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In reply refer to Initials
and No.

Op-32X

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

3 February 1947

MEMORANDUM for Op-32

Via:

Op-32B ✓

Op-32RI *gms*

Subject:

Proposed Enabling Legislation for the Establishment
of a Central Intelligence Agency.

1. The whole draft reflects carelessness in preparation and contains several contradictions and inconsistencies within itself.
2. It deviates from provisions of the Presidential directive in several significant points.
3. The drafted "Declaration of Policy" is inconsistent itself and in relation to the body of the Act. It reflects lack of clarity in thinking the problem through, particularly the relationships between existing agencies and the NIA/CIG. It is recommended that Annex "A" be substituted for Section 1 (a) of the draft. ✓
4. Sub-paragraph (4) of Section 1 (b) should be revised by substituting "effective and expeditious processing" for "evaluation, correlation and interpretation". ✓
5. Section 2 reflects a failure to evaluate sound principles of definition, confusion over inter-agency relations and lack of clarity in the recognition of the elements and factors involved in intelligence work. It is recommended that Annex "B" be substituted for Section 2 of the draft. ✓
6. Section 3 (a) (1) deviates materially from provisions of the Presidential directive pertaining to membership of the N.I.A. It is recommended that the draft be revised to achieve the following:
 - (a) N.I.A. membership to consist of four: Secretaries of State, War, Navy, and a fourth member appointed by the President. ✓

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(b) The Director of CIG shall sit with the membership but shall not have a vote.

(c) The Director of CIG, although appointed by the President, shall be responsible to the N.I.A.

7. Section 3 (a) (2), as written, fails to consider the Presidential personal representative.

8. Section 3 (a) (7) could be construed as authorizing the N.I.A. to abolish any intelligence agency of the Joint Chiefs of Staff. By its broadness this item could cause untold problem in stimulating evasive action by departments and agencies which would nullify the purpose and intent of the Act. It is a dangerous sleeper.

9. Section 3 (a) (8) is similar to the above but not as dangerous. It might be a source of trouble in time of emergency or war during which time naval/military considerations and responsibilities are paramount. As worded this section could be used to deprive naval/military agencies of authority commensurate with their responsibilities at a most critical time. It is recommended that it be amended by adding the following: "except for operational intelligence in time of emergency or war".

10. Section 3 (b) (1), line 1 - insert following "established" the following: "as an interdepartmental cooperative agency".

11. Sections 3 (b) (1) and (2) - It is recommended that these be amended to include the following proviso: "That in time of emergency or war at least one of these two posts be filled by a person from military life and that if both are so filled one shall be from the Army and one from the Navy or the Marine Corps."

12. Section 3 (b) (4) - This section as written merely authorizes Army and Navy personnel to be assigned to CIG. There is no specific requirement that they be so used. It is recommended that the first part of this paragraph be rewritten as follows: "Officers of the Departments of State or the Foreign Service of the United States and commissioned officers of the U.S. Army, the U.S. Navy, or the U.S. Army Air Force, in such numbers as may be determined and approved by the authority, shall be assigned -".

13. Section 3 (b) (4), line 16 - before "State Department" insert "pay of the".

14. Section 3 (c) (1) as worded would authorize the exclusion of CNI, G-2 or A-2 from the Advisory Board if N.I.A. decided for any reason it

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wanted them excluded. Fantastic, yes, but so was the Nazi invasion of Norway and the low countries through use of Quislings. It is recommended that this be reworded as "consisting of the heads (or their representatives) of the intelligence agencies of the State, War, Navy and Air Departments as permanent members and of such other intelligence agencies of the government having functions related to the national defense and security, as determined from time to time by the authority."

15. Section 4 (a) (3) - It is recommended that the section be revised by inserting at the end the following: "and necessary as determined and authorized by the authority". *By all means "as determined"*

16. Section 4 (a) (4) - It is recommended that this section be rewritten as follows: "Conduct timely processing of foreign intelligence information."

17. Section 4 (a) (7) - As written this would authorize CIG to set up separate training schools. This may be needed for agents but otherwise it would appear that the training facilities of the Navy and War Departments should be used. Possibly the N.I.A. would be a sufficient check on such activities.

