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SPECIAL ASSISTANT TO THE SECRETARY OF STATE  
WASHINGTON

R

November 22, 1948

INT 842/1

Memorandum

To: AIA - Mr. Daniels  
EUR - Mr. Hickerson  
NEA - Mr. Satterthwaite  
FE - Mr. Butterworth

Subject: Memorandum for the Intelligence Survey Group

As you are aware the Survey Group composed of Messrs. Allen Dulles, William Jackson, and Mathias F. Correa, under direction of the Security Council, have been making a study of the CIA and its relations with other agencies. The final hearing for the Department to give its views was held on Monday, November 22, at which time the attached memorandum was submitted.

Please return to R.

W. Park Armstrong, Jr.

Attachment

cc: S/S - Mr. Humelsine  
A - Mr. Hulten  
FS - Mr. Stavndal

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November 22, 1948

INT 8421

MEMORANDUM FOR THE INTELLIGENCE SURVEY GROUP:

The Department of State welcomes the opportunity to present a brief statement on the intelligence activities of the Government, and in particular on the Central Intelligence Agency and the relations of that Agency to the Department. It is hoped that this statement summarizes the discussions which members of the Department have had with the Group and its staff over the past months.

In general, the Department believes that the experience of the past year has shown that the principles and concepts of the National Security Act of 1947 relating to intelligence are sound. The Department is in fact encouraged and hopeful that with further effort and cooperation an eminently successful governmental intelligence organization will evolve. It is, therefore, in the light of this fundamental position that the Department makes its comments on certain aspects of the working arrangements.



UNCLASSIFIED

UNCLASSIFIED


-2-

INT 842/3

In making its comments, the Department wishes to have it clearly understood that in most areas of intelligence operations it feels that an excellent effort is being made by the Central Intelligence Agency and that the relationship with the Department is wholly satisfactory. The comments which follow, therefore, are directed at those areas of the CIA-State Department relationship which the Department feels are in need of attention.

1. With respect to the Research and Evaluation functions:

The Department agrees completely with the basic philosophy set forth in the National Security Council Intelligence Directives which deal with the production of intelligence. The Department believes, therefore, that relations between CIA/ODI and the Department could, under existing basic directives, be satisfactory. Those directives divide up among the Departmental intelligence agencies basic responsibilities for production within a number of generally recognized fields of intelligence while allocating to CIA the responsibility for producing "national" intelligence, which is 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." CIA is directed, furthermore, in preparing



UNCLASSIFIED

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UNCLASSIFIED -3-

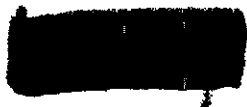
INT 842/4

such national intelligence, to draw upon Departmental facilities as much as possible, which must mean a maximum effort to compose national intelligence by combining mutually agreed contributions from the Departments interested in any national intelligence problem.

The Department would construe these directives to mean that CIA/ONE should participate in, indeed should be an essential element in, the coordinating responsibilities of CIA as a whole. Thus CIA/ONE should, with respect to the other agencies:

- (1) constitute a center of information concerning all intelligence activities in all fields, by means of surveys of departmental agencies;
- (2) be responsible for allocating projects among the agencies in accord with their assigned responsibilities;
- (3) stimulate in other agencies programs and procedures which appear desirable;
- (4) assist the agencies in developing means and facilities to meet their responsibilities.

The Department finds, however, that in actual practice, CIA/ONE acts in few or none of the above ways. It appears to the Department that, rather than confining its activities to the foregoing and to the production of national



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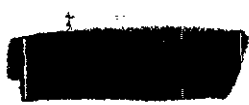
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INT 842/5

intelligence, CIA/OPR has tended to develop a maximum production capacity for departmental intelligence which, in turn, tends to duplicate the work of other agencies. CIA/OPR, the Department finds, has not as a rule voluntarily forwarded requests received by it to appropriate agencies, but has rather endeavored whenever possible to fill such requests itself. The "national" or inter-agency participation is then achieved through the procedure of "concurrences" which is, in the first place, after the fact of planning and composition, and, in the second place, difficult of accomplishment and generally unsatisfactory.

A notable exception to this tendency is found in the planning and execution of the H-S program.

The Department should point out also that the unbalance described is particularly evident in the fields of political, sociological and certain economic intelligence, which are the fields allocated to the State Department. It does not appear that duplication to the same degree occurs in the various military fields. The result has been, for the Department, both a conspicuous expenditure of time and effort in avoiding duplication where possible and preventing deleterious discrepancies in the finished, coordinated intelligence, and also an absence of those forms of assistance and support which it feels the directives give it a right to expect.



