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FRANKFORT SPEECH

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ORGANIZATION AND FUNCTIONS OF THE CENTRAL INTELLIG

(First speech by member of CIG contingent at the second Frankfort Conference, May 1947)

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The Central Intelligence Group delegation greatly appreciates the invitation to attend this conference. Meetings of this type promote the over-all intelligence coordination which is a chief objective of the National Intelligence Authority.

Some members of this audience will almost certainly hold key positions in the Central Intelligence Group in the future, while others will deal directly with the CIG. Therefore, CIG is especially glad for a chance to explain something of its functions and problems. Your understanding and sympathetic help are assets that CIG will always value.

The Central Intelligence Group was created in answer to a widespread demand for an intelligence coordinating mechanism. The present organization is best understood as but one stage in a long-range growth, far from complete. Since its creation in January 1946, the Group has experienced two radically different forms of organization, and it may undergo further alteration in connection with the merger bill now being considered by Congress. As a result of legislation, the functions of CIG may be transferred and to some extent revised, but the broad principles of operation which have already proven successful and desirable are expected to continue without material change.

In attempting to explain the historic deficiencies which made the Central Intelligence Group necessary, some press writers have suggested that intelligence is a new idea to the American people - that we are by nature averse to espionage. This strikes me as fiction. It appears to overlook the very fundamentals of American civilization. It overlooks the fact that the thirteen colonies were settled by Englishmen, who were not by nature averse to espionage. It forgets that American spirtual training is based on the teachings of Moses, who sent highly organized spies into the promised land. It forgets that the

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American people revere Nathan Hale. It forgets that espionage was fashionable in the Civil War, all the way from Baltimore to Louisville.

The American intelligence shortcoming has not been aversion to espionage; rather, it has been a supreme indifference to the whole intelligence problem, based on a feeling of secure isolation. This delusion formerly caused a chronic failure to maintain an efficient intelligence system in peacetime. The start of each war has caught us unprepared, and brought a last-minute effort to create an intelligence system overnight. Initial results were invariably inefficient. For example, at the start of the Civil War there was no federal Secret Service, and the Departments of State, War and Navy began to hire detectives separately. In this confusion and discoordination of 1861, Allan Pinkerton was called from his civilian detective agency in Chicago to grapple with the difficulties in Washington. Under McClellan, he directed the Secret Service operations of the Army of the Potomac, and he made reports directly to the President, the Secretary of War, the Provost Marshal General and the General-in-Chief of the Armies. The country soon had its first great opportunity to learn that hastily improvised secret intelligence is not a good substitute for organized coordination of trained intelligence services. The Secret Service made huge mistakes in its 1862 reports, invariably doubling the true size of the Confederate forces. This misinformation misled the field commanders as well as officials in Washington, so that the campaigns of 1862 were frustrated by over-caution. If this intelligence failure was not the <u>only</u> cause, it was at least a <u>major</u> cause of prolonging the war, at the cost of 270,000 battle casualties after 1862.

The lesson was not heeded - not by the public, nor by Congress, nor even by the War Department. No system was established for peacetime coordination and development of government intelligence activities. Military Intelligence was constantly neglected and its organization was not even continuous. Toward the end of the 19th century, the Military Information Division was in The Adjutant General's Office. After the Spanish-American War, intelligence became temporarily a function of the newly created General Staff, but soon passed to the War College Division, where it remained submerged for a

number of years. We entered World War I without an adequate intelligence service, and it was not until 1918 that intelligence resumed its place as a division of the War Department General Staff.

After World War I, intelligence was starved by diminishing appropriations. Starting with $300,000 for military intelligence activities in 1921, the amounts declined steadily, falling to less than $58,000 in 1931.

As late as November 1941, the Joint Army-Navy Board was reorganized without intelligence representation, although G-2 of the War Department General Staff had recommended that the heads of military and naval intelligence should be included. We entered World War II with the Military Intelligence Service not fully prepared, and in the early stages had to depend largely on our Allies. However, as in previous wars, a monumental effort was made, and a highly efficient organization was developed before the fighting ended.

