

Honorable Donald Russell  
Assistant Secretary of State  
Department of State  
Washington, D. C.

75  
UNCLASSIFIED

17 January 1946

IN 579/1

My dear Mr. Russell:

Last fall you expressed considerable interest in our discussions wherein we outlined the basic principles necessary for an intelligence organization to serve this country's needs in the post war world. The publication of the so-called McCormack Plan reveals so many and varied fundamental weaknesses that we are impelled as a matter of public interest to call them to your attention. Our personal interest is heightened by over three years experience in the fields of both overt and secret intelligence.

Every one is agreed that an efficient intelligence system is necessary; that without it there exists the real possibility of a national disaster.

Before detailing the faults inherent in the McCormack plan, and then proposing the obvious alternate, let us consider some of the broader aspects of intelligence procurement, evaluation and dissemination.

National peacetime intelligence should have as its primary basic function that of making continuously available to authorized personnel and agencies of the United States Government complete knowledge of the intentions and capabilities of all foreign powers. The term "intentions and Capabilities" is apparently clear, but its implications are tremendously broad and cover a wide range of subjects. Naturally only a person with a considerable amount of training and experience in intelligence work can envisage all of them, but a few simple, concrete examples follow:

1. The development of a new kind of cereal or grain might make a country self-supporting in case of war.
2. International exchange transactions and flow of gold or currency between countries is highly important. This is difficult intelligence to obtain, as it not only requires expert knowledge of the subject, but the majority of it must be obtained secretly. If an investor waited for the quarterly published reports of any business in which he had placed some of his capital, and did not have the facilities for obtaining interim statements, his investment would not be well protected.
3. Complete up-to-the-minute reports of labor statistics must be always available. These figures must come from both overt and secret sources, but the investigations of the reasons behind the statistics would be almost entirely on a secret basis.
4. The same holds true for population movements as they are extremely important.
5. All kinds of production figures, both of natural resources and manufactured goods, must be investigated in the same manner as they have direct bearing on the intentions and capabilities of a foreign power.
6. The same interest applies to construction of all kinds. One example would be that the manufacture of the component parts of a radio station for propaganda or other purposes might take a long time, while the actual erection of the station would be comparatively short. Since the operation of the station might do considerable harm in a short period, advance intelligence of its manufacture and the purpose for which it would be intended must be available.

(In: Donovan Papers, Central Intelligence, 1941-1950, Vol. 1)

UNCLASSIFIED

367

UNCLASSIFIED

INT 579/2

The above are only a few simple examples of the intelligence necessary for a complete understanding of the term "Intentions and Capabilities" of a foreign power and are over and above the knowledge necessary of military, naval and air capabilities.

From the broadness of this term "Intentions and Capabilities", it can at once be seen that such knowledge covers a wide area of intelligence sources and subjects including political, economic, geographic, sociological, scientific, military, naval, air, special subjects such as medicine and surgery, etc. A great many valuable but uncoordinated intelligence agencies are presently functioning, producing separately a large part of this necessary raw intelligence, the best known being those of course of the Army, Navy and State Departments. Attaches and Foreign Service officers have very definite responsibilities and assignments of keeping their departments informed of events and trends throughout the world. In addition to these three larger intelligence agencies, there are a large number of other agencies with representatives or field staffs abroad, gathering specialized and highly important information; among others, these include the Departments of Commerce, Agriculture, Treasury, Justice, Labor and Public Health, the Federal Communications Commission, FBI, USIS (OWI), UNRRA, etc.

It should be the primary concern of a Central Intelligence Agency to see that it at all times continuously and automatically receives the products or raw intelligence of all such agencies within the United States Government. ~~Without such benefit from all participating agencies within the United States Government, Central Intelligence Agency would not merit the designation of "Intelligence."~~ Without such benefit from all participating agencies within the United States Government, Central Intelligence Agency would not merit the designation of "Intelligence." Also without such cooperation or assistance from all such agencies producing raw intelligence as a part of their own normal internal operations, self-initiated studies in the central agency would be very seriously hampered if not entirely made possible.

In utilizing such intelligence, a central agency should have a complete staff engaged not only in answering specific direct requests from the Executive or other Government Agencies, but also in the production of studies or reports self-initiated within the central agency. The speed of not only modern warfare but modern public action as well is so rapid that good intelligence must be available on both probable and possible intentions and capabilities of all foreign powers. Only the central agency, where would be pooled all of the available products of all other departmental agencies could best do this imperatively needed self-initiated work.

