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What is Past is Prologue: Historical and Organizational Factors in Establishing a Director of the United States Intelligence Community

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What is Past is Prologue:

Historical and Organizational Factors in Establishing a Director of
the United States Intelligence Community

by

Brice Coates

A THESIS

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Abstract

The U.S. Intelligence Community (IC) is the largest and most complex institution of its kind, comprised of sixteen semi-autonomous agencies with different, sometimes overlapping, spheres of responsibility. Historically, it has proven difficult to establish centralized leadership over the IC. Following the attacks of September 11, 2001, sweeping intelligence reforms were enacted, including legislation to empower central leadership by establishing a Director of National Intelligence. Despite these changes, resistance to central management plagues the IC. The failure in organizational reform is poorly understood, as the literature does not conceptualize intelligence agencies primarily as institutions. The approach proposed herein analyzes the developmental paths of agencies, which illuminates the organizational factors affecting reform. Utilizing the framework of Historical Institutionalism in the new context of intelligence agencies helps explain the challenges to reform posed by institutional interests and organizational cultures, impairing the realistic possibility of centralized control over disparate intelligence budgets, personnel, and priorities.

Table of Contents

Abstract	i
Table of Contents	iii
Acknowledgments	vi
Acronyms List.....	vii

Introduction

“Directors Came And Went, But Bureaucracies Stayed.”

The U.S. Intelligence Community as an Evolution of Institutions.....	1
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Chapter I — A Frame For The Phenomenon

“History Matters”

Introduction.....	9
The Academic Study of Intelligence Institutions.....	9
Approach/Theoretical Framework.....	11
Format and Sources.....	20

Chapter II — Initial Conditions

“...Open To Serious Objection”

Introduction.....	23
The Post War Era and Peacetime Intelligence.....	24
The Fate of the OSS and the Fight to Control Intelligence.....	28

Institutional Turf Protection.....	33
“Cloak and Dagger Group of Snoopers”	41
Conclusion.....	44

Chapter III — Centralized Intelligence Leadership

“Soundly Constructed, But Not Yet Working Well”

Introduction.....	47
Branching Off: A New Intelligence Service and Director.....	48
Structure Under Tension: The National Security Act of 1947.....	55
Conclusion.....	61

Chapter IV — The Reform Process Begins

“The Usual Two, Three or More Reorganization Stages -- God Bless Bureaucracy!”

Introduction.....	63
The Eberstadt and Dulles Reports.....	65
The 1950s & 1960s: Expanding Cold War, Expanding Intelligence Community.....	74
Conclusion.....	82

Chapter V — Intelligence Community Leadership Re-Examined

“He is Both Umpire and Pitcher”

Introduction.....	85
Path Towards Separation.....	86
The Schlesinger Report.....	92

A Time of Crisis, A Flurry of Investigations.....	102
The 1990s and the Re-Examination of the IC.....	108
Conclusion.....	124

Chapter VI — 9/11 and The Resurgence of Reform

“All That Had Changed Was a Single Letter (DCI to DNI)”

Introduction.....	127
The 2002 Joint Inquiry.....	128
The 9/11 Commission	140
The IRTPA.....	149
Everything is Different, Nothing Has Changed.....	157
Conclusion.....	165

Conclusion — The Path Was Set, The Course Was Followed

“What’s Past is Prologue”

Conclusions and Insights.....	167
Promising Areas for Future Research.....	175
Epilogue.....	177
 Bibliography	 180

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Acronyms List

ADCI/A	Assistant Director of Central Intelligence for Administration
ADCI/AP	Assistant Director of Central Intelligence for Analysis and Production
ADCI/C	Assistant Director of Central Intelligence for Collection
AFISRA	Air Force Intelligence, Surveillance and Reconnaissance Agency
CIA	Central Intelligence Agency
CIG	Central Intelligence Group
CNI	Coordinator of National Intelligence (proposed position)
CMS	Community Management Staff
COI	Coordinator of Information
DCI	Director of Central Intelligence
DDCI	Deputy Director of Central Intelligence
DDCI/CM	Deputy Director of Central Intelligence for Community Management
DFI	Director of Foreign Intelligence (proposed position)
DGI	Director General of Intelligence (proposed position)
DHS	Department of Homeland Security
DIA	Defense Intelligence Agency
DNI	Director of National Intelligence
DoD	Department of Defense
DOE	Department of Energy
FBI	Federal Bureau of Investigation
FIA	Foreign Intelligence Agency (proposed agency)
G-2	Military Intelligence Division of the War Department General Staff
HI	Historical Institutionalism
HPSCI	House Permanent Select Committee on Intelligence
IC	Intelligence Community
IC21	Intelligence Community in the 21 st Century (1995 congressional staff study)
INSCOM	Army Intelligence and Security Command
IRTPA	Intelligence Reform and Terrorism Prevention Act of 2004
JCS	Joint Chiefs of Staff
MCIA	Marine Corps Intelligence Agency
NGA	National Geospatial Intelligence Agency
NFIP	National Foreign Intelligence Program
NIA	National Intelligence Authority
NIMA	National Imagery and Mapping Agency
NID	National Intelligence Director (proposed position)
NIE	National Intelligence Estimate
NRO	National Reconnaissance Office
NSA	National Security Agency
NSA1947	National Security Act of 1947
NSC	National Security Council
ODNI	Office of the Director of National Intelligence
OIG	Office of the Inspector General
ONE	Office of National Estimates

ONI	Office of Naval Intelligence
OSS	Office of Strategic Services
PIAB	President's Intelligence Advisory Board
PFIAB	President's Foreign Intelligence Advisory Board
SI	Secret Intelligence (OSS Branch)
SIS	Special Intelligence Service
SSCI	Senate Select Committee on Intelligence
USD(I)	Under Secretary of Defense for Intelligence
X-2	Counterespionage (OSS Branch)

Introduction

Directors Came and Went, But Bureaucracies Stayed.

–CIA analyst and historian David Robarge describing the results of different approaches from CIA directors.¹

The U.S. Intelligence Community as an Evolution of Institutions

Intelligence is gathered by states to provide long-term expertise, avoid strategic surprise, and inform the policy process. However, no other state operates with the scope or global presence of the United States. The U.S. intelligence apparatus, the largest and most complex of its kind, collects and analyses information in unparalleled proportions in support of national intelligence, law enforcement, and military applications. The Intelligence Community is a collective body comprised of some sixteen agencies with different, sometimes overlapping, spheres of responsibility.² From the earliest days of the IC, agencies have been resistant to cooperation with one another and found difficulty in coordinating their efforts. The Community today is directed by an executive agency with the responsibility for overseeing and coordinating the IC's efforts – the Office of the Director of National Intelligence, or ODNI. One individual is

¹ David Robarge, "A Long Look Back, Directors of Central Intelligence, 1946-2005", *Studies in Intelligence*, Vol. 49, No. 3, 2005, p.6.

² The term Intelligence Community will be used for clarity throughout this work in describing the collection of U.S. intelligence services and agencies even though several of current organizations did not exist at the time of the Community's creation. Additionally, the term Intelligence Community only came into use several years after the 1947 legislation which created many of the IC's components. Ludwell Lee Montague asserted the first documented use of the term Intelligence Community was from a 1952 meeting of the Intelligence Advisory Committee. See Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950—February 1953* (University Park, PA: Pennsylvania State University Press, 1992), p. 74, reference material in Michael Warner, ed., *Central Intelligence: Origin and Evolution*, Center for the Study of Intelligence, Washington, D.C., 2001, Retrieved on December 10, 2012, http://www.cia.gov/csi/books/cia_origin/Origin_and_Evolution.pdf.

designated as being in charge of the IC – the Director of National Intelligence (DNI) – yet the reality of intelligence leadership in the U.S. has never been simple, as management of the vast array of semi-autonomous agencies has been beset with problems from the beginning. The origins of these problems are found in the creation of the IC following World War II. This era would shape and define the U.S. intelligence apparatus by institutionalizing tensions between agencies not willing to come under centralized authority.

At the time of the IC's inception, the loose confederation of agencies (mostly from the State Department and the military) was coordinated under the Director of Central Intelligence (DCI). This office would serve as central management of the Community for more than sixty years, and come under near-constant criticism for not effectively coordinating or managing the Community. Following the September 11th terrorist attacks, a series of intelligence reforms were enacted, including replacing the DCI with the DNI, in hopes of rectifying the problems of management. Nonetheless, the DNI has encountered the same problems of agency resistance and lack of coordination. Historically, when U.S. intelligence organizations are determined to be faltering, or otherwise in need of reform, the recommendations for change often focus on Community leadership and restructuring. Mark Lowenthal wrote in 1992 of “the difficulty managing a wide and disparate community whose components serve a variety of customers with different needs.”³ This paper will demonstrate that description of the challenges to central management could be said of anytime in the Intelligence Community's history and up to the current day. This research thesis will address the question: *What are the historical and organizational factors of resistance to the establishment of an effective Director of the United States Intelligence Community?*

³ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed. (London: Praeger Publishers, 1992), p. xvi.

The first Director of the Intelligence Community was the Director of Central Intelligence (DCI), created in 1946 under the administration of President Harry S. Truman. The DCI was the head of a short-lived organization called the Central Intelligence Group (CIG), which was created to coordinate the disparate intelligence analyses coming from the State Department and the military. Shortly after, the National Security Act of 1947 (NSA1947) was legislated to unify and reorganize the military following World War II; intelligence structures were incorporated into that Act, including the creation of the Central Intelligence Agency (CIA). The DCI would head the relatively small agency that took over the coordination responsibilities of the CIG. This early period of rapid change and legislation was marked by heated disagreement between already established departments over areas of intelligence responsibility and lines of authority.

The resistance to the establishment of the CIG, and the attempts to constrain the authorities of the new CIA shortly after were determinative in the shaping of the Intelligence Community. Military intelligence had been running its own activities for decades focused upon their priorities. The threat of a new intelligence service, especially one that was supposed to centralize intelligence represented the rise of a potential rival for funding and range of responsibility. The circumstances under which central intelligence was founded form the *initial conditions* of the Director of Central Intelligence, the CIA, and IC leadership. An analysis of these events will show the encountered resistance constrained the development of the CIA and the DCI's authorities so they would not interfere with established institutional interests. The military and departmental intelligence services did not want to come under centralized authority,

nor have their activities directed from outside their respective command structures. The DCI was left with authority over their home agency alone – the CIA.

