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Mr. Keeney

COMMISSION ON ORGANIZATION
OF THE
EXECUTIVE BRANCH OF THE GOVERNMENT

COMMISSION REPORT
ON
INTELLIGENCE ACTIVITIES

Report 14.D
Unclassified Clark Committee
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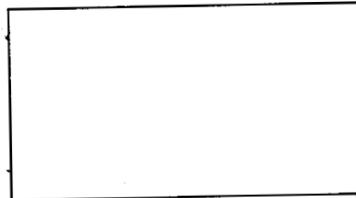
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LETTER OF TRANSMITTAL

June 29, 1955

Dear Sirs:

In accordance with Public Law 108, Eighty-third Congress, approved July 10, 1953, the Commission on Organization of the Executive Branch of the Government submits herewith its Report on Intelligence Activities.

The Commission has had the services of an able Task Force presided over by General Mark W. Clark, President, The Citadel.

Respectfully,

s/ Herbert Hoover

Chairman

The Honorable
The President of the Senate

The Honorable
The Speaker of the House of Representatives

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INTRODUCTION

The investigation into the Intelligence Activities of the Government was performed by a Task Force under the Chairmanship of General Mark W. Clark, President, The Citadel, and comprising the members listed below:

CHAIRMAN

CLARK, Mark Wayne. General, U. S. Army (retired). United States Military Academy. Now President, The Citadel, Charleston, South Carolina. In World War II commanded Allied ground forces in Italy and effected first large-scale surrender of a German field command in Europe. June 1945, Commander-in-Chief of U. S. Occupation Forces in Austria and U. S. High Commissioner for Austria. Deputy to U. S. Secretary of State in London and Moscow with Council of Foreign Ministers negotiating Austrian treaty. May 1952, Commander-in-Chief, Far East Command, serving simultaneously as Commander-in-Chief, United Nations Command, Commanding General, U. S. Army Forces, Far East, and Governor of Ryukyu Islands. July 1953, signed Korean armistice agreement for United Nations.

MEMBERS

CONOLLY, Richard Lansing. Admiral, U. S. Navy (retired). Brooklyn, New York. Served at sea throughout World War I and awarded Navy Cross. In World War II commanded Destroyer Division Six; served in Office of Chief of Naval Operations and on staff, Commander-in-Chief, U. S. Fleet. Postwar duties included Deputy Chief of Naval Operations, U. S. Naval Advisor to European Advisory Commission, President of Naval War College. Now President, Long Island University.

HOLLINGS, Ernest Frederick. Lawyer. Charleston, South Carolina. The Citadel and University of South Carolina. During World War II, served in African and European Theaters with U. S. Army. Former member South Carolina State Legislature. Now Lieutenant Governor, State of South Carolina.

KEARNS, Henry. Manufacturer, inventor and executive. Orange Oaks Ranch, La Verne, California. University of Utah. Past President, U. S. Junior Chamber of Commerce; Vice President, Chamber of Commerce of the United States; and Director, Tournament of Roses Association. Chosen as "California's Most Useful Citizen," 1944. Fellow, American Institute of Management.

RICKENBACKER, Edward Vernon. Aviator. New York, New York. International Correspondence School. In World War I commanded 94th Aero Pursuit Squadron, personally credited with 26 air victories. World War II activities included special missions for Secretary of War to nine foreign countries and areas. U. S. and foreign government awards include Congressional Medal of Honor. Formerly executive with American Airways, Aviation Corporation, and North American Aviation. Since 1933, with Eastern Air Lines, Inc. as general manager and president; now Chairman of the Board.

RUSSELL, Donald Stuart. Lawyer. Spartanburg, South Carolina. University of South Carolina and University of Michigan. Practiced law in Spartanburg. Formerly member Price Adjustment Board, War Department; Assistant to Director of Economic Stabilization; Assistant to Director of War Mobilization; Deputy Director, Office of War Mobilization Reconversion; Assistant Secretary of State. Now President, University of South Carolina.

STAFF DIRECTOR

CHRISTIANSEN, James George. Major General, U. S. Army (retired). University of California, United States Military Academy. Former Chief of Staff, Army Ground Forces; Commanding General, 2nd Armored Division, Ft. Hood, Texas; Commanding General, 6th Armored Division, Ft. Leonard Wood, Missouri; Chief Engineer, Far East Command; Chief of Military Assistance Advisory Group, Rome, Italy.

The Commission wishes to express its appreciation of the services and devotion of the members of the Task Force and to record its appreciation for the information and assistance provided by the officials of the various Federal agencies.

PREFACE

The Task Force on Intelligence Activities, under the Chairmanship of General Mark W. Clark, found it necessary for some of its members to visit foreign countries to study these activities abroad as well as at home.

Their investigations inevitably involved matters of extremely classified character to which they were given full access. The Task Force has, therefore, prepared two reports -- an unclassified one bearing on the administration and the coordination of the intelligence services of the Central Intelligence Agency and the services of the Army, Navy, Air Force, and State Department. The other report, bearing the highest security classification was substantially related to the national security. This report was sent directly to the President and was not considered by the Commission because of its extremely sensitive content.

Therefore this Report of the Commission deals only with the unclassified Task Force Report.

PART I

COMMISSION REPORT

The Task Force, in order to give assurance to the Nation that all segments of the Intelligence Activities are efficiently carried out and that the expenditures are properly administered, recommends that a permanent "Watch-Dog" Committee be created. They recommend that such a Committee be created from members of the Senate and House, together with eminent citizens serving part time as needed, to be appointed by the President.

The Commission believes, however, that while mixed Congressional and Citizens Committees for temporary service are useful and helpful to undertake specific problems and to investigate and make recommendations, such Committees, if permanent, present difficulties. We therefore make the following recommendation.

Recommendation

a. That the President appoint a committee of experienced private citizens, who shall have the responsibility to examine and report to him periodically on the work of Government foreign intelligence activities. This committee should also give such information to the public as the President may direct. The committee should function on a part time and per diem basis.

b. That the Congress consider creating a Joint Congressional Committee on Foreign Intelligence, similar to the Joint Committee on Atomic Energy. In such case, the two committees, one Presidential and the other Congressional, could collaborate on matters of special importance to the national security.

Other measures requiring legislation or of an administrative character are recommended by the Task Force and we suggest these for the consideration of the Congress and the Departments concerned.

The unclassified report of the Task Force requires no detailed review, and we therefore include it in full as Part II of this report.

PART II

Task Force Report on
INTELLIGENCE ACTIVITIES
in the
FEDERAL GOVERNMENT

Prepared for the
COMMISSION ON ORGANIZATION
OF THE
EXECUTIVE BRANCH OF THE GOVERNMENT

by the
TASK FORCE ON INTELLIGENCE ACTIVITIES

MAY 1955

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COMMISSION ON ORGANIZATION OF THE EXECUTIVE
BRANCH OF THE GOVERNMENT

TASK FORCE ON INTELLIGENCE ACTIVITIES

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ACKNOWLEDGMENTS

The Intelligence Task Force wishes to acknowledge the complete cooperation it received from all the officials and members of their staffs throughout the departments and agencies surveyed, and believes that it was accorded free access to the "raw" intelligence material necessary to carry out its investigative duties.

The enthusiasm and interest which the personnel engaged in intelligence activities displayed in their work was gratifying to the members of this task force and its staff. Their full cooperation enabled us to complete our assignments within the allotted time.

The chairman and the staff director are most appreciative of the support rendered by the executive staff of the President and other government officials who appeared and were interviewed and gave us their time and the benefit of their knowledge; and of the help of the executive staff of the Commission, particularly John B. Hollister, W. Hallam Tuck, Francis P. Brassor, and Clara Demuling. Without Miss Demuling's able assistance, the job of obtaining security clearances for the task force and staff would not have been accomplished in time to permit completion of our survey.

The chairman also is deeply obligated to and most appreciative of the valued support and contributions of his colleagues on the task force, the members of the staff, and the able consultants.

The task force further wishes to express its deep gratitude for the valuable aid of those public-spirited individuals who gave freely of their time, and who by their objective approach to the problem and their government experience materially enlightened our members. We are especially grateful for the advice and the benefit of the wide experience of Major General William J. Donovan, former Chief of the Office of Strategic Services; J. Edgar Hoover, Director of the Federal Bureau of Investigation; William H. Jackson, former Deputy Director

of the Central Intelligence Agency; General W. Bedell Smith, former
Director of the Central Intelligence Agency; Major General Charles A.
Willoughby, former Assistant Chief of Staff, G-2, Far East Command;
and others.

LETTER OF SUBMISSION

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF
THE GOVERNMENT

Washington, D. C.

May 1955

The Honorable Herbert Hoover
Chairman, Commission on Organization of the
Executive Branch of the Government,
Washington 25, D. C.

My dear Mr. Hoover:

We have the honor to present to you the reports of the Task Force on Intelligence Activities of our Government. In these reports, the task force analyzes the national intelligence effort and makes recommendations with a view to correcting the weaknesses, improving the quality, and increasing the efficiency of this vital operation.

