AMENDMENTS TO STATE DEPARTMENT PLAN

It was apparent that the Secretaries of War and Navy had a number of objections to the McCormack plan, and in the absence of the Secretary of State Mr. McCormack made some revisions which he submitted on 15 December.

The paper is of particular significance because it brings out the reason for opposing the establishment of an independent agency which, it was felt, could not obtain budgetary support. It makes clear why, when the Presidential Directive was finally issued, financial support was to be drawn from the departments even though the independent existence of the CIG was established. It also demonstrates why the Central Intelligence Agency must be established by act of Congress if it is to achieve the financial independence which experience had demonstrated that it needs.
MEMORANDUM FOR THE SECRETARY OF WAR
SECRETARY OF THE NAVY

SUBJECT: National Intelligence Authority.

After the meeting of the Secretaries of State, War and Navy on
Tuesday, two questions were left for discussion:

a. Whether the Executive Secretary of the Authority
should be, as proposed, a State Department official;

b. What should be the role and composition of the
Advisory Groups or Boards who are to assist the Executive
Secretary in discharging his functions.

Before leaving for Moscow, the Secretary of State instructed me
to make every effort to resolve these issues with the Secretaries of
War and Navy at an early date. This memorandum suggests modifica-
tions of the State Department's plan to meet the views of the War and
Navy Departments.

It is proposed:

a. To provide specifically that the Executive Secretary
will represent the Authority as a whole, and not any one Depart-
ment, and to make the provisions enforceable by giving a majority
of the Authority (e.g., the Secretaries of War and Navy) the
power to remove the Executive Secretary; and

b. To amend the provisions with respect to the Advisory
Groups or Boards so that (1) the War and Navy Departments, if
they wish, may appoint their Intelligence Chiefs as the Board
members and (2) the Executive Secretary will be required to sub-
mit to the proper Advisory Board, for concurrence or comment,
all recommendations for the intelligence program or for any
operating plan designed to carry it out,
The proposed modifications of the Plan are listed in TAB A hereto. The considerations on which they are based are discussed below.

Status of the Executive Secretary

If there is to be an interdepartmental organization, rather than a separate entity outside the Departments, all personnel in the central agency, including the Executive Secretary, must hold office in one of the interested Departments. The State Department strongly believes, and it seemed to be the consensus at the meeting of the three Secretaries, that an independent budget for the central agency should be avoided for security reasons. Since passage of the Independent Offices Appropriation Act, 1945 (Public Law 358, 78th Congress), a non-departmental agency without an independent budget appears to be impossible. A copy of the relevant provision of the statute is attached as TAB B.

If the interdepartmental type of organization is approved, and the Executive Secretary must hold office in one of the Departments, it is suggested that the State Department is the logical one because of the responsibility of the Secretary of State in foreign affairs. In existing interdepartmental coordinating mechanisms for matters involving foreign policy it appears to be customary for the Director or Executive Secretary, as well as the Chairman, to be a State Department officer. That is so in each of the following cases:

Interdepartmental Committee on Cultural and Scientific Cooperation
Liberated Areas Committee
Executive Committee on Economic Foreign Policy
Petroleum Facilities Coordinating Committee
Interdepartmental Committee on Rubber
Committee on Trade Agreements
Interdepartmental Committee on Resumption of Communications with Liberated Areas
Special Committee on Communications.
ble to be sure.

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It is also proposed, in order to relieve the Executive Secretary of the necessity of representing the State Department in discussions with the Advisory Boards, to add a State Department representative to each of the Boards.

Finally, it is proposed to make the role of the Advisory Boards explicit by means of the following provisions:

"Before submitting to the Authority any recommendation for the intelligence program or any operating plan designed to carry out that program, the Executive Secretary shall submit such recommendations to the appropriate Advisory Board for concurrence or comment. If any member of the Advisory Board shall not concur in the recommendations, he shall have the right to submit a statement of his views to the Authority to be considered in connection with the recommendations."

Conclusion

It is hoped that the above-suggested modifications will meet the views of the War and Navy Departments, so that the modified plan can be submitted to the President as the agreed recommendations of the three Secretaries.

For the Secretary of State,

Alfred McCormack
Special Assistant.
Suggested Modifications of Plan, dated December 1, 1942, for "Establishment of National Intelligence Authority."

Para 5: Insert after the third sentence (page 2, line 3):

"The Executive Secretary, in his capacity as such, will be responsible to the Authority and may be removed by a majority vote of the Authority."

Para 6: Substitute for the present paragraph the following:

"6. Advisory Boards. The Executive Secretary will be advised and assisted in the performance of his duties by two Advisory Boards, consisting of a representative of each of the following agencies:

a. Advisory Board on Intelligence.

(1) Department of State
(2) War Department
(3) Navy Department
(4) Army Air Forces.


(1) Department of State
(2) Treasury Department
(3) War Department
(4) Navy Department
(5) FBI.

Para 7: The following modification, not involved in the current discussion, is suggested in the interests of flexibility:

Amend the second sentence by adding the underlined words:

Each Committee will consist of an Assistant Secretary as Chairman, who will be detailed full-time from the agency, or from one of the agencies, having primary responsibility or interest in that field.