documents a month, not counting multiple copies, and handles over 7,000 cables.

We now come to the Office of Reports and Estimates, or ORE, which is at the very heart of the intelligence problem. This Office is responsible for complete correlation and evaluation of intelligence relating to the national security. Copies of all material received in the Reading Center go to ORE. This includes intelligence studies produced by the intelligence agencies as well as all raw information. ORE depends upon the agencies' finished intelligence as the principal basis for CIA Studies. However, ORE researchers must also read the daily intake of raw information for two important reasons; first, ORE must be continually expert on the world situation and be alert

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5
SECRET

to decide when a special estimate should be submitted to the President on CIA initiative; second, ORE must be continually ready to prepare any intelligence study or estimate upon call from the President or the National Security Council. Close liaison is maintained with the Research Divisions of the principal departmental intelligence agencies and ORE depends upon them for help in the preparation of national intelligene estimates. All intelligence reports prepared by ORE are coordinated with the intelligence agencies and substantial dissent by any of them is noted in the published CIA report.

ORE prepares CIA daily intelligence summaries, weekly summaries, and special evaluations for the information of the President, the National Security Council and selected high-level offices. In addition, it systematically produces intelligence studies based on the current situation and objectives of the National Security Council. ORE has also taken over the production of basic intelligence formerly included in the Joint Army-Navy Intelligence Studies, called "JANIS", and in the War Department Strategic Intelligence Digest, called "SID".

The CIA activities so far described have been staff or coordinating functions rather than operating functions. However, the CIA is also charged with performing, for the benefit of departmental intelligence agencies, such services of common concern as can be more efficiently accomplished centrally. For this purpose two operating offices have been established; the Office of Special Operations, and the Office of Operations. The Office of Special Operations has special security problems, of which I believe you are all aware. Generally speaking, it performs for CIA all espionage services abroad for the benefit of the appropriate federal intelligence agencies. I would like, however, to clarify several points with regard to this clandestine operation. It was not designed, nor intended to replace existing covert operations of any of the departments. It was designed, and is being developed to cover areas not covered by the departmental services. In other words, it fills the gaps in

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5
SECRET

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5
SECRET

the covert intelligence collecting network.

Another point that I should like to make clear is that, contrary to the impressions of some, the secret or special operations are not synonymous with central intelligence. Certainly, clandestine intelligence activity is a very necessary operation, and it is necessary for the CIA to engage in it to some extent. However, it is not the principal preoccupation of this agency as many have been led to believe by some loose talk and unfortunate publicity.

It has been estimated that only about 10% of all intelligence is obtained by clandestine methods. There are certain times, certain conditions, and certain critical periods when there is a wall of secrecy put down over various critical areas, and you have to have some means of digging information out. At the same time, of course, the information you want is the information which the government concerned most wants to conceal. Clandestine methods offer the only solution so it does, therefore, round out the intelligence collecting network. It is a very important part of our intelligence operations; it just should not be over emphasized. The great bulk of intelligence engaging the time of the CIA and the departments results from the efforts of you gentlemen who are operating in the overt field. You will note that Special Operations is but one of the two operating offices of CIA. Your Special Operations problems shouldnot, therefore, be freely discussed with every CIA representative you meet until you know he is from the Office of Special Operations.

All the other operating functions of a service nature are concentrated in the Office of Operations. An example of this type service is the monitoring of press and propaganda broadcasts of foreign powers. This monitoring has frequently brought the first information of important events behind the Iron Curtain. The coverage is world wide; and daily transcripts covering varied fields of subject matter are distributed at high speed to all authorized agencies. Stations located throughout the world intercept [redacted] words daily in thirty-nine languages the dialects. [redacted] 25X1 25X1 25X1

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5
SECRET

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

25X1

[redacted] Approximately 120,000 words are filed daily by teletype to Washington. More than 1,000 copies of mimeographed daily reports containing about 75,000 words are distributed to Washington addresses. Special summaries such as the "World Reaction to the Marshall Plan" are prepared and distributed as required. 25X1

[redacted]

Still another common service of the Office of Operations is the exploitation of foreign documents. All the [redacted] ocuments, formerly 25X1

SECRET
Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

25X1

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5

which is made up of the heads of the departments concerned with national security. The Director of Central Intelligence has as advisers, the Chiefs of the Departmental Intelligence Agencies. Getting down within the CIA organization, we also find the same strong departmental representation in each CIA office. The CIA personnel are obtained from two sources, first, each department assigns a quota of key personnel to the Group for tours of duty of about two years, thus assuring a coalescence of departmental views and interests. This is the type of assignment that members of this audience may some day hold. The other source of personnel is direct employment by the CIA under Civil Service procedure. Generally speaking, the same departmental representation is found among the civil service employees. I will cite the case of the Office of Collection and Dissemination with which I am connected, as an example of the balance maintained in the assignments of key personnel, and the professionals of civilian status: The Assistant Director, OCD, is a Captain, Navy; the Deputy, Colonel, Army. The Chief, Collection Branch, Colonel, Air Forces; the Chief, Dissemination Branch, State Department representative. In my own Branch, which is Requirements, there are two former Navy officers, two former Air Force officers, and three former Army officers, all of them holding reserve commissions.

I mention these facts because we believe it is important that you know that CIA has been generally successful in providing for balanced departmental representation in each of its major offices, so that the interests of each service receives proper consideration. You may rest assured that fellow members of your own service, each of whom has a personal interest in that particular service, have a part in any action taken by the CIA which affects your service.

Approved For Release 2002/10/10 : CIA-RDP80R01731R001400140001-5