The aggressiveness of the Soviet bloc, their methods of infiltration, subversive activities, and propaganda employed in the cold war now in progress, as well as the difficulty of penetration of their security barriers, point up the fact that our intelligence effort must be the best in our history. This, added to the advent of nuclear weapons, together with their advanced delivery systems, has made adequate and timely intelligence imperative to our national security. The task force is fully aware of the grave responsibility implicit in its assigned mission.

Security requirements have made it necessary that the task force depart in some degree from the form of the report prescribed by the Commission. Two reports are submitted: one, unclassified; the other, classified TOP SECRET, with certain separate appendices which require additional clearance.

In submitting these reports, we wish to express our personal appreciation for the wholehearted and enthusiastic cooperation given us by the departments and agencies surveyed.

Respectfully submitted,

Mark W. Clark, Chairman

Richard L. Conolly

Ernest F. Hollings

Henry Kearns

Edward V. Rickenbacker

Donald S. Russell

PREFACE

For self-preservation, the defenders of a free world need complete, prompt, and continuing information on the plans and potentialities of those who would enslave it. Nations and people who value liberty and a sovereign national existence in a free world now look to the United States for leadership and inspiration in their struggle to safeguard these inherent rights.

In the historic family of nations, this country ranks as a comparative newcomer. In the early days of the Republic -- not so long ago as the world measures time -- our people felt comfortably distant from the hotbeds of foreign intrigue and conflict.

Transportation and communication facilities in the days of clipper ships and the pony express were so limited and so slow that they fostered a serene assurance of isolation and geographical protection against possible aggressors.

Technological developments and political realignments in modern times inspire no such sentiment as that which once led a famous Denver editor to evaluate news on the premise that "a dogfight in Champa Street" was worth more space in his paper than war in some minor country abroad.

Our early philosophy of peace still prevails, but within our generation and for our own protection, organized intelligence has been forced upon us by the rapidly shrinking world of electronics, nuclear weapons and planes which travel at supersonic speed.

The United States emerged from World War II as the political leader in free-world affairs and the outstanding military power. The advent of atomic bombs, together with the development of advanced methods for their delivery, intensified the need for adequate and timely intelligence so that we might fulfill our responsibilities in international affairs and insure our own survival.

Effective intelligence has become increasingly necessary for our protection against the propaganda, infiltration, and aggressions of the Communist leaders.

By trial and error, study, and skill, we have made progress; but we must not labor under any complacent delusions. There is still much to be done by our intelligence community to bring its achievements up to an acceptable level.

The task force is cognizant of the grave responsibility assigned to it. It recognizes the fact that it would be false economy to stint on some phase of the intelligence operation and thereby run the risk of another costly and tragic surprise like Pearl Harbor. On the other hand, it is desirable and proper for us to insist that the substantial expenditures our country makes in this field are worth while and that the whole intelligence output is efficiently handled and gets adequate results.

The recommendations of the task force are presented from the viewpoint that in time of peace we must not only be prepared for war, but also must do our utmost to prevent war. Adequate and timely intelligence is the most effective and economical means of attaining these objectives.

INTRODUCTION

The machinery for accomplishing our intelligence objectives, hereafter called the intelligence community when referred to as a whole, includes the Central Intelligence Agency, the National Security Council, the National Security Agency, the Federal Bureau of Investigation, and the intelligence sections of the Department of State, of the Army, the Navy, and the Air Force, and of the Atomic Energy Commission. Some of these agencies approach or exceed the operations of the CIA in functions and in expenditures. However, since CIA is charged with the overall responsibility for coordinating the output of all intelligence forces, the task force gave special attention to the work of that agency.

Our investigations showed that the sensitive and vital work of the intelligence community is being led by a group which is sincere and dedicated to the service of the nation. We discovered no valid ground for the suspicion that the CIA or any other element of the intelligence family was being effectively contaminated by any organized subversive or Communistic clique. Charges were made by some individuals alleging a few members of the intelligence community were poor security risks. All such cases, except those obviously without merit, were investigated by proper authority, or investigations are in the process of being made.

On the basis of its comprehensive studies, the task force feels that the American people can and should give their full confidence and support to the intelligence program, and contribute in every

possible way to the vital work in which these agencies are engaged. We found the Director of Central Intelligence to be industrious, objective, selfless, enthusiastic, and imaginative. We are convinced, however, that in his enthusiasm he has taken upon himself too many burdensome duties and responsibilities on the operational side of CIA's activities. The task force feels that certain administrative flaws have developed in the CIA, which must be corrected to give proper emphasis and direction to its basic responsibilities.

The major aim would be greater concentration on the collection of intelligence information from our primary target - Russia and her satellites, and Communist China.

The task force is deeply concerned over the lack of adequate intelligence data from behind the Iron Curtain. Proper directional emphasis, aggressive leadership, boldness, and persistence are essential to achieve the desired results.

The glamor and excitement of some angles of our intelligence effort must not be permitted to overshadow other vital phases of the work or to cause neglect of primary functions. A majority of the task force is convinced that an internal reorganization of the CIA is necessary to give assurance that each of these functions gets adequate attention without diversionary interest.

The task force further is concerned over the absence of satisfactory machinery for surveillance of the stewardship of the Central Intelligence Agency. It is making recommendations which it believes will provide the proper type of "watch-dog" commission as a means of

reestablishing that relationship between the CIA and the Congress so essential to and characteristic of our democratic form of government, but which was abrogated by the enactment of Public Law 110 and other statutes relating to the Agency. It would include representatives of both Houses of Congress and of the Chief Executive. Its duties would embrace a review of the operations and effectiveness not only of the CIA, but also of all other intelligence agencies.

One of the aims in the creation of a compact commission of this type would be to keep the public assured of the essential and trustworthy accomplishments of our intelligence forces, and to enlist public support and participation in the intelligence effort.

Action of this sort is needed to promote a general awareness and appreciation among the people of the significance and objectives of the intelligence program. There is a corollary demand for clarification of misunderstandings which have arisen in the public mind, largely as a result of the misapplication of secrecy. However, it must be recognized that intelligence operations require a large element of secrecy as an essential to success.

The intelligence community should draw more widely on the available pool of retired citizens with wide previous business experience in the foreign field, and among retired military personnel who have specialized over a long period in the intelligence field. It should develop a more attractive program of career incentives for its officials, and of benefits for its overseas employees.

Recommendations to achieve these desirable results are being offered by the task force.

SCOPE OF THE STUDIES

Early Instructions

Initially, this task force was instructed by the Commission on Organization of the Executive Branch of the Government (hereafter referred to as the Hoover Commission or the Commission) to study and make recommendations as to the structure and administration of the Central Intelligence Agency.

Later, those instructions were changed by the Commission to embrace studies of all intelligence operations of the Federal Government and recommendations for changes necessary to promote economy, efficiency, and improved service in this field.

The task force gave thorough consideration to the decision of the Commission to broaden the scope of the studies. It found at least twelve major departments and agencies engaged in intelligence in one form or another. In addition, ten or more minor agencies or activities expend public funds directly or indirectly in behalf of the intelligence effort of the Government.

Thus, under the broad definition of its terms of reference, the task force was confronted with the Herculean job of studying and reporting on more than a score of major and minor departments and agencies. It quickly became evident that any attempt to spread its investigations over such a large area would mean that only sketchy results could be achieved within the allotted time.

Task Force Procedure Revised

The most pressing need under present conditions is for officials in important positions in Government, particularly those responsible for foreign policy, to have readily available full and factual foreign intelligence. (The word "foreign" as used here denotes the target of information as distinct from the geographical source).

Accordingly, the task force suggested to the Commission that the best results could be obtained if the dimensions of the inquiry were limited to certain key departments and agencies.

This proposal was approved by the Commission with the understanding that the task force would determine which of the intelligence services, activities, and functions of the agencies surveyed it considered essential; those not necessary, or of similar nature and requiring consolidation in the public interest; those non-essential and competitive with private enterprise; and those representing duplication or overlapping of work between agencies. Under this revised program, the task force would cover, among other matters:

1. The intelligence functions of the National Security Council.
2. The value and effectiveness of the information supplied by the operating agencies.
3. The effectiveness of the coordination of intelligence activities.
4. The organization, procedures, methods, and performance of the Government agencies in the field of intelligence.
5. An examination of the operation and physical plant of the agencies as to economy, adequacy, effect on efficiency, and utilization.

6. The various programs of the agencies in such fields as training, research and development, stockpiling, reference material, and security.

7. Personnel policies and manpower utilization.

8. All programs and procedures for the collection, development, and dissemination of intelligence information within the Government, including collection apparatus and dissemination media.

9. Effectiveness of the coverage by the various agencies of their specific areas of assignment, and extent of teamwork between these agencies.