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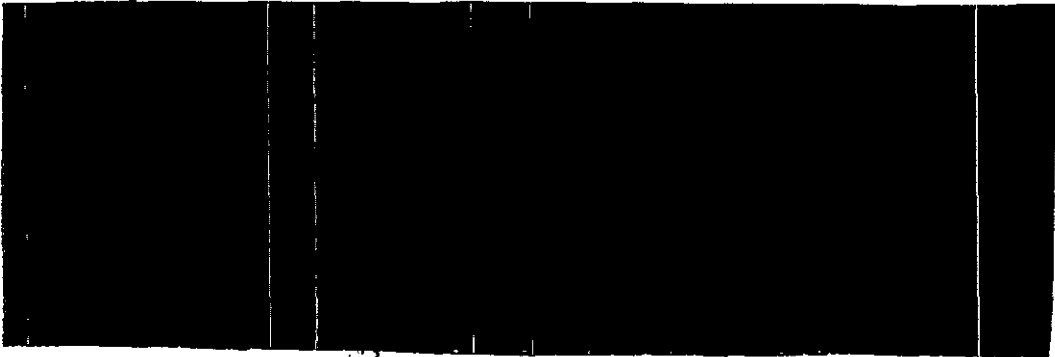
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UNCLASSIFIED

-5-

INT 842/6

While desiring not to exaggerate, the Department feels that this situation is serious and arises from an erroneous interpretation of the basic philosophy of the NSC directives and from the resulting series of policies adopted by CIA in implementation of that philosophy. In the opinion of the Department, CIA/ORE should treat Departmental intelligence agencies more as the base of the intelligence production pyramid of which it is itself the apex. It should seek to strengthen the base, in the knowledge that upon it rests the whole structure. It should conceive its coordination mission in broad terms, suggesting coverage, gaps and projects of national interest. It should concentrate on a national mission rather than on fields effectively allocated to Departments. Finally, while the Department is not aware of the exact size of CIA/ORE, it cannot help but feel that the obviously growing staff represents a duplicative effort; that CIA/ORE should, therefore, emphasize quality rather than numbers in its own staffing.