No one envisioned the CIA's producing its own finished intelligence stemming from foreign intelligence collection operations, yet left without the ability to coordinate the other services the CIA expanded into these roles. Slowly over time, the DCI's "coordination" role came to include responsibility for leadership of the ever-growing Intelligence Community. The limited authority granted to the DCI was consistent with that of a coordinator. However, as the CIA became an intelligence producer and the DCI was charged with the responsibility of IC leadership, the authority proved insufficient. CIA historian Michael Warner summarized the problem as follows:

DCIs were faced with contradictory mandates: they could coordinate intelligence, but they must not control it...the CIA never quite became the integrator of US intelligence that its presidential and congressional parents had envisioned. The DCI never became the manager of the Intelligence Community.⁴

The documents from the early years of the CIA show the difficulty for the Agency as it attempted to establish itself within the newly restructured Intelligence Community after WWII and the National Security Act. The challenges facing the IC leader were defined by institutional factors, such as established agencies protecting their jurisdiction and bureaucratic anxiety over a new competitive service (the CIA). The vaguely defined role of the Director would be subject to many interpretations and increasing responsibilities over the following decades. Historian and former Assistant Deputy Director of National Intelligence at the State Department, Richard Immerman, encapsulated the problem faced by the Director of a centralized intelligence system

⁴ Michael Warner, ed., *Central Intelligence: Origin and Evolution*, Center for the Study of Intelligence, Washington, D.C., 2001, Retrieved on December 10, 2012, http://www.cia.gov/csi/books/cia_origin/Origin_and_Evolution.pdf, p. 8.

in the U.S. “The conundrum encountered by the CIA because of the circumstances of its founding was manifest in identifying its priorities and defining the role of the director. In the latter case, conflicts inhered in the dichotomy between directing central intelligence (the Community) and directing the CIA.”⁵ The initial tensions between departments would play out for years as the Director attempted to balance these two responsibilities. Competitive services struggled to remain autonomous from outside centralized leadership in a system governed by limited budgets and lines of authority where institutional turf represents a service’s *raison d’être*. The responsibilities of managing the IC in terms of collection priorities, technology, and budget were incorporated in the DCI’s mandate over time. It was not part of the DCI’s original task, and the statutory authorities of that office were not sufficient to executing that role. In fact, because of the opposition from other services to centralized control, the DCI and the CIA had been confined through legislation to limit the DCI’s ability to direct departmental and military services.

The key point is the initial conditions of the U.S. Intelligence Community never went away. The tension between agencies and ambiguous authority of leadership, built early into the system, would manifest as incoordination over the following decades. The longer the situation persisted, the more ingrained it became. Over time, the separate intelligence services, as with any institution, developed their own culture, bureaucracy, and way of doing things. These norms were imparted to members and define the identity and turf of the organization. Thus, a series of bureaucracies and organizational cultures were established that were difficult to change or control. In the case of the Intelligence Community, the culture was one of agencies in

⁵ Richard Immerman, “A Brief History of the CIA, The Early Years of the CIA, 1947-1949”, *The Central Intelligence Agency: Security Under Scrutiny*, Ed. Athan Theoharis, et al. (Westport: Greenwood Press, 2006), p. 11.

competition with one another, and loyal to their own leadership and bureaucracies. This left the DCI with the untenable mandate of directing the CIA at the same time as attempting to direct the IC as a whole. When describing the realities facing different DCI's, David Robarge summed the situation up by saying, "directors came and went, but bureaucracies stayed."⁶ The director could only operate within the bounds of the established authorities and the sphere of influence that the initial conditions of the Community's creation afforded the position. In fact, the influence from early factors are so strong, they can be seen in national intelligence management and agency relations for the entire history of the IC. As the Community expanded and the focus of intelligence changed during different eras, the underlying agency cultures that resisted centralized authority and prized semi-autonomous operation hardened into a recalcitrant bureaucracy. These factors are the basis of the challenges to establishing an effective Director of the U.S. Intelligence Community. Even following the significant restructuring of national intelligence leadership following the post-9/11 reforms, the same issues persist for the new Community Director – the DNI.

This paper will proceed in three parts, 1) An assessment of the available frameworks and selection of the most suitable theoretical lens through which to analyse this phenomenon; 2) An explanation and analysis of the formative and defining years of the U.S. Intelligence Community, which shaped the organizational structure that would endure for over 60 years; and, 3) An analytic narrative demonstrating the centralization and management issues present in the Intelligence Community's formation influenced the IC's entire history and continues to affect it today.

⁶ David Robarge, "A Long Look Back, Directors of Central Intelligence, 1946-2005", p.6.

Parts 1 and 2 are covered in chapters 1 through 3. Part 3 will be covered in chapters 4 through 6. The third part will be longer than the first two, as making the argument it “always has been this way” from 1947 up to the current day necessitates demonstrating that has indeed been the case. An examination of government inquiries and commissions have analytic power in this regard, as they represent “snapshots” of the Community at a given time in terms of what problems are identified, and what was perceived to be the best approach to correcting them. In this paper, the influence of the initial conditions of postwar organizing and the institutionalisation of tensions will be analysed through the snapshots of inquiry findings. They will demonstrate consistent impedance to strong central management of the IC throughout its history.

Furthermore, an analysis of the inquiry findings will show a growing expectation for the DCI to exert leadership over the IC, and the problems encountered in attempting do so because of the disparate nature of the IC established at its foundation. The DCI was continuously beset with the problems of managing a large and ever-growing IC. Resistance to centralization of authority, as well as protection of institutional turf and organizational interests forestalled the possibility of a single central office capable of directing the IC effectively. The DCI simply did not have the authority to manage the Community, and competing agencies refused to be centrally managed. As a result, DCIs would choose to focus on managing the one agency they could affect – the CIA. The conclusion will show there never was a point where the IC had a “director” as envisioned by policy-makers or legislators. Regarding the IC director, “there is no centralized authority, only centralized responsibility”, for a Community they do not control.⁷ In

⁷ Mark Lowenthal, Interview by Author, Reston, VA, August 6, 2013.

fact, managing the vast U.S. intelligence enterprise has largely been the result of the director functioning as an inter-agency diplomat and the occurrence of infrequent voluntary cooperation, rather than any type of strong centralized leadership.

Much of the existing literature in intelligence studies is based on the experience of retired intelligence professionals, rather than academic methodology. In the field of institutional analysis, the study of intelligence services is particularly lacking. Thus, there is a resultant obstacle to understanding the U.S. IC's enduring failure to establish strong central leadership, the lack of success regarding intelligence reform, and agency failure to change. This study will contribute to the existing literature by offering an institutional-based analysis of the Intelligence Community in order to elucidate the motivations underlying agency behavior. While studies have looked at intelligence reform in a factual manner, especially the post-September 11th reforms in 2004, and some have included institutional evaluations, none has developed an analysis to demonstrate the long-standing developmental paths agencies have been on since their inception. A central contribution of this paper will be to demonstrate the limitations on the effectiveness of attempting to centralize leadership of the Community. The factors of enduring institutional interests and long-standing organizational cultures preclude the possibility of realistically developing a single central executive office with strong control over budget, personnel, and priorities. This paper is not intended as a condemnation of the American intelligence system, but rather as an attempt to bring understanding to a unique and remarkably complex set of institutions that do important work and provide an essential function. Nonetheless, the difficulties of establishing a strong central Intelligence Community director have been present since the IC's creation. The intention of this paper is to advance understanding of why that is, and the factors involved.

Chapter I — A Frame For The Phenomenon

History Matters.

– Political scientist Sven Steimo describing an essential feature to understanding organizational behavior.⁸

Introduction

This chapter will assess the theoretical frameworks available to shed light on the organizational issues related to leadership in the U.S. Intelligence Community. Many frameworks provide varying degrees of understanding of different features of intelligence organizations. However, considering the long-standing phenomenon of the U.S. Intelligence Community's difficulty in establishing an effective director, the best analytic lens would be one that provides the fullest account over time. The various approaches and the particular framework for this paper's analysis will be outlined, along with its explanatory limitations. This will be followed by a brief description of the structure for following chapters and an outline of the type of documents that will be utilized to provide the reader with an awareness of the documentary basis for the analysis.

The Academic Study of Intelligence Institutions

The purpose of this study is to provide a more robust understanding of the factors involved in the difficulty for the United States IC in establishing an effective director. In order

⁸ Sven Steinmo, "What is Historical Institutionalism?", *Approaches and Methodologies in the Social Sciences*, Donatella Della Porta and Michael Keating, Eds. (Cambridge University Press, 2008), p. 164.

to identify relevant factors, a theoretical approach or analytic framework is required. This will not only help define and direct a systematic approach, but also provide criteria for recognizing key items of interest during the research process. To describe and predict different situations, outcomes, and phenomena, theories are developed to be general in nature. Moreover, it is often necessary to utilize a broad approach to accurately address a given state of affairs. This is particularly true when analyzing institutions and organizations. They are composed of individual human beings, whose behaviors often defy prediction and clear categorization. Human behavior, especially in a group setting, is too complex and contingent for even the most sophisticated constructs to model accurately and precisely. In addition, not all theory is applicable to every situation. For example, state-level approaches do not describe mechanisms of organizational change within an institution, and thus are not useful for understanding reform efforts.

The academic analysis of intelligence organizations is a particularly overlooked field. Much literature exists on the military history of intelligence, the dynamics of intelligence analysis, and anecdotal accounts, or memoirs, of intelligence officials. However, the study of the institutions of intelligence is somewhat ignored. National security scholar Amy Zegart describes national security agencies as living in “an academic no-man’s land.”⁹ This is because organizational theorists focus almost exclusively on private sector firms, and political scientists treat intelligence agencies as “inputs to policy decisions, not phenomena to be studied in their own right.”¹⁰ Thus, academic attention is directed elsewhere and the study of the intelligence

⁹ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11* (Princeton: Princeton University Press, 2007), p. 43.

¹⁰ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 43.

organizations is left “largely unexamined.”¹¹ The result is little literature on which to base an analysis of intelligence organizations. However, analysis of organizations and institutions in general is far from non-existent. The most appropriate method would be to assess which of the available frameworks would provide the most advancement to the understanding of the enduring challenges in the IC to establishment of an effective director.

Approach/Theoretical Framework

There are several theoretical options available for analysing organizations and their behavior, with varying degrees of explanatory value. The U.S. Intelligence Community presents a particular challenge, as it is not a single entity, but rather a large aggregate of sixteen different agencies, in theory directed by a central management organization – the Office of the Director of National Intelligence. The culture and origins of these individual government agencies, their interactions, as well, how they respond to centralized leadership are key features a framework must incorporate to address adequately the question this thesis seeks to answer. It is crucial to apply a framework that not merely explains certain aspects of organizational behavior, but will yield a broad explanation to the question at hand. The framework must clarify more than what happened in the past few years, or in a particular situation, but illuminate what has occurred throughout the IC’s over sixty-year history. For example, a good framework would not treat the 2004 intelligence reforms as if they were a first time, stand-alone event. Every subsequent investigation or government study of the current IC was informed by the preceding inquiry, hence influenced by it. An approach should take this into account. Additionally, in terms of the establishment and reform of central authority, legislation deals with whole organizations

¹¹ Amy Zegart, “September 11 and the Adaptation Failure of US Intelligence Agencies”, *International Security*, Vol. 29, No. 4, 2005, p. 91.

