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CHAPTER I

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ORGANIZATIONAL HISTORY OF  
CENTRAL INTELLIGENCE AGENCY,  
1950-1953

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ORGANIZATIONAL HISTORY OF CENTRAL INTELLIGENCE AGENCY, 1950-1953

Chapter I: BACKGROUND, 1946-1950

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## Chapter I

### BACKGROUND, 1946-1950

#### Scope of the Present Study

The purpose of this study is to trace, within certain limitations,<sup>1</sup> the organizational development of Central Intelligence and of the Central Intelligence Agency using as a chronological guide the period covered by the administration of General Walter Bedell Smith (October 7, 1950-February 26, 1953). In order to make clear what General Smith was able to accomplish, it is desirable to trace very briefly the main events in the development of Central Intelligence over the four years that preceded his term in office.

#### Theories Relating to CIG

Sidney W. Souers, first Director of Central Intelligence (January 22, 1946 - June 10, 1946) had an advantage that was shared by neither of the two men who immediately succeeded him, in being thoroughly familiar with the planning that underlay the establishment of Central Intelligence. As Assistant Director of Naval Intelligence during the war, he had been in position to know at first hand the inner workings, not only of the Office of Naval

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<sup>1</sup> This study is not concerned with the components of CIA under the Deputy Director (Plans), except to mention them in relation to the "overt" activities of the Agency.

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Intelligence, but of the other military intelligence services, the Office of Strategic Services, and the Joint Intelligence Committee. During 1945, he had worked closely with various groups that were instrumental in bringing a plan for Central Intelligence into existence. It was Souers, as a committee of one, who had written the intelligence recommendations for the committee on the unification of the War and Navy Departments, headed by Ferdinand Eberstadt (June 1945).<sup>1</sup>

With such a background, Souers well understood the nature of the Central Intelligence Group created by the President's memorandum establishing a central intelligence system, dated January 22, 1946.<sup>2</sup> Aside from designating the Secretaries of State, War, and Navy, plus the President's personal representative, as the National Intelligence Authority, the essential clauses in this memorandum directed the newly authorized Director of Central Intelligence to do three things: to distribute within the government "strategic and national policy intelligence"<sup>3</sup> resulting from the correlation and evaluation of intelligence relating to the national security; to plan for the coordination of national intelligence activities; and to perform

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<sup>1</sup> See HS interview with S. W. Souers, Jan. 25, 1952; in O/DCI/HS files.

<sup>2</sup> See Annex A, below.

<sup>3</sup> For comments on the meaning of this term as understood by those drafting the basic documents for CIG, see memorandum from L. L. Montague ONE, to Chief ICAPS, Feb. 6, 1947; in O/DCI/HS files.

services of common concern to intelligence where indicated. Souers was fully aware of the limitations implied under these directions.

For whatever form "strategic and national policy intelligence" was to take, it was certainly going to be dependent on sources of information controlled by the Departments of State, War, and Navy.<sup>1</sup> These departments collectively were also--in the persons of their secretaries (the National Intelligence Authority)--the controlling authority for the Central Intelligence Group. The assistants to the Group's Director, who were going to do the actual "correlation and evaluation" of intelligence, were to be representatives of these same departments and further responsible to the departmental Secretaries through their chiefs of intelligence (the Intelligence Advisory Board). The concern of these assistants, however, was not to be with the departmental aspects of the material they "correlated" but only with its "national security" aspects. Hence, their true function was first to determine what intelligence was significant with respect to national security; then to evaluate it in terms of national strategy and policy.

The same applied to the coordinating function and to the establishment of "services of common concern." The overriding

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<sup>1</sup> No separate collection service for CIG had been planned at this time. The Strategic Services Unit, as a caretaker organization for the liquidation of OSS, could not be expected to furnish adequate intelligence for CIG

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consideration was the "national security" as intelligence was related to it. Wartime and postwar experience had indicated that the governmental intelligence structure had not been ideally designed from this point of view. The object of "coordination" was to modify the structure, or redesign it if necessary, to the end of making it more adequate for the specific requirements of national policy and strategy. If this required a centrally directed collection service, or a pooling of foreign language translation resources, or any sort of major or minor adjustment of the complex of the governmental intelligence as it existed in 1946, then the adjustment should be made. But it would not be made by fiat of the Director or any other individual (short of the President), but by the NIA. The primary function of the Director and his associates, designated as the Central Intelligence Group, was to recommend to the NIA what should be done.

#### Souers' Ideas of Organization

The Director, in other words, was the representative of the National Intelligence Authority in matters of intelligence having to do with the national security. He not only worked for and with the National Intelligence Authority, but was part of the intelligence structure that the Authority collectively comprehended. His "Group" consisted of "persons and facilities" assigned to him by the National Intelligence Authority from its constituent departments.<sup>1</sup> He had no

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<sup>1</sup> NIA-1, Feb. 8, 1946; in Annex C, below.

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appropriation nor any right to employ or dismiss independent of the NIA. Under the concept outlined above, however, he did not need these rights. The Central Intelligence Group was a part of, not apart from, the departmental intelligence structure that had emerged from the war.

In the opinion of Souers himself: "He set out to establish the Group as a small body of experts drawn from the several departments, and serving them."<sup>1</sup> How the concept would work out in practice remained to be seen. In theory at least, there was no reason why a Central Intelligence Group directed in accordance with such a concept should not accomplish the objectives for which it was designed.

Souers organized the original Central Intelligence Group accordingly. His organization consisted of two units: a Central Reports Staff, and a Central Planning Staff.<sup>2</sup> The first of these was to discharge the Group's responsibility with respect to correlation and evaluation of national intelligence. The other was to deal with the "coordination" of national intelligence activities. Each of these staffs, of course, consisted of persons assigned from and paid by the departments represented in the National

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<sup>1</sup> *italics ours.* See Historical Staff interview with S. W. Souers, Jan. 25, 1952, page 15; in O/ICI/RS files.

<sup>2</sup> See Annex B, below.

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Intelligence Authority. The head of each Staff, however, "reported" directly to the Director of Central Intelligence.

The Central Planning Staff (early February - July 20, 1946) had the larger share of the immediate work because many important problems concerned with postwar intelligence activities were pressing for immediate solution. The task facing the Plans Staff was, in effect, to make recommendations as to how the intelligence structure that had emerged from the war might become better fitted to postwar needs. Already, in March 1946, little more than a month after Central Intelligence had even been set in motion, the Staff was wrestling with a total of some eleven problems,<sup>1</sup> all of them demanding solutions and

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<sup>1</sup> These were:

- a. Survey of all existing facilities for the collection of foreign intelligence information by clandestine methods.
- b. Survey to determine what coverage of the foreign language press in the United States is desirable for intelligence purposes, and how the coverage should be obtained.
- c. Survey of the collection of intelligence in China.
- d. Examination of the problem of the Joint Intelligence Study Publishing Board and determination whether there should be any change in its supervision and control.
- e. Study of Foreign Broadcast Intelligence Service--where it should be placed, etc.
- f. Survey of intelligence available in the United States from colleges, foundations, libraries, individuals, business concerns, and sources other than those of the Government.
- g. Survey to determine need for index of U. S. residents' foreign intelligence information.
- h. Study of the exploitation of American businesses with connections abroad which might produce foreign intelligence.
- i. Study of problems of psychological warfare.
- j. Survey of the adequacy of the intelligence facilities related to the national security.
- k. Compilation of all types of factual strategic intelligence on the USSR.

See records of the CPS in O/DCI/HS files.

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none offering an easy one, partly because each of them required multiple negotiations, and the agreement of each agency concerned.

Where agreement was not forthcoming, resort would be to the National Intelligence Authority itself, but there could hardly be a disposition to ask the Secretaries of State, War, and Navy to deal personally with each problem that might be facing the Central Intelligence Group. This meant that the activities of the Plans Staff would be likely to produce more discussion than solution. In point of fact, the Plans Staff, instead of providing a quick succession of solutions, left many of its problems still in suspense after five months.

The Central Reports Staff, on the other hand, had essentially only one problem. This problem--how to develop strategic and national policy intelligence for use by the President and the National Intelligence Authority--was obviously not susceptible of immediate solution, as certain of the planning problems inherently were; but given time, it was theoretically possible for the Staff to construct the necessary apparatus whereby this type of intelligence could be produced. The construction of such an apparatus, however, presupposed: (1) a collection system capable of supporting a national intelligence effort; (2) research facilities adequate to interpret the material collected; and (3) staff "estimators" of the highest quality obtainable from or to be acquired by the agencies making up the Central Intelligence Group. Logically, it

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would be unwise for the Staff to begin so serious a task as furnishing strategic and national policy intelligence until at least these requirements had been met.

Modification Required by NIA-2

Before the Reports Staff had even been formed, however, President Truman's desire<sup>1</sup> for a centrally produced daily digest of all important incoming intelligence had been given substance in the 2nd Directive of the National Intelligence Authority (8 February 1946), and the task of furnishing this digest had been assigned to OAS.<sup>2</sup> The result was to impose upon a Staff established with a view to drawing deliberate conclusions from the evidence provided by intelligence, a pattern of activity of an essentially different character. The question is not so much whether the functions of current intelligence reporting, and those of drawing final conclusions from intelligence should have been lodged in the same office; but rather whether the immediate and continuous demand created by daily reporting at this stage in the Staff's development would necessarily convert it into a current intelligence group regardless of any desires or plans to the contrary. Without division and enlargement of the staff, there would be little time for an orderly development of a program for

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<sup>1</sup> See Historical Staff interview with S. W. Souers, Jan. 25, 1952, Page 9-10; in O/ICI/HS files.

<sup>2</sup> See Annex C, below.

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intelligence estimates while daily current intelligence had to be delivered.

Indeed, the urgency of the President's request left insufficient time even to make adequate preparations for the daily bulletin itself. The Central Plans Staff had one week (8 - 15 February) to work out all the details involved in preparation of reliable current intelligence on a national basis.<sup>1</sup> Thereafter, the demands of the daily summary necessarily continued to take precedence over all others besetting the Reports Staff. Even two years later, when the Staff had become a large office of research, this continued in large measure to be true.<sup>2</sup>

#### The Personnel Problem

The other problems were many, but the one that transcended them all was personnel. The process of "correlation and evaluation" which belonged peculiarly to the Reports Staff, required persons with a type of mind and experience rare in combination. In order to acquire such persons, according to the Directives, the Group must look to the agencies under the National Intelligence Authority, but the Group had no power to do more than request transfer. With respect to persons of outstanding competence in intelligence, the members of the NIA were not necessarily anxious to grant such requests. Hence, there took place all through 1946 and

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<sup>1</sup> The first issue of the Daily Summary was published Feb. 15, 1946.

<sup>2</sup> See Chapter VII, below.



into 1947 a determined but not very successful effort on the part of the Reports staff to acquire the people it needed.<sup>1</sup>

In his final report on June 10, 1946, on his departure from CIG, Admiral Souers singled out the personnel problem as a vital one calling for solution. He pointed out in general, however, that during the four months just passed a good deal of progress had been made toward laying the groundwork for Central Intelligence.<sup>2</sup>

Souers left to General Hoyt S. Vandenberg, his successor, an organization consisting principally of the two Staffs just described, plus the nucleus of organizations concerned with the dissemination function accorded to CIG, its security, and such internal administrative problems as might arise. The latter, however, under the Group concept in force, would be largely a matter of inter-agency liaison.<sup>3</sup>

As Souers left it, CIG was still a body within the NIA intelligence structure. It could easily become an entity apart from the Group if the Authority were to decide that the problem of postwar intelligence could best be solved by that means, or it could develop as a coordinating mechanism for the total structure of which it was a part.

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<sup>1</sup> See HS interview with L. L. Montague, April 1, 1952, in O/DCI/HS files.

<sup>2</sup> Digest of CIG Progress report, June 7, 1946, in O/DCI/HS files.

<sup>3</sup> Because CIG must look to the IAB agencies for funds, personnel, and services.

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Vandenberg's Decisions and Actions

During the eleven months (June 10, 1946 - May 1, 1947) when he held office as Director of Central Intelligence, General Hoyt S. Vandenberg made decisions and obtained agreements that had the effect of radically altering both the theory and the structure of Central Intelligence. The most important of these decisions were made and carried through during Vandenberg's first three months in office.

The principal and basic decision concerned the responsibility of the Director with respect to the "strategic and national policy intelligence" estimates that would be the product of "correlation and evaluation" of intelligence relating to the national security. Although these estimates would constitute but one function of the Central Intelligence Group, they were the function that, in a sense, comprehended the rest.

Inasmuch as the estimates were to be produced by the Group, they would be the product of Group effort and thus of the community of intelligence agencies under the NIA. As such, they could be rendered in the name of the Group, the Group as a whole being answerable for them. Or they could be rendered in the name of the Director of Central Intelligence who alone would be answerable for them. From the point of view of an official using the estimates, the difference might not be great. From the point of view of the producer, the difference might be considerable because sole

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responsibility for the thing produced implied sole authority over the means of production.

According to General Vandenberg, "National Intelligence Estimates . . . had to be the opinion of the Director." He conceded the right of his colleagues on the Intelligence Advisory Board<sup>1</sup> to enter contrary opinions if they chose, which he would feel duty bound to forward along with the official estimates. But the estimate itself would be his, and he would stand responsible for it. The reason given by Vandenberg was that his appointment as Director of Central Intelligence constituted an order from the President of the United States, which order entailed all the responsibility of command.<sup>2</sup>

Fundamentally, it was Vandenberg's attitude toward the Director's responsibility that dictated the three demands that he successfully placed before the National Intelligence Authority between June 28 and September 5, 1946; for the right to collect foreign intelligence apart from the departmental collection services, for the right to conduct intelligence research, and for the financial independence necessary to maintain control over the persons engaged,

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<sup>1</sup> Predecessor of the Intelligence Advisory Committee. Authorized by Para. 7 of President Truman's letter of Jan. 22, 1946 (see Annex A, below) to consist of the ". . . heads . . . of the principal agencies of the government having functions related to the national security as determined by the National Intelligence Authority."

<sup>2</sup> Paragraph based on Vandenberg's own statements. See Historical Staff interview with Vandenberg, March 17, 1952, in O/DCI/HS files.

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in these and other activities. Although all of these were important, only the last two will be considered here.<sup>1</sup>

The principle of having research conducted by CIA was approved in the Fifth Directive of the National Intelligence Authority, on July 8, 1946.<sup>2</sup> The relevant Paragraph stated that:

"In performing the functions specified in Paragraph 3-a of the President's letter, the Director of Central Intelligence is hereby authorized to undertake such research and analysis as may be necessary to determine what functions in the fields of national security intelligence are not being presently performed or are not being adequately performed. Based upon these determinations, the Director of Central Intelligence may centralize such research and analysis activities as may, in his opinion and that of the appropriate member or members of the Intelligence Advisory Board, be more efficiently or effectively accomplished centrally."<sup>3</sup>

Literally read, this paragraph is little more than a statement of the obvious; perhaps even a redundant statement in view of

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<sup>1</sup> See footnote, page 1, above.

<sup>2</sup> See Annex C, below. The officers approving NIA-5 were: Dean Acheson, Acting Secretary of State; Robert P. Patterson, Secretary of War; John L. Sullivan, Acting Secretary of the Navy; and William D. Leahy, Special Representative of the President.

<sup>3</sup> See Annex C, below, paragraph 2.

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the already-stated function of Central Intelligence to "coordinate intelligence activities," and to perform "services of common concern." Manifestly, a survey of research activities would be "coordination," while centralization of some of them in CIG would create a "service of common concern."

The action taken by General Vandenberg in response to the Directive, however, tended to go beyond its literal terms, for he proceeded at once, apparently without serious consultation with the IAB,<sup>1</sup> to establish a full-scale research activity within CIG by expansion of the Central Reports Staff. This action was in line with--if not necessary to--General Vandenberg's concept of the Director's responsibility. The flaw in the arrangement was its incompleteness. In the nature of things, it would be a long time before the means either of collection or of interpretation could reach sufficient maturity to constitute a firm basis for the exercise of individual responsibility by the Director of Central Intelligence. In the particular nature of the particular case, no central system of intelligence collection or interpretation would be likely to become self-sufficient short of a centralization that would have

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<sup>1</sup> Historical examination of pertinent documents has disclosed no evidence that General Vandenberg complied with the literal terms of NIA-5 in this regard.

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the effect of abolishing or incorporating all other intelligence agencies. In the absence of such an unlikely and radical development, the central research organization could only emerge on a par with Agency research organizations and in direct conflict with their activities.

Vandenberg's interpretation of WIA-5 was also certain to have an effect on "coordination" of estimates. In Vandenberg's view, as has been noted, national estimates were to be his alone to which the IAB had a right to enter a contrary opinion. In practice, however, this theory would call for unilateral production of estimates by CIG which would be submitted, without the necessity of discussion, to those who had the right of dissent. Such a practice would have required CIG to have independent resources for the production of estimates, which in fact it did not have. In point of fact, then, consultation would be necessary. The actual degree to which the DCI could make his opinions prevail would depend upon the authority with which he could speak, which would be circumscribed in accordance with the limitations of his organization and thus of his independent knowledge. Hence, the Director's position would ultimately become one in which he would either have to: (1) accede to any contrary opinions of his contemporaries; (2) take the risk of maintaining a position of which he could not be fully sure; or (3) find the means of more complete control over the sources of intelligence estimates. Vandenberg's

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success in being made "executive agent" of the NIA on February 12, 1947, was a move in the direction of such control, whose efficacy, however, would depend on the extent to which the Director pressed his newly-found power.<sup>1</sup>

Financial independence--the third element of Vandenberg's series of demands noted above--was a part of the same development. Establishment of independent collection and research under the Director required that the Director be able to control personnel engaged in these activities, which he could do only if they were in his employ. The method of assignment of personnel from the NIA departments for duty with the Group would not serve this purpose, for personnel so assigned would always be under the ultimate control of their parent departments.

Acquisition of financial independence, however, had another important effect: it tended--even before the National Security Act was passed in 1947--to create a central intelligence "agency" as opposed to a coordinating "group". Whereas previously there had been no need of a full-scale administrative structure,

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<sup>1</sup> Briefly, at the ninth meeting of the NIA, the Authority approved the statement that the DCI should "operate within his jurisdiction as an agent of the Secretaries of State, War, and Navy," so that his decisions, orders, and directives "should have full force and effect as emanating from the Secretaries." With this power, Vandenberg was theoretically in position to direct the work of the Chiefs of Intelligence in the three departments. During his three remaining months in office, however, he seems to have taken no advantage of this authority. Admiral Hillenkoetter, his successor, voluntarily surrendered it at the tenth meeting of the NIA, June 26, 1947. See minutes of 9th and 10th meetings of the NIA in O/DCI/NS files.

there now was a requirement that, in the long run, could only be met by fully staffed administrative offices of diverse types controlled by and working for Central Intelligence as an entity apart from the Group.

Coordination of Activities under Vandenberg

The decisions and action of General Vandenberg so far discussed concerned his functions with respect to "correlation and evaluation" and "services of common concern," but not the third function of "coordination of intelligence activities." Vandenberg's insistence on being made "executive agent" of the National Intelligence Authority may indicate that he hoped ultimately to be in position to coordinate these activities by direction, but at the outset of his administration he delegated this function to an interagency committee. The committee was apparently not formed with this exclusive purpose in mind, however, for according to Vandenberg's own testimony some six years later, what he intended primarily was not so much strict coordination, as a means of transacting business with and through the Intelligence Advisory Board.<sup>1</sup> Whatever may have been the Director's intentions in this regard, the fact that the new committee superseded the old Central Plans Staff meant almost certainly that it would perform the coordinating function by inheritance from its predecessor if for no better reason.

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<sup>1</sup> See Historical Staff interview with H. S. Vandenberg, in O/DCI/HS files.

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The new organization was called the "Interdepartmental Coordinating and Planning Staff" (ICAPS). Like the Central Plans Staff, it was primarily an interdepartmental committee. It had one member each from the departments of State, War, and Navy, plus one from the Army Air Force. The State Department representative was chairman. Members were appointed to the Group from their parent departments, but reported directly to the Director of Central Intelligence.

There was one marked difference between the old and new staffs, however. The Chief of the Plans Staff had been, in effect, an Assistant to the Director of Central Intelligence for the purposes of studying problems and proposing recommendations. But ICAPS was placed in the position of attempting simultaneously (a) to represent the interests of several departments as respecting their status under Central Intelligence; (b) to represent the Director of Central Intelligence in his dealings with these same departments; and (c) to exercise supervisory powers over the Central Intelligence Group conceived as something separate and distinct from the rest. Such a complicated function would have been difficult for any group to discharge

ICAPS, in short, became a focal point of controversies; yet in a weak position with respect to resolving them. This continued to be so until General Smith, late in 1950, appointed an assistant for coordination who could concentrate his attention entirely on the

one aspect of Central Intelligence which had to do with suggesting and attempting to bring about such modifications of the intelligence structure as the national security might seem to require.<sup>1</sup>

#### Expansion of ORE

The same distinction between "Group" and "Agencies" that has been observed in the organization of ICAPS became equally evident as the Office of Reports and Estimates<sup>2</sup> emerged out of what had been the Central Reports Staff. In this case, the organization was entirely within the Group, but its nature was such that it promised to duplicate (rather than complement) functions already lodged in the "Agencies". Under the second and third Directors little if anything was done to avert the transformation of the Central Reports Staff into a large, independent office of research.

At the time when the Fifth NIA Directive had been approved, the Central Reports Staff had already planned to acquire experts in geographical areas for purposes of interpreting current intelligence. The basis for a regional organization was already present, therefore, and could easily be expanded, given a larger group of people and a somewhat more elaborate sub-organization. Thus, it would become possible not only to have reference to specialists for

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<sup>1</sup> That is, the Office of Intelligence Coordination. For a fuller discussion of ICAPS, see Chapter III, below.

<sup>2</sup> ORE's name in July of 1946 was the Office of Research and Evaluations; later, it was changed to Office of Reports and Estimates.

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purposes of understanding incoming information on a current basis (as had originally been intended) but to build up files and special competence for interpreting the whole body of intelligence acquired by the Group in relation to national security. As a result, it would become theoretically possible, within the compass of one Office to deal with almost any intelligence that related to the national security.

The tendency to centralize within this Office did not, however, end here.<sup>1</sup> To the usual area divisions were gradually added so-called functional divisions which included a group specializing in various types of economic intelligence, and another with scientific intelligence. Various forms of oral and visual intelligence were included within the Office. "Basic" intelligence (to become the National Intelligence Survey) was centered in the Office of Reports and Estimates. It seemed logical, furthermore, if the main underlying activity of the Office were to be research, that it should also have facilities for reference. Thus certain of the functions ultimately included in the Office of Collection and Dissemination, such as the library and the biographical register, were at one time placed under the management of the Office of

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<sup>1</sup> See Annex B for schematic organization of ORE

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Reports and Estimates.<sup>1</sup> Other activities that needed organizational placement were from time to time added to ORE.<sup>2</sup>

There was not necessarily any flaw in the organizational principle involved. It merely meant, as the organization developed, that the Director had delegated a number of diverse functions to one of his assistants. Assuming that these functions had to be discharged by the Director, it was theoretically immaterial whether they fell under one assistant or many. The problem was for the person or persons handling them to make sure that each function was kept separate in so far as it was important not to confuse it with the others; while making sure that all functions were so performed as to make them mutually contributory to the goal of providing adequate and accurate intelligence relating to the national security. In theory at least, such a task might have been more appropriately handled by a single directing head than by several separate Assistant Directors whose efforts would have had somehow to be synchronized.<sup>3</sup>

Whatever may have been the virtues or defects of the new research organization as a component within Central Intelligence, it

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<sup>1</sup> See ORE "Mission" as approved July 23, 1947, Para. 9; in O/DCI/HS files. For further discussion of the developments of Central Reference, see Chapter V below.

