

BERNSTADT COMMITTEE REPORT

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HR70-14

(U)

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**Report by the Commission on
THE NATIONAL SECURITY ORGANIZATION**

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(Volume I) - ~~SECRET~~

SUMMARY OF MAJOR RECOMMENDATIONS

**III. TEAMWORK AND COORDINATION THROUGHOUT THE NATIONAL SECURITY
ORGANIZATION SHOULD BE IMPROVED**

(d) that vigorous efforts be made to improve the internal structure of the Central Intelligence Agency and the quality of its product, especially in the fields of scientific and medical intelligence; that there be established within the agency at the top echelon an evaluation board or section composed of competent and experienced personnel who would have no administrative responsibilities and whose duties would be confined solely to intelligence evaluation; and that positive efforts be made to foster relations of mutual confidence between the Central Intelligence Agency and the several departments and agencies that it serves;

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THE NATIONAL SECURITY ORGANIZATION

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(Volume I)-Summary

FINDINGS AND CONCLUSIONS

THE NATIONAL SECURITY ORGANIZATION AFFORDS A MEANS
FOR INTEGRATED PLANNING AND PERFORMANCE

7. Reliable Intelligence is a Vital Need

The second requisite to sound security measures is complete and dependable intelligence. The Act properly placed the Central Intelligence Agency* directly under the National Security Council. Obviously, the correctness of the Council's conclusions will be directly related to the quality of the information at its disposal. If the intentions of foreign nations are incorrectly reported or their military strength and potentials are either underestimated or exaggerated, this will affect the Council's decisions and recommendations to the President and, in turn, the size and cost of the armed forces. To reach valid conclusions, the National Security Council needs, above all, full and accurate intelligence, developed to meet the needs of national policy rather than in support of the views of a particular service or department. So that the Council might receive composite, balanced, and evaluated intelligence, the Act provided that the Central Intelligence Agency should draw on all available sources and thus avoid incomplete or "slanted" views.

*See Vol. II, Chapter II, Central Intelligence Agency

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(Volume I)-~~Continued~~

FINDINGS AND CONCLUSIONS

THE NATIONAL SECURITY ORGANIZATION AFFORDS A MEANS
FOR INTEGRATED PLANNING AND PERFORMANCE

50. Intelligence is the First Line of Defense

Intelligence is the first line of defense in the atomic age. Recognition of its preeminent role in defense planning was given in the National Security Act by creation of the Central Intelligence Agency directly under the National Security Council to coordinate intelligence activities of the Government and to collect, correlate, and evaluate intelligence. The relationships of this agency to some of the other intelligence agencies of Government--notably to G-2 of the Army, the Federal Bureau of Investigation, the Atomic Energy Commission, and the State Department have been and still are unsatisfactory. But even more important, the Committee is convinced that too many disparate intelligence estimates have been made by the individual departmental intelligence services; that these separate estimates have often been subjective and biased, that the capabilities of potential enemies have frequently been interpreted as their intentions, and that a more comprehensive collection system, better coordination and more mature and experienced evaluation are imperative.

The Central Intelligence Agency is sound in principle, but improvement is needed in practice. It is not now properly organized. A serious deficiency is the lack of an adequate top-level evaluation

[REDACTED]

board or section, whose duties are confined solely to the evaluation of intelligence, with no responsibilities for general policy or administrative matters.

Co-equal improvement in G-2, FBI, ONI, State Department and other Government intelligence services is also essential. Above all, a spirit of teamwork must govern interagency intelligence relationships. The Central Intelligence Agency deserves and must have a greater degree of acceptance and support from old-line intelligence services than it has had in the past.

The Committee is concerned by the somewhat haphazard method employed by the services in the selection of officers for important intelligence posts. G-2 in the Army has had seven chiefs in seven years, some of them with no prior intelligence experience whatsoever.

The Committee believes that intelligence careers within the services must be encouraged, either by the establishment of a separate intelligence corps or by other means.* A prime problem within the Central Intelligence Agency itself is the recruitment of qualified personnel. In the last analysis good intelligence depends on good personnel.

The Committee is particularly concerned over the Nation's inadequacies in the fields of scientific and medical intelligence. There are difficulties peculiar to this situation which the Committee has not overlooked. Yet the vital importance of reliable and up-to-date scientific and medical information is such as to

* The Committee has been informed that the Armed Services Personnel Board has undertaken a study of ways and means to improve qualifications of intelligence officers and to provide attractive careers for officer specialists in this field.

[REDACTED]

call for far greater efforts than appear to have been devoted to this essential need in the past.

Suggestions were made to the Committee that the primary responsibility for the generation of scientific and medical intelligence should lie with the Research and Development Board. This conclusion was based upon the history of frustration of the one scientist (who has now resigned) charged with these duties in the Central Intelligence Agency.* An intelligence service, which must put a premium upon anonymity, is unattractive to a scientist whose professional reputation is so dependent upon open contacts with other scientists and upon public expression of his own scientific views. Other elements of the National Military Establishment engage in specialized intelligence activities--the Navy collecting naval data, the Air Force data peculiarly important to air power, the Army data about land armies--and, therefore, it would be logical to equip the Research and Development Board with its own service, the fruits of which could be garnered and utilized by the Central Intelligence Agency as in the case of all the other agencies. This suggestion has considerable attractiveness, and perhaps in the future, if the scientific intelligence activities of the Central Intelligence Agency do not materially improve, it may have to be adopted. But it has two major disadvantages. The Research and Development Board, unlike the services, is not an operating agency; intelligence

*The Committee has been advised that a replacement has been made.

collection would put it into the operating field. Moreover, the establishment of still another intelligence activity would render more difficult the task of the Central Intelligence Agency's authority--which needs strengthening rather than weakening. Accordingly, rather than recommending this course, the Committee felt that the Central Intelligence Agency and the Research and Development Board should in cooperation decide on the form and placement of scientific and medical intelligence and, above, all should proceed energetically to obtain a staff with competent and experienced personnel. This task, in the Committee's judgment, is an urgent one, demanding high priority in energy, resourcefulness and attention.

In reaching its conclusions, the Committee and its staff had the benefit of consultation with a group, appointed by the President, who are making an examination of the Central Intelligence Agency under the supervision of the National Security Council.

Report of the Commission on
THE NATIONAL SECURITY ORGANIZATION

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(Volume II)

CHAPTER II

THE CENTRAL INTELLIGENCE AGENCY
National and Service Intelligence

I. HISTORICAL BACKGROUND

The first effort toward a central intelligence system was taken in July 1941, when the Office of Coordinator of Information (sometimes called OCI) was established by Executive Order and authorized to collect, analyze, and make available to the appropriate officials all information relating to national security. The OCI included propaganda functions. The organization was large and unwieldy. In June of 1942, the propaganda aspects of OCI's responsibilities were transferred to the Office of War Information (OWI). The Office of Strategic Services (OSS) was established during the same month to continue the function of evaluating and correlating intelligence information. It was also to be the agency responsible for secret intelligence and the conduct of guerrilla warfare.

OSS continued to perform these functions throughout the war. Considerable thought was given in the summer of 1945 to the way in which the central evaluation and collection of intelligence could best be accomplished in peacetime. Papers on the subject were prepared for consideration by the Joint Chiefs of Staff, the Secretaries of War and Navy and other officials concerned. In September 1945, by Executive Order the research and analysis

functions of OSS were transferred to the State Department. From this transfer has resulted the present Office of Intelligence and Research in the State Department which now reports to an Assistant Secretary of State. Simultaneously with the transfer of research and analysis to the State Department, the Strategic Services Unit (SSU) of the War Department was established to liquidate the rather substantial quantities of operational material accumulated by OSS during the war. SSU was also charged with carrying on, on a more or less caretaker basis, the secret intelligence functions formerly performed by OSS. In other words, the two most important units in OSS were split between two departments.

By Executive Order dated January 22, 1946, the National Intelligence Authority, consisting of the Secretaries of State, War, and Navy, was established by the President. Under the National Intelligence Authority was constituted an organization known as the Central Intelligence Group (CIG) under the direction of a Director of Central Intelligence. The CIG was charged with correlation and evaluation of intelligence, the coordination of departmental intelligence activities, and the performance of intelligence services of common concern.

The National Security Act of 1947 abolished the National Intelligence Authority and transferred the functions of the Central Intelligence Group to the present Central Intelligence Agency (generally referred to as CIA).

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The new agency was superimposed as a top-level national security organization, above the older-established service intelligence agencies. Those older services, G-2 of the Army, Office of Naval Intelligence, A-2 of the Air Force, and the Federal Bureau of Investigation (FBI) (with counterespionage functions), all had long histories behind them; CIA with great power, great authority, and great hopes was, in point of time, a nouveau riche. In addition to its work with these agencies, CIA had to establish close working relationships with a new and ambitious State Department intelligence branch. Its work, therefore, cut squarely across and through the National Military Establishment (though it was not, itself, a part of that establishment) and extended beyond the military establishment to other departments of government. CIA was given a mission new to our history and obviously occupies a position of peculiar difficulty.

II. ORGANIZATION OF CENTRAL INTELLIGENCE AGENCY

The National Security Act of 1947 (Sec. 102 (d)(1)(2)(3)(4)(5)) provides in substance that "for the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security" the Central Intelligence Agency, "under the direction of the National Security Council" shall:

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

- "(2) ... 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) ...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 ...
- "(4) ...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) ...perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The statute further provides (Sec. 102 (a) and (b)), that the Director of Central Intelligence shall be appointed by the President, by and with the consent of the Senate, from among commissioned officers of the armed services or from among individuals in civilian life. His tenure is indefinite. His annual compensation is \$14,000. If a commissioned officer, he is expressly removed from the chain of command of any of the three services "in the performance of his duties as Director." His tenure of office shall not affect his service rank or status. The difference between his service pay and \$14,000 is made up.

At present there is one Deputy Director. The Deputy Director acts for, and in the absence of, the Director. He is the principal link between the Director and the operational and administrative functions of the Agency.

CIA is divided into five major offices, each headed by an Assistant Director. In addition there is a division concerned with

administration and housekeeping, and a division charged with the enforcement of security.

The five major offices are the Office of Reports and Estimates (ORE), the Office of Collection and Dissemination (OCD), and three other offices charged with the collection of information by monitoring foreign broadcasts, examining foreign documents, collecting information by clandestine means, conducting counter-espionage abroad, and other work.

The Office of Collection and Dissemination performs services not only for CIA but for a number of other Government agencies as well. It maintains, through the use of machine records, central indexes indicating the substance and showing the location of information relating to foreign personalities, scientists, etc. and graphic material such as photographs of foreign intelligence value and foreign industrial information. OCD also includes a so-called liaison branch which endeavors to insure that routine reciprocal channels between CIA and other agencies (State, Commerce, Agriculture, the Armed Services, etc.) are maintained so that information secured by these other agencies is available to CIA and that reports prepared by CIA are properly distributed. OCD also tries to eliminate duplication in the field of collection by seeing: (1) that a request for information by a CIA division is routed to the appropriate collecting agency (State, G-2, the clandestine service, etc.); (2) that collection machinery is not put into operation at all if the information required is already

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available (this is accomplished by reference to the machine records); and (3) that two or more requests are not made by different individuals, branches, or agencies for collection of the same information. It disseminates CIA's reports to other Government agencies.

The principle function of the Office of Research and Estimates is the evaluation of intelligence and the preparation of intelligence estimates. For this purpose ORE is divided into six regional branches representing geographical areas. These branches are charged with the examination of "raw" information concerning their respective areas which comes in the form of thousands of cables and reports from State Department missions abroad, from military and naval attaches, from clandestine sources, etc. Estimates made by regional branches form the basis of reports from CIA to the National Security Council or other "customers". In addition to the regional branches there are four groups concerned with economics, science, transportation, and international organizations. These groups act as expert consultants to the regional branches in the preparation of their estimates. The Assistant Director in charge of ORE is assisted by a planning, reviewing, and editorial staff.