(Intelligence reform in this regard is often referred to as “restructuring organizational charts.”¹²). This being the case, a framework, which recognizes the importance of institutions and their relational dynamics would be of the most use.

Political Science focuses on what makes cases similar, not what makes them different. With this approach, it is possible to speak to larger issues by explaining trends and patterns. Since the United States Intelligence Community and its leadership arrangement have no precise analogue in the world, a broad comparison of leadership issues of different structures is unlikely to yield useful results for this research. The question at hand is not “why do *all* aggregates of intelligence agencies under central civilian leadership have long-standing challenges in establishing directors?” The U.S. has the only such grouping of military, law enforcement, and civilian services under the same leadership structure. Thus, it cannot be satisfactorily compared to markedly different arrangements. A focused case study on the IC itself is the best approach. It represents a unique circumstance that provides adequate context for a specific research question to be answered and for key processes to be examined.¹³ In analyzing the IC in its own context, it will be possible to elucidate the processes that cause the challenges to the establishment of central leadership.

The predominant frameworks within Political Science for institutional analysis are Rational Choice, Sociological Institutionalism, and Historical Institutionalism.¹⁴ While all three

¹² Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”, *World Affairs Journal*, Sept-Oct, 2010, retrieved on September 20, 2012, <http://www.worldaffairsjournal.org/article/state-craft-intelligence-reform-working>.

¹³ Alan Bryman, James J. Teevan and Edward Bell, eds., “Research Designs”, *Social Research Methods* (Oxford University Press, 2009), p. 39.

¹⁴ Peter Hall and Rosemary Taylor, *Political Science and the Three New Institutionalisms*, Public lecture paper (1996), Retrieved on November, 10, 2012, http://www.mpifg.de/pu/mpifg_dp/dp96-6.pdf, p. 2-3.

are considered to be of the “New Institutionalism” school, it is not a unified body of thought. Rather, they are different analytical approaches to the study of institutional behavior. The Rational Choice model focuses on drives, incentives, and the calculation of costs and benefits of choices.¹⁵ Institutions are important to Rational Choice theorists as they frame the individual’s behavior in terms of maximizing gains. Individuals function strategically by choosing between options to select those with maximum benefit as defined by the institution’s objectives. This model is useful in that it would lend structure to an analysis of the many decisions made in the formation of the IC based upon institutional interests. It provides a structured basis to formalize organizational behavior in strict terms of loss and gain. However, several limitations exist in using only the Rational Choice approach as a framework for this study.

While Rational Choice can produce persuasive arguments in terms of the origins of institutions, it does not address the different question of the persistence of institutions or their behavior.¹⁶ As will be demonstrated, at many points through the IC’s history the persistence of member’s ideas and policy objectives cannot be ascribed to a rational deduction of the greatest gain.¹⁷ This is also associated with the glaring inefficiencies within the IC. Throughout the historical case presented in this study, the notion of *lack of coordination* between agencies will arise repeatedly. Duplicate activities and functions have plagued the IC from its earliest days, a situation that was intended to be countered by strong centralized leadership and coordination.

¹⁵ Steven Spiegel, et. al, eds., *World Politics in a New Era 5th ed.* (Oxford University Press, 2012), p. 395.

¹⁶ Peter Hall and Rosemary Taylor, “Political Science and the Three New Institutionalisms”, *Political Studies*, Vol. 44, No. 5, XLIV, p. 952.

¹⁷ Government organizations have particular resilience compared to their private sector counterparts. Government organizations tend to last longer regardless of inefficiencies that would have eliminated a private enterprise long before. Despite government agencies tending to be more persistent in their existence and behaviors compared to other varieties of organizations, the insufficiency of Rational Choice theory to account for their persistence still stands. For the resilience of government organizations see: Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, pp. 46-47, 52.

Resources could be reallocated to another program or activity within a given agency, so as to cease wasteful duplication of another service's activity. Nonetheless, the ineffective and non-rational behavior persisted. The Rational Choice framework provides no explanation for this inefficiency, or in the best of cases, greatly overstates the amount of efficiency in an organization supposedly governed by Rational Choice processes.¹⁸

The rational actor conception also would not explain cultural ideas that are developed within institutions in terms of norms and the “rightness” of possessing certain institutional turf or authorities. For example, the 2004 intelligence reforms saw a mass restructuring of authority within the IC. Senior intelligence official Patrick Neary was repeatedly approached by CIA officers who would argue they did not in fact come under the authority of the new structure. They had been inculcated with CIA independence for decades, and it had become foundational to their collective group identity by, “develop[ing] into Agency gospel.”¹⁹ A fundamental element of the CIA's organizational character had changed. According to former CIA Director Michael Hayden, “the Agency's collective culture is very reluctant to admit otherwise.”²⁰ These motivations are not rational, but cultural. Rational Choice theory does not incorporate intuitional cultural dynamics, and thus cannot account for instances outside of rational action, such as resistance even when it is to the individual's interest to proceed. Additionally, historical actors are sometimes ascribed overly simple intentions, where a more detailed analysis would reveal their motivations are complex.²¹ While Rational Choice undoubtedly has explanatory utility,

¹⁸ Richard W. Scott, *Institutions and Organizations, 2nd ed.* (Thousand Oaks: Sage Publications, 2001), p. 150.

¹⁹ Patrick Neary, “The Post 9/11 Intelligence Community, Intelligence Reform, 2001–2009: Requiescat in Pace?”, *CIA Studies in Intelligence (unclassified extracts)*, Vol. 54, No. 1, March 2010, p. 4.

²⁰ Hayden, Michael, “The State of the Craft: Is Intelligence Reform Working?”.

²¹ Douglass C. North and Barry R. Weingast, “Constitutions and Commitment”, *The Journal of Economic History*, Vol. 49, No. 4, 1989, p. 830.

forces internal to institutions, such as norms, group identity, and historical factors need to be addressed to understand leadership in the IC's history. Therefore, it cannot fully explain the IC's long-term resistance to centralized direction alone.

In response to the cold action-calculus of Rational Choice, sociologists analysing organizations began to argue many of the operations of institutions were culturally bound, rather than being decided by the most efficient and rational option available.²² Sociological Institutionalism also conceives of institutions as of central importance. However, this approach sees human beings on a fundamentally social level, where the structure of institutions provides a cultural lens through which its members approach decisions. Unlike Rational Choice, where actors are utility maximizers, for Sociological Institutionalists, people ask, "What should I do? What is appropriate?" where the rules of institutions function as social norms that govern interaction.²³ Institutions affect "the very identities, self-images, and preferences of the actors", so decisions are dependent upon the "interpretation of a situation rather than purely instrumental calculation."²⁴ This approach would certainly take into account cultural ideas imparted by organizations to their members and the sometimes non-rational decisions that result.

In terms of institutional origins, the Sociological approach also contains a more expansive conception than the Rational Choice model of efficient decision-making. Abiding by existing organizational cultures, resistance to trespassing new organizations, and culturally bound interpretations of what a new institution should do, are all valid considerations. The inclusion of these factors expands the understanding of institution creation and offers

²² Richard W. Scott, *Institutions and Organizations*, 2nd ed., p. 150.

²³ Sven Steinmo, "What is Historical Institutionalism?", p. 163.

²⁴ Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 939.

explanations to the many apparent inefficiencies in social and political institutions.²⁵ Adherence to pre-existing cultural structures can supplant the formal purpose for the organization, as the group's attitude more accurately reflects the "institutional environments instead of the demands of their work activities."²⁶ The formation period of the IC from 1945-47 is fraught with examples of such influences, thus Sociological Institutionalism offers great explanatory leverage in this area.

Like Rational Choice, Sociological Institutionalism has its limitations as well. With its focus on the social influences on decision-making, this approach tends to discount the extent "processes of institutional creation or reform entail a clash of power among actors with competing interests."²⁷ The actors become 'prisoners of organizational culture', acting out of culturally bound scripts, rather than concrete reasons of vested interest and maximizing gains. Both inside and outside of government organizations, actors have "deep stakes in whether that firm or government adopts new institutional practices, and reform initiatives often provoke power struggles"²⁸ An over-emphasis on the sociological aspects of behavior can ignore or fail to account for this reality that often occurs in the IC.

Historical Institutionalism (HI) incorporates both these approaches, allowing individuals to be maximizing rational decision makers and actors that abide by cultural norms. The move in one direction or the other is determined by the particular situation and the strength of the

²⁵ John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony", *American Journal of Sociology*, Vol. 83, No. 2 (1977), pp. 341, and Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 953.

²⁶ John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony", p. 341.

²⁷ Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 954.

²⁸ Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 954.

influence towards a cultural conformity or rational goal attainment. Rather than a focus on the parameters forcing an actor to behave in way X or Y, the Historical Institutionalists want to know “why a certain choice was made, and/or way a certain outcome occurred.”²⁹ Historical Institutionalism is distinct from the other approaches in several other ways. The analytical framework tends towards a broad conception of the institution’s effect on behavior. It provides a more realistic explanation of motivations because actors are conceived of as making both rational and culturally bound decisions. HI also stresses the importance of path dependence in institutional development.³⁰ The paths chosen or designed early in the existence of an institution shape its long-term development. This is useful in determining features of institutional creation, as well as the persistence of inefficiencies.

Historical Institutionalism emphasizes power disparity between institutions and its effect on organizational relations and institutional creation. The asymmetry of organizational power and how those relationships play out over time is a particularly significant aspect of the formation of the Intelligence Community. Incorporating the aspects of power asymmetry and path dependency results in an informative feature of HI, and highly useful to this study. A path, or arrangement, is set during institutional creation and the “institutional structure induces particular kinds of...behavior by constraining and by laying out a logic.”³¹ Once in place, this “logic” becomes self-reinforcing overtime. Through this process, organizational cultural ideas and norms are engrained into the organization’s members. Authorities, activities, and spheres of

²⁹ Sven Steinmo, "What is Historical Institutionalism?", p. 163.

³⁰ Paul Pierson, “Path Dependence, Increasing Returns, and the Study of Politics,” *American Political Science Review*, Vol. 92, No. 2, 2000, pp. 251-52.