<sup>2</sup> For example, the "duty officer" 24-hour watch, when the need for it was perceived, became the responsibility of ORE. That Office furnished an officer to stand duty in the Director's office overnight and on week-ends until full-time duty officers were acquired, who also became part of ORE.

<sup>3</sup> The same decision was, of course, made again with the formation of the Office of DD/I in 1952.

was viewed with some alarm in the State and Defense intelligence agencies. If Central Intelligence were to have an omni-competent research staff to engage in all activities normally undertaken in home-office intelligence operations, whose limitations were only those covered by such an all-inclusive term as "national security", the chances for duplication were excellent.<sup>1</sup> The State Department, for example, considered itself the properly constituted authority on political intelligence; yet this could not help being one of the principal fields in which the Office of Reports and Estimates must specialize. Both State and <sup>the</sup> military agencies were vitally interested in economic intelligence, which the central group also proposed to study. The military agencies and the Atomic Energy Commission had special claims on scientific intelligence. Even the purely military field was not entirely exempt if Central Intelligence was to receive military field reports, and be manned in part by military officers.<sup>2</sup> In short, the question was inescapable--supposing that the new Office developed as it certainly promised to develop--why the Agencies originally associated as part of the Central Intelligence Group should continue to support research operations which would be duplicated in Central Intelligence; or

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<sup>1</sup> See, for example, memorandum from L. L. Montague to DCI, Jan. 1947, in which he remarks on justified alarm in IAB agencies.

<sup>2</sup> During its early development, ORR had also a special panel to aid in coordination and research on military affairs.

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conversely, why Central Intelligence should engage in independent research so long as the Agencies collectively were doing it.

In spite of this inherent opposition, the Vandenberg administration went ahead with its plans for a large central research unit. By May 1947, when Vandenberg retired, the Office had 230 members as contrasted with the seventeen who had originally constituted the Central Reports Staff.<sup>1</sup> This rapid growth, plus the multiplication of functions accorded the Office, was further complicated by the fact that much was naturally expected of an organization that appeared so universally competent. The Office was thus called upon to comply with a large variety of requests which it attempted to fulfill even in cases where it obviously lacked the necessary resources.<sup>2</sup> This was the beginning of the preoccupation of the Office with what the Dulles Report in 1949 criticized as "miscellaneous research and reporting activities."<sup>3</sup>

#### Organizational Changes in CIG

Meanwhile, the newly-found responsibilities of the Central Intelligence Group called for a more elaborate organization of the Group itself, for under the circumstances, the simple two-part

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<sup>1</sup> See ORE Progress Reports, in O/DCI/HS files.

<sup>2</sup> See, for example, memorandum from E. K. Wright to AD/ORE, Jan. 12, 1947, in "SR" folder, in O/DCI/HS files.

<sup>3</sup> See Dulles Report, p. 81.

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scheme adopted by Admiral Souers was obsolete. The organizational chart of the Central Intelligence Group dated July 1947 displayed forty-five "boxes" as contrasted with thirty for November 1946 or ten for July 1946. The July 1946 chart had been content with setting forth the general functions of the Director, the Interdepartmental Coordinating and Planning Staff, the Offices of Special Operations<sup>1</sup> and of Research and Evaluation;<sup>2</sup> an Office of Collection and one of Dissemination; and an "Executive Office", the latter being generally charged with administrative functions. The November chart, which indicated some sub-organization of the various offices, now combined collection and dissemination into one office, had made a place for an "Office of Security", and indicated, under the "Executive Staff," a Personnel and Administrative Branch, and an "Advisory Council". The July 1947 chart (the last under the Group) had made no essential change except to add the office of the General Counsel and to expand the Executive Staff to the extent of giving it an "Executive for Inspections and Security" and an "Executive for Administration and Management". The latter Office was subdivided into a Budget and Finance Branch, a Services Branch, a Personnel Branch, and a Management Branch.<sup>3</sup>

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<sup>1</sup> Established October 17, 1946. See Chapter IV, below.

<sup>2</sup> First name of Office of Reports and Estimates; see p. 19, above, footnote No. 2.

<sup>3</sup> See Annex B, below.

Change of Command and the National Security Act

General Vandenberg's various maneuvers during 1946 and 1947 had reflected the assumption that the Director of Central Intelligence, as the one responsible, must have authority commensurate with that responsibility. The latent power contained in being "executive agent" of the NIA, plus possession of an independent apparatus for the collection, production, and dissemination of intelligence, could be made to constitute such authority, but under circumstances that might eventually subordinate all other intelligence to the central agency. A failure to press for full power, on the other hand, might result in several independent intelligence agencies, none subordinate to any of the others unless, of course, Vandenberg's whole position were abandoned in favor of a fully cooperative central intelligence group.

In May 1947, Admiral Roscoe H. Hillenkoetter, Vandenberg's successor, abandoned one part of General Vandenberg's position when he asked cancellation of the "executive agent" order in the interest of harmony with the Intelligence Advisory Board.<sup>1</sup> This negative move, however, did little to clarify the policies of the new administration. It was an indication that the new Director did not intend to proceed by "authoritarian" methods--any more than, in point of fact, his predecessor had done. But it could not be interpreted of itself to mean that the new Director was returning unequivocally to the idea of a

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<sup>1</sup> See footnote 1, page 16, above.

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"cooperative interdepartmental activity."<sup>1</sup> Proof of such intent as this would require either a statement to that effect, or organizational changes designed for that purpose. On becoming Director, however, Admiral Hillenkoetter neither produced a formal statement regarding the Director's or the Group's responsibility, nor made any important change in the organization he had inherited.<sup>2</sup>

It must be recognized, however, that during the period under discussion, there were special obstacles to the kind of decisions that would clarify the situation. Hillenkoetter became Director on May 1, 1947, at a time when the National Security Act was under discussion and probable of adoption. Under such circumstances it would have appeared unwise to attempt radical modifications in the structure of Central Intelligence, any of which might have to be scrapped when the new law became effective. This was undoubtedly a factor in inhibiting important decisions during Hillenkoetter's first three months in office.<sup>3</sup>

When the National Security Act finally became law on July 26, 1947, it did surprisingly little to change the original Presidential letter under which Central Intelligence had functioned for eighteen months. The transfer of ultimate authority from the NIA to the National Security Council was little more than a change of name from the Agency's

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<sup>1</sup> See Annex A, para. 1.

<sup>2</sup> See Annex B, below.

<sup>3</sup> See, for example, memorandum from Chief, ICAPS, to Admiral Olsen, May 2, 1947, in "Publications Review Subcommittee" folder in O/DCI/HS files.

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point of view. The principal duties of the Agency were still there: to provide advice concerning the marshalling of intelligence resources for national purposes; to correlate and evaluate intelligence relating to the national security; and to provide services of common concern.<sup>1</sup>

The Act created a Central Intelligence Agency, but like President Truman's letter<sup>2</sup> in no way diminished the authority or activities of any other intelligence agency. It did not give the Agency or its Director special authority over any of the "several Government departments and agencies" concerned with intelligence, but only specified the purpose of Central Intelligence as "coordinating the intelligence activities" of these agencies. The law said that the "Agency" should "correlate and evaluate intelligence relating to the national security," but did not say whether this was the duty of the "Agency" alone as a separate entity, or whether the Agency was to act only as coordinator of Group opinion. The Act provided that "the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence" but did not specify the extent to which they should participate in this same effort as it related to "national security" intelligence.

NSC Interpretation of the Law

The National Security Act, then, while it gave Central Intelligence a firm foundation in law which it had previously lacked,

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<sup>1</sup> See Annex D, below, for Act of 1947.

<sup>2</sup> See Annex A, Paragraph 6, below.

changed very little else. Like all laws, it had to be interpreted-- in this case with the approval of the National Security Council. Pending interpretation, all important decisions as to the internal organization of the Agency were naturally deferred. This fact practically assured the integrity of the 1947 Vandenberg organization until January 13, 1948, which was the date on which the National Security Council issued Intelligence Directive No. 3, the second of the two "NSCID's" that defined how Central Intelligence was to operate under the new law.<sup>1</sup>

The principal points of interpretation furnished by NSCID No. 1 and NSCID No. 3 were the following:

1. The Intelligence Advisory Committee, which had not been mentioned in the Act itself was established as an essential element in the Director's coordination function.

2. The Director was directed to produce "intelligence relating to the national security" but to refrain, "in so far as practicable," from duplicating "the intelligence activities and research of the various departments and Agencies." (By 1948, however, the Director's office of research was so obviously duplicating much of the work done in other agencies that it might easily have been disestablished in accordance with a literal interpretation of this part of the Directive. The Director did nothing, however, to inhibit its growth and it continued to develop along the lines that had been laid out for it.)

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<sup>1</sup> The other was NSCID-2, first issued Dec. 12, 1947. NSCID-2 had to do with collection and is therefore not germane to this study.

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3. The Director's right of dissemination of national intelligence was curtailed to the extent that the IAC must first officially concur in it or offer an "agreed statement of substantial dissent."

4. It was emphasized that there should be a free interchange of information as between the Agency and the intelligence organizations controlled by the IAC. No means of assuring this interchange, however, were provided.

5. The Director's right to hire his own people in addition to those supplied him by the IAC member agencies was confirmed. It was specified, however, that employees furnished by the Agencies should remain under their effective control.

6. Terms were defined and fields of special interest delineated. "The whole field of intelligence production" was divided into five parts, ranging from "basic intelligence," to "national intelligence", and was allocated as follows:

a. "Basic intelligence" was assigned to Central Intelligence as general coordinator, editor, and publisher; the work of producing basic intelligence, however, being done by the other agencies.

b. "Current intelligence" was not specifically assigned, it being directed that Central Intelligence and "each other agency" should produce its own. It was not specified that current intelligence produced by CIA

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should be "national" or of any other special type; hence, current intelligence could be considered exempt from being submitted for concurrence before dissemination.

c. "Staff" and "departmental" intelligence were so defined as to be, to all intents and purposes, the same thing: namely what was required by an individual department for its own individual use. It was specifically recognized that this type of intelligence was to be prepared from the "correlation and interpretation of all intelligence materials available" to an Agency; and "that the staff intelligence of each of the departments must be broader in scope than any allocation of collection responsibility or recognition of dominant interest might indicate." For this reason, any agency, in producing staff or departmental intelligence could call upon the other Agencies or CIA for information, in addition to what it had at its own command.

d. The Director of Central Intelligence, nevertheless, was to "seek the assistance of the IAC intelligence agencies in minimizing the necessity for any agency to develop intelligence in the fields outside its dominant interests."

e. Regarding Staff Intelligence it was specified that CIA and the IAC Agencies should exchange information

on production plans and that "it shall be normal practice" to make staff intelligence available to all concerned.<sup>1</sup>

f. "National Intelligence" was defined as "integrated departmental intelligence that covers the 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 or the Military Establishment." The Director of Central Intelligence was to produce and disseminate this type of intelligence in coordination with and with appropriate assistance from his Agency colleagues.

g. Fields of "dominant interest" in intelligence production were delineated, giving, for example, political intelligence to the State Department and naval intelligence to the Department of the Navy.<sup>2</sup>

#### Effects of the Interpretation

Thus, at the beginning of 1948, with two years of varied experience behind it, what had been the Central Intelligence Group had become a

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<sup>1</sup> These clauses, however, were not to be fully honored in practice. See, for example, memorandum from AF/ORE to DCI, Sept. 30, 1949, "Coordination with IAC Agencies" in O/DCI/NS files.

<sup>2</sup> For full texts of NSCID's 1 and 3, see Annex E, below.

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recognized legal entity with formally defined relationships respecting other intelligence organizations. Whereas the Group had begun as a sort of steering committee within the larger body of which it was a part, the Agency had become a distinct element, apart from the others of the former group, which had its own stated duties to perform--as distinct from those to be performed by the others--and its own boundaries beyond which it was not to trespass.

With respect to the five categories of intelligence to be produced, Central Intelligence was concerned with three: basic, current, and national. Regarding the first, the responsibilities of Central Intelligence were supervisory: CIA would coordinate, edit, and publish, but would not do the research for the national intelligence surveys. Regarding the second, the responsibilities of Central Intelligence were somewhat indeterminate: the Directives placed no hindrances on CIA in this respect, but gave CIA no exclusive duties. Hence, CIA was at liberty to continue publishing the current intelligence digests that it had been distributing since 1946 and to add other forms of current intelligence if it chose, while the other Agencies were equally at liberty to continue producing their own current intelligence.

The definition of "national intelligence" could be misleading for the purpose of distinguishing "national intelligence" in fact. Aside from the elastic quality of the term "national security" in the phrase, "covers the broad aspects of national policy and national security," there was the added term "covers". If this word were to be taken in its usual sense of "to envelop", then

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everything produced under the heading of national intelligence would have to be comprehensive in order to qualify. If, on the other hand, "cover" were to be taken in the sense of "related to," then almost any intelligence subject of any importance would be eligible. As "national intelligence" was actually developed over the next two years, the tendency was toward the latter interpretation. This was another reason for the "miscellaneousness" of which the Dulles Committee was later to complain.<sup>1</sup>

The Director was to "produce" national intelligence, but he was enjoined to seek the aid of others in producing it. He could ask the Agencies to contribute the material for national estimates if he chose, or he could get part or all of the material from his own organization. If he decided to produce "national intelligence" without seeking any material at all from the IAC Agencies, there was nothing in the NSCID's to forbid it.

The period of uncertainty was now at an end. Legislation had established the former Group as an Agency, and placed it under the National Security Council. The law had been officially interpreted by the Security Council. The Agency could hire and pay its own people. It was not made entirely independent of, but at the same time it was not entirely dependent on, the other intelligence agencies under the Security Council, so far as management and production of intelligence were concerned. It was possible now, to

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<sup>1</sup> See Dulles Report, pp. 86-87.

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fit the new Agency into whatever organizational scheme appeared most appropriate for the discharge of its newly defined responsibility. But there was really nothing in the new law and directives that did not tend to preserve what had gradually become the status quo. It would have been quite possible, in 1948, to renovate the Agency structure altogether, but there was nothing in the new situation that necessitated any change at all.

#### Development of the Hillenkoetter Organization

Granting that organization charts usually fail to indicate the true nature of a working organization, that of January 1, 1949, is interesting in showing the main outlines of CIA as it had developed after approval of the basic directives.<sup>1</sup>

Excluding the position of the National Security Council, at the top, the January 1949 chart was arranged on three levels: the first that of the Director, on which appears with him only the Intelligence Advisory Committee; the second that of advisory and administrative groups, and the third that of the "producing" groups. The advisory groups were the Interdepartmental Coordinating and Planning Staff, the General Counsel, and the Advisory Council. The administrative offices were Budget, Management, Personnel, and Services under the Director's "Executive"; and Employee Investigation,

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<sup>1</sup> See Annex B, below.

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Inspection, Audit, and Security Branches under the Chief for Inspections and Security. The offices carrying on actual intelligence business were: Collection and Dissemination; Scientific Intelligence; Reports and Estimates; Special Operations, Policy Coordination, and Operations.

The prominent position accorded the Interdepartmental Coordinating and Planning Staff in the chart reflects the Director's decision to retain this organization, even in the face of objections on the part of some of its own members.<sup>1</sup>

As to the remainder of the January 1949 chart, the principal change probably was the appearance of Scientific Intelligence as a separate office. This change, like the final establishment of reference services in the Office of Collection and Dissemination, represented an alteration for greater efficiency than could be attained when all these activities were included under the Office of Reports and Estimates. Other changes from the 1947 charts (none was published during 1948) are more apparent than real.

#### Coordination Problems

Meanwhile, the two basic inter-agency problems--coordination of activities and production of national intelligence--remained to be solved. Most of the actual coordination problems were handled

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<sup>1</sup> See Chapter III, below, for explanation of this decision.

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under the new arrangement--not by ICAPS but by those seized of the practical problems involved. ICAPS frequently complained of being bypassed in these matters.<sup>1</sup>

The other basic problem between the agencies--that of furnishing the Security Council with sound intelligence estimates satisfactory to all participants--also involved coordination, of course; but coordination of estimates was handled without reference to ICAPS. This may not have been too surprising since it was generally conceded that the whole estimates problem--including coordination--belonged to the Office of Reports and Estimates. But the fact that the Intelligence Advisory Committee tended also not to be involved in this process was a more serious matter.

Either the Director (according to the Vandenberg theory) or the Director and his advisory committee would have to take responsibility for national estimates rendered to the NSC. Whoever did so would presumably have also to approve them. But as estimates began to be produced, the Director neither took an independent position with respect to them nor habitually called the Intelligence Advisory Committee into consultation over them. The result was that this important problem of final, responsible review and approval was left very largely in the hands of the Director's subordinates and to the subordinates of his colleagues on the IAC.

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<sup>1</sup> See Chapter III, below.

The principal subordinate in the Director's case was his Assistant Director for Reports and Estimates. But even this official did not necessarily make the problem of personally approving estimates one of his chief preoccupations. Generally speaking, he preferred to leave it in the hands of his own subordinates. The IAC intelligence chiefs, on their part, appointed official representatives to the Office of Reports and Estimates whose principal duty would be to represent their own departments in the matter of contributing to national estimates. These representatives, however, instead of becoming active in the production of national intelligence, remained in their home offices and undertook the review of CIA estimates only at the later stages when the estimate was already in draft form.

In practice, therefore, much of the necessary discussion that accompanied the process of actually producing estimative conclusions under the terms of NSCID-3 was carried on by regional analysts in CIA with their counterparts in other intelligence agencies, subject to review by officials senior to them in all departments. What these officials approved for final review did not always include the views of the members of the IAC, but was sometimes concluded in the name of the departmental representatives just mentioned, and of the Assistant Director for Reports and Estimates for CIA.

Occasionally, during 1948 and even 1949, this was the full extent of the coordination process before publication. Drafts of

the publications had been available, of course, to the IAC and to the Director of Central Intelligence, but in many instances, their silence was taken as consent, and estimates were published, not so much with their signed approval as merely without their disapproval.

At other times, the IAC chiefs themselves took a personal interest in the coordination procedure. Such interest was sometimes occasioned because an unusually strong disagreement had developed, even though sometimes one of an essentially minor nature. More importantly, however, members of the IAC would step in when they recognized, in final drafts acceptable to all subordinates who had worked on them, statements that they themselves did not believe should be presented to the President and the National Security Council as having been endorsed by their departments.<sup>1</sup>

That such occasions should have arisen is by no means surprising. Indeed, one of the chief premises on which Central Intelligence had been founded had been that there would be disagreements over what constituted valid intelligence conclusions applicable to problems of foreign policy.<sup>2</sup> But under the system as it developed by trial and error, between 1947 and 1950, the result of interference by the chiefs of intelligence in the coordination process after it had reached its final development at the

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<sup>1</sup> Examination of ORE's "coordination" files (in custody of O/DCI/HS) relating to estimates published between 1945 and 1950, bears out the above statements, pp. 38-39.

<sup>2</sup> See NSCID-1, Para. 5a, for example, in Annex E, below.

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subdirectorial level was often to introduce new confusion into a situation that was already troubled. The basis of this difficulty became one of the main points of the Dulles Report--the failure of the Intelligence Advisory Committee to involve itself directly in the production of estimates.<sup>1</sup>

### The ORE Problem

The situation was further complicated by the fact that Central Intelligence had established what amounted to an independent research component which existed side by side with four counterparts (in State, Army, Navy, and Air) which were departmental but were empowered to write comprehensive estimates for departmental purposes. The principal characteristics of the Office of Reports and Estimates as distinguished from the others were to be observed in the facts that (a) it was centrally located; (b) it had been accorded responsibility for drafting "national" intelligence;<sup>2</sup> (c) it was deprived of "operational" and "policy" information, much of which was pertinent intelligence; and (d) it was almost entirely dependent on the IAC Agencies for the intelligence on which its estimates were based. Thus its position was a strategic one with respect to leadership in the production of national intelligence, but weak with respect to the means of doing so.

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<sup>1</sup> Dulles Report, p. 81.

<sup>2</sup> By DCIE 3/1 dated July 8, 1948, Para. 3

The Dulles Report<sup>1</sup> summarized the point exactly in 1949 when it said that the Central Intelligence Agency "cannot and does not by itself have all the specialized qualifications needed to produce national intelligence<sup>2</sup>. . ." This fact was a central and stubborn one in the controversy that culminated in the reorganization of 1950-1951. Since Central Intelligence (or specifically the Office of Reports and Estimates) did not have all the qualifications, it could not produce fully reliable estimates. Central Intelligence could acquire all the qualifications only through a governmental reorganization that would affect military and diplomatic operations as well as intelligence. Whether or not such a change would be desirable, it would undoubtedly prove impossible.<sup>3</sup>

The only other answer lay in full "cooperation". But the very existence of the Office of Reports and Estimates tended to make cooperation difficult.<sup>4</sup> As a sort of fifth wheel, it had unintentionally fostered the species of rivalry referred to frequently in the Dulles Report, which tended to bring the various

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<sup>1</sup> The Report of a Survey Group consisting of Messrs. Allen W. Dulles, Mathias F. Correa, and William H. Jackson (appointed by the NSC, Feb. 13, 1948) published Jan. 1, 1949. See Chapter II, below, for further discussion of this Survey Group.

<sup>2</sup> P. 73.

<sup>3</sup> In that G-2, ONI, and the State Department Intelligence System were integral to their parent organizations.

<sup>4</sup> For one of many examples, see "coordination" folder on ORE-69 Feb. 9, 1948, in custody of O/DCI/HS.

agencies and Central Intelligence into competition rather than cooperation. A competitor could not expect cooperation. There could hardly be a disposition within the Agencies to aid in the success of a venture whose success might be fatal to themselves.

Furthermore, as the Office of Reports and Estimates became convinced that it could not expect cooperation, it tended to proceed without soliciting it. Sometimes--though by no means always--it produced its own first drafts with little reference to its contemporaries, and then circulated them "for concurrence or dissent." The result was a complaint (registered incidentally in the Dulles Report) that the Agencies were treated as outsiders rather than collaborators in the production of national intelligence.<sup>1</sup>

The Dulles Committee Recommendations  
and Their Reception by the Agency

The Dulles Report, appearing as it did, mid-way in the initial period of CIA's development (1946-1951) clarified issues that had tended to become obscure in the midst of developing controversy. It emphasized the point that Central Intelligence had been designed and constructed by law as a means of coordinating intelligence. It pointed out that the Agency was actually in position to do no more than this in any case. Hence, Central Intelligence must return to the role of coordinator which, among other things,

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<sup>1</sup> For example, see Dulles Report, p. 72.



entailed collective responsibility on the part of the Intelligence Advisory Committee. In accordance with this conclusion, the Dulles Report ventured positive suggestions designed to bring about what its authors considered to be "Central Intelligence" within the meaning of the law and of practical circumstances. The essence of the proposal was in three parts.

First, the function of coordinating intelligence activities should be discharged by the Director, aided by his own staff, working with the Intelligence Advisory Committee. National intelligence estimates should be directly coordinated by the IAC itself. Better preparation of these documents would require revision of the Office of Reports and Estimates,<sup>1</sup> to the extent of having it form one small group to be solely concerned with the preparation of national estimates on a strictly cooperative basis; and another with research "of common concern" which would supplement, but in no case duplicate, the work of the established agencies.<sup>2</sup> Finally, a series of administrative changes would be inaugurated, designed for greater efficiency in the Agency's discharge of its statutory responsibilities.