ORE also performs a service of common concern to many Government departments through the medium of a Map Branch where central indexes of foreign maps are kept and facilities for map making are available.

III. OTHER INTELLIGENCE AGENCIES

CIA is the apex of a pyramidal intelligence structure. Other Government intelligence agencies, without which no intelligence service could be complete, are numerous and important. This study is primarily concerned with CIA since the Committee's work schedule did not permit detailed examination of the structures of the separate service departments. The State Department and the Federal Bureau of Investigation and other Governmental departments with intelligence activities lie beyond the scope of the work of the Committee. Nevertheless, it would be misleading and inaccurate to focus attention solely upon CIA without meaningful reference to the other intelligence agencies.

The service agencies are three--the Army G-2, the Office of Naval Intelligence, and A-2 of the Air Force. The Federal Bureau of Investigation is charged with counterespionage in this Country, although the Army's Counter Intelligence Corps carries out investigations within army ranks. The Navy and the Air Force also investigate their own personnel, calling in the FBI from time to time. The State Department maintains its own intelligence branch. Each of these services maintain sizeable organizations for the collection of intelligence (through military, naval, and air attaches and by other means), for its classification, and for its evaluation and analysis. Each maintains certain expert advisers and specialists, each some researchers. Each must cooperate with and dovetail into the other; each must support and maintain CIA if there is to be

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effective intelligence. Neither these agencies nor CIA can operate with success independently; they are all interdependent.

IV. RELATIONSHIP WITH OTHER AGENCIES

Contact between the National Security Council and CIA is maintained through the Director of CIA who attends Council meetings.

Three joint committees contribute to the relationship between CIA and other Government agencies:

(a) By National Security Council directive there exists an organization known as IAC (Intelligence Advisory Committee) consisting of the principal intelligence officers of State, Army, Navy, Air Force, the Joint Staff, and the Atomic Energy Commission. The Director of CIA acts as chairman, although CIA technically is not a member of the committee. In the past it has dealt largely with procedural matters, although on occasions it has met to consider matters of substantive intelligence. The Intelligence Advisory Committee was probably originally established by the National Security Council as a forum to deal with problems arising in the course of CIA's discharge of its statutory duty "of coordinating the intelligence activities of the several Government departments"

(b) Within CIA is a group known as ICAPS (Interdepartmental Coordinating and Planning Staff) which consists of a number of individuals assigned to CIA by the State Department and the military services. Its activities to date have largely

consisted of handling papers of procedural concern to Intelligence Advisory Committee agencies. The chairman of ICAPS is the official CIA representative at meetings of the National Security Council staff. A representative of CIA's Office of Research and Estimates attends meetings of the Council's staff when invited, and is thus developing an informal working relationship between CIA and the Council's staff.

(c) A third Committee is the so-called "Standing Committee" which consists of representatives of State and the military services on the "Colonel" level who are not assigned to CIA but are charged within their respective agencies with cognizance of CIA matters.

The Director of CIA has no direct, formal contact with the Joint Chiefs of Staff. The Joint Intelligence Committee of the Joint Chiefs of Staff does not include him in its membership although the lower-echelon Joint Intelligence Group of the Joint Staff includes a CIA representative. Representatives of both the Joint Staff and of CIA participate in Intelligence Advisory Committee meetings, which does provide a certain contact—though a tenuous one—between the Joint Chiefs of Staff and CIA.

Working relations with outside agencies are maintained through the liaison sections of the Office of Collection and Dissemination of CIA. These maintain channels for routine reciprocal interchange of information needed by CIA or other Government agencies and for the distribution of reports. Working relationships also are being

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built up with varying degrees of success between the regional branches of the Office of Reports and Estimates and their opposite numbers in State, G-2, etc.

Another type of relationship is the ad hoc committee, of which a number have been constituted. An example is the committee formed under the chairmanship of a representative of ORF, to allocate amongst Government agencies responsibility for compiling appropriate sections of basic regional studies (political sections to State, sections on road communications to Army, etc.) and to determine the priorities to be accorded to studies of various areas.

A working relationship exists between FBI and CIA. As CIA interrogates foreigners who are in the United States and who are potential sources of information about developments abroad and as the FBI is concerned with the security aspects of foreigners within the United States, the jurisdictions of the two agencies overlap. Liaison is accomplished by representatives of CIA and FBI, designated for the purpose. Liaison is also maintained by interchange of reports between the counterespionage officials of CIA and appropriate representatives of FBI.

The FBI formerly investigated all prospective CIA employees for security, but due to the pressure of these and other commitments, FBI has felt obliged to discontinue this service. The FBI, however, cooperated with CIA, on the latter's request, in special security checks.

V. PERSONNEL

(a) General

There has been some newspaper and much official and unofficial criticism of the personnel of CIA. During the course of a much too rapid expansion of the organization which took place under a previous Director, mistakes in personnel procurement were made. There is evidence, however, of improvement in the recruiting of men and women with appropriate education, experience, and personality, although additional improvement is needed. Many of the individuals on the "desk" or staff level appear to be intelligent, enthusiastic, and competent. Time, experience, and training are necessary, probably requiring years, to build up a fully competent staff for all offices and echelons of CIA. This can only be accomplished as a matter of internal administrative development with continuity of competent leadership.

(b) Size of Operating Staff

A number of the services that CIA performs as a matter of common

concern to other agencies of the Government require substantial staffs. Those include the staffs necessary to: (1) maintain a reference library and central indexes of all intelligence materials; (2) perform certain essential liaison functions; (3) operate five radio monitoring stations in this Country and abroad and maintain the editorial staff necessary to monitor an average of two million words a day broadcast by foreign radio stations, and to distribute daily digests of information taken from these broadcasts; (4) maintain a central map service for all Government agencies, and (5) examine quantities of foreign documents measured in tons. The number of individuals employed in the conduct of CIA's clandestine activities is probably not excessive when the peculiar services required for such operations are considered. A considerable staff will inevitably be necessary to enable CIA to perform its evaluating function. Although there is duplication in the economic and political research done by various Government departments and agencies including CIA, the total number of persons employed by the Government for research purposes cannot, in all probability, be very substantially reduced.

(c) Administrative and Security Personnel

The size of the Security Division of CIA is probably reasonable.

The present size of the Administrative Division seems excessive, particularly in light of requirements for an administrative staff in each of the offices in some of which security requires a large degree of independence. On the other hand, an organization as large as CIA requires a substantial amount of housekeeping, telephone service,

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maintenance of personnel records, etc. The problem is complicated by the fact that accommodations to house CIA centrally are not available and could only be constructed at a substantial cost and with considerable publicity. A certain amount of decentralization of CIA may be desirable for security reasons. CIA is spread amongst twenty-two ^{separate} buildings, including warehouses, all of which must be maintained and serviced separately. Moreover, CIA maintains a large number of field stations of one sort or another in various parts of the United States and abroad which are supplied by the Administrative Division. Reduction of the administrative overhead is possible and desirable. There is some evidence of interference by administrative functionaries in matters of primarily operational concern. A certain amount of such interference is inevitable due to the fact that a Director will tend to entrust the enforcement of budgetary controls to his immediate administrative representatives. Too much interference of this sort is undesirable, but this is an administrative problem that must be solved internally.

VI. EVALUATION

Intended as the major source of coordinated and evaluated intelligence, on which broad national policy could be soundly based, the Central Intelligence Agency has as yet fallen short of the objective. While it has made progress in organizing and equipping itself, its product, however valid, does not presently enjoy the full confidence of the National Security Organization or of the other

agencies it serves and has not yet--with certain encouraging exceptions--played an important role in the determinations of the National Security Council.

CIA raises some difficult problems which, for reasons of security, are not easy to discuss. The Committee feels that CIA is properly located under the National Security Council; that its organization needs continuing careful attention and that better working relationships with other agencies must be established. In this respect it suffers from a familiar fault, recurrent throughout the whole National Security Organization. Its main problem, as is likewise true of most of the other agencies, is one of personnel. The Committee emphasizes a truism, that good intelligence depends upon good personnel. CIA must have imaginative and vigorous supervision. The Committee is certain that the director of the CIA must have continuity of tenure and should be selected primarily on the basis of competence, but that, other things being equal, it would be preferable that he be a civilian.

The Committee was particularly concerned over the Nation's inadequacies in the field of scientific, including medical, intelligence. The vital importance of reliable and up-to-date scientific information is such as to call for far greater efforts than appear to have been devoted to this need in the past. Scientists in general have expressed considerable distress at the paucity of information available and the relationship between science and CIA does not seem to be of the best.

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The intelligence agencies of the services, the State Department, and the FBI must do their proper share, and the whole must pull in harness if our intelligence services are to be adequate to the difficult requirements of the atomic age. The very problems that have beset CIA have troubled, to more or less degree, the other intelligence agencies. Of all these problems, one looms largest-- personnel. The skilled and experienced personnel of wartime have in most cases severed their connections with the services; selection and replacement of new personnel have been extremely haphazard. In one of the service's intelligence systems at headquarters, Washington, no Russian linguist is now permanently employed. In Germany, the conduct of the Army's Counter Intelligence Corps, a highly important part of intelligence work, became notorious, yet inherently this was not the fault of the Corps; the personnel assigned to it had no qualifications or training for the work and was often of inadequate caliber. The Army's remedy for this situation was not to improve personnel selection and training, but to order all CIC personnel to wear uniforms, live in barracks, and report for regular Army meals. Under such a regimen they were expected to keep in contact with the local population and to catch spies!

Choice intelligence berths in the services have too often been assigned to officers not particularly wanted by other arms or branches. The capable, experienced, and thoroughly devoted personnel who have specialized in intelligence have too often seen their organizations

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and their systems ruined by superior officers with no experience, little capacity, and no imagination. In the Committee's opinion, it is highly important that an intelligence corps—or at least an intelligence career—be provided by the services and that adequate selection and training systems be inaugurated.

The services must also try to rid their intelligence estimates of subjective bias. Partly because of their natural service interests, partly because of inter-service budgetary competition, our estimates of potential enemy strengths vary widely, depending upon the service that makes them. The Army will stress the potential enemy's ground divisions, the Navy his submarines, the Air Force his planes, and each estimate differs somewhat from the others. In one specific instance, an estimate of the Joint Intelligence Committee of the Joint Staff of the Joint Chiefs of Staff contained so many inconsistencies within a single paper that it was considered valueless for planning purposes. Out of this mass of jumbled material, and harassed often by the open and covert opposition of the older agencies, CIA has tried to make sense. That it has not always succeeded has not been entirely the fault of CIA.

Intelligence can best flourish in the shade of silence. But if it is not subjected to scrutiny it could easily stagnate. Another examination, two or three years from now, of our intelligence system should be undertaken, either by a Congressional watchdog committee, or preferably by a committee akin to the Dulles group (described below). The basic framework for a sound intelligence organization

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now exists; yet the material so far produced is by no means adequate to our national safety in this age of "cold war" and the atomic bomb. That framework must be fleshed out by proper personnel and sound administrative measures. Intelligence is the first line of defense.

Dulles Committee

A detailed study of the organization and activities of the intelligence divisions of the government, including CIA, is being made by a committee consisting of Mr. Allen Dulles, Mr. William H. Jackson, and Mr. Mathias Correa, who are assisted by a staff of four directed by Mr. Robert Blum, of the Office of the Secretary of Defense. The Committee was appointed by the President on the recommendation of the National Security Council. It will make its report with specific recommendations by January 1, 1949. All problems here considered will also be reviewed by the Dulles Committee.

Qualifications of Director

A moot question is whether the Director should be a civilian or a professional military man. The argument in favor of a service man is that he will command more confidence from the armed services who talk his language and will respect his position and security. With a military man, the present pay scale will not prove a deterrent. The job could be developed into one of the top staff assignments available to members of the three services.

Against this, it is said that the position requires a broader background and greater versatility and diplomatic experience than is

usually found in service personnel; that the best qualified and most competent officers would not accept the position if to do so meant permanent retirement and an end of the road to important command or operational responsibility. If a military man is assigned to the position as a tour of duty, he will, it is said, inevitably be influenced to some degree, in the execution of his duties, by his rank and status as compared with that of other officers with whom he deals. He may also be influenced by concern for his next billet.