³¹ Kathleen Thelen, “Historical Institutionalism In Comparative Politics”, *Annual Review of Political Science*, Vol. 2, pp. 392-93.

operation become part of an organization's identity and thus its members resist change for cultural, as well as rational power-preserving reasons.

The most prominent feature of Historical Institutionalism is the focus on history. Typically, HI scholars "scour the historical record for evidence" about why historical actors behaved as they did.³² Policy choices are made within a specific historical context, which has a direct consequence on the decisions or events.³³ Therefore, detailed historical analyses are required to clarify the context of decisions. The particular motivations of an actor facing a choice could be governed by the institutional influences producing a cultural script, or the actor may have been operating out of self-interested rational choice, as defined by the interests of the institution. In this way, HI ascribes similar motivations to actors as the Sociological and Rational Choice approaches, but is not strictly beholden to either in its interpretation. This has produced "startling revisions to our current understandings...[through] the realism of the analyses produced by Historical Institutionalists."³⁴ Following from the history oriented perspective, 'critical junctures' are also significant to Historical Institutionalists. Through the historical account, events are divided into punctuated periods called critical junctures, which are points where institutional development branches off onto a new path.³⁵ The Intelligence Community has two such critical junctures that were instrumental in creating new paths – the origin of the IC from 1945-47, and the reorganizations in 2004 following the September 11th attacks. Both are crucial to the structural arrangement of the IC, and contain many examples of the aforementioned cultural and rational maximization behaviors of actors.

³² Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 954.

³³ Sven Steinmo, "What is Historical Institutionalism?", pp. 163-64.

³⁴ Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", pp. 954-55.

³⁵ Kathleen Thelen, "Historical Institutionalism In Comparative Politics", *Annual Review of Political Science*, Vol. 2, pp. 388-90.

Historical Institutionalism possesses strong explanatory power in terms of the motivations of actors and the construction of a broad explanation of a phenomenon present in the Intelligence Community since its earliest days. Despite the usefulness to this study, the approach is not without its limitations. HI scholars tend to be slow in aggregating their findings into “systematic theories about the general processes involved in institutional creation and change.”³⁶ This limitation does not have a significant impact on this study, as the point is to advance the understanding of the particular forces at play within the IC, not to incorporate the findings into accounts of systematized processes. As an additional limitation, the reliance on historical narratives as a basis of analysis raises questions about how much historical evidence is required to make a case.³⁷ For example, what type of evidence, and how much of it is required, for a point in time to be identified as a critical juncture; or, how many repeated examples of resistance are required to establish a “cultural resistance” to a given path? Since these concepts are unquantifiable, or have an arbitrary threshold of sufficiency, a truly objective measure of success is difficult to establish. The HI scholar is required to make the historical analytic narrative as strong as possible to establish a given case, without knowing when ‘enough is enough’.

As stated previously, this research paper seeks to advance understanding of the challenges to establishing centralized leadership of the IC – that is, a director. Considering the limitations and advantages of the available options, the best framework for elucidating this phenomenon is Historical Institutionalism. Throughout the Community’s history, Rational

³⁶ Peter Hall and Rosemary Taylor, “Political Science and the Three New Institutionalisms”, pp. 955.

³⁷ Margaret Levi, “Modeling Complex Historical Processes with Analytic Narratives”, in Bates, Robert et al. *Analytic Narratives* (Princeton, NJ: Princeton University Press) 1998.

Choice and sociologically driven behaviors either set in motion given paths, or reinforced them. HI's focus on applying complex motivations to actors, depending on the historical context, allows for a more nuanced and robust explanation to the question at hand not previously available in other studies.

While some studies have employed institutional analysis in their research, they have largely examined the modern IC, and none have specifically analysed the challenges in establishing a national director as a result of structures formed during organizational creation and the resultant ongoing tensions. An analytic narrative of the early years of the Intelligence Community will reveal the organizational dynamics that shaped the institutional structures and their relationships. These paths are self-reinforcing and become more entrenched over time, thus difficult to change. In addition to the rational institutional interests at play, organizations also impart to their members with a belief that a semi-autonomous system is proper and the normal state of affairs. This research will reveal the impediments to change by analyzing institutional behavior, which is crucial to implementing successful reform. A Historical Institutional approach will help identify the origins of organizational behaviors and how they affected the IC throughout its history and influenced the post-9/11 intelligence reforms, including the efforts to legislate a national director. The result of this research will suggest effective paths to reform and illuminate paths that are likely to fail.

Format and Sources

The following chapters of this paper will be structured similarly, beginning with an introduction to frame the scope of that section and ending with a conclusion to summarize the

critical points. The body of the chapter will consist of the analytic historical narrative using a Historical Institutional approach. The United States Intelligence Community will be assessed regarding the efforts to establish a director, centralize authority, and the various challenges and problems that occur stemming from the first two items. The analytic guide to the structured narrative will be the primary points of HI, including: the origins of institutions and paths set at the time; organizational power disparity during institutional creation; how established paths and authorities play out and influence actor's behavior; and, the motivations of the actors based on the context.

The primary source material for this study will be government studies, reports, inquiries and commissions conducted over the Intelligence Community's history. The IC has been subject to a great many reviews at regular intervals. (see Chapter IV, Introduction) Thus, the documents are extremely valuable for establishing regularly spaced "snapshots" of the Community over time. Other primary material will consist of government memoranda, legislation, and records of proceedings. Access to archived material regarding early attempts to establish an effective IC director is a constraint to this research. Establishing the organizational issues at play during each instance of the attempts to create effective centralized leadership for the whole IC would require research at a range of archives where such evidence may be contained. Considering the length and scope of this Master's thesis, it will be sufficient furnish the most evidence for the two primary cases, which had the most critical impact on national IC leadership, occurring in 1947 and 2004. Additionally, these two periods are crucial in establishing the critical junctures of a Historical Institutional approach. Therefore, the early period of institutional creation in 1947 and the sweeping reforms of 2004 following the September 11th terrorist attacks will receive

more of a focus in terms of supporting evidence to establish the organizational interests and cultural forces that shaped outcomes.

Through an examination of the state of IC management, and its shortcomings, the chapters will speak to the various HI features outlined above. This methodology will produce a both realistic and nuanced evaluation, as well as provide an evidentiary basis for answering the research question of the study. Secondary material will consist of work by well-known academics and officials in the field. The paper will end with a conclusion chapter. It will summarize the analytic narrative, assess what the identified patterns mean for the future, as well as provide an account of the identified factors that affected, and continue to influence the establishment of a director of the United States Intelligence Community.

Chapter II — Initial Conditions

...Open To Serious Objection.

–Military study group response to a proposal for centralized intelligence.³⁸

Introduction

This chapter will analyze the post-World War II debates over establishing a permanent peacetime intelligence service, something new in the American experience. Many different departments and agencies would attempt to gain control of intelligence in the era of post-war demobilization. There was uncertainty as to the responsibilities of a peacetime intelligence service and what lines of authority should control it. The struggle for authority, command of different types of intelligence, and control of a shrinking post-war budget are integral to an understanding of the developmental path of the Intelligence Community.

Legislation coming out of this period laid the groundwork for an organizational structure that would endure for decades. The structure of the U.S. Intelligence Community was originally defined in the National Security Act of 1947 (NSA1947). It is a legal basis and authorizing mandate for many intelligence services. However, many significant events in the few years prior to the inception of NSA1947, and the act itself, have their roots in the question of what form intelligence was to take following WWII.

³⁸ The Joint Strategic Survey Committee, “Report to JCS on establishing central intelligence service”, January 24 1945, Accessed on Jan 15, 2013, http://www.foia.cia.gov/sites/default/files/document_conversions/50/Report_to_JCS_on_establishing_central_intelligence_service_24_Jan_1945.pdf, p. 2.

The arrangements that came out of this period were the product of heated disagreements over centralized intelligence, fueled by established agencies wishing to maintain their authorities and areas of responsibility. The resulting structures reflected the tensions which bore them, as a compromise between service interests. In the decades to follow, the intelligence establishment came under almost constant criticism, producing the wide array of reviews that will be analyzed in later chapters in terms of this tension, and the ongoing push to further centralize control of intelligence.

The Post War Era and Peacetime Intelligence

In a whimsical ceremony conducted on January 24, 1946, President Truman presented ADM William D. Leahy and RADM Sidney Souers with “black cloaks, black hats, and wooden daggers”, after which the president read an outline of duties for the new “Cloak and Dagger Group of Snoopers.”³⁹ This intentionally humorous ritual at the White House saw the creation of the first Director of Central Intelligence (DCI), in the person of RADM Sidney Souers. Despite the common association of the DCI with the Central Intelligence Agency (CIA), the position actually predates the Agency. In the aforementioned ceremony of 1946, Souers had become the director of the little-known Central Intelligence Group (CIG), the CIA's direct institutional predecessor.

³⁹ Diary of William D. Leahy, January 24, 1946, Library of Congress, in Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, *Studies in Intelligence*, vol. 39, no. 5, 2007, p.111.

The CIG was tasked by the Truman administration with the basic mission of intelligence coordination for the purpose of strategic warning. However, in short order they would take on the responsibility for coordinating foreign clandestine activities. The CIG was a bureaucratic intermediary that suffered from interdepartmental rivalries and possessed “no independent budget, no statutory mandate, and staffers assigned from the permanent departments of the government.”⁴⁰ Despite the rough beginnings, the CIG rapidly solidified itself as the first permanent American peacetime intelligence service. The origins of the CIG are highly informative as they set what became long-standing patterns in terms of separation of intelligence authorities.

The permanent intelligence organizations of today would have been unheard of prior to the outbreak of World War II. There was no centralized structure for strategic warning or covert activities. Instead, the particular military or department to which they were most closely associated handled clandestine activities and intelligence collection. The expansion of the war produced a need for a strong intelligence division and this was realized through Maj. Gen. William J. Donovan's Office of the Coordinator of Information (COI), soon after renamed The Office of Strategic Services (OSS).

The OSS was neither a departmental or strictly military intelligence service, and encountered institutional friction because of this status. The Military Intelligence Division of the War Department General Staff (better known as G-2), the Office of Naval Intelligence, State Department, and the FBI had long since been mandated with intelligence responsibilities. They

⁴⁰ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.111.

were now sharing that role in wartime with the upstart OSS.⁴¹ Originally intended to “collect and analyze... strategic information” and to “plan and operate... special services”,⁴² the OSS quickly grew in scope. By the end of the war, its activities had grown to include guerrilla warfare, strategic analysis, and clandestine activities ranging from propaganda to sabotage.⁴³

General Donovan was a gregarious and controversial character. Although he led the OSS through a relatively successful and effective service during the war, he had also managed to create many rivals and enemies within the government. Donovan's maverick disposition would come to have consequences following the war. President Truman had no strong desire to keep the OSS as a functioning unit. Not only did he dislike Donovan personally, he perhaps feared that a peacetime version of the OSS might one day be used against American citizens,⁴⁴ being described in some circles as a potential “American Gestapo”.⁴⁵ Probably more influential than Truman's particular opinion was the general mood in Washington following the war; Congress wanted to see military demobilization occur quickly. Congress had always considered the OSS as a wartime agency only, thus had marked it for huge cutbacks.⁴⁶ An organization specializing in intelligence collection, propaganda, and guerrilla warfare was thought of as unnecessary in peacetime.