18. Section 4 (a) (10) - This would cause trouble because of the necessity for Army and Navy to control security of classified naval/military information. It involves the responsibility of CNO (CNI) pertaining to the security of classified naval information and to release of such information to foreign governments. It also impinges upon and could adversely affect the authority of the JSC and the SAB. It is believed that such security functions should remain with the War and Navy Departments, the JCS (JSC) and SWNGC (SAB).

19. Section 4 (b), line 2 - Substitute "process" for "evaluate, correlate, interpret".

20. Section 4 (e) - Delete "(10)" - shift "and" to between "(8)" and "(9)".

21. Section 6 (5) - This reads as though CIG intended to reimburse the War and Navy Departments for the pay of officers assigned to duty with the CIG. No advantage can be seen to such procedure. It has the disadvantage of needlessly using CIG funds since the pay of such officers would have already been appropriated and available to the War and Navy Departments.

22. Section 6 (9) - Investigations as authorized here might conflict with FBI. Investigations within the continental limits of the United States and its possessions were specifically exempted from the President's letter of 22 January 1946.

23. The sections of subject draft which were submitted by DCI for inclusion in the unification bill are substantially the same as subject draft. The major differences are as follows:

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- (a) No National Intelligence Authority is provided for.
- (b) The Central Intelligence Agency is not put under the Council of National Defense.
- (c) No Intelligence Advisory Board is provided for.

24. The Council of National Defense has the following membership: Secretary of State, Secretary of National Defense, Secretary of Army, Secretary of Navy, Secretary of Air Forces and Chairman of the National Security Resources Board. In our draft for the Navy's proposed unification bill we placed the Central Intelligence Agency under the Council of National Defense. In view of its size, the fact that the Chairman of the National Security Resources Board is also one of its members, and because it has no personal representative of the President, it is believed that consideration should be given to establishing a National Intelligence Authority therein, consisting of the Secretaries of State, Army, Navy, Air Forces, and a personal representative of the President. It is believed that such an organization would be more effective and would facilitate holding meetings for the consideration of problems presented by the CIA.

WJ
NSC
is OK

Respectfully,


R. K. Davis

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ANNEX "A"

1. In enacting this legislation it is the intent of Congress (a) to provide for and insure the effective execution of the foreign intelligence mission of the United States in order to enable the President of the United States, the Secretaries of State, War and Navy and other appropriate government officers and officials to formulate, promulgate and execute national policy and plans for the general welfare for the common defense and for the security of the United States and to avert future armed conflicts; (b) to achieve this purpose by (1) establishing the National Intelligence Authority and the Central Intelligence Agency as the agencies to coordinate foreign intelligence effort of all departments and offices of the Federal Government, to ~~conduct~~ ^{conduct} such ~~operational~~ ^{operational} intelligence activities as can be most effectively and economically or exclusively performed centrally, to utilize such departmental intelligence as may be necessary to provide the President of the United States with completely integrated foreign intelligence and to provide the appropriate federal departments and offices with such foreign intelligence service as is performed by the Central Intelligence Agency; and (2) supporting the specialized and technical foreign intelligence activities required by the State, War and Navy Departments and other federal agencies as are required for these agencies to adequately discharge their responsibilities in support of national policy, the general welfare, the common defense and security of the United States.

2. For the purposes of this Act and the administration thereof the foreign intelligence mission of the United States is the collection and processing of information and data about or concerning foreign governments, groups, activities or areas into intelligence revealing the meaning and significance in relation to the United States and the subsequent dissemination of that intelligence to the President of the United States, the Secretaries of State, War and Navy and to other appropriate government officers and officials for guidance in policy, planning and operation of their respective responsibilities.

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ANNEX "B"

DEFINITIONS

Sec. 2. As used in this Act:

(1) The term "foreign intelligence" shall be construed to mean that intelligence produced from information and data about foreign governments, groups, activities or areas which reveals the meaning and significance of the situation or trend as affecting the United States, and which is needed for formulation, promulgation and effective execution of national policy of the United States.

(2) The word "information" shall be construed as meaning the facts, reports or data received or obtained before being processed into intelligence.

(3) The word "process" shall be construed as meaning the application of factors of evaluation, correlation, analysis, research and synthesis to the information received or obtained to determine its meaning and significance.

*1 Better action
coordinate also*

(b)

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