These proposals, although they were not greeted with universal disapproval, did not find an entirely cordial reception within the Central Intelligence Agency of 1949. If nothing else, they

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<sup>1</sup> See Dulles Report, p. 61.

<sup>2</sup> This proposal was actually, of course, more in accordance with the agreement that originally established ORE (NIA-5; see Annex C, below) than what had developed as a result of the Vandenberg administration's interpretation of the agreement. See discussion pp. 14-15, above.

seemed premature, for when the Dulles Report was submitted to the National Security Council, Central Intelligence was almost exactly three years old. As an Agency, it was seventeen months old. In the course of three years, in spite of changes and controversies, a great deal had been accomplished, a fact which the Committee did not necessarily deny, holding rather that the new system was being mismanaged. The defenders of the system, however, could point to progress in promoting the objectives of unified intelligence effort and production of sound national intelligence. Simultaneously, they could emphasize the point that the system had had a very short time to develop and that to make radical changes in the midst of this formative period would be to risk hard-won gains.<sup>1</sup>

In simplified essence, however, the disagreement of the 1949-50 administration with what the Dulles Committee proposed, was centered in the concept of divided responsibility. Although, as has been noted, Admiral Hillenkoetter had never echoed General Vandenberg's demand for authority commensurate with the Director's mandate from the President, he had also never declared unequivocally for group (IAC) responsibility and authority. During Hillenkoetter's two years in office, however, the Agency had inclined toward the theory that it must be independent in order that it could present the NSC with estimates uncolored by Departmental prejudice. In theory, at

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<sup>1</sup> See DCI's Comments on Dulles Report, dated Feb. 28, 1949, in O/DCI/HS files.

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least, the sort of corporate responsibility favored by the Dulles Committee was inimical to this point of view. For this reason, the defenders of the 1949 status quo in Central Intelligence found comfort in the two exceptions taken to the Dulles Report by the NSC (as expressed in the Report known as "NSC-50"):<sup>1</sup> one that the Director should not be bound by the concept of collective responsibility; the other, that reorganization undertaken in accordance with the Dulles Report need not necessarily follow the exact means proposed by the Committee.

The implied rejection of collective responsibility by the National Security Council, in particular, seemed to give substance to the reaction that had in any case greeted the Dulles Report within the Central Intelligence Agency. This reaction was primarily that of the persons who had dealt at first hand over a period of months or years with the practical problems entailed in setting up and operating the Agency. Whereas the Dulles Committee thought of Central Intelligence primarily as a means through which all governmental intelligence could be brought to bear, in a coordinated form, on national problems, many key CIA officials of the time thought of the Central Intelligence Agency as the principal instrument, under the National Security Council, for the production of

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<sup>1</sup> Sometimes known as the "McNarney Report" adopted by the NSC on July 7, 1949, accepting the Dulles Report with few reservations.

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national intelligence. They believed that the other Agencies owed CIA all necessary "cooperation" toward this purpose. They argued that the Intelligence Directives of the National Security Council had been framed with this end in view, but that too many loopholes had been left in the Directives, and that the Agencies had deliberately evaded their responsibilities under them.<sup>1</sup>

Accepting the premises on which this type of reasoning was based, however, the word "cooperation" might have been considered ill chosen. Another word would have been "compliance." In order for Central Intelligence to exact compliance, it would have to be given much greater powers than it possessed. A move in the direction

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<sup>1</sup> Thus, in a memorandum to the Director of Central Intelligence on the subject of "IAC Cooperation with CIA", dated Sept. 30, 1949, the Assistant Director for Reports and Estimates wrote:

"The most spectacular evidence of the lack of departmental cooperation with CIA is represented by NSCID's. These are cited as such evidence on the grounds that:

a. as a result of the coordination of these directives with the IAC agencies prior to NSC action they represent only those concessions to CIA that the IAC agencies were willing to make, and consequently, do not provide the Director of Central Intelligence with the authority required by him to discharge the responsibilities imposed upon him.

b. by IAC insistence they contain all manner of escape clauses which vitiate departmental responsibilities to CIA, and thereby hamper the objectives of the National Security Act of 1947 toward a fully coordinated US intelligence effort."

See tab A to Memo (S in O/DCI/RS files.

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of obtaining such powers in 1949 would have been a bold one. It would have amounted to a flat rejection of the Lullies Report and a direct challenge to all critics of Central Intelligence.

Yet some move on this order had become almost the only logical conclusion from the position being taken by the Agency in 1949 and 1950. The Director favored a "strong central agency."<sup>1</sup> His Assistant Director for Reports and Estimates was against any system which presupposed collective responsibility. The Director's General Counsel interpreted the intent of Congress as favoring a fully responsible Directorate. The Chief of the Interdepartmental Coordinating and Planning Staff (or Coordinating, Operating, and Planning Staff) inclined toward the same general position.

Yet no direct representations to this effect were made to the National Security Council by the Hillenkoetter administration. For most of a year, from the fall of 1949 to the fall of 1950, the questions raised by the Lullies Report were debated, primarily between the Director and a group within the State Department which had proposed its own plan for Central Intelligence under collective responsibility. The Agency's proposed reply to this proposal was in the nature of a counterplan which went some distance in the direction of centralized responsibility. Neither proposal, however, reached the point of gaining official approval.<sup>2</sup>

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<sup>1</sup> For correspondence underlying these statements, see folder "NSCID-1" in files of CIA General Counsel.

<sup>2</sup> Ibid. See also Chapter II, below.

The 1949 Agency "Reorganization"

Meanwhile, Admiral Hillenkoetter reported to the Security Council on October 7, 1949, that (in accordance with the Council's partial endorsement of the Dulles Report) certain reorganizations were taking place in the Agency, particularly as affecting ICAPS and the Office of Reports and Estimates. These reorganizations, however, took advantage of the NSC's concession that there might be "other methods" than those suggested in the Dulles report of accomplishing the same objectives. As carried out, they were more token than real.

The lack of any real response to the Dulles Report or to NSC-50 is exemplified in the schematic representation of CIA organization published July 1, 1950, which is substantially the same as that brought out in January 1949. The office of "Executive" now took a place between the Director and the Agency's organization, but it is evident that the Executive's duties were mainly concerned with "administration", whose organization was somewhat more complex than before but comprised the same general functions. On the advisory side of the chart, the medical staff had been added, and the name of the Interdepartmental Coordinating and Planning Staff (ICAPS) had been changed to Coordination Operations and Policy Staff (COAPS). The latter represented an attempt at reorganization as well as a name change, but the principle under which ICAPS had attempted to perform its functions had been

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retained, and the revision of its charter was of negligible effect.<sup>1</sup>

The six "intelligence" offices remain intact with some internal changes as indicated in the chart. Aside from the appearance of ten divisions under the Office of Scientific Intelligence which had not been indicated before, the principal revisions seemed to be in the Office of Reports and Estimates, which contained seventeen sub-divisions as against ten in the previous chart. This does not, however, reflect an actual growth in the number of divisions but an attempt in the opposite direction. The only significant change, in fact, is represented in the addition of an "Estimates Production Board" (vice an "Intelligence Production Board" which had appeared on the January 1949 chart) which represented a partial answer to the Dulles Report's suggestion for a "small estimating group," in that a Board of Division Chiefs was to review all estimates produced by the Office. Actually, however, the Board did not function in this capacity, and the Office continued to produce various forms of written intelligence almost exactly as it had done before.<sup>2</sup>

In short, the period 1948-1951 in Central Intelligence did not become one of change as might have been indicated, but rather of uncertain retention of the status quo. Consequently, the

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<sup>1</sup> See Annex B, below, for Chart of July 1, 1950.

<sup>2</sup> See folder on ONE "Estimates Production Board," in O/OCI/HS files.

organization that General Smith inherited in 1950, though larger and more complex, was little different in general composition and operating principles from that which Admiral Hillenkoetter had inherited from General Vandenberg in 1947.

The 1950-53 Reorganization  
In Relation to the 1946-50 Background

Of all the changes reflected in the Agency organization as developed at the end of General Smith's term in office (1953), the most prominent is the grouping of Agency activities under three main divisions: Plans, Administration, and Intelligence.<sup>1</sup>

The first of these is not of concern to this study.<sup>2</sup> It might be said, however, that the move toward compartmenting clandestine from other CIA activities was not a new departure. The Office of Policy Coordination had, from its beginning in the fall of 1948, been managed separately from the rest of Central Intelligence.<sup>3</sup> Similarly, the Office of Special Operations, though seemingly during 1946-50 an activity parallel with the non-clandestine offices, was in fact nearly as completely separated from them as was OPC.<sup>4</sup> The conduct of the Office of Operations, on the other

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<sup>1</sup> See Annex B, below.

<sup>2</sup> See footnote, p. 1, above.

<sup>3</sup> See History of OPC (W. E. Little) in O/DCI/ER files.

<sup>4</sup> See, for example, Chapter VI, below.



hand (with certain exceptions arising out of the nature of the Contact Division) exactly foreshadowed during 1946-50 its ultimate relationship to the DD/I.<sup>1</sup>

The grouping of administrative and support activities under a single authority (DD/A) was likewise not a new departure. Beginning with the CIG organization chart of July 1946, where provision had been made for administrative support under an "Executive Office," and continuing through November 1950, where almost all offices concerned with administration and support were under an "Executive," there was always a tendency in Agency organization to provide central management for activities of this type.<sup>2</sup>

The remaining chapters of the present study emphasize those components which came to be known during the period under consideration as the "DD/I complex." This grouping of production and related non-clandestine activities is manifestly the heart of Central Intelligence when conceived as the means through which the whole intelligence machinery of the United States Government can be made to produce "intelligence related to the national security." Historically speaking, the "DD/I complex" is the method adopted under the Smith administration for doing what previous administrations

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<sup>1</sup> See Chapter IV, below.

<sup>2</sup> During a part of the Hillenkoetter administration, these activities were also subdivided in accordance with the clandestine and non-clandestine nature of the support. See July 1950 chart, in Annex B, below.

had attempted to do through the medium of the Office of Reports and Estimates and the Interdepartmental Coordinating and Planning Staff. Although the office of DD/I was not established until 1952, it was, in many respects, a normal development from what had gone before.

General Vandenberg's plans of 1947, as has been seen, involved a large and self-contained "Office of Reports and Estimates" that could do research in all geographical and functional fields of intelligence, including economics and science. Along with that office, he sought to have a means of acquiring all intelligence needed from the most appropriate government sources, and a means of codifying and storing information so acquired.<sup>1</sup> This office already had, in 1947, an official mandate under which it produced current intelligence for the President.<sup>2</sup> In point of fact, either tentatively or permanently, the Office of Reports and Estimates during 1947-48 had within its structure what were to become the Office of Current Intelligence, the Office of National Estimates, the Office of Research and Reports, the Office of Scientific Intelligence, and the Office of Collection and Dissemination, together with Basic Intelligence (the National Intelligence Survey); Map Intelligence; what might be called "crisis

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<sup>1</sup> See above, pp. 20-21.

<sup>2</sup> NIA-2 in Annex C, below.

intelligence" (Watch Committee and National Indications); visual and oral intelligence (Situation Room and Briefings); and elements of a special intelligence center.<sup>1</sup> The Assistant Director for Reports and Estimates, in other words, was to comprehend under his superintendence all that was later under the Deputy Director (Intelligence) except for coordination of intelligence activities, and overt intelligence collection.<sup>2</sup>

By 1949 the plan for ORE had become less elaborate because of the transfer of its reference facilities (to OOD) in April 1948, and of Scientific Intelligence (to a separate office) in December.<sup>3</sup> In spite of these shifts, however, ORE was still a complicated and comprehensive office as has been pointed out above. It still, for example, produced "national intelligence" of all types (basic, current and "staff") largely through its own research facilities; "coordinated" this intelligence where indicated; was a producer of specialized economic intelligence; and performed a great variety of related functions.

During 1950-53, the Office of Reports and Estimates was dismembered into three parts (Current Intelligence, National Intelligence, and Research and Reports) while the Offices of

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<sup>1</sup> The "General Divisions". See Chapter VII, below.

<sup>2</sup> Parts of the Office of Operations were also briefly included under ORE at one time. See Chapter IV, below.

<sup>3</sup> See Chapters V and VI, below.

Scientific Intelligence and of Collection and Dissemination were permitted to remain intact. Then the **five** resultant offices, plus the Offices of Intelligence Coordination (late ICAPS and COMIS) and of Operations were brought together under a single head, whose position thus resembled that of the Assistant Director for Reports and Estimates (as planned in 1947) with two additional responsibilities probably not contemplated under the 1947 plan.<sup>1</sup>

The ensuing chapters of the present study will consider, first, the various moves that brought about the tri-partite organization of 1953; then the disposition made of the "coordination of intelligence activities" (ICAPS) problem by the Smith Administration; then the developments that occurred in connection with the three offices whose continuity was not ultimately affected by the 1950-53 reorganization (OOD, OO, and OSI); and finally the development of the three new offices (OSI, ORR, and ONW) that were created in 1950-51 out of ORR. These discussions of what may be considered the "Central Intelligence" functions of CIA will be followed by a chapter concerned with the (non-clandestine) administrative offices whose primary function is to serve the Central Intelligence Agency.

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<sup>1</sup> It should be noted, however, (see Chapter III, below) that OIC, as organized by 1953, was operating under a different concept from that of ICAPS, it being understood that most practical matters of coordination would be a function of the various AD's, the AD/OIC lending his aid where needed. Also (see Chapter IV, below) the placement of OO under the DD/I was based more on expediency than inescapable appropriateness.

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CHAPTER II

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**ORGANIZATIONAL HISTORY OF CENTRAL INTELLIGENCE AGENCY, 1950-1953**

**Chapter II: MAJOR ORGANIZATIONAL REVISIONS, 1950-1953**

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## Chapter II

### MAJOR ORGANIZATIONAL REVISIONS, 1950-1953

The organizational growth of CIA under the Directorship of General Walter Bedell Smith, was summarized by President Truman as the development of "an efficient and permanent arm of the Government's national security structure."<sup>1</sup> "No President," Mr. Truman observed in commending General Smith for his part in the accomplishment, "never had such a wealth of vital information made available to him in such a useful manner as I have received through CIA."<sup>2</sup>

#### Organizational Change vs. Organizational Stability

Several internal reorganizations figured prominently in CIA's development under General Smith, in the course of which CIA's Washington headquarters changed from some 17 offices and staffs, as of 1950, to some 23 such major components by 1953. In addition, there were less conspicuous organizational changes, both in headquarters and the field. Of major significance in this connection was new leadership, including (besides the new Director himself) the Deputy Director, three additional Deputy Directors (established as new

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<sup>1</sup> Truman to Smith, undated, quoted by Smith in his farewell letter to all CIA personnel, 9 February 1953 (restricted); in "unnumbered regulations" file, in records of Management Staff, in custody of CIA Records Center.

<sup>2</sup> Ibid.

positions by General Smith), and the heads of many of the operating offices in headquarters and the chiefs of many of the missions and stations in the field. There were also jurisdictional realignments among CIA's operating units, which did not necessarily change their names or organizational positions. Still other changes took the form of reallocations of budgetary assets or of specialized personnel among operating units, and revisions in the classification and description of some of the specialized categories of intelligence personnel that made up the Agency's professional corps. There were also numerous changes in operating programs, projects, and priorities which reflected the changing international situation, the progress of the Korean War, and the development of the "cold war" with the Soviet power bloc.

Nor were CIA's organizational changes a purely internal matter of promoting management and operating efficiencies within a growing headquarters and field establishment. Many, if not most of the changes, had external ramifications as well, and involved attempts to clarify and improve CIA's organizational position, its functional jurisdiction, and its working relationships among the other departments, agencies, and echelons that made up the Government's national security structure. In particular, there were organizational adjustments between CIA and the intelligence echelons in the State and Defense Departments, which historically had controlled a major part of the Government's foreign intelligence enterprise. Similarly, there were clarifications in CIA's position with respect to the

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policy and operational planning echelons of those Departments and of the National Security Council.

Although internal reorganizations and external organizational adjustments characterized much of CIA's growth between 1950 and 1953, this was also a period of organizational stability and continuity in certain major respects. Within CIA, for example, while much of its headquarters establishment was undergoing reorganization, a number of major components remained essentially undisturbed, at least on the Agency's organization chart. Externally, too, there were significant elements of stability and continuity, especially in the broad organizational framework of the Government's national security structure. For example, the same President under whom all of General Smith's predecessors had served, remained in office throughout General Smith's term as Director.<sup>1</sup> Although General Smith is said to have had more frequent personal contacts than his

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<sup>1</sup>Smith's departure from CIA at the end of President Truman's term was apparently without political significance. There had been public speculation, as early as 1950, that Smith would not stay in CIA indefinitely, because of his health. In November 1952, Smith expressed the hope to the OIS staff that ". . . while the Director himself must undoubtedly be a man whom the Chief Executive is willing to accept, and to whom he will give a certain measure of confidence, it is unlikely that you will ever have a Director whose status will change with changes in the Administration." Remarks at CIA's Agency Orientation Conference, Nov. 21, 1952 (Secret), re-printed in OTR Bulletin No. 1, Feb. 11, 1953 (Secret); in records of Management Staff, in custody of CIA Records Center.

predecessor with the President,<sup>1</sup> the President's personal attention to CIA, which he sometimes called "my" intelligence service,<sup>2</sup> was probably not fundamentally different under the two Directors. Similarly, there was no basic change, in General Smith's time, in CIA's statutory relationship to the National Security Council. Under Smith, CIA continued to furnish the NSC's principal intelligence support; the Director continued to sit as a member of the NSC, and CIA remained administratively responsible, by law, to that body.<sup>3</sup>

#### The Government's Organization for Intelligence in 1950

Nor was there any fundamental change in the organizational framework under which the Government's foreign intelligence programs and activities as a whole were conducted. These intelligence functions remained divided and decentralized among seven essentially autonomous

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<sup>1</sup>Kidney W. Souers, Executive Secretary of the National Security Council, arranged "at once" for General Smith, after he became DCI in October 1950, to have a weekly conference with President Truman, thus "deliberately passing by the Council and the Secretaries of the Departments to the White House." See Historical Staff interview with Souers, June 30, 1952, p. 23, in O/DCI/HS files.

<sup>2</sup>Historical Staff interview with Hillenkoetter, Oct. 24, 1952, in O/DCI/HS files.

<sup>3</sup>In addition, CIA provided certain administrative services to the National Security Council. For example, the CIA Comptroller's Office regularly assisted the NSC Staff in preparing the NSC's annual budget and presenting and following its course through the Budget Bureau and the Senate and House Appropriations Committees. See CIA Regulation No. 70 (Secret), July 1, 1950, and January 19, 1951, editions; and CIA Comptroller's "Historical Notes . . .," 1945-1952 (Top Secret, TS#74650), in O/DCI/HS files.

agencies<sup>1</sup>, and in practice the activities of these agencies were coordinated under a variety of inter-agency committee and liaison arrangements, in which CIA participated in greater or lesser degree.

Of these seven major agencies, frequently called "the intelligence community" in CIA parlance, four comprised the long established intelligence components of the Army, Navy, and State Departments (now joined by the Air Force). In addition there was the Joint Intelligence Committee of the Joint Chiefs of Staff, together with certain other jointly operated intelligence facilities in the Defense Department, notably the Armed Forces Security Agency. Next, there was the Atomic Energy Commission which had had its own intelligence division, since the end of World War II. The seventh agency, of course, was CIA itself, less than five years old, with a substantial headquarters in Washington, a number of overt field offices within the United States, and various overt and covert missions and stations abroad, [REDACTED]

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In addition to these seven principal agencies, among which the Government's foreign intelligence activities were decentralized, there were numerous participating organizations, on which the intelligence agencies individually depended for particular types of assistance.

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<sup>1</sup>Eight agencies, if the Federal Bureau of Investigation is included. The FBI had had certain foreign intelligence responsibilities, for example in Latin America during and after World War II, but as of 1950 its intelligence responsibilities were essentially limited to domestic matters. Since 1949 the Director of the FBI had been a member of the Intelligence Advisory Committee.

Some of these were part of the Government's security structure, such as the Federal Bureau of Investigation, which had a direct relationship to the seven foreign intelligence agencies through its membership on the Intelligence Advisory Committee.

Also participating were certain other agencies which had domestic security responsibilities; and numerous "non-defense" agencies, such as, for example, the Interior and Agriculture Departments, which were contributing particular chapters to the National Intelligence Survey; and the Library of Congress and the Smithsonian Institution, which served as channels for collecting and indexing certain types of foreign publications of intelligence interest. There were many Government agencies which had particular types of research, administrative, or technical skills and resources to contribute to particular intelligence projects. For example, some 15 non-intelligence agencies were working on economic intelligence, as of 1950-51;<sup>1</sup> and some 25 agencies, in scientific and technological intelligence.<sup>2</sup> Still other participating groups were located administratively outside the Government. For example, there were the various private research organizations with which

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<sup>1</sup> CIA/ORB survey of the Government's economic intelligence programs and activities, about May 1951; issued as IAC-D-22 (Secret); copy filed in O/DCI/BR, under heading "IAC-D".

<sup>2</sup> Graphic organizational chart and procedural flow chart, no date, entitled "Scientific and Technical Information and Intelligence" (Secret), in O/DCI/RS, filed under "OST".

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the intelligence agencies had "external research" or other contractual projects, and the numerous panels of technical consultants retained for advice on particular subjects. Overseas, there were certain espionage networks in foreign countries which were controlled or monitored by American intelligence; the intelligence organizations of friendly or neutral governments, with which the United States had a variety of liaison arrangements and working agreements; and the several interallied organizations, notably the North Atlantic Treaty Organization (NATO), in Europe, and the United Nations Command, in Korea, with which the United States was collaborating.

CIA's Responsibilities in the Intelligence Organization, as of 1950

CIA's functional responsibilities in this decentralized intelligence enterprise, as it was organized in 1950, were to be found outlined in the organic act of July 1947, which made CIA a statutory agency under the National Security Council, and in a series of directives issued by the NSC, between December 1947 and July 1950. The effect of the National Security Act and the NSC directives, as has been pointed out, was to establish a new intelligence agency without essentially disturbing any of those already in existence.<sup>1</sup>

Thus, each agency had its own collection, interrogation, and information-gathering apparatus; and each had its own research and production programs for preparing any finished intelligence that was needed to support its own planning and operational echelons.

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<sup>1</sup> See Chapter I, above.

By implication, too, although the directives were not explicit in detail, each agency had its own facilities and systems for indexing, analyzing, and collating intelligence information.<sup>1</sup> Each agency also had its own arrangements for obtaining external research and other outside assistance from the non-intelligence agencies. Each agency, finally, had its own administrative and technical services, such as budgetary resources and controls, manpower procurement and training, internal security controls, and other "housekeeping" and internal-management services for facilitating and supporting its "substantive" intelligence programs.

Lest the result of this manifest duplication be an unduly compartmented system such as had had a part in bringing about the Pearl Harbor disaster in 1941, all agencies were exhorted to exchange information, finished intelligence, and collection and production plans. Lest there be unessential intelligence collection and production in particular fields, some attempt was made to clarify the part to be played in those activities by each agency.

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<sup>1</sup>One exception was that, under NSCID No. 8, May 1948, a Government-wide service for biographic indexing, in the one field of foreign scientists had been assigned to CIA. Within CIA this responsibility was being handled, in 1950, by one branch of OGD's Biographic Register Division, working in cooperation with the Office of Scientific Intelligence. The services of OGD's other registers and of its central library were also being extensively used by the other intelligence agencies in 1950; but CIA had no specifically assigned responsibility from the NSC for promoting improved procedures for indexing and organizing intelligence information nor for these reference activities.