⁴¹ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.112.

⁴² Franklin D. Roosevelt, “Military Order of June 13, 1942: Office of Strategic Services”, in *From COI to CIG: Historical Intelligence Documents*, Center for the Study of Intelligence, Accessed on January 15, 2013, <https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol37no3/pdf/v37i3a10p.pdf>.

⁴³ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition* (Boulder: Westview Press, 2012), p. 17.

⁴⁴ Richard Dunlop, *Donovan: America's Master Spy* (Chicago: Rand McNally Publishers, 1982), p. 468.

⁴⁵ Bradley F. Smith, *The Shadow Warriors: OSS and the Origins of the CIA* (New York: Basic Books, 1983), p.404.

⁴⁶ Thomas Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (University Publications of America, 1981), p. 220.

Donovan had long believed in the necessity of an organization with the capabilities of the OSS, in peacetime as well as in wartime. He described such agencies as “a recognized and accepted part of the machinery of government.”⁴⁷, and in making his case for the essential nature of a strong intelligence structure, he contended that

All major powers except the United States have had for a long time past permanent worldwide intelligence services, reporting directly to the highest echelons of their Governments. Prior to the present war, the United States had no foreign secret intelligence service. It never has had and does not now have a coordinated intelligence system.⁴⁸

The key features of Donovan’s planned organization were that it directly report to the president and separate in large measure from the military establishment.⁴⁹ In a memorandum to the president dated November 18, 1944, Donovan outlined his plan for the continued existence of the OSS, or a similar agency, following the war. He again specifically recommended a military and civilian divide in intelligence operations, whereby there would be a permanent intelligence service separate from the military. Moreover, the Director of this service, “should be a civilian, and its personnel should be recruited largely from civilian life. They should be men whose professional or business training has given them vision, imagination, alertness, initiative, and experience in organization.”⁵⁰ Donovan made such arguments repeatedly through memoranda to senior military and government officials, and would prove to be prophetic regarding the unique nature of intelligence organization following the war. Many of his assertions would also lay the

⁴⁷ Extracts from Memorandum from Brig. Gen. William J. Donovan to Maj. Gen. W. B. Smith, 17 September 1943, in *Counterintelligence in World War II*, Retrieved on December 10, 2012, http://www.fas.org/irp/ops/ci/docs/ci2/2ch3_a.htm.

⁴⁸ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, 1945–1950, Emergence of the Intelligence Establishment*, Document 3 “Memorandum From the Director of the Office of Strategic Services (Donovan) to President Truman”, August 25, 1945, Attachment 2, “Paper by the Director of the Office of Strategic Services (Donovan)” (Washington , D.C.: U.S. Government Printing Service, 2006).

⁴⁹ Extracts from Memorandum from Brig. Gen. William J. Donovan to Maj. Gen. W. B. Smith, 17 September 1943.

⁵⁰ Extracts from Memorandum from Brig. Gen. William J. Donovan to Maj. Gen. W. B. Smith, 17 September 1943.

ground work for points of tension regarding intelligence lines of authority that would last up to the current day.

The Fate of the OSS and the Fight to Control Intelligence

Donovan's vision for what a peacetime intelligence agency would look like, as well as to whom it reported differed sharply from that of the Departments of War and Navy, the Federal Bureau of Investigation (FBI), and the State Department. Competition for authorities and a shirking budget following the war would cause bureaucratic in-fighting over who would control intelligence. The results of this battle decisively shaped intelligence authorities. While the particular motivations varied among these actors, they did have the same ultimate goal. As with any bureaucratic entity, they wanted to remain in control of as much of their own operations and budget as possible. A central intelligence service would limit the power and independence of their own intelligence operations.

Donovan and the departmental heads were not the only interested parties in the fate of the OSS and intelligence authority. Prior to his death, President Roosevelt had tasked Col. Richard Park, a White House aide, to produce a study on the OSS. Soon after entering office, Truman received the cutting report that echoed many previously aired concerns. It reiterated the perception that Donovan's suggested intelligence reforms for peacetime had "all the earmarks of a Gestapo system."⁵¹ Park recommended the OSS be abolished, and its remaining functions be liquidated to existing agencies. Experienced and difficult to replace OSS personnel should be shunted to either State or Military Intelligence, as well as preserving other valuable services.

⁵¹ Michael Warner, "Salvage and Liquidation, the Creation of the Central Intelligence Group", p.112.

Specifically, the OSS's Research and Analysis Branch in particular could be "salvaged" and given to the State Department."⁵² Donovan was infuriated by the plan; nonetheless, the president ignored his protests, telling Budget Director Smith to "recommend the dissolution of Donovan's outfit even if Donovan did not like it."⁵³

The Budget Office recommendation was enacted resulting in the complete dissolution of the OSS. Executive Order 9621 officially dissolved the OSS as of October 1st 1945. The position of Director of Strategic Services was terminated and all functions of that office transferred to the Secretary of War.⁵⁴ The State Department received the Research and Analysis Branch, and the remainder of the OSS went to the War Department "for salvage and liquidation."⁵⁵ It was routine at that time to consider non-diplomatic intelligence as a military activity. Therefore, it is easy to understand the separation between the small elements that went to State, with the remainder being assigned to the responsibility of the Joint Chiefs of Staff (JCS).

Assistant Secretary of War John J. McCloy proved instrumental in preserving elements of the disillusioned OSS he saw as crucial to a peacetime intelligence service. McCloy was a personal friend of Donovan's and was of a similar opinion regarding an improved national intelligence capability. He understood the value of these services as the core for a new

⁵² Michael Warner, "Salvage and Liquidation, the Creation of the Central Intelligence Group", p.113.

⁵³ Harold Smith's office diary entries for the 13th and 20th of September 1945, Roosevelt Library, in Michael Warner, "Salvage and Liquidation, the Creation of the Central Intelligence Group", p. 114.

⁵⁴ U.S. Department of State, Office of the Historian, Foreign Relations of the United States, Emergence of the Intelligence Establishment, 1945–1950, Document 13, "Executive Order 9621, Termination of the Office of Strategic Services and Disposition of Its Functions, September 20, 1945" (Washington, D.C.: U.S. Government Printing Service, 2006), pp. 44-46.

⁵⁵ G.E. Ramsey, Jr., Bureau of the Budget, to Deputy Comptroller McCandless, "Conference on OSS with Don Stone and OSS representatives, August 29, 1945", August 29th, 1945, National Archives and Records Administration, Record Group 51 (Bureau of the Budget), Series 39.19, "OSS Organization and Functions," Box 67, in Michael Warner, "Salvage and Liquidation, the Creation of the Central Intelligence Group".

peacetime organization.⁵⁶ The Secret Intelligence (SI) and Counterespionage (X-2) branches were part of the OSS elements shunted to the Department of War as “a going operation...[to] insure that the facilities and assets of the OSS are preserved for any possible future use.”⁵⁷ They formed an office McCloy labelled the Strategic Services Unit (SSU), maintaining part of the nomenclature, as well as activities of the OSS. The new Secretary of War, Robert P. Patterson confirmed McCloy’s directive and ordered indefinite postponement to the assimilation of the OSS’s records and personnel into the War Department’s Intelligence Division (G-2).⁵⁸ Patterson directed the OSS’s Deputy Director for Intelligence, Brig. Gen. John Magruder, to “preserve as a unit such of these functions and facilities as are valuable for permanent peacetime purposes.”⁵⁹ This further ensured the protection of OSS elements that they might be transferred to a new permanent service.

As the remnants of the OSS came under the orders and auspices of the Department of War, Donovan continued his push for a new permanent peacetime service. He still envisioned an organization separate from the military, thus not under their control. In turn, the JCS commissioned the Joint Strategic Survey Committee to “make comment and recommendation to the Joint Chiefs of Staff concerning the proposal of Gen. Donovan for the establishment of a

⁵⁶ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Emergence of the Intelligence Establishment, 1945–1950*, Document 95, “Memorandum From the Assistant Secretary of War (McCloy) to the Director of the Strategic Services Unit of the Department of War (Magruder)”, September 26, 1945 (Washington, D.C.: U.S. Government Printing Service, 2006).

⁵⁷ FRUS, Document 95, “Memorandum From the Assistant Secretary of War (McCloy) to the Director of the Strategic Services Unit of the Department of War (Magruder)”.

⁵⁸ Robert P. Patterson to John Magruder, September 27, 1945, National Archives and Records Administration, Record Group 319 (Army Intelligence), Decimal File 1941-48, 334 OSS, box 649, “Strategic Services Unit” folder, in Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p. 115.

⁵⁹ Robert P. Patterson to John Magruder, September 27, 1945, p. 115.

postwar central intelligence service”⁶⁰(sic). The report is clear regarding an outright rejection of Donovan’s plan, while still accepting the need for a centralized intelligence service.

The creation of a central coordinating authority, which is the basic concept of General Donovan, is generally regarded as essential to [intelligence service] improvement. On the other hand, the particular organization proposed by General Donovan is approved by none of those consulted.⁶¹

The JCS particularly objected to the proposal that, “intelligence control should be ‘returned to the president,’ and that central authority ‘reporting directly’ to the president ‘should be established in the executive offices of the president.’”⁶² Under this model, much of U.S. intelligence authority would be removed from the JCS and relocated to the Executive Office, leaving the JCS at a severe disadvantage. The opposition in the report is stated as follows:

General Donovan's [model] is open to serious objection in that, without adequate compensating advantages, it would over centralize the national intelligence service and place it at such a high level that it would control the operation of departmental intelligence agencies, without responsibility, either individually or collectively, to the heads of departments concerned... We should be on the guard against hastily undertaking too radical reorganization with the attendant disturbance of the present intelligence set up, even though admittedly, it is far from perfect.⁶³

While admitting the system is “far from perfect”, the JCS was not willing to accept a centralized intelligence service with a director that would be at “such a high level” that it could control departmental and military intelligence activities. The referred to “present intelligence set-up” had the Department of War in control of post-war OSS elements, and the services running their own intelligence. This can be clearly understood as the Joint Chiefs wanting to remain firmly in control of their own intelligence activities and not under a central intelligence director answerable only to the President.