Two Reports Prepared

In the preparation of this report, the task force was motivated by a sincere desire to present as complete an account of its findings as considered judgment indicated would best serve the public interest. Certain other facts and recommendations prepared by the task force have been omitted from this report on the ground that their disclosure publicly might give aid and comfort to our potential enemies or might jeopardize our national defense and security. These findings have been incorporated in a separate, highly-classified, comprehensive report which has been placed in the hands of the Chairman of the Commission.

Teams Make Firsthand Studies Abroad

In order to obtain a clearer picture of intelligence operations, two teams were sent abroad for on-the-spot investigations. Each team was composed of a member or members of the task force and members of

the staff. One group visited the European sector and the other went to the Far East.

These staff groups held conferences with the senior United States representatives and senior military commanders in the countries visited. The visits and discussions provided the task force with firsthand information which could have been obtained in no other fashion.

The conclusions reached and the recommendations contained in this report, and in the more comprehensive report to the Chairman of the Commission, reflect the benefit of those personal tours of inspection.

ORGANIZATION OF THE TASK FORCE

Security Impact on the Selection of Personnel

The Task Force on Intelligence Activities was the last investigative group authorized by the Hoover Commission. The director and deputy of the staff assumed their duties on October 1, 1954. The limited pool of available personnel in this country with prior experience in the intelligence field influenced to some extent the structure of the staff and its methods of operation.

The task force personnel and staff had to be screened carefully for background security and possible prejudicial interest arising from prior association with departments and agencies embraced in the survey.

Before a member of the task force or staff could have access to any material, a security background investigation was conducted and the individual declared by proper authority to be eligible for access to "Top Secret" information. In each case where the inquiry involved access to atomic energy data, a time-consuming special clearance was obtained.

It was found that each department and agency had developed its own criteria, practices, and standards for clearance. The task force adopted a policy in conformity with the policies and requirements of the department or agency involved in each specific inquiry.

In the interest of security and economy, the task force also decided to keep its staff as compact as possible. Sensitive material generally was studied on the premises of the agencies.

Staff Organization

After careful consideration by the task force of various possible methods of organizing the staff and its work, it was decided that the most practical course would be to assign teams composed of one or two staff members to study specific agencies, and to delegate to other teams specific across-the-board survey functions. Individual task force members were assigned across-the-board responsibilities paralleling the work of designated staff teams.

Thus, all task force members were in a position to interject their influence and guidance in the staff activities and at the same time obtain valuable firsthand knowledge of the overall problem.

Procedures for Gathering Data

The task force and staff had the benefit of detailed briefings by top officials and employees of each agency studied. These briefings were characterized by informality. Oral questions and answers usually were employed. In some instances, however, copies of prepared briefings were furnished to the staff for ready reference.

Discussions were had with many echelons of personnel in each department and agency, from the clerks up to and including the heads of the executive departments.

In the execution of its extensive undertaking, the task force in certain areas found it necessary to employ the "sampling" method, particularly in the case of the study of activities overseas.



The task force also received expert advice from many individuals no longer in Government employ, but who previously occupied positions of prime responsibility in the development of our present intelligence operations and organization. Some of these witnesses appeared before the task force at no expense to the Government and at considerable personal sacrifice. Their help and suggestions were of inestimable value.

"INTELLIGENCE" - A DEFINITION

The fate of the nation well may rest on accurate and complete intelligence data which may serve as a trustworthy guide for top-level governmental decisions on policy and action in a troubled world, where so many forces and ideologies work at cross purposes.

The Congress had clearly recognized the importance of the role of intelligence in our national security. It has authorized expenditures by appropriate departments and agencies to carry on this work comprehensively.

Immediately after World War II, at the suggestion of the Chief Executive of our Government, the Congress approved the creation of the Central Intelligence Agency to coordinate the intelligence activities of the various government departments and agencies in this field, in the interest of national security.

In order to evaluate the extent and effectiveness of intelligence as carried out under present conditions and under the present organization, the Task Force on Intelligence Activities found itself confronted at the outset with the problem of arriving at a common understanding and agreement on the meaning of the word "intelligence," as applied to its own areas of work and investigation.

In the search for an acceptable definition as applied to our special field of study, it was found that each department or agency surveyed had its own "pet" definition. Many of these definitions were lengthy and involved use of words requiring additional interpretation or delimitations to get at their precise application.

The task force sought a definition as simple and clear as possible and arrived at the following:

"Intelligence deals with all the things which should be known in advance of initiating a course of action."

Useful for our purpose also, as a supplemental and extended definition, is that given in the Dictionary of United States Military Terms for Joint Usage:

"INTELLIGENCE - The product resulting from the collection, evaluation, analysis, integration and interpretation of all available information which concerns one or more aspects of foreign nations or of areas of operations, and which is immediately or potentially significant to planning."

I THE INTELLIGENCE COMMUNITY -- NATIONAL LEVEL

THE NATIONAL SECURITY COUNCIL

The function of the National Security Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving national security.

The Council is composed of the President, the Vice President, the Secretaries of State and Defense, the Director of the Foreign Operations Administration, the Director of the Office of Defense Mobilization, the secretaries and under secretaries of other executive departments and military departments when appointed by the President, to serve at his pleasure.

The Council, in addition to performing such other functions as the President may direct, for the purpose of coordinating more effectively the policies and functions of the departments and agencies of the Government relating to national security, subject to the direction of the President, shall:

1. Assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President to meet these problems.

2. Consider policies on matters of common interest to the departments and agencies of the Government concerned with the national

security, and make recommendations to the President on these matters.

In order to accomplish its mission, the National Security Council has at its disposal several groups which function in varying degrees within the field of national intelligence.

Duties of Special Assistant to the President

The Council is linked closely to the President, not only because the Chief Executive is chairman and a member of it, but also because of the designation by him of a Special Assistant to the President for National Security Affairs who, as a member of the White House Staff, has constant and direct access to the President and enjoys his complete confidence.

This Special Assistant to the President is, in fact if not in name, the Executive Officer of the NSC and is chairman of the highly important Planning Board of the NSC.

He personally briefs the President on national security affairs, and with the President's approval prepares the agenda for the NSC meetings. This Special Assistant to the President does not preside at any NSC meeting, but sits (just beneath the Council itself) at the apex of the NSC administrative machinery.

Progress in National Intelligence Policies

The National Security Council has issued several intelligence directives. They express the policy by which the intelligence effort is guided and coordinated; establish, within the intelligence community, committees for the fulfillment of specific intelligence functions; and pinpoint the responsibility for specific duties in designated fields of intelligence.

The national intelligence policy, as expressed in these directives, calls for integration of all departmental intelligence relating to national security through a process of coordination of effort by the Director of Central Intelligence and correlation of intelligence by the Central Intelligence Agency.

Other groups have been established as appendages to the Council, through some of which intelligence, advice, and recommendations have been received by the Council for its use in advising and making recommendations to the President.

THE CENTRAL INTELLIGENCE AGENCY

The Central Intelligence Agency, created by the National Security Act of 1947, is charged with the responsibility of coordinating, evaluating, and distributing intelligence data affecting the national security. The Director of Central Intelligence gives advice and recommendations to the National Security Council on such matters.

The CIA well may attribute its existence to the surprise attack on Pearl Harbor and to the post-war investigation into the part intelligence or lack of intelligence played in the failure of our military forces to receive adequate and prompt warning of the impending Japanese attack.

That investigation of events leading up to the "day of infamy" impressed upon Congress the fact that information necessary to anticipate the attack actually was available to the Government; but that there was no system in existence to assure that the information, properly evaluated, would be brought to the attention of the President and his chief advisers so that appropriate decisions could be made and timely instructions transmitted to the interested military commanders.

It also demonstrated that in the pre-war Government organization no single official was responsible for whatever failure of intelligence was involved; and the blame for the military surprise fell, justly or unjustly, on the military commanders present and immediately involved in the debacle.

Therefore, in 1947, when legislation for a national intelligence organization was being considered, there was a widespread feeling among members of the Congress that responsibility for the coordination of the production of national intelligence, as distinguished from departmental intelligence, and for its dissemination, must be centered at one point.

Creation of the Central Intelligence Agency, with its director charged with the coordination of the intelligence effort, was authorized to fill this need. The Director of Central Intelligence, in the performance of this responsibility, receives pertinent information from all branches of the Government engaging in collection of intelligence, including the Atomic Energy Commission.

The Central Intelligence Agency Act of 1949 provides for the administration of the Agency and grants the Director wide autonomous authority.

II THE INTELLIGENCE COMMUNITY -- DEPARTMENTAL LEVEL

DEPARTMENT OF DEFENSE

Office of Special Operations (OSO)

Authority, Responsibility, and Functions

The responsibility of the Secretary of Defense for intelligence activities in the military services is not specifically defined in legislation or executive order, but is implicit in the following provision of the National Security Act of 1947:

"The Secretary of Defense shall be the principal assistant to the President in all matters relating to the Department of Defense. Under direction of the President, and subject to the provisions of this Act, he shall have direction, authority, and control over the Department of Defense."

