

21 July 1947.

MEMORANDUM ON THE INTELLIGENCE PROVISIONS OF THE HOUSE
AND SENATE VERSIONS OF THE NATIONAL SECURITY ACT OF 1947.

1. (a). The provisions of Section 102 of S. 758 relating to the Central Intelligence Agency are thoroughly acceptable and workable.

(b). However, if Section 102 of S. 758 is adopted by the Conference, it would be preferable if it were also to include Section 105 (a) of H.R. 4214. It gives the Director the right to terminate the employment of any employee of the Agency. This provision is extremely important at the present time, in order that any possible subversives may be removed at once.

2. Section 105 of H.R. 4214 as originally introduced is also thoroughly acceptable and workable. It is, in fact, preferable to Section 102 of S. 758. It is to be preferred for the following reasons:

(a) The salary of the Director is placed at \$14,000, which is more in keeping with the relative importance of the position within the national security structure.

(b) It authorizes the Director to terminate the employment of any employee.

(c) It more clearly delineates the functions of the Agency instead of relying on the provisions of the Executive Order of 22 January 1946.

3. By amendment, the House of Representatives has changed Section 105 (a) of H.R. 4214 to provide that the Director of Central Intelligence shall be selected only from civilian life. Previous versions had provided that the Director be selected from civilian or military life. It is hoped that the Conference will restore the provision permitting the President to select the Director either from civilian or military life. In this connection, the provisions of S. 758, attached as Tab "A", or the provisions of H.R. 4214 as originally introduced, attached as Tab "B" herewith, are both thoroughly acceptable. In addition, as an alternative, a possible compromise is submitted as Tab "C", attached hereto.

4. The provision requiring that the Director may be appointed only from civilian life appears to place an unfortunate restriction upon the Presidential powers of appointment. The President should be allowed to exercise his discretion in appointing the best available Director, either from civilian or military life, depending upon the qualifications of personnel available at the time of appointment. The necessity of Senate confirmation of the Director would eliminate the possibility of a poor selection; and the Senate in its discretion would probably reject appointees from the armed services if they were continually rotated for short tours of duty. If at some time in the future we were plunged into another war, the most qualified appointee might well be a reserve officer who had entered on active duty from civilian life. The proposed restriction would prevent his appointment by the President. Such a limitation would have prevented the appointment of the Director of Strategic Services during the past war.

5. The main argument advanced in the House of Representatives against a military Director was that the people "are afraid, in this particular instance, over the possibility that there might be some sort of a Gestapo set up in this country. ... You might have a military officer who would like to do that; ... if you require a civilian to be the head of this Agency, then you will not have any danger with in the Agency of military influence or military dictatorship." It is felt that this argument is an excessive interpretation of the facts. The Agency deals only with foreign intelligence. It would have none of the publicity necessary for building its Director into a public figure of such stature that he might aspire to dictatorship. The Director of Central Intelligence, heading a small organization, would never be in a position to build up that great popular following upon which dictatorship must be predicated.

The New York Herald-Tribune, commenting editorially on the above quotation, on 21 July 1947, stated that it "reflects the ancient American misunderstanding and suspicion of the military and military affairs, which throughout our history has always made sound military policy so difficult for the civil arm."

TAB "A"

§. 758.

SEC. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof, to be appointed from the armed services or from civilian life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$12,000 a year.

(b) Any commissioned officer of the armed services may be appointed to the office of Director, and his appointment, in, acceptance of, and service in, such office shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer on the active list shall, while serving in the office of Director, receive the military pay and allowances payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$12,000 exceeds the amount of his annual military pay and allowances.

Sec. 105 (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director 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. The Director shall receive compensation at the rate of \$14,000 a year.

(b) (1) If a commissioned officer of the armed services is appointed as Director then--

(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$14,000 exceeds the amount of his annual military pay and allowances.

TAB "C"

Sec. 104 (a). There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director may be appointed from the Armed Services or from civilian life by the President, by and with the advice and consent of the Senate.

The Director shall receive compensation at the rate of \$110,000 a year.

Provided, however, that, if the appointment be made from the Armed Services, such appointee shall not, so long as he may serve as such Director, be entitled to any status, office, rank or grade he may occupy or hold in the Armed Service or any emolument, perquisite, right, privilege or benefit incident to or arising out of any such status, office, rank or grade;

Provided, further, that, if a Director be appointed from the Armed Services, he shall, upon either removal from or relinquishment of such office of Director, be restored to any status, office, rank, or grade he may occupy or hold in the armed services, and shall receive any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade which he would otherwise be entitled to or would be entitled to receive had he remained in the Service instead of accepting the office of Director and acting as such;

Provided, further, that, in the event of the death of the Director, so appointed from the Armed Services, while serving in such position, his dependents shall be entitled to such compensation and benefits as they would have been entitled to had such Director maintained his status in the Armed Services; and

Provided, further, that, in the performance of his duties as Director of Central Intelligence, such appointee shall be subject to no supervision, control, restriction, or prohibition, (armed services or otherwise), other than would be operative with respect to him if he were in no way connected with the national military establishment or any component thereof.

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Reud 9768 -

1579 HR 2319 - Mr. Hoffman, Com. on Exp. in Res

8991 HR 4214 - (15 July) Hoffman

9116 Reported Back H. Rept 4961

9396 Debated, amended passed House, 93

9457 Preceding votes, Com. on Res, (S)

missing pp 9563 (9397) Burt
9398

5758

PP

1607 McGurney. Committee on Armed Services.

1607

6427 Reported w amend 5, Rept 239

8291, Debated

8301

8326

8489

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8517

8527 Amended, passed Sen., title amended 8527

8652 Referred to House Committee on Expenditures -

The Executive Department, Amended - passed

7457 House (in lieu of HR 4214)

9457 Title amended, - House insists upon amend

7458 Also conferees - Conferees opposed.

9473 Senate disagrees to House amend & agrees to amend
Conferees oppd.

Conferees Rept # 1051 submitted

10181 agreed to 10191 -

9912-9923 Submitted Senate - agreed to - 26 July

10291-10522 Examined and signed - 10291, 10522

10412 Presented to President. 10412 - 26 July

Approved Public, No. 25 [10567