⁶⁰ Report to JCS on establishing central intelligence service, p. 1.

⁶¹ Report to JCS on establishing central intelligence service, p. 1.

⁶² Report to JCS on establishing central intelligence service, p. 1.

⁶³ Report to JCS on establishing central intelligence service, p. 2.

In a draft letter to the president, the JCS suggested a counter proposal to Donovan's. It recommended creating a "National Intelligence Authority (NIA)", composed of the Secretaries of State, War, and the Navy, as well as representative of the Joint Chiefs. The NIA would then establish a "central intelligence agency", headed by a director, "who shall be appointed or removed by the president on the recommendation of the NIA. The director of the central intelligence agency shall be responsible to the National Intelligence Authority and shall sit as a nonvoting member thereof."⁶⁴ Noticeably absent from those in command is the new director of central intelligence. This arrangement would put the new central intelligence organization fully under the control of departmental authority, and the director thereof would merely be a nonvoting member of the controlling committee. This would more or less be the direct opposite of Gen. Donovan's vision of a separate intelligence service answerable to the president.

The JCS proposal (labelled JCS 1181/5) for centralized intelligence was essentially a plan for the Joint Chiefs and the departmental heads to be in control of permanent peacetime intelligence structures. Most importantly, the National Intelligence Authority composed of the department secretaries would, "perform, for the benefit of departmental intelligence agencies, such services of *common concern* as the national intelligence authority determines can be more efficiently accomplished by a common agency, including the direct procurement of intelligence."⁶⁵ CIA historian Michael Warner describes the inclusion of "services of common

⁶⁴ Report to JCS on establishing central intelligence service, Appendix, "Directive Regarding The Coordination Of Intelligence Activities", p. i.

⁶⁵ Report to JCS on establishing central intelligence service, Appendix, "Directive Regarding The Coordination Of Intelligence Activities", p. ii.

concern” as a piece of “artful ambiguity”.⁶⁶ It refers to espionage and liaison with foreign intelligence services, which was “the core of clandestine foreign intelligence.”⁶⁷ The obfuscation was well understood by those involved with the draft. The direct meaning was better not said aloud and briefly addressed by the inclusion of a “direct procurement” clause. Direct procurement refers to clandestine operations and information gathering activities that for diplomatic reasons are best described in broad terms. These activities needed to remain under departmental control, rather than in the hands of an independent central intelligence director that might become a rival to intelligence authorities.

Institutional Turf Protection

Despite the bureaucratic infighting, it was not only Donovan and the Joint Chiefs that recognized the need for central coordination of intelligence. The report to the JCS states that, “it is the unanimous opinion of all officials concerned, that there is a great need for improvement in the organization and operation of the intelligence service of our government. The creation of a central coordinating authority...is generally regarded as essential to such improvement.”⁶⁸ The other officials referred to include the representatives of the Navy, FBI, State Department, and the Bureau of Budget, who had strong interests in the assignment of intelligence authority and produced rival proposals. While there were recognized advantages to having a central clearinghouse for information, this type of coordination was as far as anyone was willing to go. The agency and departmental heads would all have “serious objection” to any centralized intelligence that was not structured around the continued existence of the bureaucratic status quo.

⁶⁶ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.116.

⁶⁷ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.117.

⁶⁸ Report to JCS on establishing central intelligence service, p.1.

The Navy possessed a very strong and independent service – the Office of Naval Intelligence (ONI). Established in 1882, the Navy had long managed its own intelligence activities. Even before WWII, the standing Navy dwarfed the other military services and it had an intelligence service to match. A weak and collaborative intelligence system provided the best opportunity to maintain the ONI’s unparalleled status and power.⁶⁹ They were seeking a “structure strong enough to prevent any other agency from dominating everything but weak enough to present no threat to Navy’s control of its own affairs.”⁷⁰

The Navy’s opposition was based on a number of institutional self-interests. The need for intelligence tailored to their specific requirements represented a strong practical argument. The Eberstadt Report (examined in more detail in a following chapter) in the late 1940’s reviewed the authority and effectiveness of elements within the Executive Branch, including intelligence services. Eberstadt concluded, “Each of these departments requires operating intelligence peculiar to itself. Intimate and detailed knowledge of the objectives and problems of each service is obviously indispensable to successful operation.”⁷¹ This provides a concrete reason for the services to refer to regarding their need to remain in control of their own separate intelligence operations. According to former CIA Deputy Director Ray Cline, “the one thing that the Army, Navy, State, and the FBI agreed on was that they did not want a strong central agency

⁶⁹ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC* (Stanford: Stanford University Press, 1999), p. 169.

⁷⁰ Ray, S. Cline, *The CIA under Reagan, Bush & Casey: The Evolution of the Agency from Roosevelt to Reagan* (Acropolis Books, 1981), p. 112.

⁷¹ The Commission on Organization of the Executive Branch of the Government, *Task Force Report on National Security Organization (Eberstadt Report)*, p. 163, in Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, pp. 169-170.

controlling their collection programs.”⁷² Agencies whose relationships were normally competitive and antagonistic now found a convergence of interest.

By the end of the war, the FBI had been heavily involved in intelligence for decades. Although primarily the Department of Justice’s criminal law enforcement division, they had developed a strong intelligence capability. Like the Navy, the FBI had good reasons for resisting intelligence centralization that would see their individual activities and authorities curtailed. FBI director J. Edgar Hoover had always been ambitious to expand the Bureau’s power, and jealously guarded its authority. The FBI’s purview had expanded beyond law enforcement into collection and counterintelligence, not only domestically, but abroad as well. In 1939, President Roosevelt gave the FBI the responsibility for all foreign intelligence collection in Latin America.⁷³ Hoover established the Special Intelligence Service (SIS) for this purpose and staffed it with approximately 360 agents.⁷⁴ In conjunction with the FBI’s domestic authorities, the SIS would control all Western Hemisphere intelligence activities throughout the war.⁷⁵ Director Hoover protected these roles against agency encroachment. He refused the OSS permission to conduct any domestic espionage activities, as well as maintained the FBI’s authority over Latin America.⁷⁶

Although the FBI was the main U.S. agency for counterespionage, and controlled Western Hemisphere intelligence, Hoover was not satisfied. In late 1945, following the end of

⁷² Ray, S. Cline, *The CIA under Reagan, Bush & Casey: The Evolution of the Agency from Roosevelt to Reagan*, p. 112.

⁷³ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 152.

⁷⁴ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 152.

⁷⁵ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 152.

⁷⁶ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 168-169.

the war, he sought to have SIS's mandate expanded to the rest of the world, and submitted a proposal to that effect.⁷⁷ The last thing he wanted to see was a strong centralized service that would appropriate the responsibilities the FBI currently possessed and Hoover hoped to expand. He argued General Donovan was attempting to create a "dynasty", and expand the OSS, "under another name in the world-wide intelligence field."⁷⁸ Hoover had stories planted in several newspapers, which carried classified details of Donovan's plans. The Times Herald ran a story claiming Donovan proposed a "super spy system" which would take over the FBI, Secret Service, ONI, and G2 to "spy on the postwar world".⁷⁹ Probably the most damaging of all was the claim the "super Gestapo agency" would "pry into the lives of citizens at home."⁸⁰ While never admitting responsibility, Donovan and White House aide Clark Clifford believed Hoover had leaked the story.⁸¹ Like the other services, the FBI had little opposition to a central coordination office, but strongly opposed and attempted to sabotage it having any authority, or collection capabilities.

As with other interested parties, the State Department had its own intelligence position to protect. After the dissolution of the OSS, State received control of its research and analysis functions, which were placed in the Interim Research and Intelligence Service. (IRIS)⁸² While State did not engage in direct collection activities, it did receive a large amount of reports and

⁷⁷ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 153.

⁷⁸ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, 1945–1950, Emergence of the Intelligence Establishment*, Document 8, Hoover, John Edgar, "Memorandum From the Director of the Federal Bureau of Investigation (Hoover) to Attorney General Clark, Washington, September 6, 1945", September 6, 1945 (Washington, D.C.: U.S. Government Printing Service, 2006).

⁷⁹ Thomas F. Troy, "Truman On CIA, Examining President Truman's role in the establishment of the Agency", *Studies in Intelligence*, Vol. 20, No.1, CIA Historical Review Program, September 22, 1993.

⁸⁰ Thomas F. Troy, "Truman On CIA, Examining President Truman's role in the establishment of the Agency".

⁸¹ Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the CIA*, p. 255.

⁸² Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. p. 138.

information through normal diplomatic channels. State considered Donovan's vision of a collection and analysis agency with direct access to the president as a matter of particular concern. After all, the State Department saw its mandate largely "in terms of intelligence; what else did Foreign Service officers do but collect information and use it to develop workable policy proposals?"⁸³ Another service feeding information directly to the president would introduce an additional influence on foreign affairs and threaten the Secretary of State's position.

Rather than the desire to protect ongoing intelligence operations, the State Department's concern was encroachment upon their position. The opposition was to a Donovan-style, all-powerful organization, rather than opposing a central service concept entirely.⁸⁴ It was against the institutional character of the State Department to engage in much of what clandestine activity called for. As Secretary of State Henry Stimson famously said, "gentlemen do not read each other's mail".⁸⁵ The type of information they dealt with was collected through diplomatic channels, liaising with foreign diplomats, and the monitoring of open sources.⁸⁶ Therefore, while not wanting to control collection, State was still resistant to the strong centralization of intelligence. State forwarded its own proposal (similar to a recommendation from the Budget Office) whereby the Secretary of State would control all intelligence in the executive branch.⁸⁷ This concept was outlined, among others, in a letter from Alfred McCormack, the Special Assistant to the Secretary of State for Research and Intelligence to the Bureau of Budget. The contents of the letter are highly significant, in that they amounted to a litany of considerations

⁸³ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 169.

⁸⁴ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 170.

⁸⁵ Philip Taubman, "Sons Of The Black Chamber", *The New York Times*, September 19, 1982.

⁸⁶ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, pp. 138-139.

⁸⁷ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 170.

regarding intelligence organization. The issues and challenges identified would persist for decades beyond the late 1940's post-war period.