The Assistant to the Secretary of Defense (Special Operations) was designated to fulfill a requirement for staff participation and representation in matters affecting defense and national intelligence efforts. His authority and responsibilities are set forth in various directives and memoranda of the Secretary of Defense.

The organization is small and is neither intended nor prepared to exercise administrative control over day-to-day intelligence activities of the armed services.

Joint Chiefs of Staff

Joint Intelligence Unit

As an adjunct of the Joint Chiefs of Staff, there is a Joint Intelligence Committee composed of the intelligence chiefs of the

members of the Joint Chiefs of Staff. The committee members are: the Deputy Director for Intelligence of the Joint Staff, who acts as committee chairman; the G-2 of the Army; the Director of Naval Intelligence; and the Director of Intelligence, Air Force.

The Deputy Director for Intelligence of the Joint Staff heads the Joint Intelligence Group, performing the intelligence functions and duties assigned to him by the Joint Chiefs of Staff through the Director of the Joint Staff.

Inasmuch as the Joint Chiefs of Staff and the Joint Staff are within the Department of Defense, the Joint Intelligence Group supports the Secretary of Defense in intelligence matters.

Department of the Army

Responsibilities of the Assistant Chief of Staff, G-2, Intelligence (AC/S, G-2)

The AC/S, G-2, under supervision of the Deputy Chiefs of Staff - and of the Comptroller of the Army, within his scope of responsibility - plans, coordinates and supervises the collection, evaluation and dissemination of intelligence information pertaining to the war potential, topography, military forces and military activities of foreign nations, and the strategic vulnerability of the United States and its possessions.

The AC/S, G-2, also gives staff guidance and coordination to the Counter-Intelligence Corps (CIC) and to the Army Intelligence Center (AIC).

Attache System

Army efforts in the intelligence collection field are carried out largely through its Attache System which maintains stations in many foreign countries.

Officers are assigned in the Attache System on a highly selective basis in conformity with rigid requirements and standards established for candidates for this type of duty.

After selection, officers are assigned to language and intelligence schools to prepare them for their assignments.

G-2 Training Interest

G-2's training interest lies principally in the areas of policy guidance and planning. The training division establishes the policies under which intelligence and language schools operate, and monitors their program.

Elements of the division also monitor training programs in the intelligence field, which are conducted by the various field commands and agencies, to insure conformance with G-2's guidance.

Counter-Intelligence Corps

This Corps operates under the command of a major general, who is also, in effect, a deputy of AC/S, G-2, for CIC matters. However, while the Corps commander is responsible for certain administrative and security functions, he does not exercise a true command control over the personnel of the Corps. Based on the principle that security is a function of command, elements of the Corps generally are assigned to field units and operate directly under command of the unit to which they are assigned.

The mission of the CIC is to ferret out any treason, sedition, subversive activity or disaffection, and to detect and prevent enemy espionage or sabotage within the Army Establishment and its area of jurisdiction.

In the pursuit of their primary functions, members of the Army's Counter-Intelligence Corps acquire some intelligence data, and these are fed into the intelligence system.

Relationship to Other Agencies

G-2 operates generally in a healthy atmosphere of cooperation and understanding in its relationship with other segments of the intelligence community. Committee, subcommittee, and working groups provide for ready interchange of material, practices, methods, and other pertinent intelligence information.

Much of the effectiveness of this system is achieved through personal contacts. Material of an urgent nature can be disseminated throughout the intelligence community through these contacts without being delayed to await scheduled committee meetings. There is positive evidence of an aggressive willingness and desire among those engaged at the working level to promote the overall intelligence effort.

Language Training Program

Language training for the Attache System and for the Foreign Area Specialist Training (FAST) is conducted at the Army Language School in Monterey, California. Use also is made of the Naval Language School in Washington, D. C., and civilian colleges. The Army conducts language courses for CIC personnel at Fort Holabird, Maryland.

Department of the Navy

Office of Naval Intelligence (ONI)

The Office of Naval Intelligence is part of the organization of the Office of the Chief of Naval Operations. The Director of Naval Intelligence is designated as an Assistant Chief of Naval Operations, and reports directly to the Vice Chief of Naval Operations. He also has a direct responsibility to the Secretary of the Navy.

Under the authority and direction of the Chief of Naval Operations, the Director of Naval Intelligence is required to administer, operate, and maintain an intelligence service fulfilling the intelligence and counter-intelligence requirements of the Department of the Navy for the purpose of:

1. Informing the Naval Establishment of the war-making capabilities and intentions of foreign nations.
2. Providing the Naval Establishment with the intelligence needed for plans and operations.
3. Warning Naval authority of threats to security of the Naval Establishment.
4. Providing the Naval contributions to joint, national, and international intelligence.
5. Promoting the maximum intelligence readiness of the operating forces and other components of the Naval Establishment.
6. Coordinating the intelligence effort of the Naval Establishment.

7. Developing and promulgating, subject to approval of the Secretary of the Navy, policies for the protection of classified matter, including such policies applicable to industrial security.

8. Advising the Chief of Naval Operations concerning all matters relating to Naval intelligence and security policies for the protection of classified matter.

Organization in the Field

In the field, three organizations assist in carrying out the intelligence mission of the Navy:

1. Naval District Intelligence Officers, who are under ONI's management control and operate in the continental United States and in certain outlying areas.

2. Intelligence organizations within the forces afloat, which, although directly under their respective commanders, are still under ONI's technical supervision.

3. The Naval Attache System, which also is under jurisdiction of the ONI.

The primary functions of the District Intelligence Officers are the conduct of counterintelligence and the implementation of security policies. The District Intelligence Officer serves on the staff of his Naval District Commandant, and in certain designated districts has additional duty on the staff of the commander of the sea frontier in which his district is located. The Naval District Intelligence Offices are the major source of domestic counterintelligence of special concern to the Navy.

In the forces afloat, each area, fleet, type, and task force commander, and all flag officers exercising command have a staff intelligence

section. This is headed by an intelligence officer who is responsible for the collection, processing, and dissemination of intelligence for the command. ONI supports their intelligence requirements and assigns them collection missions within their capabilities to execute.

Naval Attache System

Naval attaches and their staffs are officially a part of ONI, but they also have a responsibility to the ambassador or minister who is the chief of the diplomatic mission to which they are assigned. Normally, attaches are stationed only in those countries which are of primary Naval interest to ONI.

Each of the ambassadors to countries having ports of call for our Naval elements would like to have a naval attache to take care of many problems arising from these visits and the attendant shore leaves.

Administration

Administrative work in the Office of Naval Intelligence is handled by the Assistant Director of Naval Intelligence, Administration. Manpower and management surveys are conducted continuously by this division to maintain efficiency and economy throughout ONI.

"Special Duty Only"

Most of the military personnel assigned to intelligence duties are line officers, not specialists. The Military Personnel Act of 1947 made provision for intelligence specialists in the Regular Navy. However, since by law none of these "Special Duty Only" officers may succeed to command, and since command is the usual stepping stone to flag rank, the "Special Duty Only" class of service is unpopular among line officers.

Department of the Air Force

Organization for Intelligence Work

The civilian staff of the Secretary of the Air Force includes a Special Assistant for Intelligence who is responsible for review and evaluation of all matters pertaining to plans, policies, and programs relative to the Air Force intelligence program. He is also charged with supervision and ultimate review of the personnel security program, both military and civilian.

The Deputy Chief of Staff, Operations, is responsible for the Air Force intelligence activities, communications activities, and atomic energy matters.

The Department's Inspector General is responsible to the Chief of Staff, USAF. Among his other duties, he conducts investigations of matters involving major crimes, violations of public trust, subversive activities, sabotage and espionage; and performs related counter-intelligence functions for the Department.

The Director of Intelligence, Headquarters, USAF, is directly responsible to the Deputy Chief of Staff, Operations. This organizational relationship places him in a position subordinate to a Deputy Chief of Staff. The interposing of an echelon between the major intelligence element of the Air Force and the Department's Chief of Staff and certain other functional Deputy Chiefs of Staff, such as the Comptroller, affects adversely the efficiency of staff operation. Elevation of the Director of Intelligence to the level of Deputy Chief of Staff would greatly enhance the prestige of intelligence in the Air Force.

This is a desirable and appropriate step in view of the tremendous importance of intelligence in the overall mission of the Air Force.

Air Force Intelligence Training

Recognizing the need for continuing intelligence training, the Air Force has established such a program for officers and airmen, embracing courses ranging from those of an introductory nature to those appropriate for staff officers in higher headquarters.

In addition to the service schools, college facilities are used for language training and special studies. Training courses also are available for Air Force reserve personnel.

The Air Force training program generally is adequate for current requirements, even in technical areas where the personnel turnover is heavy. Periodic studies should be made, however, to assure the adequacy of training facilities in relation to worldwide staff requirements. The staffing of foreign posts with inadequately trained personnel may be not only uneconomical, but might result also in the loss of opportunities to collect intelligence.