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Thus, collection activities were divided among the seven agencies, partly on a subject basis and partly on a source basis. Overt collection abroad remained dominantly in the hands of the State Department's Foreign Service posts and in the Defense Department's military, naval, and air attachés and other field intelligence units. State was expected to collect primarily "political, cultural, and sociological" information, and Defense was to collect primarily "military, naval, and air" information, but the directives did not define these subjects. "Economic, scientific, and technological" information, on the other hand, was to be gathered by "each agency . . . according to its needs"; but regardless of subject, there was to be a "free and unrestricted interdepartmental exchange of intelligence information to meet recognized secondary needs of each department and agency." No agency was expressly restricted, in the directives, from procuring unclassified foreign publications and other so-called "open literature" for its own use, although the State Department did maintain a group of Publication Procurement Officers (PPO's), at some of its overseas posts, as a common service to the Government generally.

Other types of collection activities were organized on a source basis rather than by subject. Certain types of overt sources, for example, had been exclusively assigned to CIA, as a "service of common concern", including the following, as of October 1950: (1) foreign propaganda and news broadcasts; (2) domestic contacts

in the United States, including both citizens and aliens but excluding research and library contacts, which were left to each agency according to its needs; and (3) the interrogation of refugees and defectors from the Soviet-controlled areas to West Germany.

Another category of overt sources, especially significant since the outbreak of the Korean conflict in June 1950, was the "captured sources" field. These sources, including prisoners of war, captured weapons and supplies, and captured documents, were controlled by the Defense Department, but were not specifically covered in the NSC directives.

Covert collection, on the other hand, was an exclusive responsibility of CIA, with exceptions. Certain counter-intelligence activities of the Army, the Navy, and the Air Force, together with other so-called "agreed activities" (not listed in the directives), which were regarded by the military departments as necessary for their operational security, remained undisturbed in the Defense Department. The collection of "special intelligence", finally, was organized according to still another pattern, as a service of common concern, in effect, that was managed not by CIA but by the Defense Department; and it was controlled by a separate board representing all agencies concerned, including CIA, and responsible to the National Security Council.

Similarly, jurisdiction over the production of intelligence had been divided among the several intelligence agencies. Thus,



the State Department had primary responsibility for work in "political, cultural, and sociological" intelligence, and the Defense Department for "military, naval, and air" intelligence. The fields of "economic, scientific, and technological" intelligence production, however, might be anyone's business, depending on an agency's individual needs. All these topical fields remained to be defined and divided further, after 1950. CIA, as has been said, had exclusive responsibility for supervising the cooperative production of two kinds of "national" or supra-departmental intelligence--national intelligence estimates (NIE's), which dealt comprehensively with the capabilities and intentions of foreign powers and power blocs; and national intelligence surveys (NIS's), which contained encyclopedic area information on individual foreign countries. A third kind of national intelligence--national "indications" of threatened hostilities--was not, however, specifically assigned to CIA, nor had it yet been listed or defined, in the directives which were in effect in October 1950.

#### Status of Inter-Agency Coordination and Leadership, 1950

In addition to its specific production and collection responsibilities, CIA had broad statutory responsibility, which remained unchanged from 1950 to 1953, for "coordinating the intelligence activities of the several Government departments and agencies," by means of advice and recommendations to the National Security

Council, plus the right to make "surveys and inspections" of the intelligence agencies. In actual practice in 1950, however, CIA's inter-agency coordination responsibilities were being conducted, not unilaterally, but as an interdepartmental affair; and in some fields the job of coordination was in the hands of other agencies entirely. The several "NSCID" and "DCID" regulatory documents, for example, had all been developed jointly by CIA and the other agencies involved, chiefly through the work of its Interdepartmental Coordinating and Planning Staff, a group made up essentially of men on temporary duty from the several departmental intelligence agencies.<sup>1</sup> As to surveys and inspections of outside agencies, it is doubtful whether CIA had conducted any of them before or during 1950. None, at least, were mentioned in records seen in the course of this study. For the work of actually promoting inter-agency coordination and cooperation, CIA was utilizing a number of inter-agency committees, usually under the chairmanship of CIA officials, together with a variety of "working level" liaison relationships among the agencies.

The principal inter-agency committee under CIA leadership in 1950 was the Intelligence Advisory Committee (IAC), made up of

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<sup>1</sup>See Chapter III, below.

the departmental intelligence chiefs themselves,<sup>1</sup> and presided over by the Director of Central Intelligence. The IAC had, however, met only four times during the last six months (March-September 1950)<sup>2</sup> before General Smith came on duty; and it was commonly criticized, within CIA, as being less interested in advising the DCI on inter-agency problems than in acting as a governing board over CIA. Nevertheless, given a decentralized intelligence organization of several essentially autonomous agencies, such a council of the intelligence chiefs seemed a minimum framework through which the Director could carry out his responsibilities for "coordination". Under the IAC were a "Standing Committee",<sup>3</sup> and subcommittees (as of October 1950) in atomic energy intelligence; scientific intelligence generally;  defectors from the Soviet bloc; and the National Intelligence Survey program.<sup>4</sup> There was as yet no committee for

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<sup>1</sup>The officials who were attending the IAC as of November 1950 were as follows:

Mr. W. Park Armstrong, Jr., State (Special Assistant for Intelligence)  
Maj. Gen. A. R. Bolling, Army (Assistant Chief of Staff, G-2)  
Rear Adm. Felix L. Johnson, Navy (Director of Naval Intelligence)  
Maj. Gen. Charles P. Cabell, Air Force (Director of Intelligence)  
Brig. Gen. Vernon E. Megee, Joint Staff, of JCS (Deputy Director for Intelligence)  
Dr. Walter F. Colby, AEC (Director of Intelligence)  
Victor P. Keay, FBI (Acting Assistant to the Director)  
Lt. Gen. W. B. Smith, DCI, Chairman

(See IAC-M-6, Secret, Nov. 16, 1950. In IAC minutes, 1950-1953, filed in O/DCI/ER.)

<sup>2</sup>March 31, June 27, July 21, and August 15, 1950. See IAC minutes, 1947-1950 (Secret and Top Secret), in O/DCI/SA/PC files.

<sup>3</sup>See Chapter III, below.

<sup>4</sup>List of IAC subcommittees, 1947-1953, in an undated paper entitled "The Intelligence Advisory Committee" (Secret), pp. 14-15; prepared by ONE for the "Clark Committee" about August 1954; copy in O/DCI/RS files.

economic intelligence, although plans for one had been made;<sup>1</sup> nor were there any active subcommittees for considering inter-agency interests in other topical fields, such as political and military intelligence; nor in broad "supra-departmental" fields such as national estimates and national indications; nor for administrative and other support problems that might be common to all the intelligence agencies.

In practice, CIA did not have exclusive responsibility, in 1950, for coordinating all aspects of the Government's intelligence organization, nor was CIA the sole adviser to the NSC on intelligence activities and problems.

In 1948-1949, for example, the NSC had retained a group of distinguished consultants, from outside the Government's intelligence organization, to make a comprehensive survey and inspection of the Government's foreign intelligence programs; and by October 1950 the recommendations of that survey group were still on the agenda of the NSC. Special intelligence matters, to cite another example, were being coordinated by the U. S. Communications Intelligence Board (USCIB).<sup>2</sup> While CIA was represented on this Board,

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<sup>1</sup>The Economic Intelligence Committee (EIC) was established in May 1951, but it had been recommended by CIA/DOAPS in December 1949. See Chapter III, below, and IAC-D-22, May 1951 (Secret), on file in O/DCI/ER.

<sup>2</sup>See NSCID No. 9, July 1, 1948 (Top Secret); copy in O/DCI/HS files.

the State Department's intelligence chief was its chairman, as of 1950,<sup>1</sup> and the Defense Department dominated its operations. Domestic intelligence and related matters of internal security, were meanwhile coordinated through the Interdepartmental Intelligence Conference (IIC) and the Interdepartmental Committee on Internal Security (ICIS), both of them headed by the Director of the FBI. CIA was not represented on either of them, except on an invitational basis for considering a specific matter.

There were still other inter-agency intelligence coordination mechanisms, in 1950, in which CIA did not participate or participated only indirectly. In occupied Germany, for example, the State Department's High Commissioner for Occupied Germany (HICOG), through the chief of his intelligence division in Frankfurt, served as the ranking representative for coordinating all U. S. intelligence activities, overt and covert, based in that area.<sup>2</sup> In the Far East

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<sup>1</sup>W. Park Armstrong, Jr. The fact that he was chairman of USCIB in 1950 is mentioned in IAC-D-11 (Secret), Dec. 29, 1950; copy in O/DCI/ER, filed under "IAC".

<sup>2</sup>B. R. Shute, Director of Intelligence, HICOG, was ex officio U. S. intelligence coordinator in Germany. While his authority was apparently clear enough in HICOG's charter issued to him, in practice his responsibility was evidently divided with the U. S. military command in occupied Germany--CINCEUR, so the DCI was told in December 1950. See OIC memo to DCI, Dec. 8, 1950 (Secret), attached to DCI Staff Conference Minutes, 1950-53, in O/DCI/ER.

it was the Defense Department's Far East Command (FECOM), headed by General MacArthur, which in 1950 apparently had the corresponding coordination authority.<sup>1</sup> In Washington, finally, the Joint Chiefs of Staff were providing various mechanisms, in 1950, for coordinating the many agencies of the Army, Navy, and Air Force which were participating in various aspects of the Defense Department's own "departmental" intelligence programs. Under the JCS, for example, the surveillance of hostility indications was a military-controlled activity coordinated through the Joint Intelligence Indications Committee (JIIC);<sup>2</sup> and the inter-Service exploitation of captured weapons and supplies was coordinated by a staff that later became the Joint Materials Intelligence Agency (JMIA).<sup>3</sup> While such inter-agency coordination mechanisms were outside CIA's jurisdiction in 1950 and might be called "purely internal" matters within the

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<sup>1</sup>No precise statement of the intelligence responsibilities of FEC (or FECOM), as of 1950, has been seen in the course of this study, but that command's coordination responsibilities were implied in an "agreement" of April 22, 1950 between FEC (General Willoughby, General MacArthur's intelligence chief) and CIA (Frank G. Wisner). This agreement was mentioned later by the DCI, in a letter to the Acting Chief of Staff of FEC, Jan. 18, 1951 (Top Secret, TS #43568-D); filed in O/DCI/HS, under "CIA-FEC . . .".

<sup>2</sup>The JIIC was established by the JCS' Joint Intelligence Committee (JIC), about Aug. 8, 1950. See IAC-M-10 (Top Secret), Dec. 7, 1950; filed in IAC minutes, 1950-53, in O/DCI/ER.

<sup>3</sup>The active concern of the JCS intelligence component for coordinating the exploitation of "captured sources" by the many interested Army, Navy, and Air Force agencies probably dated from some time after the outbreak of the Korean conflict in June 1950, and the JMIA was apparently formally established early in 1951. See chapter IV, below.

Defense Department, some of them were of Government-wide interest and were to be integrated in General Smith's time, with the inter-agency coordination machinery which CIA was sponsoring and developing.

CIA's Internal Organization as of October 1950

Like CIA's inter-agency relationships and external responsibilities, its internal organization and its intra-Agency relationships were also more complicated than they appeared on the single page of its general organization chart. The organizational framework of CIA's headquarters, as it was functioning on General Smith's arrival in October 1950, consisted of seventeen major offices and staffs, each headed by an Assistant Director or a Chief.<sup>1</sup> In addition,

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<sup>1</sup>The 17 components of CIA's headquarters, together with their heads, were as follows as of Oct. 1, 1950, listed approximately in the order in which they appeared on the latest organization chart and the latest list of key officials on the Director's staff:

Management Staff: James D. Andrews, Management Officer  
Budget Staff: Edward R. Saunders, Budget Officer  
Personnel Staff: William J. Kelly, Personnel Director  
Coordination, Operations, and Policy Staff (COAPS):  
James Q. Reber, Chief  
Legal Staff: Lawrence R. Houston, General Counsel  
Medical Staff: John R. Tietjen, Chief  
Inspection and Security Staff (I&S): Sheffield Edwards, Chief  
Administrative Staff: Martin I. McHugh, Chief  
Special Support Staff (SSS): George E. Meloon, Chief  
Procurement Requirements Staff: Andrew E. Van Esso, Chief  
Office of Reports and Estimates (ORE): Theodore Babbitt,  
Assistant Director  
Office of Collection and Dissemination (OCD): James M. Andrews,  
Assistant Director  
Office of Scientific Intelligence (OSI): H. Marshall Chadwell,  
Assistant Director  
Office of Operations (OO): George C. Carey, Assistant Director  
Advisory Council: Horace S. Craig, Chief  
Office of Special Operations (OSO): Robert A. Schow, Ass't Director  
Office of Policy Coordination (OPC): Frank G. Wisner, Ass't Director

the Director's immediate office included the Deputy Director (a position vacant since about May 1949), the acting executive, Lyle T. Shannon; and John S. Earman, "personal assistant" to the Director. Of the seventeen major operating components, six were directly engaged in managing and conducting the "substantive" activities of coordination, production, collection, and clandestine services for which CIA had continuing responsibility; while the other eleven, together with some of the subordinate divisions in the six "substantive" offices were all performing functions and services in "support" of these substantive intelligence and operational activities.

No single phrase can objectively describe the above organizational pattern of CIA's headquarters, as it stood in October 1950, except, perhaps, that it was a "functional" rather than a "regional" pattern. Each office conducted a number of specialized functions, processes, and services that contributed to the complicated enterprise frequently called "the intelligence process" or "the intelligence cycle"; and there were no overlaps or duplications among them which could not be defended by the office concerned. Yet many functions such as liaison, collection, research, and reference, were necessarily divided among several offices.<sup>1</sup>

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<sup>1</sup>CIA's office nomenclature, of course, before and after 1950, did not help to clarify the "functional" division of labor among the many specialized offices and staffs. The work of policy coordination, for example, was managed not by the Office of Policy Coordination, but by ICAPS/COAPS. Collection, in the sense of a field enterprise, was managed not by the Office of Collection and Dissemination but by OO and OSO. The Advisory Council was no more an advisory council to the Director than was any other office or staff. And so on.



To some extent, CIA's organizational pattern in 1950 could be described as a division between the "substantive" offices, operating under NSC directives, and the "support" offices which were doing their housekeeping. The substantive offices consisted of the following: COAPS, for inter-agency coordination planning; ORE, for national intelligence estimates and surveys; ORE and OBI together, for related types of intelligence research and production, and for inter-agency coordination in those production fields; OO and OSO, for overt and covert collection, respectively; and OPC, for clandestine operational services related to the Government's cold war programs.<sup>1</sup> In support of these offices were nine administrative staffs which provided personnel, budgetary, procurement, legal, management, security, and other facilitative services; and two offices (OCD and the Advisory Council) which supported the Agency's substantive activities with specialized library, reference, contact, and dissemination services. Yet every substantive office also had some supporting functions of its own, while the support offices were not altogether devoid of substantive interest. For example, ORE had the Agency's central map library; OBI was spending a good part of its manpower, in 1950, less in production than in indexing and collating informational

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<sup>1</sup>OPC was governed by NSC 10/2, issued about August 1948. This type of NSC directive is an "action" or "assignment" document separate from the NSCID series.

documents (in cooperation with OCD) and in promoting collection;<sup>1</sup> OO, similarly, had an entire division (the Foreign Documents Division, or FDD) engaged not in field collection at all (in 1950) but in library, reference, and translation services on foreign-language informational documents; and OSO and OPO were conducting a variety of support activities, either jointly or separately from the administrative-support staffs. Furthermore, most of the so-called substantive offices had an administrative officer of its own, and each conducted for itself, whatever training programs were being given in the Agency in 1950.<sup>2</sup> Conversely, these non-substantive offices and staffs frequently participated directly in the Agency's substantive activities, and usually regarded themselves as intelligence "professionals" in whatever specialized support functions they were performing.

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<sup>1</sup>As of about June 1950, only 8% of OSI's time was going into the "preparation of finished intelligence," while 22% was used for "abstracting, cataloging, and filing of intelligence reports," and 37% in evaluating collection, conducting liaison with the collecting agencies, and working on related non-production problems. See CIA "Summary of Operations" for Fiscal Years 1948-50, Oct. 2, 1950 (Secret), especially the graphic chart labelled "OSI"; copy in O/DCI/HS, filed under "CIA . . . ."

<sup>2</sup>While no training functions appear formally under any of the office descriptions in CIA's organizational manual of July 1950 (CIA Regulation No. 70), they are mentioned, at least casually, in some of the office histories (on file in O/DCI/HS), and in the CIA annual budget estimate dated Sept. 1, 1950.

To describe it in another way, CIA's organization in 1950 conformed to a "decentralized" pattern, with many offices and staffs at headquarters and many missions and stations in the field. It was evident, according to the Agency's organization chart of 1950, that the head of each of these components "reported directly" to the Director, to use the management specialist's expression; and according to the doctrine of good management, this may have represented an unwieldy "span of control". But here, too, there were exceptions to decentralization. The Budget, Management, Personnel, and Procurement Requirements Staffs, for example, were gathered together under the CIA Executive, according to the chart of October 1950; and in actual practice, some of the other offices and staffs probably also reported to the Executive rather than to the Director, especially since there had been no Deputy Director since May 1949. Intelligence production in CIA, to cite another major exception, was virtually centralized in a single office (ORE), except for the specialized field of scientific intelligence.

Another somewhat over-simplified classification of CIA's headquarters in 1950 was that it represented a division between "covert" and "overt" activities. Thus, there were three principal covert offices and staffs: OSO, OFC, and the Special Support Staff. All the other fourteen components were more or less overt. Nevertheless, many of the so-called overt components, especially the administrative staffs, as well as OCD and CO, were probably

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spending at least as much of their effort in serving the covert "operations" offices as they were in supporting the overt "intelligence" offices. On the other hand, the covert office of OSO, for example, controlled certain common services for the entire Agency, such as overt and covert radio and cable communications; and was performing certain other services, in addition to field collection, which were essential to the work of the overt offices. Some of the overt offices, moreover, were probably as "sensitive", if not more so, than some of the covertly controlled activities, in actual practice in 1950. Whether the offices might be classified as overt or covert, the Agency's general security directives, as they related (for example) to inter-office "compartmentation" and to the restriction of communication between offices, applied equally to all offices in the Agency; and there doubtless were cases where "secrecy" was being applied more rigidly in some of the overt offices than on "the covert side."

Whether CIA's internal organization and external relationships in 1950 were as simple as its 1-page organization chart, or as complicated as the variety of specialties and specialists that were contributing to the intelligence process, the new Director was in any case confronted with pressing organizational problems as soon as he took office. Within and outside CIA, there were competing needs for the Government's not unlimited resources for intelligence. There were, furthermore, conflicting points of view and priorities and

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overlapping jurisdictions, as well as jurisdictions that no one was taking. There were also special factors affecting CIA, such as changes in the international situation; Congressional and White House discussions of the need for mobilization or at least "pre-mobilization"; the possibility of new developments in intelligence techniques that might upset established administrative patterns; the acknowledged conflict between "security and efficiency" in intelligence work; and other factors which affected the efficient organization of intelligence activity. Along with these was CIA's somewhat unenviable position of being both the youngest member among long established intelligence agencies, and the one agency that had the broadest authority for coordinating all of them.

In relation to the recent outbreak of the Korean war and the developing cold war with the "Soviet Empire," all of CIA's organizational problems had a new urgency. They were summarized as follows on September 1, 1950, a month before General Smith came on duty, in CIA's annual budget estimate intended for the President, the Budget Bureau, and selected members of the Senate and House Appropriations Committees:<sup>1</sup>

"... CIA must ensure that its own intelligence production effort and that of the departmental intelligence agencies are continuously oriented toward current and long-range requirements of the national security interests and

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<sup>1</sup>"Introductory Statement" (Secret), p.4, of CIA Budget Estimate for Fiscal Year 1952, Sept. 1, 1950; copy appended as Tab D of CIA Comptroller's "Historical Notes . . .," 1945-1952 (Top Secret, TS #74650), in O/DCI/HS files.

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objectives; [that] intelligence collection and source exploitation of all U.S. intelligence agencies effectively meets the requirements and priorities of the intelligence production effort; [that] all categories of intelligence requirements bearing on the national security are specifically identified and defined; [that] responsibilities for collection and production action are appropriately allocated throughout the governmental intelligence structure; and finally, that the relationship between the governmental intelligence effort and the policy planning and operational levels of the government are strengthened in order that the intelligence process is effectively and continuously brought to bear at such levels."

Proposals and Ideas for Reorganization, October 1950

There was, however, no lack of organizational planning and management advice available to the new Director in October 1950, judging from the number of staffs within CIA which had continuing responsibilities for organizational self-criticism, review, and improvement. No less than six major staffs and one intra-agency committee were involved in such organizational planning<sup>1</sup> as follows:

(1) The Management Staff was expected to advise the Director on organizational structure and on "management improvements" generally, to rationalize conflicts in statements of functions and jurisdictions among the several offices, and to prepare the Agency's composite organizational chart and manual.

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<sup>1</sup>The organizational planning functions of four of these staffs (except the Personnel Staff and Legal Staffs) are outlined in a survey of CIA's "management improvement activities," prepared about September 1949 for the Bureau of the Budget, as part of CIA's budget estimates for the following fiscal year. Subsequently this survey was issued as part of General Order No. 23 (Secret), Sept. 19, 1949, as an organizational planning directive addressed to all Assistant Directors and to heads of the other components. (For copy of this Order, see Management Staff files, in CIA Records Center.) A year later, on Sept. 1, 1950, a similar statement on CIA's "...Management Improvement Activities" was sent to the President and the Budget Bureau, as part of CIA's Budget Estimate for Fiscal Year 1952, previously cited.

(2) The Coordination, Operations, and Plans Staff (COAPS) was responsible for reviewing proposals for the improvement of both CIA's external relationships and its inter-agency coordination activities.

(3) The Inspection and Security Staff (ISS) had an inspection group for conducting "special investigations of operating and administrative activities" and for recommending improvements to the Director.

(4) The Budget Staff had various budgetary planning and expenditure control functions which were intended to prevent "empire building" by any one operating office and to assure, among other things, "flexibility of operations without waste . . . and without non-productive work."

(5) The Personnel Staff, among its other activities, supervised personnel classifications and salary structures, in order, for example, to uncover and correct unnecessary or undesirable duplication and competition between specialized positions among different components of the Agency.

(6) The Legal Staff, which reviewed pending legislation and proposals for NSC directives, had prepared various briefs for the new Director on CIA's organizational problems generally.<sup>1</sup>

(7) The inter-office Project Review Committee (PRC), headed (in October 1950) by the CIA Executive, which allocated funds for new projects not foreseen in the annual budgets, was expected among other things to scrutinize new project proposals critically from the viewpoint of possible inter-office jurisdictional conflicts or external coordination problems.<sup>2</sup>

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<sup>1</sup>See Historical Staff interview with Lawrence R. Houston, General Counsel, in 1952, in O/DCI/HS files.

<sup>2</sup>As of Nov. 2, 1950, the PRC consisted of the Executive (chairman), the Budget Officer, the Assistant Director or Chief of the project-sponsoring office or offices, and the chief of the Legal Staff (the latter without vote). See Administrative Instruction No. 60-2/1, Nov. 2, 1950 (Secret), among records of Management Staff, in CIA Records Center.

In each major operating component of the Agency, moreover, the Assistant Director was expected to review the internal efficiency of his own office and correct overlaps and duplications, if any, with other components and with outside agencies.