The need for interdepartmental coordination had been recognized before the war, and the President had appointed General Donovan as Coordinator of Information. However, his office was shortly changed to the Office of Strategic Services, and functioned as an operating agency under the Joint Chiefs of Staff. While it performed important operating services in some theaters, it was not a coordinating agency and there was considerable duplication between its intelligence activities and those of the departments. The main improvements in coordination resulted from voluntary action. For example, by its own initiative the War Department coordinated all American intelligence activities related to German secret weapons, and coordinated the planning of departmental intelligence objectives in the Far East. Also, the Joint Intelligence Committee took important steps in coordination of intelligence policy. However, there was no single official coordinating agency and the coordination was not complete. A clamor arose for the establishment of such an agency, backed by unparalleled unanimity of public opinion that intelligence must form a keystone in the nation's first line of defense.

Various plans were submitted by the major intelligence agencies, all contemplating that the proposed central agency would require strong coordinating authority. There was less agreement, however, on the question of whether the

central agency should have operating functions. For example, Secretary Stimson expressed the War Department view that the coordinating authority should not itself engage in operations since its inevitable tendency would be to expand its own operating functions at the expense of the other agencies.

The divergent views of all the responsible agencies were exhaustively studied before the decision was reached. Finally, on January 22, 1946, the President established the National Intelligence Authority by letter to the Secretaries of State, War and the Navy. It was an exceptionally sound compromise. It gave strong coordinating powers, and - while not specifically mentioning intelligence operations - provided for certain common services to be performed for the benefit of existing agencies.

The opening paragraph of the President's letter shows that the system rests upon the existing authority of the Cabinet officers to whom the letter is addressed. This paragraph reads:

> "It is my desire, and I hereby direct, that all federal foreign intelligence activities be planned, developed, and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the National Security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose."

Obviously, the three Secretaries need a staff to handle the details of this responsibility, and the staff must have a director. Therefore, the President's second paragraph created the necessary staff organization, under the title: "The Central Intelligence Group." The President provided its general charter by enjoining the three Secretaries as follows:

> "Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective departments, which persons shall collectively form a Central Intelligence Group and shall, under the Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof."

The NIA thus has four voting members - the Secretaries of State, War, and the Navy, and the President's personal representative - at this time his Chief of Staff, Fleet Admiral Leahy. The Director of Central Intelligence performs a dual function: he is a non-voting member of the NIA, and is also the Director of the staff which assists the NIA. The first Director was Rear Admiral Sidney W. Souers, a former Deputy Director of Naval Intelligence. He was succeeded

after six months by Lieutenant General Hoyt Vandenberg, who in turn was recently succeeded by Rear Admiral Roscoe H. Hillenkoetter, lately the U.S. Naval Attache in Paris. These changes have been rapid, but have assured steady infusion of new thoughts during the organizing period. Once CIG is established on a firm legislative basis, continuity of policy will be a major consideration. It is hoped that Directors will thereafter hold office for five years at least.

The National Intelligence Authority has laid special stress on coordination. Recognizing the need for daily actions and decisions based on their over-all direction, the three Secretaries have charged the Director of Central Intelligence as follows:

> "The Director of Central Intelligence is hereby authorized and directed to act for this Authority in coordinating all federal foreign intelligence activities related to the national security to insure that the over-all policies and objectives established by this Authority are properly implemented and executed."

The NIA has also published the following fundamental implementing policy:

> "Recommendations approved by this Authority will, where applicable, govern the intelligence activities of the separate departments represented herein."

Thus, a directive by the National Intelligence Authority binds each of the three Departments. It is in no sense an intrusion by an outside agency; rather, it is a command of each Secretary to his own Department. Thus, the chain of command is carefully and fully observed.