DEPARTMENT OF STATE

Responsibility for Foreign Policy

A primary function of the Secretary of State is to act as principal adviser to the President in the determination of American foreign policy and to implement and supervise its execution by diplomatic means. By virtue of the authority the Secretary exercises over all the activities of the Department and the Foreign Service, he derives principal support for the accomplishment of this task from the

Under Secretaries, the Administrator of the Bureau of Security and Consular Affairs, the Special Assistant-Intelligence, and the Director of the Policy Planning Staff.

The Special Assistant-Intelligence, with rank equivalent to that of an Assistant Secretary, develops and implements a coordinated program for foreign intelligence for the Department and for producing reports essential to determination and execution of foreign policy.

Effect of Diplomacy on the Overall Collection of Intelligence

The task force has recognized the incompatibility in method between the practice of diplomacy and the more direct and active operations incident to the collection of intelligence and the conduct of cold war.

While all contribute to the end in view, conflicts between them must be resolved, usually on a high level, and always in the national interest. It must be realized that diplomacy is not an end in itself; that, while political ends must be served and unjustifiable risks avoided, the collection of intelligence is a vital element in the fight to preserve our national welfare and existence. Instances have come to the attention of the task force where too conservative an attitude has prevailed, often to the detriment of vigorous and timely action in the field.

Creation of the Intelligence Area

Prior to World War II, intelligence for the support of American foreign policy was produced by the inadequate research staffs of departmental policy offices which had many other duties to perform.

Creation of the Intelligence Area of that Department, by Executive Order 9621 of September 20, 1945, recognized the need for improving the quality of intelligence demanded by the tense international situation.

The Secretary of State is a member of the National Security Council. The Intelligence Area provides staff assistance to the Secretary and senior policy officers of the Department of State, and maintains liaison with the other members of the intelligence community in the discharge of the Department's responsibility in the total intelligence program of the Government.

Better Quarters Needed

The Intelligence Area maintains its offices and records in a converted apartment building, which does not constitute satisfactory quarters for this special type of work. The cost of adequate security measures consequently is high.

Existing plans for an addition to the New State Building, if approved under the provisions of Public Law 519, would improve working conditions and efficiency, produce savings through the vacating of leased spaces, and reduce costs of security, maintenance, and miscellaneous services for this branch of the intelligence effort.

FEDERAL BUREAU OF INVESTIGATION (FBI)

A Bureau of Investigation was created, under jurisdiction of the Attorney General of the United States, by Executive Order of July 26, 1908. The policies now followed in the administration of the Federal Bureau of Investigation were established in 1924, and in July 1935, this agency became known as the Federal Bureau of Investigation.

In view of the limited activities of the FBI in the positive and foreign intelligence fields, a detailed study of this agency was not made. However, its functions in the counterintelligence effort were studied with deep interest by the task force, in order to fill out the intelligence picture.

We found the Director of the FBI, through his forcefulness, initiative, and managerial ability, to have developed his agency into a model organization of its kind. We are confident that in the FBI we have a most effective counterintelligence service.

FBI Responsibilities in Counterintelligence

Among other assigned responsibilities, the FBI has jurisdiction over investigations relating to espionage, sabotage, treason, and other matters pertaining to the internal security of the United States. This jurisdiction places the FBI directly in the field of counterintelligence.

Executive Order 10450 (May 27, 1953), which established the security procedure covering "all persons seeking the privilege of employment or privileged to be employed in the departments and agencies of the Government," provides that: "All investigations conducted by any other agencies, which develop adverse information involving loyalty or information showing coercion of an employee to act contrary to the interests of the national security, shall be referred promptly to the Federal Bureau of Investigation for a full field investigation."

[REDACTED]

Relationship to Other Departments and Agencies

The Director of the FBI - along with the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence, Department of the Navy; and the Director of Special Investigations, the Inspector General, Headquarters, U. S. Air Force - is a member of the Interdepartmental Intelligence Conference (IIC) which is responsible for the coordination of the investigation of all domestic espionage, counterespionage, sabotage, subversion, and other related intelligence matters affecting internal security.

The IIC Charter does not disturb the responsibilities of the member agencies, but makes mandatory such action by those agencies as is necessary to insure complete investigative coverage of this field without duplication of effort, through appropriate exchange and coordination of information and action among the various pertinent agencies and departments of the Government.

III FOREIGN INTELLIGENCE

Evolution of Our Plans

Traditionally, Americans are a peace-loving people. But, a philosophy of peace is no guarantee of peace. In a tortured world where greed, intrigue, and lust for power exist, protection of liberty and assurance of survival lie in alertness and strength. Alertness involves adequate intelligence data on which to base adequate preparedness.

From the beginning, the United States has tried consistently to maintain relationships with other countries openly and to refrain from participation in secret treaties. This principle likewise established the early pattern for the conduct of our intelligence activities. The collection of information concerning political and military policies and plans of foreign governments was accomplished openly and with the full knowledge of the foreign powers. The work was performed through the offices of our diplomatic representatives abroad and accredited military attaches.

A substantial volume of material was collected, but there was no machinery at home to pull this information together into a cohesive mass and to draw from it logical conclusions upon which to base national policy and future plans.

On July 11, 1941, the Chief Executive, in his capacity as Commander-in-Chief of the Armed Forces, established an Office of the Coordinator of Information to "collect and analyze information data, military or otherwise, which may bear upon national defense strategy; to interpret and correlate such strategic information; to make it available to the President and such other officials as the President may determine, and to carry out, when requested by the President, such supplementary

activities as may facilitate the securing of strategic information not available to the Government." This office came into being only five months before Pearl Harbor.

Through a process of evolution, there finally emerged the Office of Strategic Services as an operating agency of the Joint Chiefs of Staff. This organization remained intact until the end of World War II.

Post-War Organization

In the fall of 1944, the Chief Executive wrote to the Director of Strategic Services requesting recommendations as to the organization of a post-war intelligence organization. The director submitted a plan for the creation of a central intelligence service. The plan placed the proposed central intelligence service in the Executive Office of the President and called for the appointment by the President of a Director of Intelligence who would discharge and perform his functions and duties under the direction and supervision of the President.

It also provided for the establishment of an Intelligence Advisory Board consisting of the Secretaries of State, War, and Navy, and such others as the President deemed necessary. The duties of the board would be to advise and assist the Director of Intelligence.

The plan placed in the hands of the Director the work of coordinating, collecting, evaluating, and disseminating intelligence for national purposes. It also recognized that various departments of the Government should have their own intelligence bureaus for the collection and processing of such information and material as might be needed in the performance of their daily functions and duties. Each of these bureaus would be under the sole control of its department head and would not be encroached upon or impaired by the functions granted to any other governmental intelligence agency.

The plan further contemplated that in time of war or unlimited emergency, all programs of such an agency in areas of actual or projected military operations would be coordinated with military plans and be subject to the approval of the Joint Chiefs of Staff; or in case of the consolidation of the armed services, under the supreme commander.

Functions Divided

Under the pressure of prompt dissolution of wartime agencies, the Chief Executive, on September 20, 1945, divided the functions, personnel, and physical resources of the Office of Strategic Services between the State Department and the War Department. The research and presentation element was transferred to the State Department, to be absorbed or liquidated so that the element would cease to exist on December 31, 1945.

On January 22, 1946, the Chief Executive created the National Intelligence Authority consisting of the Secretaries of State, War, and Navy, and the President's personal representative, to plan, develop, and coordinate Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission for national security. This Presidential directive also created a Central Intelligence Group (CIG) under the direction of a Director of Central Intelligence (DCI), designated by the President to assist the National Intelligence Authority (NIA) and to be responsible to it. The directive specified that the head of CIG would sit as a member of the NIA.

It charged the Central Intelligence Group with the task of correlating, evaluating, and disseminating intelligence relating to the national security; with coordinating such activities of the intelligence agencies of the State, War, and Navy Departments as related to the national security; and with performing other services of common concern.



By the National Security Act of 1947, as amended (Public Law 253, 80th Cong., July 26, 1947), the Congress established a National Security Council (NSC) which took the place of the old National Intelligence Authority; and created under the National Security Council a Central Intelligence Agency (CIA) with a Director of Central Intelligence (DCI) as its head. The National Intelligence Authority ceased to exist.

Under the provisions of this Act, the National Security Council established an Intelligence Advisory Committee (IAC) made up of the various intelligence chiefs, to advise the Director of Central Intelligence in his efforts to coordinate the intelligence activities of the nation.

IV INTELLIGENCE PERSONNEL AND SECURITY

Character of the Present Working Force

The methods used for selection of personnel were reassuring in the light of suspicions which have been voiced that subversive and communistic elements were readily infiltrating into these sensitive jobs. Our investigations indicated that the intelligence leadership in all branches is alert to its responsibility and is functioning under strict rules designed to prevent any such infiltration.

One flaw in the present system, however, seems to be the absence of a general plan for a periodic review of the security status of every person after employment in intelligence activities, to guard against the possibility that some employee who was completely dependable and honorable when starting work might have changed character, fallen from grace, or succumbed to alien blandishments or some personal weakness such as strong drink or sexual perversion. The task force makes recommendations to minimize this hazard.