The principal argument against a civilian is the difficulty of getting a good one. It will be difficult to attract a man of force, reputation, integrity, and proven administrative ability who has an adequate knowledge of foreign history and politics and is familiar with intelligence technique and the working machinery of the Government and the military establishment. Not only is the pay low in comparison to industry and the professions, but the reward of success is anonymity. The wisdom of putting an individual who lacks intelligence experience in charge simply because he is a competent administrator is dubious. A civilian would have the advantage of being free from taint of service ambitions or rivalries. On the other hand a civilian may be more subject to political pressure than a military man. In certain foreign countries this has occurred. In any event a civilian would have to be a man of commanding reputation and personality in order to secure the respect and cooperation of the services. CIA's relations with the State Department would undoubtedly benefit from the presence of a civilian

director, known and respected by the Secretary of State and his assistants.

The intrinsic interest of the work, its potential influence on policy, and recognition of public service to be performed might combine to persuade a competent civilian to accept the position. If so, his appointment would seem desirable. A change in the statute that would disqualify a military man is not, however, recommended.

Moreover it would not be wise, at this time at least, to amend the statute to include a mandatory requirement that a military man, appointed as Director, must retire from the service. A competent officer could be persuaded to retire from his service and abandon his career to become Director of CIA only if he felt some assurance of a reasonable tenure of office. That no such assurance exists today appears from the fact that three different Directors have been appointed since January of 1946. A provision requiring the retirement from service of any commissioned officer appointed Director might appropriately be included in the statute--if coupled with provision for adequate retirement pay in case he is removed as Director.

Location

(1) CIA's Location under the NSC

CIA must necessarily be centrally located both as a "coordinator" and as an "evaluator". It must work with service intelligence agencies and with agencies outside the National Military Establishment. It must accomplish the allocation of responsibility for collection and research among Government agencies and fulfill

its responsibility for central evaluation of intelligence free from departmental prejudice, control or bias, whether real or imagined. It must exercise authority through directives issued centrally and must at the same time maintain smooth and constant working relationships with the other departments and services.

It has been suggested that CIA should report directly to the President. One alleged advantage of such an arrangement is that CIA's authority as a coordinator would thus be enhanced, as its directives could be issued as executive orders. Another is that CIA would then report to an individual rather than a committee.

Apart from the question of burdening the President with additional personal responsibility, it is doubtful whether, as a practical matter, he has the time to pay much attention to it. Internal administration will always remain the personal responsibility of the Director of CIA who can be held accountable by the National Security Council, at the instance of any one of its members, as effectively as by the President. It is unlikely that the Director's effectiveness either as a "coordinator" or an "evaluator" would be increased by putting him on a White House level. His estimates would, in all probability, receive neither more nor less attention from the departments if they emanated from the executive office of the President or an appendage thereto. The exercise of CIA's coordination function to allocate responsibilities must, initially at least, be performed on a more or less negotiated basis. Efforts to impose directives concerning the internal workings of a department

upon officials of the level of the Secretary of State or Secretary of Defense are not likely to meet with success.

Suggestions have also been made that CIA should be in the State Department or in the National Military Establishment. But CIA's functions and interests transcend both the military establishment and the State Department. The Army has suggested that the National Security Act be amended to provide "that the Secretary of Defense shall be responsible for coordinating the intelligence activities of the departments and agencies of the National Military Establishment", and that CIA "shall deal only with the Secretary of Defense, or such other agency or agencies as he may designate". But inclusion of such a provision would tend to break down the necessarily complicated but established working relationships between CIA and individual agencies, and in any case seems redundant. The Secretary of Defense must be, per se, the coordinator of intelligence and all other activities within the military establishment, and CIA practically must deal with him--as it actually does through the National Security Council. A better mechanism than now exists for coordinating the service intelligence agencies in the Secretary's office could be established, but there should be no artificial restriction of the flexibility and authority needed by CIA. CIA is properly placed under the National Security Council.

(2) Location of "common services" under CIA

Under the statute CIA is entrusted with the performance of such services of common concern as the National Security Council shall

determine. At present these include, apart from Scientific Intelligence, which is discussed separately: (a) maintenance of central indexes of report, records and documents having intelligence value; (b) examination of foreign documents from which intelligence material is extracted and disseminated; (c) maintenance of central map facilities; (d) monitoring of foreign broadcasts; and (e) collection of information by clandestine means and counterespionage abroad.

There is little real dispute that the first four of these functions should be located centrally. The question of where the clandestine operational activities should be located has long been the subject of debate. Wherever located, there is little doubt that they should all be treated together as a single unit.

Proponents of the theory that the clandestine service should be under the State Department point to the British precedent and argue that at least in time of peace the service is dependent on the State Department [redacted]

[redacted] and that secret intelligence is closely related to the formulation of diplomatic decisions. Others maintain that espionage is essentially valuable for defense and in wartime would inevitably pass to military control and become a function of command. They argue that this service should be under the Secretary of Defense or the Joint Chiefs of Staff.

An objection, sometimes made to continuing espionage under the CIA, is that it creates so complex an administrative burden for the Director as to render it difficult for him to function as an "evaluator"; also that as an "evaluator" he will be prejudiced in favor of

information procured by his own service. This objection has some slight validity but must be weighed against serious objection to placing the service elsewhere.

The arguments in favor of control by the Secretary of Defense or the Secretary of State are in large degree mutually exclusive, and this fact suggests retention of the service in its present spot under a body where both are represented. Too great a dependence upon the Foreign Service [redacted] is fatal to any intelligence service and dangerous to the Foreign Service, which would be compromised and embarrassed in case of discovery. If war should come, any intelligence service too largely dependent upon its Foreign Service would find itself hobbled in enemy countries at the very time when it was most needed. [redacted]

Considerable thought must be given, however, to the desirability of splitting CIA in time of war and transferring two or three of its five major divisions--certainly the operational services, the open and covert collection of information--to the National Military Establishment, where they could function under the Joint Chiefs of Staff (preferably) or under the Secretary of Defense. If inclusion of these services in the wartime chain of command is deemed desirable, the objective could be facilitated by a slight, and at the same time a desirable, change in CIA's present organization--the grouping of all operations under a Deputy Director who should have considerable, though not unlimited independence. In time of peace, the Deputy

Director in charge of operations would function under the Director CIA; in time of war he might if necessary report directly to the Joint Chiefs of Staff.

Continued experience may suggest other changes, but change is disruptive in itself, and one great present need of the intelligence services is a relatively reorganization-free period in which to work out their problems. If at some future time it appears desirable to transfer CIA's operational functions to another agency, the transfer might be accomplished with the approval of the National Security Council, the Director CIA, and the President.

Internal Reorganization

Some changes in the internal structure of CIA, in addition to the grouping of the operating offices under a deputy director, may be needed. The very large number of people employed by CIA in itself suggests that a careful survey should be made of its administrative procedures with a view to greater economy. The administrative division seems too large with danger that the tail may be wagging the dog. The Office of Collection and Dissemination sometimes in the past has acted as a bottleneck but under its new head it appears to be performing an efficient job. Some thought should be given to merging the map services, now under the Office of Research and Estimates, with the other reference facilities under the Office of Collection and Dissemination. The name of this latter office is a misnomer; it probably should become purely a reference service with its full energies devoted to this important work. Its liaison functions might be split

off to form a separate small section. The Dulles study will undoubtedly make more detailed recommendations for internal reform.

Intelligence Evaluation Board

The greatest need in CIA is the establishment at a high level of a small group of highly capable people, freed from administrative detail, to concentrate upon intelligence evaluation. The Director and his assistants have had to devote so large a portion of their time to administration that they have been unable to give sufficient time to analysis and evaluation. A small group of mature men of the highest talents, having full access to all information, might well be released completely from routine and set to thinking about intelligence only. Many of the greatest failures in intelligence have not been failures in collection, but failures in analyzing and evaluating correctly the information available.

Duplication

There is some duplication in the work done by the Office of Research and Estimates and the work in other governmental intelligence agencies. This duplication is caused in part by the fact that ORE and other agencies, notably the intelligence division of the State Department, but also sections of G-2, ONI, A-2 and even the Department of Commerce, examine the same basic material for the purpose of making intelligence estimates. To some degree this may be inevitable and even desirable as CIA must be in a position to verify the intelligence that it evaluates. Examination of basic material for this purpose might be accomplished with fewer people by placing CIA analysts in

the message centers and secretariats of the departments and services to sift out really important material for routing to CIA.

The present size of ORN is in considerable measure due to CIA's dependence on its own facilities for research. Research divisions of other agencies are preoccupied with their immediate departmental requirements and are unable to meet or are otherwise unresponsive to CIA's priorities. CIA accordingly tends to do its own basic research. Duplication in the field of economic research can probably be reduced over a period of time by intelligent use of "coordinating" power exercised over many Government agencies.

Duplication in the field of political reporting remains an issue between CIA and the State Department. Some duplication may be justified on the ground that "two guesses are better than one"; also because CIA and the intelligence division of the State Department work with different objectives and different priorities. However, it is now clear in retrospect that it was a mistake to split up the Office of Strategic Services after the war and to assign part of its functions to one department (State) and part to another (Army). This mistake now has been largely remedied by creation of CIA, but its effects linger on in the research and analysis duplication--particularly marked in the economic and political field--between CIA and State. The feasibility of shifting a large part of the State Department's intelligence section to CIA should be studied. If this should prove to be impractical or undesirable, unnecessary duplication should be eliminated by progressive coordination, interchange of personnel, and

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The allocation of specific responsibilities to various agencies by National Security Council directives.

Evaluation and Correlation

This function is currently performed by daily intelligence summaries containing "spot" intelligence items which go to the President, members of the NSC, and others. Weekly and monthly estimates of the world intelligence situation are also prepared as well as estimates of specific situations. These are drawn up from time to time, as occasion arises, on CIA's own initiative or in response to requests from the National Security Council or other agencies, such as the Joint Chiefs of Staff, concerned with national security.

CIA's estimates and surveys are criticized principally on two grounds. One is that as a normal routine they receive insufficient consideration from the policy makers, and are not responsive to their immediate problems and requirements. A second criticism, which is allied to the first, is that CIA estimates are made without access to all relevant information including information concerning activities and decisions of the military services, operational in nature, such as the extent and deployment of the fleet in the Pacific, etc. Both these criticisms have some elements of truth. The military services tend to withhold operational information and the details of military plans on the grounds of security. In formulating plans the State Department tends to rely on its own judgment and information without consulting CIA. Although CIA appears to be supplied with all

information of a strictly "intelligence" nature, it is not clear that CIA has adequate access to information about operational developments. Yet effective intelligence is possible only when it is closely linked with planning and policy-making.

Plans and decisions affecting national security are presently made at various places; by the National Security Council, the Joint Chiefs of Staff, the State-Army-Navy-Air Force Coordinating Committee, by the State Department and by the military services individually. These various authorities rely, in formulating their plans and decisions, on the respective departmental intelligence services, on the Joint Intelligence Committee of the Joint Chiefs of Staff, and the Joint Intelligence Group, which is the working body for the JIC, as well as on CIA. If CIA is to perform adequately its function of evaluating and correlating intelligence relating to the national security, it must be aware of, and participate in, the thinking at all these levels.

It is particularly desirable that the association between the Joint Staff and the CIA be as intimate as possible. CIA is the logical arbiter of differences between the services on the evaluation of intelligence. Assumptions made by the Chiefs of Staff both for planning and operational purposes should be formulated with CIA participation or at least reviewed by CIA.

For the purpose of fostering a closer relationship between CIA and the Joint Chiefs of Staff, consideration should be given to including the Director CIA among the membership of the Joint Intelligence Committee of the Joint Chiefs of Staff. Furthermore, it would seem

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desirable that the Intelligence Advisory Committee meet more frequently to consider questions of substantive intelligence. This would contribute to an interchange of intelligence opinion between the principal intelligence officers of the Government and would in itself insure a closer relationship between CIA and the Joint Intelligence Committee both of which participate in Intelligence Advisory Committee meetings.