In view of these relationships, the Director of Central Intelligence must understand the viewpoints of the departmental intelligence agencies, and must know in advance how they will be affected by directives of the NIA. Therefore, the President's letter established an Intelligence Advisory Board, whose permanent members are the heads of the intelligence agencies of the State, War, and Navy Departments, and the Army Air Forces. Also, provision is made to invite the head of any other intelligence agency to sit as temporary member of the Board on a matter affecting his agency. Each permanent Board member has a dual function: in addition to advising the Director of Central Intelligence, each ordinarily holds the organic position of principal intelligence adviser to the NIA member directly over him.

So much for the top structure. Let us now examine the Central Intelligence Group itself. First, where do the personnel come from? In compliance with the President's letter, each department assigns a quota of personnel to the Group for tours of duty of about 2 years. These departmental personnel hold key positions in CIG, thus assuring a coalescence of departmental views and interests. This is the type of assignment that members of this audience will be likely to hold from time to time. The other source of personnel is direct employment by CIG, under Civil Service procedure and from CIG funds. These employees constitute the preponderance of CIG personnel strength, and provide the continuity and stability. Some of these employees will work up to key positions which are now available only to departmental personnel.

When first organized, CIG depended upon the member departments for budgetary support; however, CIG now has its own budget which, for security purposes, is hidden within the departmental budgets of the member agencies.

With this background, we are ready to consider how the Central Intelligence Group functions. In general, a separate Office of CIG has been established to carry out each major function assigned by the President's letter. In keeping with the idea that an Office which coordinates should not also operate, a clear separation has been made: i.e., a CIG Office which performs coordinating functions does not at the same time perform operating functions, and vice versa.

The Office which handles policy coordination is the Interdepartmental Coordinating and Planning Staff - called "ICAPS" for short. Its job is to plan the over-all coordination of departmental intelligence activities and to work out recommendations to the National Intelligence Authority for the establishment of major policies and objectives. ICAPS is headed by a Chief, responsible to the Director of Central Intelligence. The members of ICAPS are representatives of the State, War, and Navy Departments, and of the Army Air Forces, designated by them but under the administrative control of the Director of Central Intelligence. This group maintains liaison with the appropriate departments and agencies and works with agency representatives to develop the programs for adoption by the NIA. The resulting NIA Directives are published infrequently, but they are very far-reaching since they announce the over-all policies by which intelligence operations of all the agencies are coordinated.

Operating coordination of collection and dissemination is accomplished through a clearing house arrangement which serves the intelligence requirements of all authorized departments and agencies. This service is performed by the Office of Collection and Dissemination, called OCD, and headed by the Assistant Director for Collection and Dissemination. The basic principles are simple. Each department determines its own requirements for intelligence information. It attempts to satisfy each of its requirements by using its own resources, except when it is obvious that the material could be more readily furnished by an outside agency. If it is unable to satisfy its own requirement efficiently, it then appeals directly to the Office of Collection and Dissemination. OCD maintains direct contact with all Washington agencies which may have intelligence material available in their files, or which have field collection facilities. OCD makes a continual survey of all authorized agencies to ascertain their needs for intelligence material. It coordinates the requests received, eliminates duplication, and assures that appropriate file search is made to see whether the material is already in Washington. If not, OCD then allocates a field collection mission to the appropriate operating agency or agencies. These allocations are based upon the clearly known primary interests and capabilities of the agencies, and upon responsibilities determined by the NIA. Currently, about 250 requests are received monthly, and the number increases steadily. Examples of agencies served include the National War College, the FBI, the Departments of Interior, Agriculture, and Treasury, the Joint Research and Development Board, the Public Health Service, the Library of Congress, the Tariff Commission, and others. The collected material comes to the Reading Center of OCD, which has it disseminated to the requesting agency as well as to other appropriate agencies. The Reading Center reviews the daily intake from all intelligence agencies of the Government and assures that each item is available to every agency having a proper need for it. It processes more than 8,000 documents a month, not counting multiple copies, and handles approximately 10,000 cables. The Reading Center is at present manned only by CIG personnel, but plans under way will shortly make it possible to invite the major departmental agencies to visit the Center daily, to select and screen material for their own departments.