In addition to having access to these internal sources for organizational advice, the new Director was confronted in October 1950 by a variety of recommendations and guidance from outside agencies and groups. Far from being a strictly "within the family" matter, of "purely internal concern" to the Director and his staff, CIA's organization and its organizational problems had for some time evoked the liveliest interest on the part of other agencies of the Government. CIA had been reviewed, critically and sometimes in detail, by various authorities almost continually during the preceding two years; and some of their recommendations were still pending when General Smith came on duty in October 1950.

The principal investigation of this kind was, of course, that made by the "Dulles Committee" and endorsed by the NSC in 1949<sup>1</sup>. There had also been an independent survey by the "Hoover Commission," more specifically by its Eberstadt Committee, whose findings, although less influential, had for the most part tended to confirm those of the Dulles group.

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<sup>1</sup>See Chapter I, above.



In 1949 and 1950, the Defense and State Departments had each made further studies and recommendations on particular aspects of CIA's organization: one (by the Joint Chiefs of Staff) on the control of CIA's clandestine activities under war mobilization conditions;<sup>1</sup> and the other (by State's intelligence chief) on CIA's production and inter-agency coordination functions.<sup>2</sup> Still another proposal was made jointly by the two departments, in a study sent to CIA in July 1950,<sup>3</sup> calling for the reorganization of two aspects of CIA's production responsibilities (estimates and current indications) into a newly-titled "National Intelligence Group," discussed more fully below. Finally, the Bureau of the Budget had been quietly promoting a continuing program of "management improvement activities" throughout the Government. Although CIA was participating in this program in 1950, it had recently reported to

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<sup>1</sup>Memo from Chairman, Joint Chiefs of Staff, to Secretary of Defense, Aug. 11, 1950, and memo by DCI to Brig. Gen. John Magruder, Office of Secretary of Defense, (Top Secret, TS #43639); copies in O/DCI/ER.

<sup>2</sup>The State Department's staff study was the so-called "Four Papers" study, July 1949, sent by State to DCI, Aug. 2, 1949. A copy of the study, and intra-CIA comments on it, are in O/DCI/HS files.

<sup>3</sup>This study, entitled "State/Defense Staff Study", May 1, 1950 (Secret), was sent to the DCI by Under Secretary Webb of the State Department on July 7, 1950; copies in O/DCI/HS files, and in O/DCI/ER. See also "ICAPS-Webb" file, in O/DCI/HS.

the Budget Bureau that it was "difficult" to apply management-control standards and concepts either to its overt production program or to its covert activities, and that it was "most difficult," in addition, to carry out effectively its inter-agency coordination responsibilities "without the authority for directing action."<sup>1</sup>

Influence of Dulles Survey Group after October 1950

Of all the organizational recommendations that confronted General Smith in October 1950, those made by the Dulles Group in 1949 were at once the most detailed (with 200-some pages of findings, conclusions, and recommendations); the most comprehensive (in that they covered CIA's entire internal organization, and its external relationships to the other agencies as well); and the most objective (in the sense that they represented views of three disinterested but experienced men from outside the Government's intelligence organization, and men who were not ex officio representing the views of any interested office in CIA or any interested intelligence agency on the outside). Besides being detailed, comprehensive, and objective, the Dulles group's proposals were the most authoritative and compelling of all the guidance that confronted General Smith

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<sup>1</sup>Letter by DCI to Director, Bureau of the Budget, (Secret), no date (about Sept. 1949?), forming part of General Order No. 23, September 19, 1949 (Secret); in records of Management Staff, in CIA Records Center.

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between July 1950, when he was being approached by the white House to be the new DCI, and October 1950, when he assumed office in CIA. As endorsed by the National Security Council in "NSC-50",<sup>1</sup> the Dulles Report had become a blueprint of internal changes that the DCI was, in effect, ordered to install. As has been noted, no radical effort had been made, before October 1950, to install them.

In short, the recommendations of the Dulles Committee could not be ignored in any case, but to make their acceptance all the more certain, General Smith's new Deputy, William H. Jackson (a co-author of the recommendations), agreed to join Smith only on condition, among other things, that Smith "would read and approve the Dulles Report."<sup>2</sup> Meanwhile, one of General Smith's first formal acts on taking office was to attend a meeting of the National Security Council (on October 12, 1950), where he firmly but cautiously announced his intention to carry out the Dulles recommendations, with one major exception. On October 20, he reiterated

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<sup>1</sup>See Chapter I, above. The NSC's endorsement, in July 1949, took the form of a document entitled NSC-50, and was an endorsement, technically, not of the text of the Dulles Report but of a summary that had been prepared, about May 1949, by Lt. Gen. Joseph T. McNarney, Office of the Secretary of Defense, in consultation with W. Park Armstrong, Jr., intelligence chief of the State Department, and others.

<sup>2</sup>Historical Staff interview with William H. Jackson, Feb. 15, 1955, in O/DCI/HS files.

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his general adherence to the Dulles program at his first meeting with the Intelligence Advisory Committee.<sup>1</sup>

The principal changes deriving from the Dulles Report that thus seemed so certain of incorporation into the actual framework of CIA are summarized below. Five new "divisions" were recommended to replace the 15-some components in CIA's headquarters: Estimates; Research and Reports; Operations; Coordination; and Administration.

Intelligence production functions were to be realigned as follows. ORE, which was handling both national intelligence estimates and all other types of finished intelligence, was to be replaced by two new divisions: "Estimates", and "Research and Reports." The new Estimates Division, as a small but separate component of the Agency, was to do the estimating work that had been divided among ORE components.<sup>2</sup> These estimates would be drafted, not entirely centrally, but with greater reliance on departmental contributions, while the work of "correlating" conflicting intelligence opinions and evaluations among such contributions should be

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<sup>1</sup>The meeting of the NSC on Oct. 12, 1950, was referred to by Smith later, at the IAC meeting on Oct. 20. See IAC minutes, Oct. 20, 1950 (Secret), in O/DCI/HS, filed under "IAC". Smith's "one exception" to the Dulles Report was the merger of OSO, OPC, and OO/Contact Division (he did not mention OO's Foreign Broadcast Intelligence Division). The "coordination of these offices . . . could be achieved by more effective cooperation, without merger," he said. His later decision was somewhere in between: in January 1951 he grouped them all under the new DD/Plans; and in 1952 OSO and OPC were actually merged, and OO was placed under the DD/Intelligence.

<sup>2</sup>Dulles Survey Group Report, January 1949 (previously cited) pp.81,72.

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shared jointly by the Estimates Division's staff and the Intelligence Advisory Committee (IAC).<sup>1</sup> The IAC was expected to take a "more active role" in producing finished estimates, not only in order to rationalize and harmonize interdepartmental divergences, but also, as a by-product, to use the work of estimating as a means for detecting "deficiencies and overlaps, as well as the accomplishments," especially in the Government's intelligence collection and collation work.<sup>2</sup>

The new Estimates Division was not to be involved, however, in coordinating the production of other types of national intelligence. Thus, basic intelligence was to be transferred to the new Research and Reports Division while the current intelligence publications might well be discontinued.<sup>3</sup>

The new Research and Reports Division was, in effect, to produce whatever "departmental" intelligence CIA might itself need to meet its particular support commitments and obligations to its own operations and to higher authority; and any types of research

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<sup>1</sup>Ibid., pp. 44-45, 61, 72.

<sup>2</sup>Ibid., p. 61.

<sup>3</sup>The evaluation of hostility indications abroad, in the form of "national indications", was not mentioned at all in the report, although the closely related concept of current intelligence did receive discussion, but only then to be questioned, by the Dulles Group, as a legitimate function of CIA. (Ibid., pp. 70, 84-86.)

that might in the future be authorized as a "service of common concern". In this proposed merger, the existing ORE units for scientific, economic, and geographic research were all to be placed in the new research division.<sup>1</sup> Finally, the new division was to take over certain support services from other offices, chiefly the library, indexing, reference, and collation activities which were divided, at that time, between OCL's central library, OCD's specialized biographic and industrial-plant registers, CO's Foreign Documents Division, ORE's map library, and OCL's pictorial library.<sup>2</sup>

CIA's field collection responsibilities, both overt and covert, together with its separate but related office for clandestine operational services, were all to be "closely integrated" into a single new Operations Division, OO, OSO, and OPC being abolished as separate entities.<sup>3</sup> This merger was to involve all elements in the two covert offices (OSO and OPC). It would also place under clandestine control OO's Contact Division, (including field offices in the United States) and the Foreign Broadcast Intelligence Division (FBID), (including

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<sup>1</sup>Ibid., p. 83. The Scientific Branch of ORE had meanwhile (before January 1949) been shifted out of ORE and re-established as a separate office--the Office of Scientific Intelligence (OSI). See Chapter VI, below.

<sup>2</sup>Dulles Survey Group Report (previously cited), pp. 48, 62, 83, 103.

<sup>3</sup>Ibid., pp. 96-107.

the world-wide monitoring network managed by its field "bureaus"). OO's third major component, the Foreign Documents Division (FDD), not being a field collecting unit but a headquarters facility for providing library, indexing, reference, research, and translation services on foreign-language documents, was to be transferred, along with analogous types of services in OCD and ORE, to the new Research and Reports Division.

CIA's inter-agency coordination responsibilities and functions, other than those relating directly to the production and collection activities described above, were to be reorganized into a new Coordination Division.<sup>1</sup> The Dulles Group was not entirely clear, however, as to how far coordination could be centralized in such a staff division. Some of the Agency's liaison work with the Joint Chiefs of Staff and the National Security Council's staff, for example, would be decentralized to the operating branches most concerned.<sup>2</sup> On the important matter of inter-agency problems outside of Washington headquarters, however, the Dulles Group apparently made no recommendations, except to note that responsibility for coordination was "divided", and that it varied from area to area, in each case in the hands of whoever was the "Senior United States Representative" in that area.<sup>3</sup> On the other hand, in Washington, the new Coordination

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<sup>1</sup>Ibid., pp. 43, 46-48, 55, 61-62. See Chapter III, below.

<sup>2</sup>Dulles Survey Group Report (previously cited), p. 47.

<sup>3</sup>Ibid., pp. 48-49, 51.

Division was to inherit OSD's Liaison Division, which conducted a clearinghouse for arranging, expediting, and controlling Agency contacts and liaison with the many IAC and non-IAC agencies throughout the Government. Since this clearinghouse function was not, however, a "high level" policy-making activity but an essential middle-man process, between CIA's research personnel and the departmental collection-control offices, the Dulles Group frankly predicted that the new Coordination Division might, as a consequence of this proposed shift, be frustrated at "the mass of administrative detail involved, and the resulting delay in the satisfaction of [informational] requests" involved in such day-to-day liaison work of OSD.<sup>1</sup>

Finally, with respect to the Agency's administrative-support staffs, and its other related support services and management-control activities that constituted the remainder of its headquarters organization, no staffs were recommended abolished by the Dulles Group, nor were any new staffs recommended, such as a training center, or a separate communications office. The existing staffs were to be re-grouped under a new Administrative Division, but the Dulles Group urged that overt and covert administrative services be somehow compartmented from each other. Complete "centralization of all

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<sup>1</sup>Ibid., p. 49.

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administration in one office is undesirable, since secret operations require their own separate administration," the Dulles Group concluded.<sup>1</sup>

The tone of the Dulles Report was conservative in recommending not expansion but restriction of CIA to those functions assigned or derived from directives of the National Security Council. CIA should "discard," especially, any intelligence production work that was "superfluous or competitive with the proper activities of departmental intelligence" in the other agencies, the report said.<sup>2</sup> ORE was particularly criticized for having undertaken to produce what the Dulles Group stigmatized as "miscellaneous" reports; and for attempting to become "a competitive producer of intelligence on subjects of its own choosing which can by no stretch of the imagination be called national intelligence."<sup>3</sup> Conversely, however, CIA was criticized, elsewhere in the report, for not having asserted and expanded its authority; for not being more "aggressive" in promoting inter-agency coordination and cooperation; for not exercising better "leadership, imagination, and initiative;" and for not giving "continuous examination" to the other intelligence agencies.<sup>4</sup>

Three fields of intelligence activity were singled out as being "particularly" deficient in coordination: scientific intelligence; communications intelligence; and domestic intelligence,

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<sup>1</sup>Ibid., p. 38.

<sup>2</sup>Ibid., p. 83.

<sup>3</sup>Ibid., p. 54, 81. See also Chapter I, above.

<sup>4</sup>Dulles Survey Group Report (previously cited), pp. 42, 48, 55-56, 76.

including counter-intelligence and the points at which domestic and foreign intelligence overlapped.<sup>1</sup> The Dulles Group admitted elsewhere, however, that inter-agency coordination was difficult as long as there was a "lack of mutual confidence among the departments," and said that all the intelligence agencies must ultimately "share in the general responsibility"<sup>2</sup> for whatever failures and deficiencies in coordination and for whatever lack of cooperation existed.

Finally, this function of "coordination," in addition to being stressed by the Dulles Group as a major substantive responsibility in CIA's jurisdiction, was recommended as something to be more widely emphasized and advertised, in CIA's public relations, so that CIA would become better known, publicly, as the Government's "coordinating agency" for intelligence, and thus help to "cover up rather than to uncover the secret operations entrusted to it."<sup>3</sup>

Some of the organizational changes in CIA as they were actually developed and installed after October 7, 1950, were, indeed, based on the Dulles Committee's recommendations, especially as they pertained to estimating, research, secret operations, and compartmentalized administration. Other recommendations, however, were not

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<sup>1</sup>Ibid., pp. 56-57.

<sup>2</sup>Ibid., pp. 45, 60.

<sup>3</sup>Ibid., pp. 36, 39.

followed by Smith's administration. Some changes made by him were derived less from the Dulles Report than from other sources, or reflected later problems not anticipated by the Dulles Group.

So comprehensive was the Dulles Report, however, that hardly a change could be made or considered, in 1951 and 1952, without collating it with the corresponding ideas and findings of the Dulles Committee, and the Dulles Report frequently took on an almost legendary character. Mr. Dulles himself modestly acknowledged the "legend", but also added a realistic appraisal of the facts, in an address before CIA employees in February 1953,<sup>1</sup> shortly after General Smith's administration had ended and his own begun:

"Bill Jackson and I sat down and spent a good bit of a year [in 1948], with such experience as we had behind us, in outlining the kind of organization that we felt should produce intelligence . . . . That general blueprint is, I believe, sound. General Smith and Bill Jackson, and to some extent myself, during the past two years, with the able help of many others, have been trying to put that blueprint into effect. Naturally we have changed it here and there, but by and large, we have today, I believe, a working organization."

CIA's functions, Dulles went on to say, were, by 1953, "reasonably divided, between the covert and the overt: between the production of intelligence, ending up in the finished product of the National Estimates, and what is done on the covert side . . . ." In

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<sup>1</sup>Remarks by Allen D. Dulles, DCI-designate, Feb. 13, 1953 (Secret), at CIA's 9th Agency Orientation Conference, in OTR Training Bulletin No. 5, March 31, 1953 (Secret) among records of Management Staff, in CIA Records Center.

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another comment, also in February 1953,<sup>1</sup> Dulles denied, however, that any one organizational pattern would, by itself, insure the success of intelligence: "There is no easy formula or magic table of organization" in intelligence activity, he cautioned the CIA staff.

Plan for a "National Intelligence Group"

One major reorganization plan confronting General Smith in October 1950 came neither from the Dulles Committee nor from within CIA. This plan was contained in a "staff study" issued jointly by the Defense and State Departments on May 1, 1950, but not sent to Admiral Hillenkoetter until July 7, shortly before his expected retirement as Director was publicly announced, and five weeks before General Smith's name was formally submitted by President Truman to the Senate. The plan was developed principally by Brig. Gen. John Magruder (in Defense) and W. Park Armstrong, Jr. (in State), and called for the consolidation of national intelligence production functions in a new component in CIA to be labelled the "national intelligence group." This new group was to consist of two major staffs: one for the production of estimates, the "national estimates staff" (similar to what the Dulles Report proposed); and the other for the surveillance of hostility indications, the "current

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<sup>1</sup>Letter of greetings by Dulles to all CIA personnel, Feb. 26, 1953 (Restricted), on the occasion of assuming duty as DCI; in "unnumbered regulations" file, among records of Management Staff, in SA Records Center.

intelligence staff" (a feature not to be found in the Dulles Report). A detailed charter for each of these two staffs was included in the State-Defense study, and it reads, from the vantage point of "historical hindsight," much like the charters of ONE and OMI as they were actually crystallized early in 1951. No mention was made in the plan, however, of the third principal type of national intelligence production--the National Intelligence Surveys--presumably because the NIS program was not a controversial issue. The Magruder-Armstrong plan also provided for the then-dormant Intelligence Advisory Committee to be activated as the inter-agency coordinating committee for estimates. The IAC was to be responsible, the plan said, for reconciling conflicts in intelligence opinion, among the contributing departments, in the drafts of estimates and in other national intelligence products assembled and disseminated by CIA.

It had been this one organizational detail of inter-agency committee procedures, in the "national intelligence group" plan of May-July 1950, on which the Hillenkoetter administration had seized, late in July 1950, to reject the plan in its entirety. Whatever the merits of the detailed charters of the proposed estimates and indications staffs, or the merits of grouping these two closely related staffs under a single chief of a "national intelligence group" in CIA, they were not mentioned or discussed at all in the Director's reply to the State and Defense Departments, dated July 26, 1950. Instead, CIA's comments, and its objection to the whole plan, were directed entirely at the issue of preserving the

Director's individual prerogatives and his independence of judgment and decision in producing finished national intelligence. With these comments, CIA was challenging the implied threat to CIA that the Intelligence Advisory Committee, together with the departmental intelligence chiefs assembled in that Committee, would replace the Director's individual responsibility with their own "collective responsibility." CIA's rejection of the entire plan on this single issue was regarded as one of "good tactics", it was said later. CIA felt justified in "going to the other extreme" and invoking "old issues," according to a later recollection by one of the principal staff officers who had advised Hillenkoetter on the preparation of his reply in July 1950.<sup>1</sup>

There followed almost immediately, however, in August and early September 1950, a reversal of CIA's position toward the proposed "national intelligence group". A series of negotiations and conversations with the Defense and State Departments was followed by apparently complete inter-agency agreement.<sup>2</sup> Thus, after the rejection of July 26, the State Department sent a modified version

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<sup>1</sup>Historical Staff interview with Lawrence R. Houston, CIA General Counsel, Aug. 19, 1953, in O/DCI/HS files.

<sup>2</sup>See Historical Staff interviews with Brig. Gen. John Magruder, Nov. 18, 1952, and with Lawrence R. Houston, April 21, 1953, July 23, 1953, and Aug. 19, 1953, in O/DCI/HS files.

of the plan to Hillenkoetter, on August 14; and "shortly thereafter" Magruder (in the Defense Department) discussed the revision with him personally. Hillenkoetter and his staff in turn undertook a further revision, and that revision was then passed on to Magruder by Hillenkoetter. All this happened, evidently, within a single week. On August 21, 1950, there was a further CIA-Defense meeting to discuss CIA's revision, whereupon still another draft, and possibly other subsequent revisions, were prepared, again this time in CIA. What appears to be the final draft, representing CIA's agreed position, is an undated, printed copy of the revised organizational plan for a "national intelligence group," sent by CIA to Magruder on September 13, 1950, along with 20 extra copies to circulate among Defense Department intelligence officials.

Throughout this series of revisions, CIA's essential changes in the "national intelligence group" plan were chiefly in the direction of rewording the controversial phrases about the inter-agency coordination job of the Intelligence Advisory Committee.<sup>1</sup> The CIA-approved revision reasserted, seriatim, that that Committee, was indeed, as its very name indicated, "advisory" (only) in the

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<sup>1</sup>Based on a collation of the original draft of the "national intelligence group" plan, dated May 1, 1950, and the latest draft that has been seen, undated but probably about mid-September 1950. A copy of the latter draft (Secret, numbered E.R. 2-5676), attached to a memo by Jackson, Oct. 3, 1950, to Smith, is in O/DCI/ER, filed under "NSCID--1950".

scope of its authority. The final draft implied, furthermore, that the IAC would not become a formal board of review for CIA's intelligence production, nor a board of directors over CIA. Judging from a collation of the original draft of May-July 1950 and the version of September 1950, however, there were no essential changes in the proposed charters of the "national estimates staff" and the "current intelligence staff", which were to make up the new "national intelligence group."

Hillenkoetter, having approved the revised plan on about September 13, 1950, was apparently ready to place it before the National Security Council. On about this date, however, he was instructed by Sidney W. Souers of the White House staff, not to make any "commitments or agreements affecting the Agency . . . prior to the arrival of the new Director."<sup>1</sup>

It is not clear whether General Smith and William H. Jackson, who since late August 1950 had been Director and Deputy Director-designates, had intervened with Hillenkoetter, nor whether they were actually consulted at all on the "national intelligence group" plan. Smith made no mention of the plan in his first appearance at the National Security Council early in October.<sup>2</sup>

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<sup>1</sup>Exactly when this word from the White House came to Hillenkoetter is not known, from the fragmentary records that have survived. In any case, the date was some days, at most, before Sept. 13, 1950, and this request to him was made specifically in relation to the "national intelligence group" plan described above. (See Historical Staff interviews with Houston, cited above.)

<sup>2</sup>See "rough draft" of IAC minutes of Oct. 20, 1950, in O/DOJ/HS files.



Jackson saw the final draft about October 3, 1950, four days before he actually became Deputy. On that day he sent General Smith an informal note,<sup>1</sup> commending his attention to an attached plan for a "national intelligence group", which by now was retitled a proposed directive to be issued by National Security Council, but which, in all substantive details, was identical to the final draft of September 13, 1950. Jackson went on to conclude that the proposal was a "sound" one, subject only to his later discussion of it with the General Counsel and with the Assistant Directors; and he urged Smith to discuss the draft with Hillenkoetter, "who is, I believe, in general agreement with the [proposed] directive." The tone of Jackson's endorsement of the revised plan for a "national intelligence group" suggests that his approval of such a group represented his considered judgment and conclusion. If so, his endorsement indicated a change in his point of view between January 1949, when he had been a member of the Dulles Committee, and August 1950, when he had made his own appointment in CIA conditional on General Smith's acceptance of that Committee's recommendations.

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<sup>1</sup>Memorandum from W.H. Jackson to General Smith, Oct. 3, 1950, and (attached to it) a printed copy of an 11-page draft of a "NSC Directive" on the "national intelligence group" (Secret); in O/TCE/SS, filed as document no. E.R. 2-5676, under heading "NSCID--1950."

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General Smith's decision was to reject the plan, at least in the form of a draft directive to be issued by the NSC. On October 20, 1950, he mentioned this proposed directive (along with other proposed NSC directives bearing on other CIA responsibilities) to the Intelligence Advisory Committee, and announced that, with the agreement of the Defense and State Departments, "further consideration of these drafts was terminated on the basis of [his] assurance that NSC-50 constituted a sufficient directive at the present time."<sup>1</sup> The plan was subsequently consigned to the files, with the instruction, "Indefinite Suspense," written across it by him personally.<sup>2</sup>

The National Intelligence Group plan was thus discarded, but some of its essential recommendations evidently re-appeared, in part, in the actual reorganizations that followed. Thus, the Intelligence Advisory Committee was revived and strengthened as an inter-agency intelligence review board, and the kinds of problems which it undertook to review, beginning in October 1950, were almost precisely those that were outlined in the National Intelligence Group plan.<sup>3</sup> Next, CIA's two major types of national intelligence

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<sup>1</sup>IAC-M-1, Oct. 20, 1950, in O/DCI/HS files.