It is also desirable that a closer working relationship be established between the sections in CIA responsible for the preparation of estimates and both the National Security Council staff and the Joint Intelligence Group of the Joint Staff.

Scientific Intelligence

Failure properly to appraise the extent of scientific developments in enemy countries may have more immediate and catastrophic consequences than failure in any other field of intelligence. What is needed is a central authority responsible for assimilating all information concerning developments in the field of science abroad and competent to estimate the significance of these developments. This agency obviously must have access to all available information bearing on the problem. It must also be able to provide intelligence direction in the collection of items of information likely to have significance in the scientific field.

At present, responsibility for intelligence evaluation in such fields as biological and chemical warfare, electronics, aerodynamics, developments in guided missiles, etc., is spread amongst various agencies,

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including the Chemical Warfare Service (CWS), G-2, A-2, ONI, and the Atomic Energy Commission as well as CIA. Medical intelligence is virtually non-existent.* Estimates of foreign potentialities made by various agencies are inadequate and contradictory. In CIA itself responsibility for scientific intelligence is divided between the Scientific Branch of ORE and a group concerned with atomic energy. Collection of information concerning scientific developments abroad is clearly inadequate.

On the recommendation of Dr. Vannevar Bush, then Chairman of the R&DB, a scientist of reputation has directed the work of the Scientific Branch of ORE for the past year. He recently resigned** and the office is awaiting the recommendation of a successor by Dr. Compton, who has replaced Dr. Bush. As presently constituted, the Scientific Branch of ORE is not in a position either to evaluate intelligence or to stimulate the collection of necessary information. There is no physician and no mechanism for collecting or evaluating medical intelligence in CIA.

Some of the difficulties presently experienced are inevitable. Any eminent scientist will be impatient with routine regulations, and some "red tape" exists in any government organization. It is desirable, however, that the individual responsible for scientific intelligence

* See Chapter XIII, Medical Services and Hospitalization in the Military Services.

** The Committee has been advised that CIA has been successful in finding a satisfactory replacement.

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within CIA be freed, as far as possible, from subordination to administrative officials. This might be accomplished in CIA by raising the Scientific Branch to an office level and making its chief an Assistant Director.

A consideration that makes it difficult to keep qualified scientists in CIA is the undesirability of public acknowledgment of the nature of the activity. The practical result is to create the impression that the individual in question isn't employed by anybody. This makes it difficult for him to attend conferences or write papers, and he soon loses standing in his profession. For these reasons, it is highly desirable that arrangements be made whereby any eminent scientist employed by CIA be given a "cover" position. A currently popular but baseless theory that scientists are inherently insecure is advanced as an argument why individuals responsible for scientific intelligence should be denied opportunities for active association with other scientists at conferences, etc., on any basis. Security would appear to be a matter of individual responsibility. No evidence justifies the conclusion that insecurity is an occupational failing peculiar to scientists.

The activities of Scientific Intelligence should be directed by a scientist and not by some otherwise competent individual whose education and experience in the scientific field is superficial. An educated guess as to the implications of a given scientific development can be made only if the guesser has a real understanding of the potentiality of scientific development. Not only must he be fully

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competent to appreciate the significance of development himself, but, if he is to be effective, he must be able to convince other scientists that his interpretation of a given development is reasonable. He must speak the scientific language.

Security considerations occasioned the divorce between the group in CIA concerned with atomic energy and the Scientific Branch. It was felt that individuals concerned with developments in the atomic field should be strictly isolated. Present arrangements for intelligence relating to atomic energy seem to be working more smoothly than those in other scientific fields although the collection of foreign information is slow and difficult, and our atomic energy intelligence is by no means adequate.

Logic suggests that at some future time responsibility for all scientific intelligence be centralized. An immediate reorganization for this purpose would probably be premature and simply retard the development of atomic intelligence without contributing to the improvement of scientific intelligence generally.

Vigorous action is imperative to improve all facilities for evaluating and stimulating the collection of scientific intelligence. Outside the field of atomic energy this must be done by increasing the authority and support given to the official responsible for scientific intelligence within CIA whether he remain on a branch or be raised to an office level. Non-technical as well as technical intelligence information contributes to the evaluation of foreign scientific developments. For this reason scientific intelligence including

medical intelligence should be evaluated centrally where intelligence information of all kinds is immediately available.

Evaluation of Operations and Location of Counterespionage

For security reasons no attempt has been made at a detailed analysis or appraisal of the clandestine operational activities of CIA. Senior officers of the government who testified before the Committee on the National Security Organisation expressed themselves as fairly well satisfied with the necessarily slow progress could be more rapid. Even this limited satisfaction is not echoed in lower ranks.

The counterespionage activities of CIA abroad appear properly integrated with CIA's other clandestine operations. Although arguments have been made in favor of extending CIA's authority to include responsibility for counterespionage in this Country, such an extension of jurisdiction does not at present appear justified. For one thing, concentration of power over counterespionage activities at home in the hands of a Director of Central Intelligence responsible for espionage and abroad might justifiably arouse public suspicion and opposition. Conceivably it could form the basis for a charge that a gestapo is in process of creation even though the power to arrest were specifically withheld. To transfer responsibility for domestic counterespionage from the FBI, which has an established organization and long tradition, to CIA, which is not equipped for the assignment, would probably create more problems than it would solve. It is

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doubtful whether the logical benefit of having one agency responsible for counterespionage throughout the world would justify the dislocation and confusion that such a transfer would inevitably occasion.

CIA representatives have indicated that their present working liaison with FBI is satisfactory, but the Committee doubts that FBI-CIA relationships are completely adequate. The Director of FBI declined the Committee's invitation to appear before it to discuss the CI with the committee or its representatives on the ground that he knew too little of its activities.

Budget and Administration

CIA's budget is a guarded secret. Present arrangements appear to work satisfactorily. The interested services participate in requests for the allocation of funds to CIA. The amounts requested are reviewed by representatives of the Bureau of the Budget designated for the purpose and controlled by appropriate committees of the Congress in closed session. CIA has requested amplifying and implementing legislation (S.2688, introduced but not acted upon during the 2d Session of the 80th Congress) to define better its power and to simplify administration and payment of some of its employees. Most of the provisions of this legislation would confer upon CIA that administrative flexibility and anonymity that are essential to satisfactory intelligence, but some of them seem to involve undesirably broad grants of power for the new agency. Congress should examine this proposed legislation carefully, modify it as seems necessary, and act upon it as soon as possible.

Security Legislation*

The CIA, the FBI, and the services have periodically suggested revision of the Nation's espionage laws to reduce the difficult legal burdens of securing convictions under these statutes. Detailed suggestions for revision of the present law, which would permit conviction irrespective of proof of intent to injure the Government, probably will be presented to the next session of Congress. This Committee sympathizes with CIA and other agencies of the Government in their desire to protect themselves against dangerous disclosures by indiscreet and irresponsible persons, and it recognizes the need for more effective counterespionage protection. The Committee has not examined the proposed revision of the espionage laws nor is it competent to judge them. The Committee feels strongly, however, that better protection for essential Government secrets does not lie in legislation alone. Counterespionage is a difficult art, and it has not always been well practiced in this Country. Strengthening of the FBI, the Counter Intelligence Corps of the Army, and CIA's own internal security is important regardless of new laws. Revision of the espionage laws to remove the necessity of proof of intent might broaden the Act to such an extent as to constitute a peril to our concepts of freedom. Such proposals should be examined most carefully by Congress.

The Committee is of the firm opinion that there must be major improvement in all our intelligence services. This cannot be achieved overnight; time is required to build a good intelligence service. A

* See Chapter XIV, Civil Defense, Internal Security, etc.

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proper selection of personnel and a well thought-out program for their assignment and training are essential--particularly in the Army.

The general framework of our intelligence organization is soundly conceived. The pertinent agencies are aware of its assets and liabilities, of its virtues and shortcomings. The National Security Council, which has properly concerned itself with CIA, should give more thought and attention to the relationships of CIA with other intelligence agencies and working through the Secretary of Defense and the Secretary of State, should encourage the improvement of other intelligence agencies.

Such of the reforms suggested by this survey, and by the Dulles Committee, as are accepted, should be made promptly, but when action has been taken, CIA and other Government intelligence agencies should be permitted a period of internal development free from the disruption of continual examination and as free as possible from publicity.

OUTLINE FOR FINAL REPORT

DRAFT NO. 5
5 Nov. 1948

PREFACE (*Letter of Transmittal*)

A statement of the terms of reference of the Survey Group, how these terms have been interpreted and the procedure followed in conducting the Survey.

INTRODUCTION — The Nature of the Intelligence Problem

A brief statement of the nature of intelligence and of the issues which need to be examined and resolved.

Chapter 1 — Present Organization for National Intelligence

A general analysis of the position of CIA as *defined* in the National Security Act, the relations between CIA and the departments and a general description of the mechanisms for coordinating intelligence activities.

Chapter 2 — Organization, Administration and Direction of CIA

An overall sketch of the organization of CIA with an examination and evaluation of its managerial set-up, administrative operations, security, personnel, and direction.

Chapter 3 — CIA's Responsibility for the Coordination of Intelligence Activities

An examination of the organization and operations of IAC, ICAPS, OCD, and other CIA activities for the coordination of intelligence activities, an analysis of the NSC Intelligence Directives, and an appraisal of CIA's achievements in coordinating intelligence activities.

Chapter 4 -- CIA's Responsibility for Intelligence Evaluation
and Estimates

A discussion of CIA's responsibility for the coordination of national intelligence and an examination of ORE's performance.

Chapter 5 -- CIA's Performance of Common Services: The Collection
of Overt Intelligence

This chapter would deal with OO.

Chapter 6 -- CIA's Performance of Common Services: Secret
Intelligence and Secret Operations Abroad

This chapter would cover the activities of OSO and the new Office of Policy Coordination.

Chapter 7 -- The Department of State

An examination of the organization strength and position of the intelligence agency in the Department of State, including a definition of its fields of activity and an appraisal and recommendations of its relationships to Department of State operations, to the departments, and to CIA.

Chapter 8 -- The Service Intelligence Agencies: General Discussion

A statement of the intelligence responsibilities of the service intelligence agencies in relation to each other, to the JIC, and to CIA.

Chapter 9 -- The Service Intelligence Agencies: Operations

An examination and appraisal of the intelligence activities of the service agencies.

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Chapter 10 -- Principles of Organization for National Intelligence

An analysis and appraisal of the general principles which should guide intelligence organization and activities and a statement of the type of national intelligence organization which is needed, the respective relations of the principal agencies and of the major operations.

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Chapter 11 -- Conclusions and Recommendations

A recapitulation and reinterpretation of the conclusions and recommendations developed and stated in the previous chapters.

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NOTES FOR CONCLUSIONS

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13 Nov 1948

Intelligence Organization -General

The National Security Act of 1947 provides an adequate basis for a sound intelligence organization and no amendments are recommended *at this time*

(Complete centralization of intelligence is undesirable. The departmental intelligence agencies should be strong within their respective spheres and should be supported by and in turn themselves support the Central Intelligence Agency.)

(There is no evidence that intelligence is being neglected, although there is much evidence that its possibilities are not being fully exploited.)

(There is evidence that within individual departments and as between one department or agency and another, there is not the fullest measure of cooperation. This is sometimes due to the over-emphasis given security considerations as contrasted with requirements for effective operations.)

Steps should be taken to strengthen the authority of the National Security Council over the CIA in order that CIA may receive better support from the members of the National Security Council than heretofore and so that the National Security Council may assure itself that CIA is properly fulfilling its mission. This might be done by designating the Secretaries of State and Defense as a subcommittee of the NSC for this purpose.