McCormack identified four possible iterations of a “central intelligence agency”. First was a “Central Evaluating Agency”, where all unanalyzed information would be sent. It would receive, read, and catalogue every piece of information available. He described an agency covering the whole world and all the needs of the government as “so large in size as to be wholly impractical.”⁸⁸ Second, a “Coordinator of Information”, as was the original intention behind the wartime OSS. This agency would receive all the “processed” information and reports from other intelligence agencies, and then coalesce them into a single definitive product called “strategic intelligence”. As General Donovan found out, this approach was not practical considering the challenge of getting the information from other agencies, and the difficulties in substantiating what was received, especially without a field organization to verify it or get additional information.⁸⁹ Third, “Coordinator of Information Plus”, with the same features as the aforementioned concept, but possessing both an intelligence coordination office and a service to collect intelligence directly. The OSS attempted to fill this role during WWII, but fell short of success. The “remoteness from the operating units” and agency politics were challenges. Additionally, the reports were often “unrelated to the real problems”, and based on less than all

⁸⁸ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Emergence of the Intelligence Establishment 1945-1950*, Document 70, “Memorandum From the Director of the Bureau of the Budget (Smith) to the President's Special Counsel (Rosenman)”, January 10, 1946, Attachment “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)” (Washington , D.C.: U.S. Government Printing Service, 2006).

⁸⁹ FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

the information “because OSS tried to cover so large a field.”⁹⁰ These first three options are summarily dismissed as either unworkable or impractical. All are covered in less than the first page of the memorandum. The next three pages are unsurprisingly dedicated to the State Department’s proposal, which would put them in control of most intelligence activities.

The “Interdepartmental Coordinating and Planning Mechanism” concept was advanced by State as the soundest course. In short, it would have all foreign intelligence handled by the State Department, except for those functions that were military by nature, such as map services and “secret intelligence” as gathered by clandestine means.⁹¹ The memo lists numerous objections to the plan proposed by the JCS to create a central organization. The memorandum correctly points out the central folly of the plan for an independent agency, as “their ‘independent’ director would be subject to so many controls by the military that his independence would be nonexistent.”⁹² However, this highlights the problem with the State Department’s proposal. It, too, is a proposal to have the majority of intelligence fall under their auspices, thus subject to only one department’s control. Similar to that of the JCS, the State Department’s proposal was largely about protection of their institutional turf. This is stated clearly at the end of the memorandum, “apart from the strictly military aspects...intelligence is by definition a function of the Department of Government which is responsible for foreign affairs.”⁹³ Ultimately, however, State sided with the plan as advanced by the Departments and

⁹⁰ FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

⁹¹ FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

⁹² FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

⁹³ FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

FBI. It would be much simpler in terms of execution for the State Department and would not require taking on new intelligence responsibilities. It would maintain the status quo and do the most to ensure the new service was an intelligence clearinghouse only, and not a competitive agency.

President Truman himself wanted to see a centralized coordination of intelligence. Speaking to an audience of CIA employees in 1952, Truman recalled there had been, “No concentration of information for the benefit of the president. Each department and each organization had its own information service, and that information service was walled off from every other service.”⁹⁴ As far back as the fall of 1945, the president had a vague idea of what he wanted for a centralized service: a “different kind of intelligence service from what this country has had in the past...a broad intelligence service attached to the President's Office.”⁹⁵ On this point, he agreed with Donovan – central intelligence should be under the authority of the president directly. Truman just did not want Donovan to be a part of it. Differing from Donovan, and more in line with the JCS, Truman seemed to have a role of coordination for the purpose of strategic warning in mind for the new service, rather than active clandestine duties.⁹⁶ In his memoirs, he states, “If there had been something like coordination of information in the government it would have been more difficult, if not impossible, for the Japanese to succeed in the sneak attack at Pearl Harbor.”⁹⁷ Similarly, as previously described, the Cabinet Departments

⁹⁴ Michael Warner, ed., *The CIA under Harry Truman* (University Press of the Pacific, 2005), Document 81, p. 471.

⁹⁵ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p. 114.

⁹⁶ The new intelligence service, the Central Intelligence Group (CIG), would not have intelligence procurement as part of their mandate as described in Truman’s directive of January 22, 1946.

⁹⁷ Harry S. Truman, *Memoirs, Volume II, Years of Trial and Hope* (Garden City, NY: Doubleday, 1956), p. 56.

and existing services wanted the direct procurement of intelligence activities to remain with them.⁹⁸

The array of sharply differing opinions caused a heated internal debate in the Truman administration over the proposed powers of the new service. The Armed Services in general preferred the JCS plan to lift the new intelligence agency outside of Cabinet control by placing it under a proposed National Intelligence Authority, which would give the Secretaries of each branch controlling authority. The Secretaries all stood opposed to the State Department's suggestion that the new intelligence director be both selected by and accountable to the Secretary of State.⁹⁹ Budget Bureau staffers spelled out their plan in a letter to Truman on September 4, 1945. They wanted the State Department to serve as the president's principal intelligence agency by developing an "integrated government wide program" for coordination.¹⁰⁰ Truman preferred the JCS proposal as it was more workable than the one set forth by the State Department for them to run the government's foreign intelligence program. While there was broad agreement for centralization of intelligence, competition for authority was rife due to the ambiguity of postwar circumstances and organizations anxious to protect their interests.

"Cloak and Dagger Group of Snoopers"

⁹⁸ In JCS 1181/5 the new service is described as having the responsibility for procurement. However, this vision has the service operating under the full control of JCS via the National Intelligence Authority (NIA) and procuring intelligence at their behest and direction.

⁹⁹ Thomas Troy, *Donovan and the CIA: A History of the Establishment of the CIA*, p. 298-300.

¹⁰⁰ Samuel I. Rosenman and John W. Snyder, Letter to President Truman, "Termination of the Office of Strategic Services and the Transfer of its Activities to the State and War Departments", September 4, 1945, Harry S. Truman Library.

The questions regarding lines of intelligence authority were answered in January of 1946 when President Truman created the Central Intelligence Group (CIG). The CIG formally came into being with a presidential directive of January 22, 1946 to the Secretaries of State, War, and the Navy. The directive called for the much talked about centralization of all “Federal foreign intelligence activities [to] be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission.”¹⁰¹

In the end, the created organization was a modified version of the JCS proposal that had been outlined in JCS 1181/5, and amounted to a compromise between the various proposals. The directive authorized the creation of a National Intelligence Authority, to be comprised of the addressed Secretaries and a representative selected by the president. The CIG was to “perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.”¹⁰²

The directive addressed the two main points of contention for the departments and agencies. The CIG would act as a coordination service, not appropriate any of their current powers or be in authority over them. The new service’s only purpose would be the “correlation and evaluation” of intelligence.¹⁰³ The CIG, “under the direction of a Director of Central Intelligence, [shall] assist the National Intelligence Authority.”¹⁰⁴ The Director of Central

¹⁰¹ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”, Harry S. Truman Library, *Public Papers of the Presidents of the United States: Harry S. Truman, 1946*, pp. 88-89.

¹⁰² Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹⁰³ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹⁰⁴ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

Intelligence (DCI) would only be, as the JCS suggested, a “non-voting” member of the managing authority, and would serve to “assist” those in authority.

In addition to the intelligence “correlation” nature of the new centralized agency, the mandate established other limitations and articles that would become characteristic of civilian intelligence in the U.S. This included the presidential nomination of the DCI, and the exclusion of police powers. The key sections of the mandate read as follows:

- 2) The Director of Central Intelligence shall be designated by me [the president]
- 3) Subject to the existing law...the Director of Central Intelligence shall:
 - a) Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.
 - c) Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.
 - 4) No police, law enforcement or internal security functions shall be exercised under this directive.
 - 6) The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.¹⁰⁵

Warner points out how the loaded phrase from JCS 1181/5, the “services of common concern” appeared again. However, discreetly missing was the all-important and descriptive clause, “including the direct procurement of foreign intelligence.”¹⁰⁶ Thus, the CIG mandate did not include direct collection, which, as mentioned previously, is crucial to foreign intelligence. Truman addressed the main concern of the JCS, State, and the FBI by ensuring “the existing intelligence agencies of your Departments shall continue to *collect*, evaluate, correlate and disseminate departmental intelligence”¹⁰⁷, and the purpose of the CIG was only for the

¹⁰⁵ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹⁰⁶ Report to JCS on establishing central intelligence service, Appendix, “Directive Regarding The Coordination Of Intelligence Activities”, p. ii.

¹⁰⁷ Emphasis added by author.

“correlation and evaluation of intelligence.”¹⁰⁸ By the addition of this line, a principal concern of the military and departmental agencies had been addressed. The new service was tasked in such a way to not immediately become a competitor or institutional threat to them. However, as will be addressed in the next chapter, departmental resistance to centralization would have an unintended and ironic effect. It would be a prime factor in central intelligence developing into a fully-fledged agency, and a competitor.

Conclusion

The post war struggle to control intelligence formed the Intelligence Community’s *initial conditions*, to borrow from the parlance of physics. As with physics modeling, the initial conditions in a scenario have a large impact on how the situation will develop. In the case of post WWII intelligence, several established departments and agencies had been controlling their own tailored collection and intelligence budgets, and wished to continue doing so. The possibility of an upstart Central Intelligence service was met with “intense hostility”, as they feared it would gain “control over their intelligence and their intelligence departments.”¹⁰⁹ The existing intelligence producers believed a system with decentralized collection and control was in their best interests. It allowed each department to “train its own experts and develop its own priorities.”¹¹⁰ A new central intelligence correlation group, amounting to only a clearinghouse, did not represent a threat. However, if the central group were to begin collecting its own intelligence they would become a producer, a rival agency, and in the worst-case scenario – possibly be in central control of all intelligence.

¹⁰⁸ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹⁰⁹ Thomas Troy, *Donovan and the CIA: A History of the Establishment of the CIA*, p. 271.

¹¹⁰ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 175.

In addition to the bureaucratic and institutional concerns of agencies, intelligence analysis and clandestine activity under the same roof creates its own problem. Warner observes that the tension between the two missions of strategic warning and clandestine activity forms the central dynamic in the unfolding history of U.S intelligence and the CIA.¹¹¹ In the decades to come, this tension would be the basis for many disagreements as intelligence centralization and lines of authority became an ever-increasing focus of efforts at reform. Such was the legacy of OSS, and the postwar intelligence battles. The OSS established the American tradition of analysis and operations being housed within the same organization, developing the “underlying tension between these two aspects of intelligence.”¹¹² Far from being resolved, this tension would remain at the core of debates over intelligence, and the lines of authority thereof.

The initial conditions of this period are the beginnings of the first “critical junction” in the U.S. Intelligence Community. Over the next period (examined in the following chapter), the arrangements will become more distinct and formalized into law. Rational motivations to preserve autonomy through resistance to central authority shape the debate and the resulting legislation. The character and long-term development of intelligence institutions were moulded in these early stages. As with any institution, the areas of responsibility and authority would become institutionalized over time and eventually ingrained as culture.¹¹³ Once set in place,

¹¹¹ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.118.

¹¹² Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., p. 11.