The continuing need for skilled civilians in certain categories of intelligence work suggests further use of the appointment method under Schedule A of the Civil Service program by some intelligence units.

Policies and procedures to give assurance of security of personnel follow a standard pattern in all of the agencies concerned (FBI, ONI, G-2, AFOIN, CIA, and State) and are generally adequate. The major obstacle in this area is the load thrown upon investigative agencies in providing personnel clearances. Backlogs exist in all agencies, and the time required for complete clearance checks and full background investigation

runs as high as fifteen months. Such long delays hamper certain phases of the intelligence program to which these prospective employees are to be assigned, and some potential intelligence personnel are lost to the intelligence community. They grow tired and restive at the long wait and accept other offers of employment.

G-2 Personnel and Security

All military assignments to G-2 are made by The Adjutant General (TAG) in a manner similar to other assignments. Within G-2, however, there are certain key billets in which G-2 has a special interest. In such cases, selection of qualified personnel to meet specific requirements is made from nominations by TAG.

With only a few minor exceptions, the quality of personnel in G-2 was found to be of an exceptionally high order. Contact with officers in this field indicated that they were alert to their obligations and duties. Personnel records of those who may have had experience in intelligence are clearly marked so that such men are not lost to the system and may be made available readily for future assignments in this work. Most senior officers wish to retain attachment to their basic branches of service, but feel that an intelligence assignment is beneficial to their career.

Regulations and necessary implementing procedures for compliance with Executive Order No. 10501, titled "Safeguarding Official Information in the Interests of the Defense of the United States" are in effect and are well observed. Personnel attached to G-2 are security conscious to a high degree. Poster and lecture programs help to keep them continually alert and ever conscious of their responsibility.

ONI Personnel

Security policy in the Navy is vested in the Secretary of the Navy. Preparation of security policies has been delegated, through the Chief of Naval Operations, to the Director of Naval Intelligence. Administrative work in the Office of Naval Intelligence is in the hands of the Assistant Director of Naval Intelligence, Administration. Manpower and management surveys are continuously conducted by this division to maintain both efficiency and economy throughout ONI.

In addition to ONI, three other offices have responsibilities in certain phases of security. They are the Bureau of Personnel, in matters of military personnel security; the Office of Industrial Relations, in matters concerning security among civil service personnel within the Navy; and the Office of Naval Material, in matters of industrial security. Each was surveyed and appeared to be functioning adequately.

The major portion of military personnel assigned to intelligence duties are not specialists; they are line officers. Provision was made in the Military Personnel Act of 1947 to include intelligence specialists in the Regular Navy. However, since by law none of these "Special Duty Only" officers may succeed to command, and since command is the usual stepping stone to flag rank, the "Special Duty Only" class of service is unpopular.

The present tour of the Naval attache is two years. Because of personnel limitations, it has not been possible to send all Naval attaches to language schools. Many attaches are just getting proficient in the language of the area to which they have been assigned at the end of the tour.

The other two services use the three-year tour, and so does the ONI. It would seem logical to bring the Naval attache's tour in line by making it three years also.

Air Force Intelligence Personnel

Air Force security operations are centered in the Office of the Deputy Inspector General for Security. The Deputy Inspector General has two directorates; that of the Office of Special Investigations, and of the Air Provost Marshal, with the functions of security divided between these directorates.

The Office of Special Investigations is responsible for conducting all personnel background investigations within the jurisdiction of the Air Force and for forwarding final reports on completed investigations to interested commanders for appropriate action. Close liaison is maintained with the Federal Bureau of Investigation, Civil Service Commission, and other investigative and law-enforcement agencies. Regulations have been published for the purpose of establishing uniform policies and procedures for the personnel security investigation and clearance of Air Force military and civilian personnel requiring access to classified information.

There is some reluctance now on the part of career service personnel in the Air Force to take assignments or to specialize in intelligence work because of the limited opportunities to reach the grade of general officer

in this field. If the Director of Intelligence had greater latitude in the selection of personnel, an improvement in this general attitude might be achieved. The service would be more attractive if some of the highly trained officers he would select could anticipate eventual elevation to the grade of general officer.

Because of Civil Service restrictions, the Air Force also has experienced difficulty in obtaining civilian personnel suitable for special intelligence duties. Certain specialists, such as analysts, need great technical skill and long experience, are generally in short supply and reluctant to be placed under Civil Service. Civil Service exemptions for a limited number of such experts would help the Air Force to overcome this deficiency more readily.

Industrial Security

The intelligence units of the armed services realize fully that vital secrets placed in the hands of private industry must be amply protected without sacrificing efficiency or hampering production. "The Armed Forces Industrial Security Regulation" (AFISR), dated January 15, 1953, and issued by the Department of Defense, is the current directive governing security in this area. Instructions to contractors regarding the handling of classified material are set forth in a Department of Defense publication bearing the title "Industrial Security Manual for Safeguarding Classified Information" (ISMSCI).

AFISR effectively coordinates the industrial security activities of all military agencies engaged in procurement operations. Prior to its issuance, agencies operated individually under their own departmental directives and supervision. AFISR fixes responsibility for plant supervision, designates procedures for clearance of both facilities and individuals, and eliminates duplication of effort and uncertainty over

areas of security responsibility.

After a plant has received agency clearance, it is eligible to accept classified material from any agency. The agency which is having the work performed in that plant and which gave the clearance for that work, is responsible for the contractor's obedience to the security instructions. A serious weakness in the industrial personnel security program arises from the fact that an individual who has been declared to be a security risk, although removed from work of a classified nature, might still be retained in the same plant. Because he has daily personal contact with employees engaged in sensitive production and enjoys freedom of movement within the plant, such an employee still would have access to material and information of great value to a potential enemy of this country.

The military departments are aware of the situation and have recommended legislation to correct this deficiency. The task force commends such a proposal and feels that this loophole in our security barriers should be closed promptly.

Individual Security Cases

In the conduct of this survey, the task force assiduously endeavored to keep its effort focused and to expend its time and resources in the accomplishment of the specific duties assigned to it by the Hoover Commission - to study and investigate the present organization and methods of operation of the members of the intelligence community, and to determine what changes, if any, would be necessary or desirable.

Although detailed study of the policies, functions, and procedures of the departments and agencies collecting and handling intelligence data, as outlined to us by the Commission, did not primarily entail the investigation of the security angle of every individual engaged in intelligence, we recognized the fact that the character of personnel affects these intelligence functions, and we faced squarely the issue of individual cases under suspicion or brought to our attention from

various sources. A number of names came to us with supposedly derogatory information or merely with derogatory implications.

When any such information or any name was brought to our attention from any source concerning individuals employed in the intelligence field, or even if not so employed, every case except those obviously without merit was referred to the Federal Bureau of Investigation, or, where appropriate, to the responsible intelligence agency, or to both, with a request for a report.

Up to the time this report was prepared, some replies to our inquiry developed information to the effect that the records contained no adequate basis for suspicion of the individuals as security risks. Some replies indicated that the individuals were under investigation and that the investigations were continuing. One of the individuals is on leave without pay, pending completion of an investigation now in process and appropriate disposition.

V "WATCH-DOG" COMMISSION

The task force fully realizes that the Central Intelligence Agency, as a major fountain of intelligence for the nation, must of necessity operate in an atmosphere of secrecy and with an unusual amount of freedom and independence. Obviously, it cannot achieve its full purpose if subjected to open scrutiny and the extensive checks and balances which apply to the average governmental agency.

Because of its peculiar position, the CIA has been freed by the Congress from outside surveillance of its operations and its fiscal accounts. There is always a danger that such freedom from restraints could inspire laxity and abuses which might prove costly to the American people.

Although the task force has discovered no indication of abuse of powers by the CIA or other intelligence agencies, it nevertheless is firmly convinced, as a matter of future insurance, that some reliable, systematic review of all the agencies and their operations should be provided by Congressional action as a checkrein to assure both the Congress and the people that this hub of the intelligence effort is functioning in an efficient, effective, and reasonably economical manner.

Within the Armed Services Committee, there is a liaison channel between the Congress and CIA which serves a worthy purpose, but which cannot include private citizens in its membership and has not attempted to encompass the wide scope of service and continuity which this task force considers essential for "watch-dog" purposes.

The task force recognizes that secrecy is necessary for proper operation of our foreign intelligence activities but is concerned over the possibility of the growth of license and abuses of power where disclosure of costs, organization, personnel, and functions are precluded by law.

On the other hand, sporadic investigations in this field might inadvertently result in unauthorized disclosure of classified information to the detriment of the intelligence effort. Periodic audits or studies by some qualified, impartial agency would remove both of these dangers and would also allay any suspicions and distrust which have developed in the public mind by the complete secrecy of these operations. Such a procedure also might serve to shield our intelligence program from unjustifiable attacks upon the agencies concerned, and enhance public confidence and support of this vital work.