(The relationship between CIA, the Intelligence Advisory Committee and the Joint Intelligence Committee of the Joint Chiefs

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of Staff needs to be readjusted in order that the National Security Council and the Joint Chiefs of Staff, together with the principal departments concerned with national security, may receive consolidated national intelligence estimates from one source, arrived at after appropriate discussion and criticism.

The Survey Group has not been able to examine sufficiently the very important question of communications intelligence so that it has not been able to formulate definite views on this subject, except in relation to specific problems.

CENTRAL INTELLIGENCE AGENCY

General Appraisal

Although CIA has in some respects made good progress, in many respects, it has completely failed in its mission and there are no signs of these deficiencies being remedied.

Rev CIA does not enjoy the confidence or support of the other departments and agencies of the Government.

The general mandate given to CIA by the National Security Act seems to be a proper one and sufficiently flexible so that necessary adjustments can be made within its terms.

Rev The combination of responsibilities in CIA for coordinating intelligence activities and for conducting certain operations has some drawbacks, but it is felt that these can be largely overcome by appropriate adjustments and that the disadvantages of making any radical change in this respect would outweigh the possible advantages.

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Organization and Mission

The leadership of CIA does not demonstrate a clear understanding of CIA's mission, does not give effective direction to CIA, and has failed to win the support of the other agencies of the Government.

The Director of CIA should be a civilian, appointed on a non-partisan basis and a person with a good understanding of intelligence problems.

The internal organization of CIA is unsatisfactory. There is insufficient flexibility of administration and inadequate participation by the intelligence chiefs in the determination of CIA policies.

Too much importance rests with the administrative and managerial staffs, which are becoming the principal means for controlling intelligence operations.

Rigidity of administration has led to a general condition of insecurity, which needs to be remedied by appropriate administrative policy arrangements.

There are too many military personnel on tour of duty in positions of major responsibility.

Coordination of Intelligence Activities

CIA has not effectively promoted the coordination of government intelligence activities. The operations of the various intelligence agencies are largely unaffected by the existence of CIA.

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The Intelligence Advisory Committee has been largely ineffective as an agency to assist the Director of Central Intelligence in the coordination of intelligence activities. Nevertheless, the principle of the IAC is sound and the IAC should be continued.

ICAPS has not been a successful staff. It should be revitalized as a staff for the Director of Central Intelligence with the concern of developing plans for the coordination of intelligence activities, including those conducted under CIA and by other agencies.

That portion of OCD which is concerned with the coordination of intelligence activities should be established as part of the reconstituted ICAPS.

The Director of Central Intelligence should be concerned primarily with the coordination of intelligence activities and the coordination of intelligence opinion. Intelligence operations conducted by CIA as a common service should have an autonomous position within this framework.

Correlation of National Intelligence

The Office of Reports and Estimates is not now effectively performing one of the major functions for which CIA was created, namely, the correlation of national intelligence.

ORE has become a producer of intelligence, whose production is often unrelated to policy requirements and competitive with the intelligence production of other agencies.

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There has been a failure to distinguish between ORE's mission of coordinating intelligence and the intelligence producing functions which it performs as a common service for other intelligence agencies.

ORE should be reconstituted so that a small group of high quality concerns itself with the coordination of intelligence at the highest level of Government requirements. It would base its work largely, but not exclusively, upon the intelligence products of the other intelligence agencies and would have the responsibility of monitoring the intelligence production of the other agencies in order to improve its quality.

There would also be created a separate central research and evaluating unit in CIA which would perform on behalf of all the intelligence agencies, including CIA, research and evaluating services in fields of common concern, e.g. economic, industrial, scientific, etc. and map research, document translation.

Common Services Performed by CIA

The central unit mentioned in the previous paragraph will be created.

The Office of Special Operations, the Office of Policy Coordination, and the Contacts Branch of the Office of Operations should be consolidated under a single head. This operating unit should be largely autonomous, enjoy special security arrangements, control its own administration, and receive policy guidance directly from the Secretary of State and Defense. A closer relationship needs to

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be established between these operating units and the other departments and agencies of the Government in order that there may be more effective determination of requirements for the operating services and a higher degree of confidence in their work.

There needs to be a higher degree of coordination of clandestine activities conducted by the various agencies of the Government; in particular, the activities of the Armed Services in occupied areas and the counterespionage activities of the FBI need to be more closely related to the work of CIA.

More effective methods need to be developed for the exploitation of domestic sources of intelligence, including refugees and foreign nationality groups, in consultation with the FBI.

The counterespionage activities of CIA need to be more actively developed and the entire counterespionage activities of the Government need to be better coordinated.

There is evidence that communications intelligence is not being effectively used in relation to CIA secret intelligence and secret operations activities.

THE DEPARTMENTAL INTELLIGENCE AGENCIES

The position of State Department intelligence needs to be reexamined in light of the changes in ORE which would have the result of placing a greater burden on the State Department for the production of political intelligence.

The present separate intelligence organization in the State Department needs to be brought in closer relationship to the policy desks.

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There should be established in the State Department at a high level a single point of liaison and general policy guidance for all CIA secret operational matters.

The personnel policies for intelligence in the service departments should be re-examined to insure that the reserve program is being actively prosecuted and that the tour of duty principle is not being applied to the detriment of intelligence. The recruitment of professional civilian employees for the service agencies should be encouraged.

The service intelligence agencies should concentrate on intelligence in their respective areas of dominant interest. They should also be concerned with such current intelligence as is needed for staff purposes.

The Joint Intelligence Committee should be reconstituted to include representation from CIA and the State Department. In this reconstituted form and with the assistance of the newly created unit for high level intelligence coordination in the CIA, it should provide the definitive Government intelligence estimates on all national intelligence questions.

The Joint Intelligence Group may continue to function as a staff agency for the Joint Chiefs of Staff.

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Draft
Mr. Robert Blum

II

CHAPTER IV

The Organization, Administration, and Direction of CIA

Organization

The National Security Act of 1947 has very little to say on the subject of the organization of CIA other than to provide that it 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 individuals in civilian life". The Director is free to organize CIA as he chooses and to appoint to positions within CIA persons of his own selection, subject to the general control of the National Security Council, which has in fact been exercised only once in this respect.

~~The internal organization of CIA does not conform to any clear pattern. (See the Chart on p. ____.)~~ *HP* Assisting the Director are a Deputy Director and an Executive Director who are his immediate subordinates in the chain of command. Attached to the Director in a staff capacity are the Interdepartmental Coordinating and Planning Staff (ICAPS) comprising persons designated by the Departments of State, Army,

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Navy and Air Force, who have the responsibility of assisting the Director and the Intelligence Advisory Committee with respect to plans and policies for interdepartmental coordination (see p. ____ below); the General Counsel who handles all staff work of a legal and legislative nature; and the Advisory Council, a small staff which represents the Director in handling communications intelligence matters.

In addition to these small staff sections with special responsibilities there are two large units called "Executives" *whose chiefs are* ~~which, although~~ *on members of the Director's staff and which* ~~they occupy on the chart a staff position close to the Director,~~ have in fact the major administrative responsibilities within CIA. These are the Executive for Administration and Management which handles financial and budgetary matters, administrative services, supply and general housekeeping, personnel and management advice and surveys; and the Executive for Inspection and Security which is responsible for internal security policies and investigations, physical security arrangements, inspections and audits.

The bulk of CIA's intelligence and related activity is performed in five Offices, each headed by an Assistant Director. These Offices

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report through the Executive Director and Deputy Director to the Director.

They are the following: Office of Reports and Estimates (ORE), which prepares intelligence reports and estimates (see p. ____ below); Office of Operations (OO), which collects intelligence through contacts in the United States, monitors foreign broadcasts and translates foreign *press and* documents (see p. ____ below); Office of Special Operations (OSO), which carries out espionage and counter-espionage abroad (see p. ____ below); Office of Policy Coordination (OPC), which conducts secret operations abroad (see p. ____ below); and the Office of Collection and Dissemination (OCD), which arranges for CIA to receive and disseminate intelligence information, coordinates to a limited extent intelligence collection and houses certain reference facilities (see p. ____ below).

This structure does not present a very clear pattern when matched against the three broad functions assigned to CIA by the National Security Act of 1947. CIA's responsibilities for advising on the coordination of intelligence activities are performed through the Interdepartmental Coordinating and Planning Staff which does the staff work for the Director of Central Intelligence and the Intelligence Advisory Committee

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on the National Security Council Intelligence Directives referred to in the previous chapter. However, ICAPS also performs miscellaneous staff functions for the Director, primarily of a liason nature. The Office of Collection and Dissemination also assists in coordinating intelligence activities, but does this at an administrative rather than a planning level. It is concerned almost entirely with coordinating, to a limited extent, the collection of intelligence required by CIA and the various departments. However, OCD also performs certain services of common concern, primarily of an information reference nature, in that it compiles and maintains certain biographical and other reference indexes, ~~and references~~. Finally, OCD performs certain functions which are primarily administrative, including the reception and dissemination of documents and reports.

CIA's responsibility to "correlate and evaluate intelligence relating to the national security" is carried out almost entirely by the Office of Reports and Estimates. However, as we will point out later, a clear distinction has never been made within ORE between the duty of

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correlating and producing national intelligence and other duties which ORE performs and which are primarily the production of reports as a service of common concern for the benefit of the existing intelligence agencies. To some extent ORE also coordinates the intelligence activities of the other government agencies to the extent of planning, coordinating and editing their contributions to basic intelligence handbooks.

Certain services of common concern which are primarily of information-producing and reference character are performed by the Office of Collection and Dissemination and the Office of Reports and Estimates, as pointed out above. Another common service of this kind is carried out by the Office of Operations which is charged with the ^{exploitation of} ~~translation~~ ^{information} intelligence found in foreign documents and publications. However, the principal services of common concern which have been formally allocated to CIA are of an operational nature. Two of these, the monitoring of foreign broadcasts and the collection of foreign intelligence through contacts in the United States are the responsibility of the Office of Operations. Foreign espionage and counter espionage are the exclusive responsibility of the Office of Special Operations.

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Finally, the principal function "related to intelligence affecting the national security" so far allocated to CIA is performed by the Office of Policy Coordination, which conducts secret operations abroad. However, ~~a special duty of this kind~~ ^{particular related function}, the security of vital industrial operations abroad, is being coordinated by the Executive for Inspection and Security.

The internal organization of CIA has not been set up with a clear conception of CIA's distinctive yet inter-related missions. This has ~~contributed to the confusion,~~ ^{created a certain amount of confusion,} particularly with respect to CIA's ~~to be discussed in subsequent chapters,~~ ^{to be discussed in subsequent chapters,} duties of coordinating intelligence activities and of correlating in- ~~As to CIA's proper functions and its~~ ^{As to CIA's proper functions and its} telligence relating to the NSC and has also had the effect of obscuring CIA's ~~proper~~ relationships with the other Government agencies concerned with intelligence matters.

There are also certain administrative policies and practices that make it difficult to derive the maximum effectiveness from the activities of CIA. The most serious of these difficulties is the position of pre-eminence which has gradually been acquired by administrative officials and practices. Thus, administrative considerations are often given greater

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weight than intelligence considerations, and the officials primarily responsible for intelligence matters have little contact with each other or with the general determination of CIA plans and policies. There is no close collaboration between the Director and the heads of the various offices. Standing between them are not only the Deputy Director and the Executive Director but also, to a large extent, the administrative staffs which have acquired a position that enables them not merely to serve the intelligence offices but to exert control over them. Administrative and command channels are rigidly adhered to, and there is little close consultation on intelligence and policy matters between the various stratified levels. This situation does not appear to be due to any inherent organizational weakness but to the policies pursued over a period of time by the Director and his immediate subordinates who, as a result, are ^{re-} moved from the actual intelligence operations on the success of which the strength and effectiveness of CIA depends.

This situation is reflected in the failure of the intelligence working-levels to receive adequate guidance from the Director, with the result that to a large extent they are forced to determine their own

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plans, policies and activities. Another consequence is that the working-levels often receive inadequate support for their activities because of the failure of the top levels to understand their problems. Finally, relationships with outside agencies are hindered because of various administrative and liaison practices which, while not contributing to better security, impede the effectiveness of CIA's work and the necessary cooperation with other agencies.