<sup>2</sup>The particular copy of Webb's letter of July 7, 1950 to the RCI which Smith later endorsed, "indefinite suspense," is in O/DCI/ER, filed under "State Department."

<sup>3</sup>See later section of this Chapter, below.

(estimates and current indications) were, indeed, divided between two new co-equal staffs (the Office of National Estimates and the Office of Current Intelligence),<sup>1</sup> in November 1950 and January 1951, and a year later these two components were re-grouped, not literally in a National Intelligence Group, but in a larger group comprising all of the Agency's components concerned with national intelligence, under a Deputy Director for Intelligence (DI/I).<sup>2</sup> Although the DI/I had a different position and wider responsibilities, one of his chief functions, like that recommended for the National Intelligence Group, was to coordinate the two parallel types of national intelligence evaluations--long range estimates and immediate indications of the foreign power situation.

#### Expansion of the Director's Immediate Office, 1950-1952

The reorganization of the Director's immediate office and the appointment of a considerable number of new assistants to work with him, beginning in October 1950 and extending into 1952, represented one major series of organizational changes under General Smith which affected the entire Agency, including its national intelligence production activities, its clandestine operations, its various supporting services, and its relations

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<sup>1</sup> See Chapters VIII and IX, below.

<sup>2</sup> See next section of this Chapter, below.

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with the other intelligence and security agencies of the Government. The expansion of the Director's office had no precedent in the Agency's history, nor had it been foreseen or specified in any of the formal reorganization plans which were pending in the summer of 1950.<sup>1</sup>

Under General Smith's predecessor, the high command of the Agency had consisted simply of the Director and three principal assistants--the Deputy Director for Central Intelligence (DDCI), the CIA Executive, and the Deputy Executive,<sup>2</sup> together with the Assistant Directors in the several operating offices and the chiefs of the several administrative staffs. Collectively and informally these officers comprised the Director's immediate staff.

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<sup>1</sup>The Dulles Survey Group's report of 1949 contained no recommendations for additional Deputy Directors. It did, however, propose a centralized Administrative Division, whose jurisdiction was essentially similar to that accomplished under the Deputy Director for Administration, as established in December 1950 (see below); but there was no suggestion that the chief of the Administrative Division would have the status of a Deputy Director. Likewise, the Defense-State plan for a "National Intelligence Group", in July 1950 (see above), did not call for a new Deputy Director to head that Group, although the re-grouping of estimating and current intelligence in such a group was achieved, in effect, by the establishment of the Deputy Director for Intelligence in January 1952 (see below).

<sup>2</sup>The positions of DDCI and Executive had been vacant since May 1949 and June 1950. Since June 7, 1950, Lyle T. Shannon, Deputy Executive, had been serving as Acting Executive. (See General Order No. 30, Secret, June 7, 1950, in CIA Records Center.)

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General Smith<sup>1</sup> and his new Deputy Director, William H. Jackson seem to have determined on reorganizing the Director's office soon after they took office, in the direction of delegating responsibilities to a number of additional principal assistants. By November 1950, the establishment of three new "functional" deputy Directors, in particular, was under consideration: (1) a Deputy Director for National Estimates (DD/NE), who would supervise not only the new Office of National Estimates but also the other offices that were participating in the production of finished intelligence and in the

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<sup>1</sup>General Smith's appointment as Director of Central Intelligence had been rumored in the public press early in July 1950, and on July 26, he was publicly and officially mentioned as a candidate (along with William Foster) by the White House press secretary. Other candidates besides Smith and Foster mentioned in the press (but not by the White House) were: David K. E. Bruce (July 3); William J. Donovan (July 19 and Aug. 18); and Dean Rusk (Aug. 18). Smith's nomination was sent by President Truman to the Senate on Aug. 18; he was confirmed on Aug. 28; and he took office on Oct. 7, 1950. (See press-clipping file on CIA, July-Dec. 1950, in CIA Library.)

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related activity of inter-agency intelligence coordination; (2) a Deputy Director for Operations (DD/O), who would supervise the two offices concerned with clandestine operations (OSO and OPC), as well as the overt operations office (OO); and (3) a Deputy Director for Administration (DE/A), who would replace the CIA Executive and supervise all the administrative-support components in the Agency, both overt and covert.<sup>1</sup>

Of these three proposed functional Deputies, the latter two were established almost immediately, in December 1950 and January 1951, while the other was never established at all. What was at first considered as the DD/NE, however, was obviously reborn as the DE/I, a year later.

In their actual development, in 1951 and 1952, these three positions varied in some details from the plans considered by General Smith in November 1950, both in their titles and in the jurisdictional lines among them, but the end result was that, by 1952, the Agency's many operating units were, with few exceptions, divided into three major groups of components under three co-equal Deputy Directors, essentially according to the pattern devised in November 1950.

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<sup>1</sup>See, for example, proposed CIA organization chart, undated (about Nov. 1950), and proposed chart for a separate "Deputy Director for National Estimates" (Nov. 8, 1950), both unclassified, in DD/S files.

First of all, the CIA Executive was replaced by the Deputy Director for Administration (DD/A), on December 1, 1950.<sup>1</sup> Murray McConnell, who recently had joined CIA and was serving in the traditional position of Executive since October 16,<sup>2</sup> was appointed to the new post of DD/A, and he served there until April 1951, when he was replaced by Walter R. Wolf.<sup>3</sup> The DD/A was initially given jurisdiction over the Agency's entire group of administrative-support staffs, both overt and covert, including those that had formerly been the special responsibility of the CIA Executive, those that had functioned separately, and those (like the new training office) which were still in the planning stage. Subsequently, the Training Office and certain other supporting staffs were exempted from DD/A supervision, but in general the pattern of centralized support activities, with overt and covert aspects compartmented, was developed and maintained in 1951 and 1952.<sup>4</sup>

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<sup>1</sup>General Order No. 38 (Secret), Dec. 1, 1950.

<sup>2</sup>Ibid. McConnell had been announced as the new Executive on Oct. 16, 1950, replacing Lyle T. Shannon, who had been acting Executive during General Smith's first days in CIA, as well as under Admiral Hillenkoetter. In this shift, Shannon resumed his regular position of Deputy Executive, which he had held since January 1949. Later (Dec. 1, 1950), Shannon was named "Assistant DD/A for Administration", on the staff of the DD/A. (See Chapter X, below.)

<sup>3</sup>Wolf had come to CIA two months earlier, on Feb. 16, 1951, as "Special Assistant" to the DCI; and he replaced McConnell as DD/A on April 1, 1951. In an unusual shift, McConnell switched jobs with him and became a "special assistant" to the DCI on April 1, 1951. See General Order No. 43, Feb. 16, 1951 (Secret), and Notice 14-51, March 23, 1951 (Secret); both among records of Management Staff, in CIA Records Center.

<sup>4</sup>See Chapter X, below.

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Under another Deputy, first called the Deputy Director for Operations (DD/O)<sup>1</sup> and later (January 4, 1951) renamed the Deputy Director for Plans (DD/P),<sup>2</sup> were grouped the three components which conducted the Agency's field operations: OSO and OPS, for clandestine operations; and OO, for overt operations. Allen D. Dulles was appointed to this Deputy Directorship,<sup>3</sup> and he served in that position until August 1951, when he succeeded Jackson as senior Deputy--Deputy Director of Central Intelligence.<sup>4</sup> In this move, Frank G. Wisner, Assistant Director of OPS, became DD/P; and a few months later, in March 1952, the Office of Operations was separated from his jurisdiction,<sup>5</sup> thus leaving the DD/P group to be concerned almost exclusively with clandestine matters.

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<sup>1</sup>The first reference to the new office of DD/Operations, in the Agency directives used in this study, was on Dec. 1, 1950, when the position, still vacant, was listed, not yet on a formal chart but in a list of key officials, in General Order No. 38 (Secret); copy in O/DCI/HS files.

<sup>2</sup>General Order No. 40, Jan. 4, 1951 (Secret).

<sup>3</sup>Mr. Dulles' appointment as DD/P was announced within CIA by General Order No. 40 (Secret), Jan. 4, 1951. The first public reference to his appointment was on Dec. 16, 1950, when Drew Pearson reported that Dulles is "now" with CIA. (See press clippings relating to CIA, July-Dec. 1950, in CIA Library.)

<sup>4</sup>The appointment of Mr. Dulles as DDCI, the departure of Jackson, and the re-assignment of Wisner as DD/P were all announced in Notice 53-51 (Secret), Aug. 23, 1951. Jackson was retained as "Special Assistant and Senior Consultant to the DCI." (Ibid.)

<sup>5</sup>The relocation of OO from DD/P to DD/I was formally announced on Feb. 28, 1952, effective March 1, 1952. See Notice 26-52 (Secret), Feb. 28, 1952, among records of Management Staff in CIA Records Center.



The establishment of a third functional Deputy for overseeing the several intelligence production and coordination offices, as planned in November 1950, was postponed. Instead, those offices, including the three new production offices established late in 1950 and early 1951, became the special interest of the senior Deputy Director, William H. Jackson, during the ten months from October 1950 to August 1951 when he served in that position.<sup>1</sup> During that time Jackson also remained, of course, General Smith's principal Deputy for the entire Agency. In actual practice, however, he devoted his major attention to the Agency's intelligence production and coordination activities in particular,<sup>2</sup> and so there appeared to be

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<sup>1</sup>On August 22, 1950, when Smith's nomination as DCI was pending in the Senate, the Washington Post had asserted categorically that Jackson would be named Deputy Director. Jackson was previously unknown to Smith personally, so Jackson later said in a press interview (published Dec. 18, 1950). Averill Harriman, a member of the White House staff, "had a hand" in Jackson's selection as Deputy Director, so Arthur Krock stated in the New York Times in August 1950. It was also Harriman who had "urged" General Smith on President Truman, according to another press report (Aug. 18). See press clippings relating to CIA, July-Dec. 1950, in CIA Library. Jackson's appointment was announced within CIA on Oct. 7, 1950. See General Order No. 34 (unclassified), among records of Management Staff, in CIA Records Center.

<sup>2</sup>Although Jackson was formally shown, on most organization charts, as Deputy Director for the entire Agency, by July 1951 he appeared on one informal listing as supervising only the four production offices (ONE, OCI, ORM, and OSI) and OCD and OIC. (See CIA Regulation No. 5-11 (Secret), July 2, 1951.) Jackson did not, of course, ignore the Agency's covert activities entirely. In the spring of 1951 he conducted a survey of OPC, for example. (Filed in O/DCI/RR.)

no pressing need, during his time, for a separate functional Deputy for that group or the Agency's activities.

With the departure of Jackson in August 1951, however, and the appointment of Dulles to succeed him as the Deputy Director for Central Intelligence, this position of senior Deputy was given a different and perhaps more traditional emphasis by Dulles, varying somewhat from Jackson's approach.<sup>1</sup> Dulles did not and could not be expected to concentrate his major attention, as Jackson had done, on the work of the intelligence production and related overt activities.<sup>2</sup> As a consequence, Jackson's departure left all those overt activities somewhat "fatherless," so to speak, without special representation in the Director's office, in contrast to the group of operational

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<sup>1</sup>Mr. Dulles served as DDMI from August 23, 1951, to February 26, 1953, when he replaced General Smith as DCI. As early as December 1950 there was press speculation (in Newweek, for example) that Dulles would eventually succeed Smith; and on many occasions in 1951 and 1952 he served as Acting Director during Smith's absence. General Smith announced his retirement on February 9, 1953 (see Notice 23-53). The nomination of Dulles as DCI was one of President Eisenhower's first appointments, and after it was confirmed by the Senate, Dulles officially took office, on February 26, 1953. (See Notice 31-53, Feb. 26, 1953.)

<sup>2</sup>It was Becker who called the production offices the "fatherless" components of the Agency. Pursuing this metaphor further, the Office of Operations (OO), during the year 1951 when it was under the DD/P, was called an "orphan" in relation to the covert activities which dominated the attention of the DD/P and his immediate staff. See Historical Staff interview with Becker, April 18, 1955, in O/DCI/HS files.

offices and the group of administrative offices, which each meanwhile had separate Deputy Directors over them.

Accordingly, the plan was revived, about August 1951,<sup>1</sup> for a third functional Deputy Director, who would superintend the intelligence production offices and related activities; and the new position was formally established on January 2, 1952, as the Deputy Director for Intelligence (DD/I).<sup>2</sup> The four production offices (OMA, OCI, ORA, and OSI) were assigned to him, along with two of the other overt offices (OIC and OCB); and two months later, on March 1, 1952, the other overt office (OO) was added to the DD/I's group. Loftus E. Becker was appointed as DD/I,<sup>3</sup> from among several candidates who had been considered,<sup>4</sup> and he served there

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<sup>1</sup>In anticipation of Jackson's departure, both he and Smith among others, favored setting up an additional Deputy Directorship for these overt offices. See Historical Staff interview with Loftus E. Becker, previously cited.

<sup>2</sup>Notice 1-52 (Secret), Jan. 2, 1952.

<sup>3</sup>Becker was one of several men "brought in" to CIA by William H. Jackson, so Becker recalled later. (See interview previously cited.) He first served as a special assistant in the Director's office, from about July to Dec. 1951. (See CIA Reg. 5-11, Secret, July 2, 1951.)

<sup>4</sup>For example, Kingman Douglass, then (1951) then heading the new Office of Current Intelligence was urged on General Smith by Becker and others, in 1951, as the best man for DD/I; but Douglass was already committed to leaving the Agency soon. (See Historical Staff interview with Becker, previously cited.)

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from January 1952 to February 1953,<sup>1</sup> almost to the very day of General Smith's own departure as DCI.

In summary, the changes in the principal positions and the key personnel in the Director's immediate office were as follows, for the entire period of General Smith's administration, October 1950-February 1953:

Deputy Director for Central Intelligence (DDCI):  
William H. Jackson, October 7, 1950, to about August 22, 1951  
Allen W. Dulles, August 23, 1951 to February 23, 1953

Deputy Director for Plans (DD/P):  
Allen W. Dulles, January 4, 1951 to August 23, 1951  
Frank G. Wisner, August 23, 1951 to date

Deputy Director for Administration (DD/A):  
Murray McConnell, December 1 to about March 31, 1951  
Walter R. Wolf, April 1, 1951 to June 30, 1953

Deputy Director for Intelligence (DD/I):  
Loftus E. Becker, January 1, 1952 to February 23, 1953

In addition to these four Deputy Directors, the following appointments were made to the Director's immediate office between

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<sup>1</sup>Becker left the Agency and was succeeded on Feb. 23, 1953, by Robert Amory, Jr. (Announced in Notice P-4-53, Secret, Feb. 19, 1953.) A later conflicting announcement, probably erroneous, said Amory's appointment as DD/I was effective on May 1, 1953. (See Notice 20-109-1, Secret, April 30, 1953.) Amory had previously been serving as Assistant Director of the Office of Research and Reports (ORR), having replaced Max F. Millikan in March 1952. Amory had been assigned to ORR, furthermore, with the idea that he would ultimately replace Becker as DD/I, at the end of Becker's "two-year commitment" to ORR. See Becker interview, previously cited.

October 1950 and February 1953:<sup>1</sup>

Executive Assistants to DCI and to DDCI, 1950-1953<sup>2</sup>

John C. Farman, October 1950 to date  
Joseph Larocque, Jr., about November 1950 to December 1951  
Henry J. Muller, Jr., about November 1950 to December 1951  
Lyman B. Kirkpatrick, December 1950 to about July 1951  
Meredith E. Davidson, December 1951 to about March 1952

Other principal assistants to DCI:

Walter R. Wolf, Special Assistant to DCI, February-March 1951  
Murray McDonnell, Special Assistant to DCI, after April 1, 1951 (departure date not announced)  
Spencer E. Akin, Communication Consultant to DCI, from May 1951 (date of departure not announced; see Office of Communications)  
Chester E. Hansen, Assistant to DCI, May 1951 to September 1952

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<sup>1</sup> Personal names and titles are taken from various Notices, Regulations, and other formal announcements to the CIA staff (Secret), 1950-1953, to be found among the records of Management Staff, in CIA Records Center. When a date is qualified as "about", it indicates that the announcement did not state when a man actually came on duty, nor when he actually vacated a given position. "Before October 1950" indicates that a given officer had served in the O/DCI under both General Smith and Admiral Hillenkoetter and, in some cases, from the origins of CIA in 1946-1947. "To date" means that the officer remained on duty beyond the end of General Smith's administration in February 1953, but not necessarily beyond 1953.

<sup>2</sup> Of these Executive Assistants, Kirkpatrick was the senior, beginning in January 1951 if not earlier. General Smith announced, at his staff conference on January 8, 1951, that "his staff headed by Mr. Kirkpatrick could be compared to the Secretary of the General Staff in a military headquarters." (See DCI staff conference minutes, in SC-M-4, Secret, Jan. 8, 1951, in O/DCI/48). Smith also spoke on "what he meant by staff work," both by his immediate office and the Assistant Directors. They were analogous, he said, to a Special Staff in a military command headquarters. He apparently did not, however, refer in particular to the duties of his three Deputy Directors. (Ibid.)

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Stanley J. Grogan, Assistant to DCI (replacing Hansen),  
September 1952 to date<sup>1</sup>  
William H. Jackson, Special Assistant and Senior Consultant  
to DCI, August 1951 to date (not on continuous active  
duty, August 1951-February 1953)  
Robert E. Long, Assistant to DCI, January 1952 to May 1952  
or later  
Kenneth B. Sniger, Assistant to DCI, January 1952 to May 1952  
or later  
Robert D. H. Harvey, Assistant to DCI, January 1952 to  
May 1952 or later  
Stuart Hedden, Inspector General, January 1952 to about  
March 1953 (date of departure not announced)  
Lillian Christensen, Administrative Assistant to DCI  
(various titles), before October 1950 to date  
Helen F. Santmyers, head of DCI's Executive Registry,  
before October 1950 to date.

**Assistants to DD/Administration, 1950-1953:**

Lyle T. Shannon, Assistant DD/A and other titles, November 1950  
to July 1952  
John E. O'Gara, Assistant DD/A for covert administration,  
January 1951 to about July 1952; special assistant after  
August 1, 1952 (date of departure from this position  
not announced)  
Lawrence K. White, Assistant DD/A, January 1952 to July 1, 1953  
(when he became DD/A)  
John W. Ramsey, Special Assistant to DD/A, January 1952  
to about April 1952

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<sup>1</sup>On Jan. 29, 1951, the DCI announced to the AD's "that a Historical Branch was to be organized, probably in OIC," with the following functions: (1) writing "the history of CIA"; (2) preparing "any annual reports that were required"; (3) "handling any official addresses made by representatives of the Agency"; and (4) supervising "any necessary dealings with the press." (SC-M-7, Jan. 29, 1951, Secret, in O/DCI/ER.) Subsequently these functions were assigned, instead, to the Director's office. In May 1951 Col. Chester B. Hansen was appointed to one of several new positions of Assistant to the Director, with two major responsibilities: (1) "to compile a history of CIA"; and (2) to "coordinate presentations made by various CIA officials to other Government agencies." (SC-M-18, May 14, 1951, Secret, in O/DCI/ER.) A third responsibility (press relations) was assigned to him shortly thereafter. In September 1952 he was succeeded by Col. Stanley J. Grogan.

Ernest W. Pittman, Special Assistant to DD/A, about March 1952 to about May 1952  
Lewis S. Thompson, Special Assistant to DD/A, about March 1952 to about May 1952.

Assistants to DD/Plans, 1951-1953:

James R. Hunt, various titles, March 1951 to about July 1952, including Chief of Operations, March to about July 1952  
Thomas W. Braden, Assistant to DD/P, April 1951 to about July 1951 or later  
Loftus E. Becker, Assistant to DD/P, July to about December 1951  
Lyman E. Kirkpatrick, Chief of Operations, about July-October 1952  
Richard Helms, Chief of Operations, about October 1952 to date  
Robert Taylor, Chief of Plans, about March-July 1952  
Kilbourne Johnston, Chief of Plans, about August-October 1952  
Jesmond D. Balmer, Chief of Plans, about October 1952 to date  
Charles V. Hulick, Executive Officer, about March-July 1952  
John F. O'Gara, Assistant DD/P for Administration, about July 1952 (see also under DD/A above)

Assistants to DD/Intelligence, 1952-1953:

Richard D. Drain, Executive Officer, March-October 1952  
C. Frank Stone III, Executive Officer, October 1952 to early (?) 1953  
Meredith P. Davidson, Assistant to DD/I, March 1952 to May 1952 or later  
Florence T. N. Johnson, Assistant to DD/I, about May 1952  
David A. Hassell, Assistant to DD/I, about May 1952 to about May 1953 (date of departure from O/DCI to OUI, about 1953, not announced)  
Eugene B. Wilhelm, Special Assistant to DD/I for Administration, November 1952 to date

General Smith and Mr. Jackson gave their principal immediate attention to improving the Agency's external relationships, a subject which apparently dominated the briefings that they had been given, in August and September 1950, by various key staff officers in CIA.<sup>1</sup>

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<sup>1</sup>See, for example, memo by Prescott Childs, head of COAPS, Sept. 1, 1950 (Secret), in O/DCI/HS files.

It was evident, in their first weeks on duty in October and November 1950, that they intended to re-establish CIA's position of leadership in the Government's intelligence organization, and to re-assert the Director's responsibilities and prerogatives as coordinator of that decentralized organization. They also undertook to reiterate (as Admiral Hillenkoetter himself had done, in his last weeks) CIA's independence from control either by the State or Defense Departments, with respect to the direction of CIA's foreign operations and the internal management and administration of its affairs. Smith and Jackson proceeded cautiously and conservatively, nevertheless, and did not push aggressively in the direction of immediately taking on new functions or new programs for the Agency to handle. Instead, they appeared ready, and even eager, to withdraw CIA from any debatable types of functions and programs, especially in certain fields of intelligence research and production, which might disturb what the National Security Council had called the "dominant interest" of the departments.<sup>1</sup>

Thus, Jackson evidently spent much of his time, until late in 1950, in negotiating what in effect was a "treaty of peace" with the State Department's intelligence office, in the fields of

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<sup>1</sup>NSCID No. 3, Jan. 13, 1948 (Secret).



so-called "political" and "economic" research.<sup>1</sup> Similarly, Loftus E. Becker a year later figured prominently in a comparable agreement with the Defense Department by which CIA withdrew from certain fields of scientific intelligence.<sup>2</sup> These moves illustrate what seemed to be the CIA's general policy--to avoid what Jackson had referred to (many times in 1950 and 1951) as "needless duplication" and "unnecessary competition" with the established intelligence agencies;<sup>3</sup> and to make the fullest use, whenever possible, of existing agencies and resources outside CIA.

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<sup>1</sup>The agreements were eventually confirmed in two letters by CIA to the State Department, both dated Feb. 1, 1951: (1) DCI to Secretary of State; and (2) DCI to State's intelligence chief, W. Mark Armstrong, Jr. (Both are in O/DCI/ER, filed under "State Department.") Jackson had mentioned a number of times, between November 1950 and January 1951, that he was meeting frequently with State officials. (See DCI staff conference minutes, 1950-1951, in "ER-" file in O/DCI/ER; and his letter to Armstrong, Feb. 1, 1951, cited above, which alludes to "extensive discussions"; and L. B. Kirkpatrick's memo, Dec. 19, 1950, "Functions of the Office of Research and Reports".)

<sup>2</sup>Becker's negotiations with Defense, unlike Jackson's off-the-record discussions with State on "political" and "economic" research, took the form of heading a special ad hoc committee of the IAC, which surveyed the Government's "scientific and technical" intelligence research and production programs, in February-July 1952. See Chapter VI, below.