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 intelligene relating to the national security. ORE is headed by an Assistant Director, and is staffed with research subdivisions organized principally along geographical or regional lines. Copies of all material received at the Reading Center go to ORE. This includes finished intelligence studies produced by the departmental intelligence agencies, as well as raw information. ORE depends upon the agencies' finished intelligence as the principal basis for CIG 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 to decide when an estimate should be submitted to the President on CIG initiative; second, ORE must be continually ready to prepare any intelligence study or estimate on call from the President or the NIA. ORE maintains close contact with the research divisions of the principal departmental intelligence agencies, and depends upon them for help in the preparation of national intelligence estimates. In these estimates ORE attempts to achieve the maximum objectivity; from a neutral position, its researchers can evaluate and analyze without regard to departmental preoccupations or pressures. Nevertheless, it is very important that the President and the NIA shall have the full benefit of departmental views. Therefore, all intelligence reports prepared by ORE are reviewed by the intelligence agencies whose heads are permanent members of theIntelligence Advisory Board, and substantial dissent by any of them is noted in the published CIG report.

ORE prepares CIG Daily Intelligence Summaries and Weekly Summaries for the information of the President, the NIA, and other selected high-leval offices. In addition, it systematically produces intelligence studies based on the current situation and objectives of the NIA. Some idea of their scope may be gained from titles selected at random, such as: estimates on Soviet Foreign Military Policy, the Situation in Korea, the Greek Situation, and the Situation in Austria; an Estimate on Soviet Capabilities for the Development and Production of Certain Types of Weapons; several special studies on Current Soviet Intentions; a study of Chinese Minorities in Southeast Asia; a study of Revised Soviet

Tactics in International Affairs; and others of similar variety, ranging from brief special evaluations to formal estimates.

The CIG activities so far described have been staff or coordinating functions rather than operating functions. However, the President also charged the Director with performing, for the benefit of the departmental intelligence agencies, such services of common concern as the NIA determines can be more efficiently accomplished centrally.

For this purpose, two operating offies have been established: the Office of Operations and the Office of Special Operations. The Office of Special Operations has special security problems, so I will only summarize by saying that it performs espionage services for the benefit of the appropriate federal intelligence agencies. [redacted] will amplify when he speaks to you later this week.

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All the other operating functions of a service nature are concentrated in the Office of Operations. I believe the most characteristic example of the type service it renders is the monitoring of press and propaganda broadcasts of foreign powers. The coverage is world-wide, and daily transcripts covering varied fields of subject matter are distributed at high speed to all authorized agencies. [redacted]

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8 A.M., are distributed to Washington addresses before sundown. Special summaries, such as world reaction to the President's speech on aid for Greece and Turkey, are prepared and distributed as required. [redacted]

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[redacted] This monitoring has frequently brought the first information on important events behind the iron curtain, such as data on the Yugoslav-Albanian treaty. Before leaving for Moscow, General Marshall asked CIG to furnish a 500-word daily digest of Russian and satellite broadcasts relating to the conference.

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Another service is the exploitation of captured Japanese documents - a function formerly performed by the Washington Document Center. I am sory that there is not time, this morning, to tell you more about Documents Branch activities and about still other services already under development or contemplated for the future. However, those I have already mentioned will give you an accurate general idea of what CIG is trying to do for the common benefit of the intelligence agencies of the Government.

The foregoing brief outline completes the story of CIG organization and functions. I hope it has sufficed to show how the establishment of the CIG was a necessary step in assuring the security of the United States under modern military conditions. I hope particularly that I have made clear its two principal functions: i.e., coordination of Government intelligence activities, and common service for the benefit of intelligence agencies. To perform these functions efficiently, the CIG will need cooperation and help. It is only with advice and assistance of the departmental intelligence agencies, and with the constructive help of the best intelligence officers in those services, that CIG can accomplish the objectives of the National Intelligence Authority.