The Central Intelligence Agency Act of 1949 legalized the administrative procedures for the Agency. It was passed by the Congress on the unanimous recommendation of the Armed Services Committee.

Agency Gets Wide Exemptions

The Act exempts the Agency from compliance with any provision of law limiting transfers of appropriations; any requirements for publication or disclosure of the organization, functions, names, official titles, salaries or numbers of personnel employed by the Agency; and any regulations relating to the expenditure of Government funds.

The widespread conviction among Members of Congress that this situation should be corrected is indicated by the fact that more than a score of resolutions have been introduced in the current session calling for a review or watch over our intelligence activities, usually by a large joint committee of the two Houses.

The task force, however, envisions as the proper agency for this watch-dog job a small, permanent commission modeled after the Commission on Organization of the Executive Branch of the Government -- a bipartisan group including members of both Houses of Congress and distinguished private citizens appointed by the President.

Members chosen from private life to serve on this proposed watch-dog commission should come from a select group of loyal, qualified, and public-spirited citizens who command the respect and confidence of the American people.

Comprehensive periodic studies of the foreign intelligence activities of the United States would be made by the commission, with special attention to the questions of whether the assigned work of these intelligence agencies is being carried on efficiently and effectively; whether there is any unnecessary overlapping or duplication of effort between civilian and military intelligence agencies; whether the staffs are of a size justified by their assigned functions and producing the intelligence required for the security of the nation; whether expenditures are within budget authorizations and in keeping with the expressed intent of the

Congress; whether fiscal policies and procedures are in conformity with sound accounting principles and practices to the maximum extent possible; whether any of their activities or policies are in conflict with the foreign policy aims and program of the United States; and whether the effort of any of these intelligence agencies is being dissipated or adversely affected by assignment of added functions alien to intelligence. The commission would require a small permanent staff, with the usual provisions for employing attorneys, experts, consultants, and auditors, for expenses and for compensation of members and employees. It would be empowered to hold hearings and to subpoena witnesses, under adequate safeguards to prevent the public disclosure of classified defense information which it might receive; but would have the authority to demand and receive from any source any information it might need for its own use.

The overall aim would be the promotion of aggressive leadership which would unify the intelligence effort, make it more productive, and inspire a higher spirit of teamwork through elimination of petty competitive jealousies.

Would Study Complaints

The proposed commission should hold itself available to receive and to study all complaints against any of our intelligence agencies; to maintain a familiarity with the activities of these agencies as a safeguard against the abuse of their proper functions; to consider requests of the agencies for legislation, and, where advisable, to

support the needs of the intelligence community before the Congress, and advise the Congress on the effects of proposed legislation on our intelligence effort. An integral part of its duties would be reports of its findings and its recommendations to the President and to the Congress annually and at such other times as might be appropriate or necessary.

One of the fundamental purposes of these reports would be to keep the public informed, within the bounds of security, of the value and the vital accomplishments of the intelligence community and provide an answer to unfounded complaints and criticisms which have tended to arouse fears and distrust of the intelligence effort in the minds of the people.

Public support thus engendered certainly would improve the effectiveness of the intelligence operations, and foster public participation in the collection of overt intelligence data. The people who support these operations are entitled to assurance that the investment is paying dividends. With such assurance, they would develop an enthusiasm and alertness which could bring in valuable information at times to supplement the work of the regular intelligence forces.

VI FUNCTIONAL INTELLIGENCE

Map Procurement

The task force found map requirements and production for intelligence purposes well coordinated. Through the years, there has developed by mutual cooperation among the departments and agencies, a committee whose primary function is to prevent duplication in map procurement.

There is established within the Bureau of the Budget an Examiner of Surveys and Maps, who coordinates all map-making programs to avoid duplication and overlapping of functions. The system seems to be efficient and effective.

Trustworthy and up-to-date intelligence cartography is one of the major elements utilized in intelligence operations. The cost of this phase of the work is substantial, but we found this expense to be justified by the results achieved.

Intelligence Libraries

On the basis of visits made to the intelligence libraries maintained by the military services, the CIA, and the State Department, the task force believes that these libraries in general are efficiently operated. There is a workable system in effect among the agencies for notification of availability and exchange of information.

There has been considerable discussion of the idea of putting all the material in the possession of all intelligence agencies in one central library.

The value of a library depends on the ready accessibility of its material to the users. Its use and effectiveness declines when those who need it must become involved in complicated procedures and delays in obtaining material.

The task force feels that a central library would foster the development of private desk-side libraries and the retention by individuals of material for protracted periods, with the resultant denial or delay in access to others. Establishment of a central library, therefore, seems impracticable.

However, for the purpose of providing ready reference and more facile access to the various intelligence data by any department or agency, the task force suggests that all departments within the Defense Establishment and the Department of State adopt the single-index system based on the intelligence subject code now in use by the CIA and the Air Force libraries. The value of such a standardized procedure probably would be well worth the expense involved.

Various elements in the intelligence family have come up with divergent definitions and interpretations of certain words and phrases in common use by the intelligence community. The resultant confusion could be eliminated by standardization. To that end, the task force proposes that the National Security Council produce an agreed glossary of terms and definitions and provide for periodic review of this glossary.

VII CONCLUSIONS AND RECOMMENDATIONS

In summarizing its findings and its recommendations, the task force at the outset found, in general, that the intelligence effort is being pursued in a diligent and dedicated manner. It noted throughout the intelligence community an atmosphere of urgency and a desire to get on with the job of breaking through security barriers erected by our potential enemies.

However, instances of inefficient practices were disclosed, and recommendations to correct them have been made.

The domestic counterintelligence effort was found to be effectively coordinated among the departments and agencies concerned. Positive direction and mutual support are provided through the operations of the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security. Specific responsibility in the domestic area of each counterintelligence agency is established partially by statute, and is further definitively specified by a "Delimitations Agreement" to prevent overlapping and duplication of effort.

Recommendations covering overseas counterintelligence operations, carried out by the military services and the Central Intelligence Agency, are contained in our classified report.

The domestic security and counterintelligence functions of the Federal Bureau of Investigation were found to be conducted efficiently and effectively. This Bureau renders competent and highly cooperative assistance to other Government intelligence agencies and performs an essential and important function in the overall intelligence effort.

The National Intelligence Survey is an invaluable publication which provides the essential elements of basic intelligence on all areas of the world. While its production involves an extensive and expensive effort, all members of the intelligence community derive an immediate benefit from the contributions they make to it and profit from the final product. There always will be a continuing requirement for keeping this survey up to date.

Administrative Flaws Noted

The task force concluded that the legislation and organizational setup for intelligence purposes are soundly conceived, but that administrative flaws are in evidence. Accordingly, it has pointed most of its suggestions in that direction.

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Failure to produce certain elements of intelligence has been due in part to the restrictive effects of some of our national attitudes and policies toward the collection of intelligence so necessary for effective resistance to Soviet aggression. Also, among some of those responsible for implementation of our foreign policy by diplomacy and negotiation, there seems to exist an abhorrence to anything that might lead to diplomatic or even protocol complications.

This negative attitude, usually at the desk level, at times has stifled initiative and action in the collection of intelligence. Some of these efforts, if permitted to proceed properly, might have brought direct and immediate results and made positive contributions to the national welfare that would have justified the attendant political risks and possible inconsequential diplomatic embarrassment.

Data on Soviet Bloc Inadequate

Security measures adopted by the Communists have been provokingly conceived and boldly employed. They have been quite effective in comparison with our security measures, which have permitted the collection of vital secrets in this country with relative ease. The information we need, particularly for our Armed Forces, is potentially available. Through concentration on the prime target we must exert every conceivable and practicable effort to get it. Success in this field depends on greater boldness at the policy level, a willingness to accept certain calculated political and diplomatic risks, and full use of technological capabilities.

The task force is of the opinion that the Director of Central Intelligence should employ an Executive Director, or "chief of staff," of the Agency so that the DCI might be relieved of the chore of many day-to-day administrative and operational problems, and thus be able to give more time to the broad, overall direction of the Agency and the coordination of the entire intelligence effort.

Recommendations with Respect to Personnel

The effectiveness of our national intelligence effort is measured to a large degree by the character and ability of the personnel, both military and civilian, engaged in this work. The diligent and dedicated effort of the intelligence community was evident to the task force.

Some problems, however, exist in the personnel management field. These problems, taken collectively, seriously affect the morale, the availability, and the quality of the intelligence personnel.

The task force presents detailed recommendations later in this report, with a view to improving the prestige of the civilian analyst; developing real career incentives in intelligence; relieving the critical shortage of qualified intelligence personnel by tapping the valuable pool of retired civilian business men with experience abroad, and of especially trained and qualified retired military personnel; broadening the base of civilian employment to provide greater flexibility of recruitment of the best qualified individuals; improving the conditions of service of CIA personnel stationed abroad, and increasing the salaries of certain key officials in CIA.