<sup>3</sup>See, for example, various talks by Jackson before CIA's Agency Orientation Conferences, especially in Feb.-June 1951, recorded on discs (Secret), in OTR files; and his undated paper, evidently prepared for Walter Lippmann, about Oct. 1950, entitled "A Discussion of Functions of the Central Intelligence Agency . . .", (not classified) p. 7, in O/DCI/HS, filed under "IA . . .". Similar views appeared also in the Dulles Survey Group's 1949 report, of which Jackson was co-author.

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Revival of the Intelligence Advisory Committee

The principal inter-agency discussion group, the Intelligence Advisory Committee (IAC), was immediately revived, in October 1950, after having virtually atrophied during the previous six months. At his first meeting with the IAC on October 20, Smith announced that he intended to put the committee to work, both as a forum for discussing inter-agency problems and jurisdictional conflicts and, more particularly, as a sort of final board of review for CIA's drafts of national intelligence estimates intended for the National Security Council.<sup>1</sup> This was exactly what the Dulles Survey Group had urged, in 1949,<sup>2</sup> and what the State and Defense Departments had reiterated more recently, in July 1950.<sup>3</sup> So important was the IAC, in the

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<sup>1</sup>See "Rough draft" and final version of minutes of IAC meeting, Oct. 20, 1950 (Secret), both in O/DCI/HS files.

<sup>2</sup>See Dulles Report, pp. 44, 61, previously cited.

<sup>3</sup>The State-Defense plan for a "national intelligence group" (previously discussed, above) called for the IAC to "advise" on estimating at both the planning and review stages; but expected the IAC, on such occasions, to be made up of departmental "representatives" rather than the departmental intelligence chiefs themselves. In fact, under this plan even the IAC chairman (the DCI) would yield the chair to "his representative" (presumably someone from his estimates staff in CIA), when an estimate was on the agenda. To the Dulles Group in 1949, on the other hand, there was no question that the DCI and the departmental chiefs would make up the normal working membership of the IAC.

opinion of the Director's office, that Jackson himself took personal charge of preparing the IAC agenda, in October and early November 1950, rather than leave it to the Agency's established coordination staff, which up to that time had provided the IAC Secretariat. Once that staff was reorganized, however, as a renamed Office of Intelligence Coordination, and once Jackson had confidence in it, the IAC secretariat was re-established.

During the next two years, up to February 1953, the Intelligence Advisory Committee was convened almost a hundred times, nearly every week on the average.<sup>1</sup> In addition to General Smith, who normally presided, Jackson, Dulles, Wisner, and (later) Becker each also attended from time to time, and one of them normally presided when the DCI was absent. Various Assistant Directors, together with other key members of their staffs, also attended on occasion, as non-voting representatives from CIA, to discuss specific inter-agency matters in their particular fields.

Both CIA officials and the departmental intelligence chiefs apparently took the IAC seriously, judging from the regular attendance

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<sup>1</sup>See IAC minutes I/C-M-1 to IAC-M-96, for the period Oct. 20, 1950, to Feb. 19, 1953 (variously Secret and Top Secret), filed as follows: IAC-M-1 in O/DCI/HS; IAC-M-2 to 5, in ONE; and IAC-M-6 to IAC-M-96, in O/DCI/ER.

of most of them between 1950 and 1953.<sup>1</sup> In their deliberations, which are well summarized and even occasionally quoted in the minutes, the IAC reviewed a large number of estimates drafted by CIA, although CIA's new chief of estimating who also now had an estimates review board in his own office, was skeptical at first at the "ability of the IAC . . . to keep pace with such a high level group" as his own "high powered estimates board."<sup>2</sup> The IAC, besides

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<sup>1</sup>The changes in IAC membership and attendance for the entire period October 1950-February 1953 are as follows, reconstructed from IAC minutes, cited above.

State: W. Park Armstrong, Jr., for entire period; Fisher Howe, his deputy, appeared in his place from time to time.

Army: Maj. Gen. A.R. Bolling, G-2, October 1950-May 1952; Brig. Gen. John Weckerling, acting G-2, May-July 1952; Col. C.B. Coverdale, acting G-2, July-August 1952; Maj. Gen. R.C. Partridge, G-2, from Aug. 14, 1952, on.

Navy: Rear Adm. Felix L. Johnson, D/Naval Intelligence, October 1950-June 1952; Rear Adm. Richard F. Stout, acting DNI, June-December 1952; Rear Adm. Carl F. Espe, DNI, from December 1952, on.

Air Force: Maj. Gen. Charles P. Cabell, D/Intelligence, October 1950-about November 1951; Maj. Gen. John A. Sanford, from November 1951, on.

Joint Staff: Brig. Gen. Vernon E. Magee, Deputy Director for Intelligence, October 1950-July 1951 (with Col. H.H. Bassett frequently acting for him); Brig. Gen. R.C. Partridge, July 1951-July 1952; Brig. Gen. Edward H. Porter, from August 1952, on.

FBI: Victor P. Keay, Meffert W. Kuhrtz, and others, acting for the Director of the FBI.

Atomic Energy Commission: Dr. Walter F. Colby, D/Intelligence for entire period.

Chairman: Lt. Gen. W. Bedell Smith, DCI, with Jackson, Dulles, Wisner, or Becker usually serving in his absence.

<sup>2</sup>Comments by William L. Langer, AD/NE, not "publicly" at one of the IAC meetings, but at a DCI staff conference on Jan. 2, 1951 (SC-M-3, Secret, in O/DCI/ER). See Chapter IX, below.

discussing controversial and other substantive points in many estimates, also became "a body of advice and consent"<sup>1</sup> on a wide variety of other inter-agency problems; and it reached or ratified agreements on many of them.

Some of the major agenda subjects in the IAC dealt, for example, with collection and production priorities and "post-mortems"; dissemination decisions and policies toward

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and toward the new inter-allied North Atlantic Treaty Organization (NATO); the question of intelligence jurisdiction over captured weapons, documents, and prisoners of war; and the assignment of coordination responsibilities at overseas posts.<sup>2</sup> The IAC also

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<sup>1</sup>This phrase was used by Maj. Gen. Charles P. Cabell, who was the Air Force member of the IAC in Smith's time and who later, in April 1953, succeeded Allen W. Dulles as Deputy Director of Central Intelligence. (See Historical Staff interview with Cabell, Sept. 17, 1953, in O/DCI/HS files.) According to this interview, Cabell had wanted the IAC to be "advisory" less to the DCI than to the National Security Council, and, furthermore, to control estimating according to its "own procedures."

<sup>2</sup>See IAC minutes, 1950-1953, previously cited, and the numerous studies and other proposed action "documents" (numbered in the style "IAC-B-"), 1950-1953, which were formally submitted to the IAC members and discussed in subsequent IAC meetings. Of these IAC-B papers (variously Secret and Top Secret), which numbered more than 150 for the entire period October 1950-February 1953, is in O/DCI/HR; another set is in the IAC Secretariat. See appendix M, below, for list of IAC projects, 1950-53.

organized a number of additional subcommittees, in 1951, to which it delegated some of its responsibilities in a few fields, notably national indications and hostility warnings, economic intelligence planning and review, and covert collection priorities.<sup>1</sup>

Whatever a final historical evaluation of the IAC might be, it appears that, as an organization, the IAC did become, in Smith's time, a mechanism through which seven otherwise autonomous agencies reached frequent agreement. Not once, furthermore, judging from the carefully worded minutes for 1950-1953, was the debate formally re-opened, as to whether the IAC was a "governing board" over the DCI or "purely advisory" to him. General Smith invited the IAC to give him the benefit of their "collective judgment" on estimates and on other matters of mutual concern, whether or not this constituted "collective responsibility" as recommended by the Dulles Survey Group in 1949;<sup>2</sup> the fact remained that most matters of inter-agency concern were settled by IAC agreement during 1950-1953 under

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<sup>1</sup> Ibid. These new subcommittees of the IAC were, respectively, the Watch Committee (W.C), established December 1950; the Economic Intelligence Committee (EIC), May 1951; the Inter-agency Priorities Committee (IPC), for secret collection, July 1951; and the Scientific Estimates Committee (SEC), August 1952.

<sup>2</sup> Smith's phrase, "collective judgment", was thus quoted later by James O. Reber, in an interview with the Historical Staff. For the Dulles Survey Group's concept of IAC's "collective responsibility", see its report, Jan. 1949, p. 81, and Admiral Hillenkoetter's rebuttal, Feb. 1949, in the DCI's "Comments" on the Dulles Report, Feb. 28, 1949, pp. 21-22 (TS #23160), in O/DCI/ER.

the leadership of General Smith. Near the end of his first year, in July 1951, Smith labelled the revival and "active utilization" of the IAC as the very first item in his record of accomplishment.<sup>1</sup>

Smith did not, however, regard the IAC as the answer to all inter-agency problems. Some problems remained purposely in the hands of other boards and committees, mentioned later. Smith took other problems directly to the specific departments involved, or to the National Security Council. Nor were those matters that did get an airing in the IAC all highly "supercharged", controversial issues. Indeed, some of the agenda items, when they were preceded by good "working level" staff discussions and detailed staff studies, appeared to make the IAC merely a "rubber stamp," judging from the cursory ratification of some of the planning documents as they are recorded in the minutes.

There were even occasional complaints among the agencies in Smith's time that the IAC was not effective enough. In September 1951, for example, the IAC was criticized, not now by CIA (as was common before October 1950) but by the Defense Department, where (so Smith had been told) there was a "feeling at the working level that the IAC was not as effective as he had supposed."<sup>2</sup> Smith promptly

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<sup>1</sup> Drafts of progress report by DCI to NSC, July 26 and Aug. 2, 1951 (Top Secret), describing progress made on the Government's organization and programs for foreign intelligence, in reply to NSC 68/h, "U.S. Objectives and Programs for the National Security"; comprising document No. IAC-D-29, in O/DCI/ER.

<sup>2</sup> IAC minutes, Sept. 10, 1951 (Secret), in O/DCI/ER.

offered to appoint a board "to investigate the situation and make recommendations for improvement." The Defense chiefs discounted the criticisms by their subordinates as being "overly impressed by the minor difficulties encountered in inter-agency collaboration". The IAC members "reiterated their high regard for the IAC . . . as an outstanding development which had enabled significant forward strides to be made," and proceeded to endorse, unanimously, the following statement, which is itself a sort of contemporary historical estimate on the IAC, at the end of General Smith's first year in office:<sup>1</sup>

The IAC . . . has been increasingly helpful in facilitating consultation and the exchange of opinion among intelligence chiefs. [It] . . . provides a device whereby the chief of intelligence of each agency of government can comment on, concur, or object to recommendations, proposals, or conclusions regarding problems of mutual concern.

#### Other Mechanisms for Inter-Agency Cooperation

Besides the IAC and its subcommittees, several other inter-agency coordinating boards<sup>2</sup> figured importantly in some aspects of CIA's overt and covert intelligence activities between 1950 and 1953.

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<sup>1</sup>Ibid.

<sup>2</sup>A directory of the various other Government committees, outside the "IAC" committee structure, in which CIA participated in greater or lesser degree in General Smith's time, was prepared by OIC between March and November 1951, on the basis of a questionnaire survey of various offices and agencies. A copy of this directory, in the form of a memo by OIC addressed to all AD's, Nov. 13, 1951, subject "Survey of Interdepartmental Committees" (Secret), is in O/DCI/ER, filed under "OIC".



Two of them (the U. S. Communications Intelligence Board and the Psychological Strategy Board) are mentioned here to illustrate the growth of CIA's position of intelligence leadership in the Government's national security structure in General Smith's time. The U. S. Communications Intelligence Board (USCIB), an activity organizationally compartmented from all other overt and covert intelligence activities, had since 1948 operated directly under the National Security Council,<sup>1</sup> as a coordinating board for "all" aspects of telecommunications and related intelligence ("except foreign press and propaganda" materials),<sup>2</sup> including collection, processing, production, dissemination, and security matters. CIA was represented on the Board from its beginnings, and the chairmanship rotated from agency to agency, with the State Department's intelligence chief, for example, presiding in 1950.<sup>3</sup> In 1949 the Dulles Survey Group had recommended that the DCI be made permanent chairman of the USCIB,<sup>4</sup> but the Defense and State Departments, if not other agencies as well, had objected.<sup>5</sup> By the fall of 1952, after a long history of intra-CIA

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<sup>1</sup>NSCID No. 9 (Top Secret), July 1, 1948, in O/DCI/HS files.

<sup>2</sup>This exception was the radio-intercept work of the Foreign Broadcast Intelligence Service (FBIS), under CIA/CO. See Chapter IV, below.

<sup>3</sup>W. Park /Armstrong, Jr. See IAC-D-11 (Secret), Dec. 29, 1950, in O/DCI/ER.

<sup>4</sup>See Dulles Survey Group Report, Jan. 1, 1949, pp. 51-52, 60.

<sup>5</sup>Comments of the Defense and State Departments, assembled by Lt. Gen. Joseph T. McNarney and forming part of NSC-50, July 1949 (Top Secret); copy in O/DCI/HS files.

and inter-agency debate and consultation, including an investigation by a special committee of the President, the Defense Department and the other agencies deferred to CIA, and the DCI was made the permanent chairman of the Communications Intelligence Board.<sup>1</sup>

As to the Psychological Strategy Board (PSB),<sup>2</sup> it was established about August 1950,<sup>3</sup> under the State Department, as a device for providing among other things, "policy guidance" to CIA in its psychological warfare operations. After several reorganizations the Board was re-established in 1952, directly under the National Security Council.<sup>4</sup> CIA was at first represented by a

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<sup>1</sup>In April 1952 the DCI reported to the NSC that responsibilities in the communications intelligence field were still "divided", and that President Truman had directed that a survey be made by the State and Defense Departments, assisted by CIA. A survey was then "in progress, under the supervision of an independent committee headed by Mr. Brownell", appointed for the purpose." (See DCI progress report to NSC, April 23, 1952, on organizational changes made under NSC-50, Top Secret, TS #63459; in O/DCI/ER; and Historical Staff interview with Loftus E. Becker, April 18, 1955, in O/DCI/HS files.) By October 1952 General Smith had "beaten them," i.e., the departmental intelligence chiefs, and had been made the permanent chairman of the USCIB, according to Sidney W. Souers. (See Historical Staff interview with Souers, Nov. 2, 1952, in O/DCI/HS files.)

<sup>2</sup>The history of CIA's participation in the PSB is outside the scope of this purely "organizational" chapter. Extensive historical records for such a fuller study on PSB are on file in O/DCI/ER.

<sup>3</sup>The PSB was announced publicly by the State Department, about Aug. 16, 1950. Edward W. Barrett was named chairman, and the members were to include "representatives" of the Joint Chiefs of Staff and CIA. In addition there were to be "liaison" men at PSB from the National Security Resources Board (NSRB) and the Economic Cooperation Administration (ECA), as well as from CIA. The Board it was said in August 1950, was an outgrowth of "an interdepartmental advisory committee" which had "for some months" been planning this activity. (See Baltimore Sun, Aug. 18, 1950, in press-clipping file on CIA in CIA Library.)

<sup>4</sup>Established under NSC 10-5. See also Historical Staff interview with Sidney W. Souers, Dec. 9, 1952, in O/DCI/HS files.

"policy consultant", who was made a full "member" in October 1950.<sup>1</sup> After a controversy-laden existence and a further reorganization of the Board, sometime in 1952, the DCI became for a time its chairman.<sup>2</sup> This position he held apparently until September 1953, when the Psychological Strategy Board was replaced by a new Operations Coordinating Board (OCB),<sup>3</sup> under the National Security Council.

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<sup>1</sup> Frank G. Wisner, AD/PC from William H. Jackson, DDCI, in a letter to Webb, Under Secretary of State, Oct. 12, 1950 (Top Secret, in O/DCI/ER), agreed to Webb's proposal to have CIA designate a "representative" on the PSB, and also a "liaison" man from CIA, the latter for intelligence support matters. For the latter position, Charles Norberg was appointed by Jackson in October 1950. (Previously Norberg had had a somewhat similar position as CIA representative on State's "Interdepartmental Foreign Information Staff.")

In May 1951 Lt. Col. Gail L. Stubbs was selected as CIA's liaison man for a two-months tour of duty with the PSB, at a time when it was known as the Psychological Operations Coordinating Board (PCB). (See letter from DCI to Under Secretary of State Webb, May 25, 1951, in reply to Webb's letter of May 2, 1951, Secret, both in O/DCI/ER, filed under "State Department.")

By 1952 Horace S. Craig was at the PSB, handling intelligence support and related matters for CIA, with the title "Special Assistant for Intelligence" in the PSB (April 1952), and "Assistant Director, Office of Evaluation and Review" in PSB (November 1952). See biographic statements on Craig, in OTR course outlines for CIA Agency Orientation Conferences, April-Nov. 1952 (Confidential), in O/DCI/HS files.

<sup>2</sup> Historical Staff interview with Lawrence R. Houston, July 23 and Aug. 19, 1953, in O/DCI/HS files.

<sup>3</sup> Announced, effective Sept. 3, 1953, in CIA Notice 50-100-1 (Secret), Feb. 4, 1954. The new OCB was headed by the Under Secretary of State, and the DCI was one of its members, along with the Deputy Secretary of Defense, the Director of the Foreign Operations Administration (FOA), and a representative of the President. The DCI, like the other members, had assistants for OCB activities. In CIA they were: Wayne G. Jackson, assistant for operational liaison; and Horace S. Craig, assistant for "intelligence support" and for liaison on behalf of the DD/I offices. (See above Notice; and Historical Staff interview with Lawrence R. Houston, July 23, 1953, in O/DCI/HS files.)

Another approach by CIA to the problem of improving and extending the inter-agency mechanisms for intelligence cooperation and coordination was to attempt to adapt various inter-Service organizations within the Defense Department to the needs of the Government's entire group of intelligence agencies, military and civilian alike. One example was the Joint Intelligence Indications Committee (JIIC), which was operating, in 1950, as an activity under the Joint Chiefs of Staff and which was renamed the Watch Committee and converted to the status of a subcommittee of the IAC, in December 1950. In this case, CIA's interests were handled by the Office of Current Intelligence.<sup>1</sup> Another example was the Defense Department's new intramural organization for the inter-Service intelligence exploitation of prisoners of war, captured weapons, and captured records. In this new military organization, which was planned in 1950 after the outbreak of the Korean war, CIA eventually achieved a measure of official representation, in the interest of fuller exploitation of captured sources by itself and by the other non-military intelligence agencies.

Captured sources had traditionally been controlled by the military services, but in 1950 there was an inescapable civilian interest as well, and after CIA heard of the new military plans,

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<sup>1</sup>See Chapter VIII, below.

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initially somewhat by accident,<sup>1</sup> it undertook to launch a survey and conduct a series of discussions and negotiations with the Defense authorities,<sup>2</sup> concluded in 1951, in which it re-asserted its inter-agency coordination responsibilities, particularly on its own behalf and that of the State Department and the Atomic Energy Commission. Over the initial objections of the Joint Chiefs of Staff,<sup>3</sup> CIA was given the prerogative, in March 1951, of making a key appointment to each of the three Defense agencies that were being organized: (1) a "Special Advisor" in the Joint Materials Intelligence Agency (JMIA); (2) the "Deputy Director" of the Armed Services Personnel Interrogation Center (ASPIC); and (3) the "Deputy Director" of the

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<sup>1</sup>History of Contact Division, Office of Operations, chapter II, section F-4, p. 70 (Secret), in O/DCI/HS files.

<sup>2</sup>About January 1951, OIC conducted a survey, by questionnaire, of the Army, Navy, and Air Force. Subsequent discussions were led by James Q. Reber, AD/OIC, and included George Carey, AD/OO, and W. G. Wyman, AD/OSO. (See History of OO/C, previously cited; and minutes of DCI's staff conference, 6 March 1951, SC-M-11 (Secret); in O/DCI/ER.)

<sup>3</sup>Brig. Gen. Vernon E. Megee, JCS representative on the IAC, reported "considerable opposition on the part of the Joint Staff" to the idea of CIA representation in the Defense Department's new agencies for captured sources, so he reported early in March 1951. (*Ibid.*) Commenting on this (within the Director's staff meeting), W. H. Jackson (DDCI) threatened to refer the matter to the National Security Council ". . . if the IAC did not agree", since, he said, such CIA representation was "obviously covered by CIA's coordinating powers." (*Ibid.*) See also IAC minutes, March 5, 15, 1951; IAC-M-22,23 (Secret), in O/DCI/ER. One particular reason why CIA's proposal was being contested by the Defense Department was probably that CIA originally had asked for representation both in headquarters and in the field. CIA apparently withdrew from its insistence on field representation, sometime before the final agreement.

Armed Services Document Intelligence Center (ASDIC).<sup>1</sup> These three officers were subsequently appointed by CIA from its Office of Operations,<sup>2</sup> and liaison with the three organizations was handled by OO.

Within CIA, staff responsibilities for promoting inter-agency coordination and cooperation underwent considerable change in General Smith's time. In October and November 1950, it appeared from the actions of the Deputy Director as if the Agency's external coordination work might be centralized, not in a new Coordination Division (as had been urged by the Dulles Survey Group in 1949), but in the Director's immediate office. On becoming Deputy Director, Mr. Jackson (1) took direct personal charge of the agenda of the IAC meeting of October 20; (2) undertook to negotiate with the State Department (outside the existing committee structure) the problems of re-aligning the "division of labor" between the two agencies' various fields of intelligence production; and (3) late in November 1950, took charge of "policy clearances" for liaison between CIA

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<sup>1</sup>IAC-M-22 and 23, previously cited.

<sup>2</sup>The CIA "Special Advisor" on the JNIA staff was W. T. Clark, OO/Sovmat Staff; the Deputy Director of ASDIC apparently came from OO/FDB; and the Deputy Director of ASPIC (Richard Crowe) from OO. The formal announcement of these three positions, in June-August 1951, appeared not in CIA's own regulatory publications, but in various "Army Regulations" and "Special Regulations" of the Army (Confidential).

and the State Department,<sup>1</sup> if not other intelligence agencies as well.<sup>2</sup>

It even appeared, for a time, that control by the Director's office over inter-agency contacts might also extend to OCD's Liaison Division, as recommended by the Dulles Survey Group in 1949.<sup>3</sup>

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<sup>1</sup>W. H. Jackson, DDCI, to Secretary of State, Nov. 28, 1950 (Secret), in O/DCI/ER, filed under "State Department." About a week later, on Dec. 4, 1950, this liaison-control function of the DDCI was announced to the Assistant Directors and the Staff chiefs, in an unnumbered directive issued by the new Deputy Director for Administration. (Ibid.)

<sup>2</sup>Only the following types of State liaison were exempted from DDCI clearance and control, by the directive of Dec. 4, 1950: covert operational liaison, which remained with the Assistant Directors for OSO and OPC (with control decentralized, presumably pending the union of OSO and OPC, under the new Deputy Director for Operations); and liaison on budgetary, fiscal, and other administrative matters, which were assigned to the Deputy Director for Administration and to the Comptroller.

<sup>3</sup>No mention was made (in the directive of Dec. 4, 1950 of the Liaison Division). The AD/CD (James M. Andrews) quickly noticed this omission (on Dec. 12), and questioned whether the DDCI really intended "to undertake this chore" of handling "the daily volume of requests, [informational] documents, and miscellaneous clearances" which normally passed between the CIA and the State Department. (See "State Department" file in O/DCI/ER.) Whether this type of "middle-man" liaison and coordination work was an oversight in the directive, or whether Jackson had actually considered absorbing the Liaison Division into the Director's office, is not clear from the records used.