All minds are in accord, not only here but the world over, that such intelligence is entirely apart from any police function. Both have their appropriate and valuable uses, but they must be kept separate for very obvious reasons.

In relation to procurement, intelligence may be classified into two broad categories:

(A) EASY TO OBTAIN

(1) Public Material (procurable through existing channels and agencies)

- (a) Newspapers, periodicals, publications, unclassified documents, etc.
- (b) Radio and cinema.

(2) Private Material

- (a) Special observations or investigations by duly qualified personnel such as businessmen, scientists, missionaries, educators, doctors, diplomats, military and naval personnel, students, etc.
- (b) Information from tourists.

(3) Spontaneous Material

- (a) Minorities or disaffected groups making themselves heard.
- (b) Individuals or groups wishing to be heard or aided by this country.

UNCLASSIFIED

UNCLASSIFIED

INT 574/3

(B) HARD TO OBTAIN

(1) Secret Information (procurable through secret intelligence and counter espionage)

- (a) Impressions, opinions or ideas of private individuals.
- (b) Unit or group alignments (political or economic).
- (c) Scientific and technical data.

(2) Secret Documents (procurable through secret intelligence)

Naturally, due to limited time and space, the above categories are very broadly delineated and a more detailed breakdown would show more clearly the points to be emphasized. However, from the above table it can be readily seen that there are similar and overlapping sources in open and secret intelligence. Therefore, although the secret will always be the smaller portion of complete and rounded national intelligence, probably not more than 10 to 20% of the total, it is absolutely necessary that it exist and be instantly available in a national intelligence agency so that a complete and reliable result or evaluation can be obtained. It is plainly evident that a report to the Executive or the intentions and capabilities of any foreign power would be woefully lacking in reliability if the "easy to get" intelligence was not strengthened and augmented by "hard to get" intelligence.

In view of these general conceded basic principles of national intelligence, the McCormack Plan contains the following defects:

1. It does not provide combined, cooperative and coordinated open and secret intelligence.

2. Secret intelligence cannot be carried on within the bounds of the State Department. Any such action would involve your department in considerable internal and external difficulties. The collection of secret information through State Department normal channels would soon result in impairing the regular operations of the embassies and our relations with foreign countries. For example, a large part of political intelligence is secretly obtained from minorities, underground movements or individuals, not from the government in power. It would not only be abortive but suicidal for an embassy to deal with other than the government to which it has been accredited.

3. No Central Intelligence Agency can function properly except under a Director appointed by the President with full and broad authority and powers. There is no objection to operating through committees, where essential, but the proposed operation of a Central Intelligence Organization comprised almost wholly of committees, and especially interdepartmental committees, would promptly enmesh itself in a mass of red tape.

4. Such a Director appointed by the President should have the vital assistance of an advisory committee composed of the heads or designated representatives of the principal agencies now engaged in producing raw intelligence as a part of their normal functions. The McCormack Plan proposes a three-man committee composed of the Secretaries of State, War and Navy Departments to operate the Interdepartmental Committee with an Executive Secretary functioning under them. The three gentlemen named are pretty busy people and would not have much time to devote to these added duties. Most important, for the prevention of confusion of purpose, the Director should be appointed by the President.

5. No permanent trained body of research and evaluation personnel is provided for in the proposed Interdepartmental Committee. A substitute is provided of a small permanent nucleus with personnel from contributing agencies to be assigned to specific projects in the Interdepartmental Committee. It is the writer's firm conviction that a permanent staff of all kinds of professional personnel permanently attached to a Central Intelligence Agency would be far more efficient and valuable than haphazard contacts between "visiting firemen."

UNCLASSIFIED

REPRODUCED AT THE NATIONAL ARCHIVES

369

UNCLASSIFIED

INT 579/4

6. A higher class of professional personnel would be attracted to a larger group located in a Central Intelligence Agency than would be attracted by smaller scattered groups in a number of agencies.