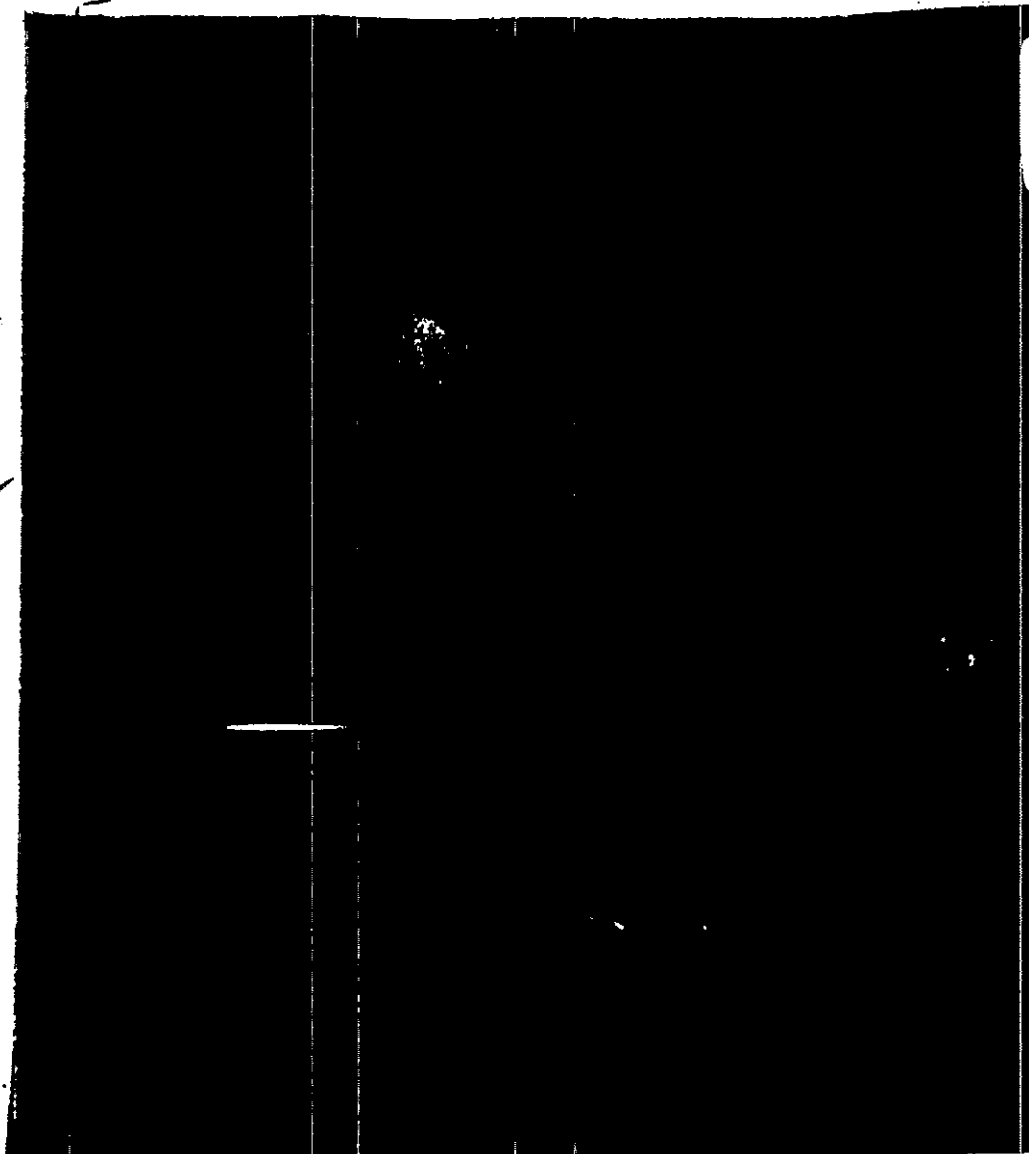
UNCLASSIFIED

1604

UNCLASSIFIED

-6-

INT 842/7



UNCLASSIFIED

1605

UNCLASSIFIED

-7-

INT 842/8

3. With respect to the CIA "DAILY SUMMARY":

The Department believes firmly that adjustment is needed in the CIA Daily Summary. As presently issued, the Summary is composed almost exclusively of briefs of State Department cables. Furthermore, no distinction is made between cables dealing with intelligence and those presenting policy matters (some of which are not crystallized and fully formulated) so that the Summary is at once an operational and intelligence publication.

It is admittedly difficult, when dealing with foreign affairs, to separate clearly intelligence, as such, from policy or "operational" matters. This is particularly true because in some instances telegrams from the field contain elements of both. Nevertheless the Summary has over the past months been composed, in almost half of its entries, of items which are clearly and entirely policy and have no intelligence aspects at all. Policy instructions to the field,

UNCLASSIFIED

1606




UNCLASSIFIED

-B-

INT 842/9

position papers, and recommendations on courses of action fall into this category. This tendency has even reached the point where CIA in its comment upon items has over-stepped the boundaries of the field of intelligence by agreeing or disagreeing with policy or operational determinations. The Department recognizes that policy matters are of concern to members of the National Security Council and should be conveyed in appropriate channels to them, but the Department feels quite firmly that dissemination of this information along with intelligence, and to officers not necessarily concerned with policy formulation, is not the appropriate method. This is all the more true since the information on policy already is being distributed by the Department to the proper levels of the other agencies of the government who have need for it. The inclusion of these items therefore represents a serious duplication of effort as well as, in the opinion of the Department, an inappropriate activity for CIA.

Treating the Summary as an intelligence organ, and apart from policy matters, the Department believes that the source of information is almost exclusively the Department itself and that this one-sided aspect tends to destroy the purpose for which the Summary was instituted. Moreover, the intelligence materials are also separately distributed by the Department to the several agencies. Unless comparable



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INT 842/10

contributions from the other agencies are included, the Department itself derives no benefit, nor, would it seem, do the other agencies, since they are already receiving the State Department material.

The Department therefore suggests:

- (a) That the Daily Summary not contain any matters of policy; that the dissemination of information on policy to other agencies and, for that matter, to the President, is the responsibility of each Department and cannot be considered a suitable subject for centralized distribution or for an intelligence publication.
- (b) That the Daily Summary can serve no useful purpose for intelligence dissemination unless a comparable contribution is made by the other agencies which serve as a source of "national" intelligence.

For the Secretary of State:

Special Assistant for Research and Intel

Att: TAB A



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1602