On December 18, 1950, however, the Deputy Director agreed with OGD that the Liaison Division should remain where it was.<sup>1</sup>

Jackson's initial gestures toward centralization proved to be less typical than a trend toward decentralization, which had meanwhile begun to set in and which continued in 1951 and 1952. During this time the Director and his immediate office began to encourage the Assistant Directors to re-assume and re-assert responsibility for that part of CIA's inter-agency obligations which affected their particular spheres of activity. Thus, each Assistant Director's office normally provided and controlled the secretariat of the particular subcommittees of the IAC which were working in that office's major subject-matter field. Next, each CIA office had the job, either within or outside the committee system (or supplementing it), of maintaining continuing liaison, discussion, and negotiation with the other agencies, in the particular functional activity involved. Each office's key research analysts, for example, normally dealt directly with the corresponding research personnel in the other agencies with whom they were expected to collaborate; and they also dealt directly, but perhaps less frequently, with the particular "customer" offices for which their products were intended, and with the collection-control points in the State or

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<sup>1</sup>OGD's memorandum was endorsed, Dec. 18, 1950, "Approved for DCI by L. B. Kirkpatrick". (See memo in O/DCI/ER, filed under "State Department".)

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Defense Departments where additional intelligence information might be sought for the particular intelligence study at hand. In this daily liaison and coordination job, the DDCI did not normally interfere, although he apparently retained control over the "policy" clearance of inter-agency contacts.<sup>1</sup>

In collaboration with the Security Office, OCD continued to review and register contact clearances with IAC (and non-IAC) agencies, at least for the overt side of CIA.<sup>2</sup> But in this process the Assistant Directors of the operational offices were given an increasing measure of control, and early in April 1951<sup>3</sup> the Director and the Deputy Director agreed to a proposed directive which "in effect, put into practice the actual present method" of decentralized "liaison control". OCD had raised the objection "that the other

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<sup>1</sup>No record has been found rescinding Jackson's directive of Dec. 4, 1950, previously cited. One further exception was control of Agency liaison, covert and overt, with the Federal Bureau of Investigation (FBI) and with the Immigration and Naturalization Service (I&N Service), which was a function of DD/P.

<sup>2</sup>The OCD Liaison Division's contact-control work was chiefly on behalf of the overt offices, but it also extended, on occasion, to the offices and staffs in DD/P.

<sup>3</sup>DCI's staff conference minutes, April 4, 1951 (Secret), SC-M-14, in O/DCI/FR. The directive for decentralizing "operational liaison" to the production offices was drafted by OIC, in collaboration with the AD's of the other offices concerned. Whether this particular directive was formally issued in the CIA Regulations series is not clear.

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agencies might complain on duplication of liaison" with them,<sup>1</sup> but the view of the operating offices prevailed that (as stated by one of the AD's present) "it was very important from the viewpoint of his [production] office to have direct liaison between his analysts and those of other agencies."<sup>2</sup>

Inter-agency coordination took still other organizational forms, between 1950 and 1953. For example, a number of intelligence specialists from other agencies continued to be stationed in CIA.<sup>3</sup> Conversely, a number of key CIA personnel were stationed, in a liaison capacity, in one section or another of the Defense or State Department's intelligence organizations in cases where the daily business of a given CIA office was especially heavy. Many if not most of these external positions were on a more or less indefinite or permanent basis, with the agreement of the department concerned; and each position was normally controlled by a particular operating

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<sup>1</sup>Ibid.

<sup>2</sup>Views of Max F. Millikan, Assistant Director of the new Office of Research and Reports (ORR), quoted in ibid.

<sup>3</sup>Such outside personnel were "detailed" to CIA "for actual participation within selected intelligence producing activities," and their assignments were regarded as "further strengthening" the trend toward inter-agency cooperation, CIA reported in September 1950. See CIA Budget Estimate for Fiscal Year 1952, "Introductory Statement" (Secret), Sept. 1, 1950, p. 3, to CIA Comptroller's "Historical Notes . . . , 1945-1952" (Top Secret, TS #74650), in O/DCI/HS files.

office of CIA.<sup>1</sup> Many of the appointments, furthermore, were made less for security and "cover" reasons than in the name of inter-agency "coordination."

Somewhere in between the decentralization of CIA's inter-agency activities, as they developed in 1951 and 1952, and the initial gestures toward centralization in the Director's office, called for in October and November 1950, was the new Office of Intelligence Coordination, (OIC) which was established late in November 1950 to replace the Coordination, Operation, and Policy Staff (COAPS). OIC's essential activity, as described more fully later, was to "coordinate the Coordinators." As its chief once remarked, OIC's staff did not replace the DCI, "who is, by statute, the chief coordinator" for the Government's intelligence programs.<sup>2</sup> Rather, OIC assisted the Director's office, and the Assistant Directors as well, on inter-agency problems of mutual concern to them.<sup>3</sup>

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<sup>1</sup>For example, OCI had a liaison man at the Armed Forces Security Agency (AFSA); and ONE had liaison officers stationed at the National Security Council's "Staff."

<sup>2</sup>Extemporaneous remarks by James Q. Reber, Feb. 13, 1951, at CIA's First Agency Orientation Conference; recorded on disc (Secret), in OTR files.

<sup>3</sup>See OIC's four "status of projects progress reports," January, March, April, and June 1951; and OIC's "first annual report" to DCI, Oct. 5, 1951, in O/DCI/ER, filed under "OIC."

Coordination Overseas

Overseas the coordination of the Government's over intelligence activities took still another form. Several U. S. operating agencies were involved, CIA being probably the one with the fewest overseas assets, in terms of American personnel and money involved. Of the several U. S. agencies operating abroad, the State Department was pre-eminent. Through its Foreign Service posts, it conducted numerous information-reporting activities, some of them with the assistance of specialized attaches on scientific, economic, agricultural, labor, and other subjects. Among these attaches were the military, naval, and air attaches, who were administratively attached to the Foreign Service posts but remained, as before 1950, under the "technical supervision" of the Service intelligence chiefs in the Defense Department in Washington.

CIA's overt intelligence activities overseas had been going on in this framework for a considerable period of time before General Smith arrived in October 1950.<sup>1</sup> They were under the general direction of ranking CIA man in an area, who was called the CIA Senior Representative. The CIA Senior Representative, however, was responsible only for intra-CIA coordination. The Senior U.S.

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Representative, through whom any formal inter-agency coordination on intelligence matters must go, was usually the State Department's senior Foreign Service officer at a given diplomatic or consular post abroad.

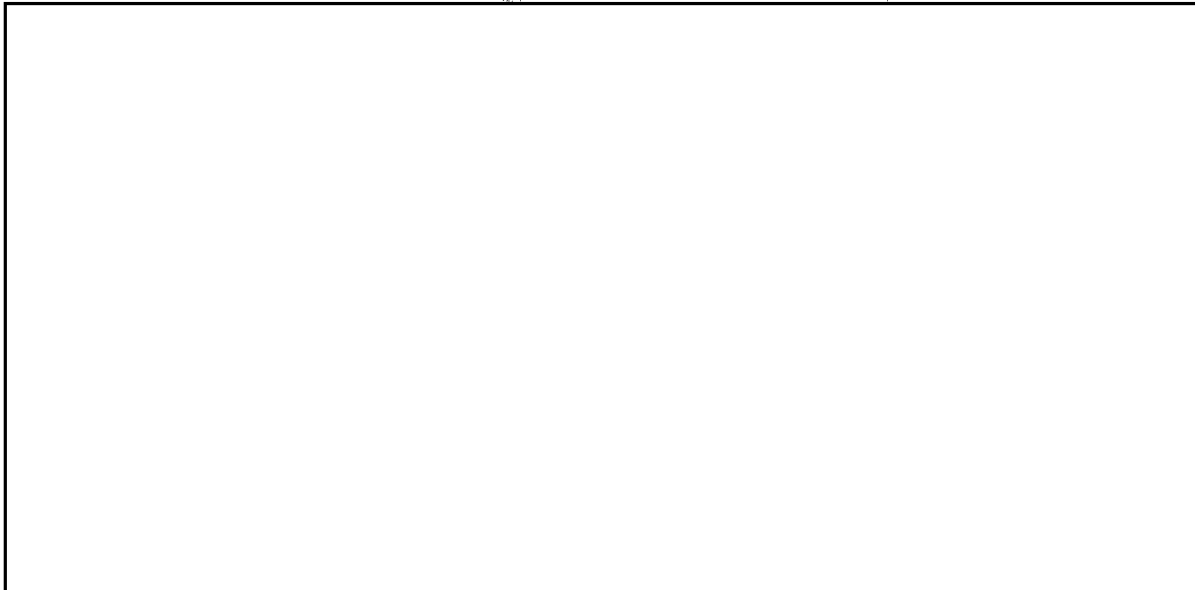
General Smith seems not to have sought any essential change in this method of control and contented himself, for the most part,



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- <sup>1</sup>W. H. Jackson, DDCI, to W. Park Armstrong, Jr., State Department intelligence chief, Jan. 26, 1951 (Secret), in O/DCI/ER, filed under "State Department." Col. T. J. Betts, selected about October 1950, was appointed to London in January 1951; John E. Baker, to Athens, in February 1951.
- <sup>2</sup>Gen. W. B. Smith, DCI, to John E. Peurifoy, U. S. Ambassador to Greece, Feb. 13, 1951 (Secret), ibid.
- <sup>3</sup>Letter from W. Park Armstrong, Jr., to DCI, July 12, 1951 (Top Secret), and letter to Armstrong by Frank C. Wisner, DD/P (acting DCI?), Sept. 25, 1951 (Top Secret), both in ibid. Basic documentation on these negotiations (but not the actual text of the final agreement) is contained in IAC minutes for July 26, Aug. 9, Aug. 16, Aug. 23, 1951, in IAC-M-36, 39, 41, 42 (Secret), and in IAC documents numbered IAC-D-30, July 26, 1951, and IAC-D-30/1, Aug. 22, 1951 (Secret). These records are all in O/DCI/ER, filed under "IAC."

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<sup>1</sup>In the Far East, both in the combat and the non-combat areas, it was the Far East Command which had the coordination responsibility, at least during the time of General MacArthur (up to April 1951). See, for example, letter to DCI by acting C/Staff, GHQ, FEC, Jan. 18, 1951 (Top Secret, TS #43568-D); in O/DCI/HS files, under heading "CIA-FEC...". In February 1952, in the expectation that the U. S. Ambassador would take over from the military when Japan's sovereignty was restored, the State Department was considering, so Armstrong told the IAC, "naming an official who would be on the staff of the Ambassador and responsible to him for coordination among the U. S. intelligence representatives." Later, in April 1952, General Smith appointed [redacted] as "his" Senior Representative in Japan; but whether [redacted] was to be the "U. S." intelligence coordinator is not recorded nor mentioned in the IAC minutes. See IAC minutes, IAC-M-61, 67, for Feb. 21, April 14, 1952 (Secret), in O/DCI/ER.

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Reorganization of "National Intelligence" Production System, 1950-1951

If decentralization was a basic characteristic of General Smith's organizational policy with respect to CIA's inter-agency coordination and leadership activities, that characteristic was even more apparent in his reorganization between October 1950 and February 1951 of CIA's system for producing national intelligence. On November 13, 1950, he announced the long-expected dissolution of the Office of Reports and Estimates (ORE),<sup>1</sup> in which had been centralized (since the Agency's beginnings in 1946) most of CIA's research, production, coordination, and dissemination-control work that went into the three recognized types of "national intelligence": national intelligence estimates; national intelligence surveys; and current intelligence. In the days and weeks that followed, ORE was replaced by three new production offices, and among them the three types of national intelligence were decentralized, as follows:

1. The function of national intelligence estimates (NIE's) became the principal activity of a new, separate Office of National Estimates (ONE),<sup>2</sup> announced on November 13, 1950, to take over ORE's estimating functioning. The Assistant Directors of ONE, during

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<sup>1</sup>The formal announcement did not actually say that ORE was being abandoned, but only that its "designation" was being changed to Office of Research and Reports, and that an Office of National Estimates was being established simultaneously. (See General Order No. 37, Confidential, Nov. 13, 1950, among records of Management Staff, in CIA Records Center.)

<sup>2</sup>See Chapter IX, below.



General Smith's administration, were (successively) William L. Langer,<sup>1</sup> from November 1950 to about December 1951, and [redacted] from January 1952 on.

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2. The function of national intelligence surveys (NIS's), which had been the principal activity of one of CIA's other major components, the Basic Intelligence Division, was transferred, intact and undisturbed as a division, to a new Office of Research and Reports (ORR).<sup>2</sup> The establishment of ORR, like ORB, was announced on November 13, 1950. In December 1950 ORR was assigned three principal production functions,<sup>3</sup>

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<sup>1</sup>On Langer's appointment, see General Order No. 37 (Confidential), Nov. 13, 1950, and General Order No. 38 (Secret), Dec. 1, 1950, both among records of Management Staff, in CIA Records Center. Originally (in October 1950) General Smith had planned to seek the services of Admiral Stevens or General Huebner, as head of ORR, so he told the Intelligence Advisory Committee members at his first meeting with them, on Oct. 20, 1950. (See "Rough Draft" of IAC minutes, Oct. 20, 1950, in O/DCI/RS files.)

<sup>2</sup>See Chapter VII, below.

<sup>3</sup>The earliest reference found to ORR's charter is on Dec. 18, 1950, when William H. Jackson, DDCI, announced (in the DCI's staff conference) that ORR would have three principal functions, which he listed in the following order: (1) Soviet and Satellite economic intelligence; (2) the Map Division (formerly in ORB); and (3) the National Intelligence Survey (also formerly in ORB). In addition, ORR would handle "any other services of common concern that might be directed by the [National] Security Council," so Jackson said. (See 50-M-1, Secret, Dec. 18, 1950; in O/DCI/RS.)

of which national intelligence surveys was one. Kenneth A. Knowles who had been in charge of this activity since 1947 served continuously as head of the Basic Intelligence Division during General Smith's entire administration. During General Smith's time the Assistant Directors of OIR were Theodore Babbitt, November 13, 1950, to some time in December 1950;<sup>1</sup> Max F. Millikan, January 1951 to March 17, 1952;<sup>2</sup> and Robert Amory, Jr., from March 17, 1952 to February 23, 1953.<sup>3</sup>

3. The function of producing current intelligence, previously allocated to OIR was reasserted as a CIA responsibility about November 1950,<sup>4</sup> and was allocated on January 15, 1951 to the newly established Office of Current Intelligence (OCI). This Office represented a

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<sup>1</sup>Theodore Babbitt was redesignated AD/OIR on Nov. 13, 1950, by General Order No. 37 (Secret). No announcement of his departure from OIR, nor the effective date of his departure, have been found. He was still in charge, however, as late as Dec. 7, 1950, when he made an intelligence presentation to the IAC. See IAC-4-10 (Top Secret), Dec. 7, 1950, in O/CI/ER.

<sup>2</sup>No formal, separate announcement of Millikan's appointment as AD/OIR has been found. His name was first announced on Jan. 4, 1951, when it appeared (along with other officials) in the latest list of CIA officials. (See General Order No. 40, Secret.) Nor was his departure from OIR, in March of 1952, formally announced.

<sup>3</sup>Amory's appointment and departure as AD/OIR were announced in Notice 1-1-52 (Secret), March 3, 1952, Notice 1-9-52 (Secret), May 14, 1952, and Notice 1-4-53 (Secret), Feb. 19, 1953. Amory was replaced as head of OIR by Otto A. Guthe on Feb. 23, 1953; see Notice 1-4-53 (Secret), Feb. 19, 1953, cited above.

<sup>4</sup>General Smith presented a proposal to the IAC, on Nov. 24, 1950, for the establishment of an IAC Watch Committee, under the chairmanship of CIA. The Watch Committee was expected to replace both the former "Check List Group", formerly managed by OIR, and the Joint Intelligence Indications Committee, which had been established by the Joint Chiefs of Staff, only very recently, (about Aug. 7, 1950). See IAC-D-6 (Top Secret), Nov. 24, 1950, and IAC-4-10 (Top Secret), Dec. 7, 1950, both in O/CI/ER.

complicated merger and expansion of various CIA activities which will be outlined later.<sup>1</sup> The key personnel who supervised CIA's current intelligence functions during the period of General Smith's administration were as follows: Horace S. Craig, who served first as chief of the Advisory Council, from August to late November 1950, and then as Assistant Director of the successor "Office of Special Services", from late November 1950 to about January 4, 1951;<sup>2</sup> Kingman Douglass, who served as Assistant Director of the Office of Special Services, January 4 to 15, 1951, and then as Assistant Director of the Office of Current Intelligence, from January 15, 1951 to July 12, 1952;<sup>3</sup> and Huntington Sheldon, his successor as Assistant Director of OCI, from July 12, 1952, on.<sup>4</sup>

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<sup>1</sup>See Chapter VIII below.

<sup>2</sup>On Craig's appointments, see General Order No. 31 (Secret), Aug. 7, 1950, General Order No. 38 (Secret), Dec. 1, 1950, and General Order No. 40 (Secret), Jan. 4, 1951, all among records of Management Staff, in CIA Records Center.

<sup>3</sup>On Douglass' appointment, see General Order No. 40 (Secret), Jan. 4, 1951; and on his departure, see Notice P-12-52 (Secret), July 10, 1952. From sometime late in December 1950 to Jan. 2, 1951, Douglass was referred to as a "consultant" to the DCI. (See, for example, SC-M-2, and 3, Secret, in O/DCI/HR.)

<sup>4</sup>On Sheldon's appointment, see Notice P-12-52 (Secret), July 10, 1952, cited above. He had joined CIA the month before, in June 1952. (See biographic statement in OTR course outline for Agency Orientation Conference, Nov. 1952, Confidential, in O/DCI/HR files.)

what may have seemed like surprising abruptness in the reorganization of CIA's national intelligence functions after General Smith came on duty seems actually to have been a matter of timing. In defense of the speed with which the current reorganization was occurring, Mr. Jackson told the Assistant Directors, in a staff conference in December 1950,<sup>1</sup> that two approaches had been considered by Smith and himself in the fall of 1950: a series of gradual changes to be extended over the following eighteen months, which would have been "less demoralizing than a rapid change," or an "immediate reorganization." The latter, he said, was decided on, "in view of the international situation."<sup>2</sup> Jackson did not reveal what the factors were in the "international situation."

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<sup>1</sup>Remarks by William H. Jackson at DCI's staff conference on Dec. 18, 1950, SC-M-1, (Secret), in O/DCI/RR.

<sup>2</sup>Ibid. These minutes (numbered SC-M-1) were evidently the first of the formally kept minutes of General Smith's frequent conferences with his Assistant Directors. No earlier minutes, before Dec. 18, 1950, have thus far been found, which bear on the historically significant preceding ten weeks, October-December 1950, when General Smith's administration of CIA was launched and when most of his basic organizational decisions seem to have been made.

Even cursory observation of the world situation at the end of 1950 and the beginning of 1951, however, leaves no doubt of the great pressure that was necessarily felt by the intelligence apparatus of the U. S. Government to contribute all it could with the greatest possible speed. It could well have seemed to those with the responsibility that nothing could justifiably be postponed. In the words of a contemporary document intended for the President, the director of his Budget Bureau, and a few "cleared" members of the Senate and House of Representatives: the situation with respect to "national intelligence" under the circumstances of 1950-51 was described as follows:

"The recent outbreak of hostilities in Korea has made it necessary for the Agency to intensify its estimates of Soviet intentions around the entire periphery of the Soviet orbit. In addition to the normal surveillance of indications of Soviet preparations for its own military effort, each and every situation in the Far East, as well as Eastern and Western Europe, must now be examined continuously and analyzed systematically with a view toward detecting the capabilities, preparations, and intentions of Soviet Satellites to engage in operations similar to the North Korea aggression. An increasing effort must be applied to specific indications of Soviet intentions either to employ their own military forces or to incur increasing risks of direct military action against United Nations forces by manipulation of other dominated peoples. In addition to intensifying its surveillance of the Soviet orbit, the Agency must concomitantly address itself with equal attention to the non-Soviet political, economic, psychological, and military pressures. The Agency must estimate the potential of such countries to support the United States in achieving its objectives in the continuing cold war with the USSR and the contingency of the cold war developing into open warfare. Further, the Agency must provide continuous intelligence appraisals of U. S. objectives, commitments, and risks in support of the established

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policies of the United States toward the non-Soviet countries with regard to military aid, economic assistance, the Point Four program, and other measures designed to strengthen the capabilities of such countries against Soviet aggression . . . ."<sup>1</sup>

The "international situation", however, was clearly not the whole reason for the precipitate changes in the organization for production of national intelligence that took place by March 1951. Changes very much like these had been forecast for some time, and there had long been pressure on the CIA administration to make them. The endorsement of the Dulles Report by the National Security Council in the form of peremptory orders for change within a stated limit of time would normally have resulted in a drastic reorganization of CIA to conform to the suggestion of the Dulles Committee long before General Smith became Director. The orders of the NSC, however, had not been carried out by October 1950, at least to the satisfaction of those needing to be satisfied. What had been happening instead was a prolonged dispute over the form and extent of actions that would be taken in response to NSC demands, and out of it had come numerous suggestions and demands from several different parts of the Government. Many suggestions were outstanding, in other words, and General Smith and his colleagues naturally had ideas of their own.

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<sup>1</sup>"Introductory Statement" (Secret), p. 4, of CIA's Budget Estimate for Fiscal Year 1952, Sept. 1, 1950, appended as tab D to CIA Comptroller's "Historical Notes . . . ," 1945-1952 (Top Secret, TS #74650), in O/DCI/HS files.

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All of these General Smith had to incorporate into some form of reorganization that could not well be indefinitely delayed.

Even so, the effect of destroying the major substantive component of the Agency (ORE) and dividing its main functions among three newly-created offices within the space of ten weeks, was, of course, disconcerting from the point of view of the disestablished component, whose members had abruptly to reorient all that they had been doing over a space of four years in accordance with the new dispensation. Specifically:

(1) With the exception of four officers brought in by the Smith administration to deal with the problem of national estimates, ONE consisted, for several months after its establishment on November 13, of a complement withdrawn from ORE.<sup>1</sup> In the uncertainty that naturally prevailed for some time after November, this group, under its new chief, had to evolve the means whereby national estimates could be produced under the changed circumstances of 1950-51.

(2) The Office of Research and Reports, for some time after November 13, was little more than the Office of Reports and Estimates renamed. The same Assistant Director who had headed ORE remained in office as head of ORR until January. Decisions that eventually made of ORR a headquarters for research and production in economic intelligence were not finally reached until after January. Under these circumstances, there was not much that the new Office of Research and Reports, as constituted, could do but wait for orders.

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<sup>1</sup>See Chapter IX, below.

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(3) The Office of Current Intelligence was not even formed as such until mid-January, but the function of producing current intelligence did not cease in the interim. Although most of the current intelligence publications lately circulated by the Office of Reports and Estimates had been cancelled even before November, no order was received to abandon publication of the "Daily Summary" or the "Daily Korean Summary", both of which seem to have been required by the White House. The first became the responsibility, until January, of the Office of National Estimates, while the second was furnished through the facilities of the Office of Research and Reports. The establishment of OCI represented, among other things, a decision in favor of continuing current intelligence production by CIA, even though the general circumstances of 1950-51 called for abandoning it. The task, however, of reassembling, within OCI, the elements that had formerly produced current intelligence for CIA, and organizing them for a similar function under different organizational conditions, was one that would obviously take time.