It has not been possible to judge in detail the efficiency of the internal administrative services of CIA. Although there is no reason to doubt that these activities have been efficiently performed, there is little doubt that CIA is over-administered and that the role of administrative officials is out of proportion to their true importance. It is probable, therefore, that criticism should be directed against ^{higher} administrative and management policies rather than against the ^{competence} ~~quality~~ of the administrative organization. ^{itself} This is also borne out by the fact that CIA's difficulties with respect to personnel and security are due largely to policy rather than strictly administrative considerations. It is difficult

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to determine whether there is justice in the charge, frequently heard, that there are too many administrative personnel in CIA, and that the organization is top heavy in this respect. Although the numbers of administrative personnel may be high as compared to other agencies, it must be recognized that the operating problems of CIA are peculiar ones. Although this cannot be said with certainty, the criticism of numbers may be more a criticism of administrative policies and procedures.

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CIA appears to have no serious budgetary problem and is favored by enjoying generous Congressional support. The budget, as prepared in CIA and approved by the Director, is submitted each year to the NSC which, without examining the figures in detail, authorizes CIA to submit its requirements to the Budget Bureau where they are handled by one official who has full security clearance.

After the Bureau of the Budget has given its approval, the budget is taken to Congress, where it is defended before selected subcommittees of the Appropriations Committees of the two Houses. These Subcommittees, each consisting of the Chairman and Senior Minority Member, are given full explanation and justification of the figures. After their approval of

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the budget, CIA makes arrangements with the Bureau of the Budget for concealing the CIA budget by having Congress appropriate parts of the budget to other agencies. Thus, there is no official appropriation of any kind to CIA, but there are a number of separate blanket and unidentified appropriations to various parts of the Military Establishment, State Department and other agencies, which act as the vehicles for transmitting the funds to CIA. Once the money has been appropriated to these agencies, CIA draws a voucher for the total amount and thereafter does all of its own accounting under the supervision of the General Accounting Office.

Both the Bureau of the Budget and Congress have refrained from examining in detail the internal workings of CIA in order to determine the justification for CIA's budget. It is important that such discretion and security be continued and that CIA be given special treatment. However, in order to justify this, it is necessary that the National Security Council assure itself as to CIA's proper management and operations and serve, in a sense, as CIA's guarantor. It is also important that discretion in these matters be matched by discreet policies and attitudes in all other appropriate matters.

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The budget figures for the fiscal years 1949-50 are the following:

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The great care with which CIA's budget is handled so as to make the entire procedure a very secure one, even though CIA is a statutory agency, is not matched by a similar security consciousness in other matters.

Although there is no evidence that there is any laxness in CIA's administrative arrangements for security, there ^{are} ~~do appear to be~~ a number of circumstances and policies which detract from the general security of the organization.

It is very difficult to create adequate security, other than normal physical security, around an organization like CIA which was created by statute, employs [] persons, 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 is highly classified. Yet by combining in a single, centralized structure a wide variety of activities, the security of the most sensitive of these may be compromised by the insecurity of the least sensitive. This situation is also aggravated by the fact that [] individuals publicly identify themselves with CIA and that some of these are engaged in activities which

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must be kept from public notice, although there is no satisfactory way of accomplishing this.

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There are further examples of the same difficulty. In the Washington area, CIA occupies 19 buildings, all of which can readily be identified as CIA buildings. In various cities throughout the United States, the regional offices of the Office of Operations conduct their business under the public label, "Central Intelligence Agency." ~~If it were possible for the semi-public portions of CIA to serve in a sense as "cover" for the secret portions, these difficulties would be less serious, but little attempt has been made to arrive at such a result.~~ Thus all personnel, regardless of the particular part of CIA in which they work, are known as CIA personnel and all buildings, regardless of the activity they house, are known as CIA buildings.

These deficiencies are increased by the tendency within CIA toward administrative uniformity and centralization. This seems highly undesirable in an intelligence organization performing a variety of functions in which flexibility is important not only to ensure effective operations, but also as a security safeguard.

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Security also suffers because of poor morale among persons within the organization and those who have left it. An unfortunate tradition, of which CIA is but the heir, has developed according to which intelligence is a subject of public discussion, at least in limited circles, and poor morale and discordant views as to how intelligence should be organized contribute to fanning the flames of this discussion. This is not to say that there is ^{in - (in CIA)} security with respect to ^{the problems being handled} ~~particular items of intelligence,~~ but that there is a general atmosphere of ^{in -} security in ~~intelligence matters~~ which may endanger the security of particularly sensitive questions. Some of the factors which have contributed to this situation may be unavoidable, but they can be compensated in part by proper administrative and operational policies, the cooperation of other agencies of the Government and rigid indoctrination.

CIA also labors under a very difficult personnel problem. A comprehensive intelligence organization such as CIA has extremely varied personnel requirements. It needs persons with highly specialized talents who are not easily found or trained, as well as persons with broad political and administrative background. The conditions of change and uncertainty

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which have prevailed in our intelligence organization during the past few years have made the task even more difficult, because persons who might otherwise be qualified and interested have been discouraged from entering the intelligence field. The predominance of military personnel in so many key positions in CIA, and the ^{lack of prestige} ~~generally poor reputation~~ enjoyed by CIA, have also contributed to an unsatisfactory personnel situation and to the difficulties of recruiting suitable people.

Morale on the whole is poor. The chief reasons appear to be dissatisfaction with the leadership, uncertainty as to the future of a career in intelligence, and an awareness that CIA's standing in the Government leaves much to be desired.

It is difficult to make any sweeping judgment as to the qualifications and competence of CIA personnel. It is probably accurate to say that there are few outstanding persons but that, for the most part, those at the "working levels" are loyal and competent. However, highly qualified individuals have not been readily attracted to the organization and some of the most qualified persons have left it.

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One strong contributing factor to this situation is the relatively high proportion of military service personnel in key positions in CIA. At best, intelligence as a career is not favored in the armed services and CIA, as in many cases, accepted officers who were either without any intelligence experience whatsoever or were not desired by their own intelligence services. This is not to say that there are not good intelligence officers in the Services, but that CIA has little likelihood of getting them and that these officers would be conscious of the fact that their own careers would suffer from a long association with CIA. There are the further facts that Service personnel are normally assigned for a brief tour of duty and that the turnover is exceptionally high, preventing continuity, and that the presence of Service personnel in many key positions is discouraging to competent civilian personnel who desire to make intelligence a career.

In the subsequent chapters, dealing with the various activities of CIA, we will see how these activities have been affected by the administrative considerations mentioned in the present chapter. To some extent, the difficulties mentioned with respect to personnel, security, administrative

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policies and methods, and leadership affect the entire organization.

Difficulties on such a wide scale attributed at least in part to inadequacy of leadership. The position of CIA in relation to the other Departments and agencies of the Government is unsatisfactory and there is no substantial evidence of improvement. The functions of CIA do not appear to be clearly defined and seem to result more from the efforts of individual workers interpreting their responsibilities rather than from understanding, leadership and direction. In ~~some~~^{is}, there is little prospect that CIA, as it/presently led, organized and operated, can win the confidence of the Government departments and agencies which it was created to serve and make an effective contribution to the coordination of national intelligence.

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Draft No. 2
Mr. W. H. Jackson

Chapter ~~IV~~^V -- Coordination of Intelligence Activities

The National Security Act of 1947 provides in Section 102 for the establishment of a Central Intelligence Agency. Paragraph (d) of this section reads in part as follows:

"For the purpose of coordinating the intelligence activities of the several 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;

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

It seems clear from the declaration of policy underlying the Act and from the import of Section 102 establishing the Central Intelligence Agency that the coordination of intelligence activities of the several

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departments and agencies was intended to be the primary function of CIA. *However,*

← *the* CIA is not granted unlimited authority to coordinate intelligence activities upon its own initiative. It is given the duty to advise the National Security Council in matters concerning such intelligence activities and to make recommendations to the NSC for the coordination of intelligence activities relating to the national security. *establish policies regarding the* Final authority *to* coordinate *of* intelligence activities is vested in the NSC.

The statutory limitations upon the authority of the Central Intelligence Agency to coordinate intelligence *activities* ~~directives~~ upon its own directive without higher review are 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 NSC are in a position to review recommendations of the CIA concerning their own departments and provision is made that other departmental heads may be invited to attend meetings of the NSC when matters pertaining to their intelligence activities are under consideration.

The National Security Act does not define the "intelligence activities" which the CIA is to coordinate with the approval of the Security Council.

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of CIA's primary duty of coordinating intelligence activities as closely related to its other two duties of correlating and evaluating intelligence relating to the national security and of performing additional services of common concern as determined by the National Security Council. In fact,
Presumably all intelligence activities relating to the national security

are included, from collecting information or raw intelligence in the first instance to the dissemination of finished intelligence reports as the final stage of intelligence activity.

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The Act prescribes for the Central Intelligence Agency functions and duties in addition to the duty to make recommendations with respect to the coordination of intelligence activities. It is given the duty to correlate and evaluate intelligence relating to the national security (See Chapter--infra). It is also given the duty to perform, for the benefit of existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally. (See Chapter--infra)

The National Security Act thus imposes three major and distinct duties upon the CIA: (1) The duty of recommendation to the NSC, in the interest of proper coordination and greater efficiency, how and where among the various departments and agencies, intelligence activities relating to the national security should be performed, (2) The duty to produce in CIA, presumably through coordination and assembly of intelligence opinion

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within the knowledge of particular departments and agencies, national intelligence transcending in scope the intelligence mission of any department or agency, (3) The performance of services of common concern which can be more efficiently accomplished centrally.

In fact these three basic duties of the CIA, although distinct in themselves, are necessarily inter-related and the performance of one function may involve another. For example, in performing its primary duty of coordinating intelligence activities, CIA may recommend to the NSC the means to be employed in the assembly of material and opinion requisite for the performance by CIA of its second duty, the production of national intelligence estimates. As another example, CIA may recommend, in accordance with its primary duty of coordinating intelligence activities, that a particular intelligence function be performed henceforth by the CIA itself under its third duty of providing services of common concern more efficiently accomplished centrally.

Before considering in this chapter the performance by the CIA of its primary duty to coordinate intelligence activities, some preliminary observations are relevant.

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three distinct if inter-related duties, has had the consequence of confusing the Directorate of CIA in arranging the internal organization of the agency and the performance of any of these duties. Intelligence produced independently by the CIA as a service of common concern in performance of its third function has been confused with the coordination and assembly of national intelligence in pursuance of its second function. Coordination of intelligence opinion as a second function has in turn led to emphasis upon CIA relationship with the intelligence staffs of State, Army, Navy and Air Force departments to the neglect of its primary duty to coordinate the intelligence activities of all federal agencies and (in proper relationship to bring them to bear) upon the fundamental intelligence problems of the government. Confusion in the internal organization of CIA has been in part cause and in part effect of confusion in its directorate of its three basic functions.

The Administrative Mechanism for
Coordination of Intelligence Activities by CIA

Three organizations assist the Director of CIA in discharging his responsibilities in the coordination of intelligence activities: The

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Intelligence Advisory Committee (IAC); the Interdepartmental Coordinating and Planning Staff (ICAPS) of CIA; and the Office of Collection and Dissemination^(OOD), also in CIA.

(a) The Intelligence Advisory Committee

The membership of this committee includes the heads of the intelligence staffs of State, Army, Navy and Air Force Departments, the head of the Joint Intelligence Group of the Joint Staff and the chief intelligence officer of the Atomic Energy Commission. Its predecessor, the Intelligence Advisory Board occupied a position approximately coordinate with the Director of the Central Intelligence Group. The National Security Act in establishing the Central Intelligence Agency to supersede the Central Intelligence Group made no mention of the Intelligence Advisory Board or of an Intelligence Advisory Committee. ~~It placed the Central Intelligence Agency under the National Security Council.~~ ^{When} Although the Intelligence Advisory Committee was established by the first Intelligence Directive approved by the NSC on the recommendation of the Director of CIA, it was given power merely "to advise the Director of Central Intelligence. Its coordinate status thus no longer existed.