RECOMMENDATION NO. 1

THAT THE CENTRAL INTELLIGENCE AGENCY BE REORGANIZED INTERNALLY TO PRODUCE GREATER EMPHASIS ON CERTAIN OF ITS BASIC STATUTORY FUNCTIONS;* AND

*Details and supporting factual matter relating to this recommendation are contained in the separate classified report of the task force. They cannot be incorporated in this public report for security reasons.

THAT THE DIRECTOR OF CENTRAL INTELLIGENCE EMPLOY AN EXECUTIVE OFFICER OR "CHIEF OF STAFF" OF THAT AGENCY.

RECOMMENDATION NO. 2

THAT A SMALL, PERMANENT, BIPARTISAN COMMISSION, COMPOSED OF MEMBERS OF BOTH HOUSES OF THE CONGRESS AND OTHER PUBLIC-SPIRITED CITIZENS COMMANDING THE UTMOST NATIONAL RESPECT AND CONFIDENCE, BE ESTABLISHED BY ACT OF CONGRESS TO MAKE PERIODIC SURVEYS OF THE ORGANIZATION, FUNCTIONS, POLICIES, AND RESULTS OF THE GOVERNMENT AGENCIES HANDLING FOREIGN INTELLIGENCE OPERATIONS; AND TO REPORT, UNDER ADEQUATE SECURITY SAFEGUARDS, ITS FINDINGS AND RECOMMENDATIONS TO THE CONGRESS, AND TO THE PRESIDENT, ANNUALLY AND AT SUCH OTHER TIMES AS MAY BE NECESSARY OR ADVISABLE. THE PROPOSED "WATCH-DOG" COMMISSION SHOULD BE EMPOWERED BY LAW TO DEMAND AND RECEIVE ANY INFORMATION IT NEEDED FOR ITS OWN USE. IT WOULD BE PATTERNED AFTER THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT (HOOVER COMMISSION). APPOINTMENTS BY THE PRESIDENT OF PERSONS FROM PRIVATE LIFE TO THE PROPOSED COMMISSION SHOULD BE MADE FROM A SELECT LIST OF DISTINGUISHED INDIVIDUALS OF UNQUESTIONED LOYALTY, INTEGRITY, AND ABILITY, WITH RECORDS OF UNSELFISH SERVICE TO THE NATION.

The tremendous importance to our country of the intelligence function, and the unpublicized and selfless duties performed, demand that the prestige of this function, and of the personnel involved, be recognized through the use of adequate career incentives and benefits to encourage full development of talent within the intelligence community.

RECOMMENDATION NO. 3

THAT THE EXECUTIVE PAY BILL OF 1949 BE AMENDED TO INCREASE THE ANNUAL SALARY OF THE DIRECTOR OF CENTRAL INTELLIGENCE TO THE EQUIVALENT OF THE PAY OF THE DEPUTY SECRETARY OF DEFENSE (NOW \$20,000); TO BRING THE COMPENSATION OF THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE UP TO \$17,500, THE SAME AS THAT OF MOST UNDER SECRETARIES OF THE EXECUTIVE BRANCH; AND TO PROVIDE OPERATING DIRECTORS OF AREAS OF RESPONSIBILITY IN INTELLIGENCE WITH PROPORTIONATE SALARIES; AND

THAT THE CHIEFS OF THE VARIOUS INTELLIGENCE UNITS OF THE MILITARY SERVICES BE ELEVATED IN THE ORGANIZATIONAL STRUCTURE TO THE LEVEL OF DEPUTY CHIEFS OF STAFF IN THE ARMY AND THE AIR FORCE, AND DEPUTY CHIEF OF NAVAL OPERATIONS IN THE NAVY; AND

RECOMMENDATION NO. 4

THAT THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949 BE AMENDED TO AUTHORIZE EMPLOYMENT BY THE CIA OF RETIRED MILITARY PERSONNEL OF THE ARMED SERVICES WITHOUT AN ARBITRARY LIMITATION ON THE NUMBER OF SUCH EMPLOYEES (THE LIMIT NOW IS FIFTEEN) AND WITHOUT REGARD TO THE LAW LIMITING THEIR COMPENSATION; EXCEPT THAT SUCH PERSONNEL SHOULD BE AUTHORIZED TO ACCEPT EITHER THEIR MILITARY RETIREMENT PAY PLUS ANY DIFFERENCE BETWEEN THEIR RETIRED PAY AND THE PROPER PAY OF THE OFFICE THEY WOULD HOLD IN CIA OR THE PROPER PAY OF THE OFFICE, BUT NOT BOTH; AND

THAT THE DEPARTMENT OF DEFENSE MAKE EXTENSIVE USE OF SCHEDULE A OF THE CIVIL SERVICE REGULATIONS (NON-COMPETITIVE APPOINTMENTS) IN THE EMPLOYMENT BY THE MILITARY SERVICES OF CIVILIAN INTELLIGENCE ANALYSTS AND OTHER SPECIALISTS IN ORDER TO PROVIDE THE NECESSARY FLEXIBILITY IN THE RECRUITMENT OF QUALIFIED CIVILIAN PERSONNEL (TO INCLUDE RETIRED CITIZENS WITH WIDE PREVIOUS BUSINESS EXPERIENCE IN THE FOREIGN FIELD) AND TO FACILITATE THE INTERCHANGE OF SUCH PERSONNEL BETWEEN ZONE OF INTERIOR COMPETITIVE SERVICE AND THE OVERSEAS EXCEPTED SERVICE.

The task force is satisfied that the personnel security program and procedures within the intelligence community are adequate to minimize the possibility of security risks and to make extremely unlikely their employment in sensitive positions in the intelligence agencies, except in the procedure for systematic rechecking of all personnel to make sure that the passage of time has not altered the trustworthiness of any employee, and to make certain that none has succumbed to some weakness of intoxicants or sexual perversion, or developed some other shortcoming that would disqualify him from further sensitive work. The Federal Bureau of Investigation has adequate safeguards against such a danger.

RECOMMENDATION NO. 5

THAT MEASURES BE INSTITUTED IN ALL AGENCIES FOR RECHECKING THE SECURITY STATUS OF ALL PERSONNEL ENGAGED IN INTELLIGENCE ACTIVITIES AT PERIODIC INTERVALS NOT TO EXCEED FIVE YEARS IN ANY INDIVIDUAL CASE.

Our Government and its intelligence forces are not fully exploiting the possibilities of valuable military and technological data potentially available in scientific reports and technical publications issued in foreign countries. The State Department now is charged with this duty. Under this arrangement, we lack adequate collection facilities and staff experts to evaluate the material.

RECOMMENDATION NO. 6

THAT THE RESPONSIBILITY FOR PROCUREMENT OF FOREIGN PUBLICATIONS AND FOR COLLECTION OF SCIENTIFIC INTELLIGENCE BE REMOVED FROM THE STATE DEPARTMENT AND PLACED IN THE HANDS OF THE CIA, WITH AUTHORITY TO APPOINT SUCH SCIENTIFIC ATTACHES AS MAY BE NECESSARY TO CARRY ON THIS WORK ABROAD.

Efficient handling of intelligence information demands modern quarters for the personnel and the records. The Central Intelligence Agency, after eight years of operation, still lacks such facilities.

RECOMMENDATION NO. 7

THAT THE CONGRESS APPROPRIATE AS SOON AS PRACTICABLE THE FUNDS NECESSARY TO CONSTRUCT ADEQUATE HEADQUARTERS FACILITIES FOR CIA IN OR NEAR WASHINGTON, D.C.

The task force believes not only that great care must be taken in the selection of highly qualified persons, both technologically and intelligence-wise, for the group supervising atomic energy intelligence data, but that changes in the group should be made as infrequently as possible.

RECOMMENDATION NO. 8

THAT STEPS BE TAKEN TO INTRODUCE HIGHLY SELECTIVE METHODS OF CHOOSING MEMBERS OF THE COORDINATING COMMITTEE ON ATOMIC ENERGY INTELLIGENCE, NOT ONLY TO GET THE BENEFIT OF SERVICE BY THE MOST COMPETENT INDIVIDUALS, BUT ALSO TO ASSURE LONG TENURE IN THIS IMPORTANT ASSIGNMENT.

Lack of adequate linguistic preparation often has proved to be a serious handicap to our representatives abroad. This became painfully apparent during the Korean War. The ability to write and speak the language fluently, and to interpret foreign words and idioms accurately always helps an American to get around in an alien land, to win the confidence of its people, and to understand them.

RECOMMENDATION NO. 9

THAT A COMPREHENSIVE, COORDINATED PROGRAM BE DEVELOPED TO EXPAND LINGUISTIC TRAINING AMONG AMERICAN CITIZENS SERVING THE INTELLIGENCE EFFORT; AND

THAT THE DEPARTMENT OF DEFENSE EXPAND AND PROMOTE LANGUAGE TRAINING BY OFFERING CREDIT TOWARD RESERVE COMMISSIONS TO ROTC STUDENTS AND DRILL CREDIT TO RESERVE PERSONNEL FOR COMPLETION OF SELECTED LANGUAGE COURSES.