7. A greater freedom of intellectual effort would occur in a Central Intelligence Agency where self-initiated work could be given greater controlled latitude than in an Interdepartmental Committee operating on a loan of personnel basis. If the main purpose of loan of personnel is to obviate the necessity of larger requests from Congress of appropriated monies, the same result could be achieved by making the Central Intelligence Agency operate largely on the basis of reimbursable services to requesting agencies. Thus the professional personnel could be held together in the central agency. One of the lessons gained in wartime intelligence was the value of permanent group or cooperative research as opposed to detached individual effort. No such provision is inherent in the McCormack plan.

8. Provision, however, should be made for the detail to a permanent Central Intelligence Agency of specialized permanently attached personnel from the various agencies contributing raw intelligence derived from their normal operating functions. This would assure complete responsibility of all contributing agencies for the product of the Central Intelligence Agency. Such personnel should be attached to the Central Intelligence Agency as a part of its permanent organization and not be on detail only to a specific project as provided in the McCormack plan.

9. Another very important requisite is that the Central Intelligence Agency should not only be entirely free from domination by any one agency, but also should be divorced completely from any chance of production of research influenced by anyone outside the Agency. It is a characteristic of human nature that a researcher, if placed too close to the person for whom he is conducting research, is liable unconsciously to be influenced by having some knowledge of what conclusions his associate would like to have him reach. This defect would be further complicated by the proposal in the McCormack plan that one person hold the dual offices of head of intelligence in the State Department and Executive Secretary of the Interdepartmental Committee. //

10. The proposal for the State Department to control the internal intelligence operations of any other government agencies is unsound. The Central Intelligence Agency should use the product of all such agencies, but they should be allowed to conduct their own internal intelligence without interference. Their needs are different and varied and it is manifestly impossible for any one agency to intelligently appraise the needs of all.

11. The McCormack Plan also takes within the State Department control not only of foreign intelligence, but internal security necessitating the exercise of police functions. It is unbelievable that any one would seriously propose that the State Department should assume the direction of the FBI in its law enforcement activities at home and have similar authority over the operation of foreign intelligence. The resultant evils of such a setup need not be enumerated.

12. The pronouncement of Col. McCormack that national intelligence is too complicated and varied for consolidation does not hold water, because this very fact of complexity and variation is a very strong argument, not for complete consolidation in a Central Intelligence Agency of the facilities for final coordination, evaluation and dissemination of the very varied and complex flow of raw intelligence from a large number of producing agencies. Unless this consolidation of the flow of intelligence is accomplished, there will still be confusion instead of combined and evaluated intelligence. The impossibility of consolidating the flow of intelligence is a very unsound argument when it is compared with President Truman's proposal for the unification of the Army, Navy and Air Forces into a single Department of Security.

After years of endeavor covering the whole gamut of the intelligence field (and it is not believed that the McCormack Plan is founded on any such similar

UNCLASSIFIED

REPRODUCED AT THE NATIONAL ARCHIVES

370

UNCLASSIFIED

INT 574/5

experience) and consultation with others experienced in this field, it is clear that no intelligence service of the character proposed can be effective unless it embodies the principles contained in the Joint Chiefs of Staff's recommendations for the creation of a Central Intelligence Agency.

While their plan gives the Intelligence Authority control over the Director, the Joint Chiefs of Staff recognize the necessity for a Director (not a committee or an executive secretary for a committee) and that the Director be appointed by the President. Furthermore, it does authorize the Director to handle the administration without undue interference; it does conceive the agency as existing independent of the various departments of government; and it leaves to those departments the continuance of their respective operational intelligence units. The JCS paper recognizes the necessity of consolidating procurement, evaluation and interpretation. It also appreciates the importance of having as a Director a civilian of national prominence and experience.

There is no basis for the fear that the authority of such a Director would be too great and that he would control the operating intelligence of the departments. Rather, it should be realized that the responsibility of his position is a tremendous one. He should have the necessary authority and permanent tenure properly to discharge it, while at the same time safeguards would be set up against his interfering with operating intelligence of the War and Navy or any other departments. This administrative problem has been satisfactorily worked out in various other cases.

It is realized that it is impossible to cover even the main aspects of this problem adequately in one letter. If needed, however, there can be shown the reasons and the facts behind the conclusions stated briefly in this letter. So much time has been lost, and so much harm has been done to the nation's intelligence activities, particularly necessary in this critical period, that we hope that the country's intelligence service will be put at once upon a sound and permanent basis.

Respectfully yours,

Louis M. Ream (sgd.)

UNCLASSIFIED