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The members of the Intelligence Advisory Committee, by directive of the NSC are authorized to pass upon recommendations of the Director to NSC and upon measures proposed by the Director in implementation of NSC directives. Although it is incumbent upon the Director to transmit to NSC dissents of members of the IAC to his recommendations, the IAC may not prevent the Director from making his own recommendations to NSC regardless of dissents and he may accept the advice tendered him by the IAC only as he sees fit. ~~On the one occasion, however, when dissents by members of the IAC to a proposal by the Director (NSCID #9) were forwarded to the NSC, the decision was given in favor of the IAC view and against the recommendations of the Director of Central Intelligence.~~

Whether because of its limited function of merely advising the Director or because of the Director's failure to make more active use of this administrative machinery for achieving coordination of intelligence activities, the Intelligence Advisory Committee has in fact made but little contribution to the solution of problems affecting the intelligence structure as a whole. There have been only infrequent meetings and there is little evidence of thorough discussion at these meetings, of such funda-

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mental problems. In fact, the Committee has met less than six times since its establishment late in 1947 and does ^{not} ~~now~~ have any regular schedule of ~~future~~ meetings, although meetings can be called by the Director or upon the initiation of any member by application to the Director. So far, the activities of the IAC have been largely confined to passing formal judgment, usually only by voting slips, upon recommendations of the Director to the NSC or upon CIA implementing directives. Some of this work is conducted through the IAC Standing Committee consisting of representatives designated by each of the members.

On one occasion the IAC has made an important contribution to the coordination of intelligence activities apart from its formal procedure in granting concurrence to CIA recommendations and directives. The Committee took the initiative in establishing an interdepartmental ad hoc committee to consider Soviet military capabilities and intentions during 1948. The reports by this committee were of high quality. The special importance of the incident for the purposes of this chapter of this report lies in the fact that the IAC proved itself capable of action of importance, involving intelligence coordination. It also

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demonstrated that the technique of producing national intelligence by assembly of departmental contribution and interdepartmental discussion under CIA chairmanship is effective.

(b) Interdepartmental Coordinating and Planning Staff (ICAPS)

This is the chief staff agency within CIA for the coordination of intelligence activities in accordance with the duties and responsibilities of the Director. Its chairman is a representative of the Department of State of the grade of first secretary serving with CIA. Its members include representatives of the intelligence organizations of the State, Army, Navy, and Air Force Departments of the grade of captain, colonel, and comparable civil service rank. It is significant that no member of ICAPS had prior experience in intelligence organization and only one member served at length with an intelligence agency. The Joint Intelligence Group and the Atomic Energy Commission, although represented on the Intelligence Advisory Committee, do not supply members to ICAPS. An additional member of ICAPS acts as the official liaison officer between the CIA and JIG.

The assigned task of ICAPS is to review the intelligence activities of the government, and to assist the Director in initiating measures

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coordination for recommendation to NSC. In order to perform effectively, ICAPS should have intimate knowledge of the organizations, responsibilities, activities and priorities of the various intelligence agencies which its members represent and should give constant consideration to the intelligence relating to the national security available in other federal departments and agencies. Actually, its achievements reflect inadequate knowledge of these subjects and failure to appreciate the breadth of the CIA's responsibility for coordination.

During the first year of CIA's existence, ICAPS has been largely concerned with the coordination ^{of intelligence} activities, ^{by means of} ~~affected by~~ nine intelligence directives of the NSC and four implementing directives of the Director of Central Intelligence. It has supervised the drafting of these papers, secured more or less complete acceptance of them by the intelligence-producing branches of CIA, and submitted them to the IAC Standing Committee and the IAC prior to their submission to the NSC or their publication as CIA directives. It was originally expected to act as a secretariat or working staff for IAC, but owing to the infrequent meetings of IAC this has never occurred. As a means of forcing IAC and its Standing

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Committee to assume more responsibility (and because of the evident defects of ICAPS itself), it has often been suggested that ICAPS be eliminated entirely. Such a step, however, would leave the Director without a unit within his own agency to carry out his coordination responsibilities, and would not of itself cause IAC to become more effective.

As a planning and coordinating staff, ICAPS suffers from conflicting organizational loyalties. It might be expected that the members of ICAPS, acting as a staff in CIA, would owe their primary allegiance to its Director and would use their departmental experience and status merely as an appropriate background for the performance of their duties. The contrary appears to be true. The members of ICAPS tend to regard themselves primarily as representatives of their own departments assigned temporarily to CIA, and only secondarily as agents of CIA charged with implementing its responsibilities. Hence they offer departmental points of view at discussions of matters affecting their own agencies, ~~they~~ regard themselves as in some measure obligated to protect the interests of these agencies and to reflect their policies rather than assume the obligations of the Director of CIA. To some extent they substitute themselves for the IAC, but without being an official IAC secretariat, and without being ~~SECRET~~

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with any such responsibility. They look in two directions, toward CIA and toward their departmental agencies; but chiefly toward the latter.

They are, in addition, largely out of touch with the internal arrangements of CIA, particularly in its intelligence-producing offices. Because of this aloofness, numerous complaints are heard in intelligence producing divisions of CIA that the members of ICAPS keep almost entirely apart, know little of their problems, and consult them only cursorily upon general problems of coordination. There are exceptions to this generalization; *There is certainly a tendency on the part of* but ~~we have been impressed by the tendency of~~ ICAPS to rely upon its own judgment and to forego intensive study of the activities of CIA and their relation to those of the departmental agencies. The consequences are a minimum of interdepartmental coordination and only a hazy recognition ~~for~~ or entire disregard of fundamental and critical problems of intelligence organization.

The member of ICAPS charged with responsibility for CIA liaison with JIG acts as a channel of transmission for JIG papers upon the conclusions of which CIA comment is requested. This officer also keeps the Director of Central Intelligence personally informed of intelligence problems of

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JIG. His duties relate to the availability of intelligence information and the conclusions to be drawn from it. These duties have not been assumed to involve, like the duties of other members of ICAP, the formulation of administrative plans for coordination of intelligence activities. As a consequence, ^{the} ~~that~~ particular liaison officer has only infrequent contacts with other members of ICAPS, and reports only rarely to its chairman, thus emphasizing the distinction between his functions and those performed by the other members of the staff.

A similar problem arises with respect to the chairman of ICAPS. As a part of his duties, he attends meetings of the working staff of the National Security Council, and is supposed to make available to the Council intelligence resources of CIA, while keeping the intelligence-producing divisions of CIA informed of the problems of the NSC staff. This relationship involves the discussion of intelligence requirements, the furnishing by CIA of intelligence reports and the oral presentation of the conclusions which may be drawn therefrom. The Chairman is not qualified by training or experience to participate in such discussions. This problem has been at least partially solved on the initiative of the NSC. The Chairman of

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ICAPS has been prevailed upon to bring with him representatives of CIA qualified by knowledge of the applicable intelligence to take part in the discussion of particular situations or general policies. This has provided a more efficient means of supplying the NSC staff with the best thinking in CIA, but designation of the CIA representative who will provide intelligence advice remains with the chairman of ICAPS. He is at least potentially a buffer, who by his mere presence can influence the flow of intelligence to one of the most significant of the intelligence consumers served by CIA.

In general, we have found that ICAPS, staffed by individuals whose experience with problems of intelligence organization is not extensive, has failed to undertake a broad and effective program of coordination of intelligence activities. It has little contact with the intelligence producing units of CIA, and on the contrary has tended to place itself between them and other agencies outside CIA with which they should properly be in touch. It has even served to prevent working contacts between units within CIA, although as an administrative planning staff it should advocate and assist such contacts where they serve a useful purpose. Nowhere has ICAPS recommended or itself undertaken an extensive program of study

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within CIA and the various agencies of the government looking toward coordination of duplicating activities. It has not sought systematically to arrange for the tapping of the resources of intelligence agencies not represented on the Intelligence Advisory Committee except as some of these have been approached in connection with the National Intelligence Survey. In its preparation of recommendations for the Director to the NSC it has ^{not} ~~not~~ been as an organization in a desultory manner, which has not given the impression within CIA or outside that its members or CIA itself grasp the tremendous responsibility for coordination of intelligence activities which are imposed upon CIA under the NSC by the National Security Act.

We are, of course, aware that CIA (and CIG) has been in existence for less than three years, and that ICAPS itself has operated under its existing charter for considerably less than this time. We are also aware that it is exceedingly difficult to obtain the assignment of competent personnel acquainted with intelligence organization. The several directors of CIG and CIA have been burdened with a multitude of problems affecting a new organization, which may explain the general lack of direction which ICAPS has received from the heads of its own agency. Finally, it must be recog-

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vised that any group having the responsibility of ICAPS must proceed slowly and tactfully. We are convinced, however, that even within the limits imposed by these circumstances, the present ICAPS has ^{not} faced or in many instances even considered the intricate problems involved in the coordination of intelligence activities within the Government.

(c) The Office of Collection and Dissemination (OCD)

This is the third of the organizations having an important role to play in the coordination of intelligence activities. Like ICAPS, it is located in CIA; but unlike ICAPS, its members have no positive allegiance to any intelligence organization outside CIA.

It combines three functions, only two of which bear directly upon its task of coordination. In the first place, it acts as a service organization for the operating offices of CIA in procuring intelligence materials from other agencies, maintaining a central file service in its Reference Center, and disseminating intelligence collected by CIA in its field operations. These are essentially internal responsibilities, and although related to OCD's coordinating tasks, are not a part of them.

The second function, which does involve coordination, is the furnishing of certain "services of common concern" on behalf of federal intelligence

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as a whole. One of these is the maintenance of a central biographic file for scientific and technological personalities; another is a centralized index, not yet complete, of all biographical information in the hands of the several departmental intelligence agencies as well as of CIA. These functions involve coordination to the extent that they make it unnecessary for other agencies to undertake the same tasks, or to make inquiries for the same information of several agencies.

The third and most important activity of OCD in the field of intelligence coordination is its responsibility for coordinating intelligence collection and dissemination within CIA and among the agencies of the government having national intelligence resources. In order to discharge this responsibility, it is to maintain "continual surveys and contacts" among the federal agencies in order to learn what intelligence they have available which can be shared with other interested agencies, and what information needs they may have which can properly be satisfied by other agencies. It is charged with being familiar with the collection capabilities of all agencies as well as CIA, and to recommend procedures and policies throughout the collection and dissemination field. The activities

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of OOD were intended not only to serve the intelligence needs of CIA and of the departmental agencies, but also to comprehend the whole problem of intelligence collection and dissemination within the entire intelligence structure, and to initiate measures and conduct surveys designed to achieve and maintain its greatest efficiency.

In fact, OOD has devoted most of its energies to satisfying the needs of the operating units of CIA for collection and dissemination. It coordinates the intelligence requirements issued to it from other offices of CIA, but it does not take and has not sought responsibility for coordination of the intelligence requirements of all agencies throughout the government. Thus OOD will secure information for the Office of Reports and Estimates (ORE) of CIA from, for example, the Intelligence Division of the Army; but it is not consulted and has no role in satisfying requirements of the Intelligence Division from the Department of State. In the same way, it conducts no surveys of the information resources or the collection potentialities of other agencies except as these affect the present or anticipated requirements of CIA. It does not attempt to learn, for example, whether the economic information collected throughout the several agencies is sufficient

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to satisfy the recognized need of the Office of Naval Intelligence for information on world shipbuilding capacities. Such a request may be addressed to OOD by ONI, in which case OOD will determine the intelligence resources of CIA in satisfying ONI's request; but it will not undertake to consider this requirement in the light of the overall availability of information throughout the entire government. Any such action must be taken by ONI, without further assistance from OOD except that which may be specifically asked.

In line with its function of surveying intelligence resources, it may be a proper function of OOD to recommend to ICAPS that steps be taken by the Director to secure authority for the inspection of intelligence in federal agencies, such as the Treasury. ICAPS may take the initiative in such a project itself, but in either case the inspection may well be conducted by OOD. So far as we have been able to determine, OOD has not yet made any such proposal of inspection to ICAPS or ^{to} the Director, and has not conducted any surveys on its own part which go beyond the normal activities of inter-departmental liaison.

It may be observed in general that the responsibilities assigned to OOD in regard to the coordination of collection and dissemination are

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appropriate. They have been interpreted narrowly, however, in terms of the needs of the producing offices of CIA rather than of intelligence production throughout the government. It is evident that OGD has overlooked important areas where it should sponsor formal measures of coordination in the form of recommendations by the Director to the NSC-Departmental inspections is a case in point. The failure of OGD in performance of its coordinating function is also apparent in connection with the absence of implementing directives designed to strengthen the position of CIA in preventing duplication under existing directives such as NSC Intelligence Directive # 2. As with ICAPS, we are aware of the difficulties besetting coordination of intelligence activities by OGD. It is true, nevertheless that in OGD as in other branches, CIA has emphasized its own role as producer of intelligence reports and estimates at the expense of its responsibility to coordinate.

Coordination as Achieved by CIA

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Coordination of intelligence activities as achieved by the Director, the Intelligence Advisory Committee, the Interdepartmental Coordinating and Planning Staff and the Office of Collection and Dissemination through official action is represented by nine NSC intelligence directives and four CIA directives.

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The NSC Intelligence Directives^{provide} for the coordination of intelligence activities in various ways. Four of them, NSC 5, 6, 7 and 8, assign certain "services of common concern" to CIA under the authority granted in the National Security Act (102 d 4). These are coordinative in the sense that they designate more or less precisely the roles to be played by CIA and the departmental agencies respectively in conducting certain intelligence operations. Thus NSC #5 provides that CIA alone will conduct covert espionage and counter-espionage operations abroad except for certain agreed activities by other departments and agencies, including the use of casual agents on covert operations. It also provides that CIA will coordinate covert and overt collection activities among the several agencies and CIA. NSC #6 similarly gives CIA authority to conduct all monitoring of foreign press and propaganda broadcasts, and directs CIA to disseminate the information thus received to interested departmental agencies. NSC #7 defines the duties of CIA in exploiting domestic sources of foreign intelligence, and provides for the participation of departmental agencies in this activity. The directive is comprehensive and detailed, both as to CIA's functions and those of the departmental and other agencies. A fourth "service of common concern" is provided in NSC #8, in

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which CIA is assigned responsibility for the central file of biographical data on foreign scientific and technological personalities which was mentioned as a function of OOD. Here again the participation of departmental and other agencies is specified.

Generally speaking, this series of NSC Intelligence Directives allocates responsibilities to CIA in fields which have been conceded to be those of common concern where work can best be done centrally by CIA. The directives have not aroused particular controversy once the principle behind them was accepted, and their terms have been generally approved.

The most important NSC Intelligence Directives are Nos. 1, 2, 3, 4, and 9, which represent CIA's approach to the basic problem of intelligence coordination by allocation of responsibility. They constitute an effort to sort out departmental and CIA responsibilities.

NSC Intelligence Directive #1 establishes the basic mechanism for such coordination. It sets up the IAC "to advise" the Director, specifies the procedures for the issuance of NSC Intelligence Directives and those of the Director of CIA; and defines the duty of CIA with respect to the production of

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"national intelligence." It provides for exchange of information between CIA and the departmental agencies, and authorizes the assignment of officers to CIA by the departmental organizations. It includes provision for CIA to request authority to inspect intelligence material in agencies of the government, and provides that in producing national intelligence, the CIA "shall not duplicate the intelligence activities and research of the various Departments and agencies, but shall make use of existing intelligence facilities."

NSC Intelligence Directive #2 determines the allocation of intelligence collection responsibility abroad among the State, Army, Navy and Air Force departments. It establishes rather vague fields of primary interest ("certain broad categories of agency responsibility") so far as political, cultural and sociological, and military, naval and air intelligence are concerned. But it merely allocates economic, scientific and technological intelligence collection to each agency "in accordance with its respective needs." It provides for coordination of normal collection activities in the field by the senior US representative within the spirit of the directive.

NSC Intelligence Directive #3 is an elaborate definition of the forms of intelligence production, i.e., basic, current and staff intelligence; and of kinds of intelligence, i.e., departmental intelligence and ~~national intelligence~~.

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In defining these terms the directive specifies the roles to be played by the departmental agencies and CIA respectively in intelligence production .

The directive does not establish the National Intelligence Survey program except to define broadly the general terms under which basic intelligence studies of this kind should be produced by cooperative inter-departmental activity. There has since been no CIA implementing directive on this subject, although the program is now well started on the basis of certain ad hoc arrangements.

With respect to Staff Intelligence, the directive recognizes that "the staff intelligence of each of the departments must be broader than any allocation of collection responsibility," and specifies that "as part of the coordination program, the Director of Central Intelligence will seek the assistance of the IAC intelligence agencies in minimizing the necessity for any agency to develop intelligence in fields outside its dominant interest." By indirection, this provision points up the vagueness of the original allocations of dominant interest, made in NSC Intelligence Directive #2. CIA has sought no positive IAC assistance which would reduce duplication in collection under NSC Intelligence Directive #2, and would coordinate the production

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of departmental intelligence.

A further provision of NSC Intelligence Directive #3 commits CIA to a program of planning and developing the production of national intelligence in order to obtain departmental intelligence for this use within the capabilities of the departmental agencies to produce it. In an implementing directive (DCID #3/1) a standard operating procedure for the production and coordination of national intelligence is established which is designed to regularize the relations of CIA and the departmental agencies in this field. Another implementing directive (DCID #3/2) specifies procedures to be followed in coordinating intelligence reports by CIA with the intelligence branches of the State, Army, Navy and Air Force departments. Neither implementing directive has been in force long enough for its effectiveness to be proved.

Neither the NSC directive nor the CIA implementing directives attempt to establish any control over the production of "national intelligence" by CIA. The term is defined as "integrated departmental intelligence that covers broad aspects of national policy and national security, is of concern to more than one Department or Agency, and transcends the exclusive competence of a single department or agency. . . ." It is left to CIA to decide what is national

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intelligence in specific cases, as well as to produce it on the basis of this decision.

NSC Intelligence Directive #4 provides that the CIA shall take the lead in preparing a comprehensive outline of national intelligence objectives, and from time to time shall indicate the priorities attaching to the items so listed. The directive has been implemented by DCID #4, which gives a rather general list of objectives and provides that approved priority listings shall be disseminated by CIA from time to time.

The most recent NSC Intelligence Directive is #9, which establishes the U.S. Communications Intelligence Board (USCIB), specifies its working mechanism, and makes it the authoritative agency for the coordination of communications intelligence activities of the Government. It places members from CIA, State, Army, Navy and Air Force on the Board, and provides that their unanimous decision is necessary for approval of particular matters. The directive is partly significant because of its history. In its earliest form it provided for an independent, departmental board to control communications intelligence which was not to be under the NSC and was not to include CIA as a member. However, CIA proposed to the NSC that the Director of Central Intelligence take

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full control of communications intelligence activities and direct and coordinate them himself with the advice of the departmental agencies involved. The military agencies of IAC took exception to this proposal, and their dissents were upheld by the NSC as reported earlier. In the final directive CIA was included among the members of the Board, but was not given authority to direct or coordinate activities in this field.

Note: Following this discussion of the Directives there should be a discussion of the actual practice of coordination, and its successes and failures in various fields, such as scientific intelligence, intelligence collection, counter intelligence, intelligence production.

Conclusions

1. CIA has neglected its primary responsibility of promoting the coordination of the intelligence activities of the Government. That coordination which has been achieved consists mainly of the assignment to CIA of certain common service functions; the mere allocation by directive of responsibilities for the collection and production of intelligence has not been effective.

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2. In general, each department and agency continues to conduct its operations as it chooses without the benefit of coordination by CIA. There is no attempt at systematic coordination in some of the major fields of intelligence activity.

3. An agency such as the Intelligence Advisory Committee is sound and should also have responsibilities for the coordination of intelligence opinion is a point which will be considered later. It is essential that the Director of CIA and the other members of the Intelligence Advisory Committee take more responsibility in ensuring that it becomes an active agency for advising on the continuous coordination of intelligence activities.

4. The IAC Standing Committee should be eliminated, as it detracts from the authority of the IAC and prevents the proper functioning of ICAPS.

5. ICAPS should be reconstituted so that it is more clearly a staff agency responsible to the Director of CIA although it should remain in close touch with the service departments and State. The members of this staff should be responsible only for developing plans for the coordination of intelligence activities and should not have any liaison duties relating to current operations.

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6. The Office of Collection and Dissemination should be broken up and its various responsibilities re-allocated. The dissemination of CIA intelligence should be done by the offices producing it and not by a separate office, as discussed in later chapters. Reference and related services should be performed by a reconstituted Office of Reports and Estimates, as discussed later. The limited responsibilities of OOD for coordinating the collection requirements of the various government agencies should be carried out as a subordinate activity under the reconstituted ICAPS.

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DRAFT - RBlum - 27 Nov 1948

FOREIGN INTELLIGENCE FROM DOMESTIC SOURCES

At the present time, the only domestic source of foreign intelligence being properly exploited is the business firms and travellers with which the Contact Branch of OO is in touch. This seems to be proceeding well and the handling of this intelligence is properly centralized in CIA. However, this source is being used principally in order to develop intelligence from persons travelling abroad and not ~~from~~ ^{for} an examination of the actual foreign transactions in which business firms and others are engaged. Obviously, ^{exploitation of} the latter ^{for intelligence} offers certain difficulties, but it would appear that more could be done than is presently the case.

Much more coordination is needed in the handling of foreign nationality groups residing in the United States, refugees, defectors, political exiles, etc. Responsibility for all of these is scattered, and although CIA ^{formally} has responsibility under NSCID No. 7, in practice, procedures are uncertain and the peculiar position of the FBI arising out of its security responsibilities makes intelligence exploitation difficult.

The situation is even more unsatisfactory with respect to foreign intelligence derived from domestic counter intelligence work. The work

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of the FBI is concerned primarily with security and law enforcement and there is no coordinated effort to relate such intelligence to the comparable intelligence acquired abroad. Furthermore, there is no effective coordination of domestic counter intelligence and counter espionage operations with those conducted abroad.

Thus except for the activities of the Contact Branch of OO, there seems to be no proper intelligence exploitation of domestic sources. The State Department, FBI, Armed Services, and Atomic Energy Commission are all concerned. Assuming that the Contact Branch can adequately cover its field with respect to U. S. nationals, the principal problem to be worked out is the exploitation of intelligence which is at present rendered difficult because of real/^{or}alleged security considerations. This affects all foreign nationals in the United States, regardless of their category; foreign nationality groups; and counter intelligence work. In the case of all of these, the FBI is in the position of claiming that they are of primary security interest, with the result that intelligence is in fact, if not in theory, reduced to a secondary position. In effect, the FBI,

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as a result of its law enforcement responsibilities and its interpretation thereof, controls a vast intelligence area extending beyond its security responsibilities, but without fully exploiting that area for its intelligence possibilities and making the results generally available. Thus, there is no effective way in which domestic intelligence of this kind can be brought to bear on the full picture.

It is interesting to compare this with the situation in Great Britain where MI-5, the Security Service, sits as a member of the JIC and works intimately with all of the intelligence agencies.

Proposals

- (1) There must be representation at the top level of intelligence coordination of the FBI.
- (2) This would apply to the coordination of intelligence activities and to the production of national estimates, with respect to both of which the FBI should play an active role.
- (3) The potentialities of exploiting domestic sources of foreign intelligence should be more carefully examined.
- (4) CIA should recognize that its responsibilities for coordinating

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intelligence include intelligence from domestic sources as well as other intelligence. The respective responsibilities of the various services and other agencies will have to be reexamined accordingly.

Robert Blum

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