¹¹³ R. Burman and A.J. Evans, “Target Zero: A Culture of Safety”, *Defence Aviation Safety Centre Journal*, 2008, pp. 22-27, and Sven Steinmo, “What is Historical Institutionalism?”, *Approaches and Methodologies in the Social Sciences*, Donatella Della Porta and Michael Keating, Eds. (Cambridge University Press, 2008), pp. 150-178.

decentralized operation becomes the natural state of affairs within the Community and, thus, extremely difficult to change.

Chapter III — Centralized Intelligence Leadership

Soundly Constructed, But Not Yet Working Well.

–The Eberstadt Report, describing the state of the early Intelligence Community.¹¹⁴

Introduction

The CIG, the first peacetime intelligence service in the United States, was created amid political infighting and struggles for authority. It was precisely these circumstances that would shape the institutional predecessor to the CIA, create a model for a civilian centralized intelligence apparatus, and lay the groundwork for long-standing tensions. This would define the way intelligence was managed, who controlled it, and how senior military and civilian policy makers were informed by it.

The position of Director of Central Intelligence (DCI) was crucial to the new organization, and central to the various aforementioned proposals. The DCI was created on January 22, 1946 in the same directive that authorized the establishment of the CIG, though it would not be associated with the CIG for long. The limited and inauspicious early stages of this position would bear little resemblance to the level of authority the office would hold in the future. In relatively short order, the DCI would become head of the CIA, and Director of the entire Intelligence Community. However, the dynamics of these early stages shaped the DCI's role. Rifts developed between civilian and military intelligence lines of authority, which would become the focus of many future reform inquiries.

¹¹⁴ The Commission on Organization of the Executive Branch of the Government, *Task Force Report on National Security Organization (Eberstadt Report)*, January 1949, p. 3.

This chapter will analyse the early structures and relationships at the dawn of U.S. peacetime intelligence. These structures would put agencies “on rails”, organizational pathways that they would consciously and unconsciously follow throughout their institutional development. More to the point, the relationship between agencies would be set during this time. Lines of fiscal and hierarchical authority and the semi-autonomous nature of services would become set in a path-dependent fashion, whereby it would become increasingly difficult to make significant changes to these lines as time went on. These factors would come to have significant consequences when major reform efforts were undertaken, and restructuring of the IC was met with disinterest, or staunch resistance.

Branching Off: A New Intelligence Service and Director

President Truman tapped Sydney Souers to serve as the first Director of Central Intelligence. Souers was a wealthy businessman from St. Louis, and a naval reservist. During the course of the war, he had risen to the position of Assistant Chief of Naval Intelligence. This role had him heavily involved in the post-war struggle for control of intelligence authority. Furthermore, he was a friend and protégé of Navy Secretary Forrestal, who had advised the White House during the debate on intelligence.¹¹⁵ Thus, Souers was the logical choice for the job, as he knew the players, had been involved with the JCS proposal, and was “intimately familiar with the substance of the directive that established the post of DCI.”¹¹⁶ Two days after signing the directive creating the first centralized intelligence service, Truman invited Souers to

¹¹⁵ CIA History Staff, “Fifteen DCIs' First 100 Days: Taking Stock”, *Studies in Intelligence*, Accessed on January 10, 2013, <https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/csi-studies/studies/95unclass/100Days.html>.

¹¹⁶ Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, *Crafting An Intelligence Community: Papers Of The First Four DCI's*, conference proceedings handbook, September 13, 2012, p.44.

the White House for the aforementioned induction ceremony. Souers received his black cape and wooden dagger in the whimsical ritual that saw him become head of the new “Group of Snoopers”, as Truman put it.¹¹⁷

While Souers would only serve as Director for six months, he had a demonstrable effect on shaping the position. As a short-term DCI, he had been brought in to get central intelligence up and running.¹¹⁸ His two main objectives were finding an adequate successor, and organizing the CIG to serve as a precursor to a fully-fledged agency.¹¹⁹ One aim would support the other. If he wanted central intelligence to take on expanding duties, then a like-minded replacement would be necessary to continue the work after his departure.

DCI Souers was intent upon returning to his civilian life and business interests in St. Louis. He wanted to leave as soon as the President and Congress could agree on a replacement candidate.¹²⁰ With this in mind, he set to the task immediately, and identified Hoyt S. Vanderburg as the best choice. As a war hero and nephew of a prominent Republican senator, Vanderburg was ideal to continue the work towards securing a truly independent central intelligence service following Souers departure.¹²¹

From the beginning, Souers had a vision for centralized intelligence and the role of the CIG. He wanted it to serve as “a holding agency until a fully functional agency” could take over

¹¹⁷ Diary of William D. Leahy, January 24, 1946, p. 111.

¹¹⁸ CIA History Staff, “Fifteen DCIs' First 100 Days: Taking Stock”.

¹¹⁹ Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, p.44

¹²⁰ Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, p.43

¹²¹ Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, p.44

more expansive responsibilities.¹²² Since the CIG had been established amid sharply differing proposals, Souers chose to not attempt any rapid changes that might upset the delicate balance that had been struck. He appreciated it was not the time to “foster misgiving or animosity.”¹²³ Souers was well aware the National Intelligence Authority and the CIG did not rest upon legislation from Congress, but rather from the president’s directive. There were questions and uncertainty as to the president’s power to issue post-war directives with his wartime authorities now expired. Considering the shaky legal standing of the CIG, the hostility of other services, and his desire to expand the Director’s functions, Souers adeptly chose to focus just on solidifying the role of centralized intelligence.

As a first order of business, he established key positions and organized an administration staff. The status reports from this early period show the effort was towards “defining the missions and the tools of the new intelligence apparatus.”¹²⁴ The establishing stages were crucial to any organization as vaguely defined as the CIG. The presidential directive spoke of “Perform[ing] for the benefit of said intelligence agencies” as determined by the departments, and “other functions and duties related to intelligence.”¹²⁵ Souers saw the CIG as not just temporary, but an agency surrounded by far more established intelligence services that were resistant to the CIG appropriating their duties. A necessary first step towards being “a holding agency” was to establish the CIG by “defining the missions and the tools” beyond vague the duties as defined by competitive agencies

¹²² Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, p.43

¹²³ Arthur B. Darling, “Central Intelligence Under Souers”, CIA Historical Review Program Sanitized Release, *Studies in Intelligence*, July 2, 1996, Vol. 12, No.1, Adapted from a history of the Central Intelligence Agency, prepared by the author in 1953. For preceding installments see *Studies in Intelligence*, Vol.8, No. 3, p. 55, and X 2, p. 1.

¹²⁴ Tracy Rich, “Sidney William Souers, 6 January 1946-10 June 1946”, p. 44.

¹²⁵ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

DCI Souers made certain to solidify the CIG by fulfilling its primary mandate— coordination and dissemination of intelligence. However, this task was accomplished only with difficulty. The competing intelligence services had wanted to limit the role of the CIG as much as possible before its creation and were predictably uncooperative during its formative period. Institutional resistance to change was afoot as the departments resisted, “every thought of a central intelligence organization which might overpower their own intelligence agencies.”¹²⁶ Exacerbating the difficulties, the GIG was to be staffed and funded by the Departments of State, War, and the Navy, which they did only grudgingly.¹²⁷ The president’s directive had instructed the departments to “make available to the Director of Central Intelligence, upon his request, the funds, personnel, facilities and other assistance required”¹²⁸ However, many of the recommendations “were not bona fide nominations.”¹²⁹ The nominees were either not the best person for the job, were not available as they were “headed toward more important positions in their own services”, or many were frequently given short transfer terms where “six months was often the limit.”¹³⁰ The personnel issues were the first sign of the institutional resistance posed on every level.¹³¹ It is not surprising the second DCI, Vandenberg, sought an independent budget and personnel authority for the CIG. Budget control and 'hire and fire' authority would prove to be reoccurring themes throughout the unfolding evolution of U.S. intelligence and the DCI. The issue would be revisited many times as the initial tension created by competitive agencies became more entrenched in the structure of the Intelligence Community.

¹²⁶ Arthur B. Darling, “Central Intelligence Under Souers”, CIA Historical Review Program.

¹²⁷ CIA History Staff, “Fifteen DCIs' First 100 Days: Taking Stock”.

¹²⁸ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹²⁹ Arthur B. Darling, “Central Intelligence Under Souers”, CIA Historical Review Program.

¹³⁰ Arthur B. Darling, “Central Intelligence Under Souers”, CIA Historical Review Program.

¹³¹ Karalekas, Anne, *History of the Central Intelligence Agency* (Laguna Hills: Aegean Park Press, 1977), p. 13.

In line with Truman's vision for the new service, the CIG prepared and distributed "definitive estimates' on the capabilities and intentions of foreign countries."¹³² Analysts organized the mass of reports and cables that came in daily from the Navy, Army and State Department. The first intelligence summary was delivered to the White House only four weeks after Souers took office. However, in this task, the CIG was also resisted. Secretary of State Byrnes argued it was his function to supply the President with foreign policy analyses.¹³³ The State Department prepared its own daily intelligence brief, in addition to the CIG's. The Services and Departments failed to cooperate fully, were late in information delivery, and refused to inform the CIG as to their own capabilities and intentions. The military was particularly resistant to share information; giving a civilian organization military intelligence was seen as a "breach of professionalism".¹³⁴ It was believed civilians lacked the understanding and ability to analyze military intelligence.¹³⁵

In the midst of the bureaucratic resistance, DCI Souers maneuvered to expand the CIG's area of responsibility. To augment personnel and resources, he obtained responsibility for the remnants of Office of Strategic Services (OSS) that had been housed at the Department of War. As detailed earlier, the personnel and resources of OSS Intelligence and Counterespionage elements (renamed the SSU) had been "preserved as a unit" by John J. McCloy and John

¹³² Arthur B. Darling, "Central Intelligence Under Souers", CIA Historical Review Program.

¹³³ Anne Karalekas, *History of the Central Intelligence Agency*, p. 13. The State Department also asserts its prerogative regarding foreign policy analysis in great detail in "Memorandum From the Director of the Bureau of the Budget (Smith) to the President's Special Counsel (Rosenman)", January 10, 1946, Attachment, "Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)", Foreign Relations of the United States 1945-1950, Emergence of the Intelligence Establishment, Document 70.

¹³⁴ Anne Karalekas, *History of the Central Intelligence Agency*, p. 13.

¹³⁵ Anne Karalekas, *History of the Central Intelligence Agency*, p. 13.

Magruder, as they would be “valuable for permanent peacetime purposes.”¹³⁶ Souers recognized their value to augment capabilities and expand the CIG role. The addition of these considerable foreign intelligence capabilities to the CIG was a crucial factor in the assignment of their second area of responsibility – foreign intelligence collection.

The CIG had no clear authority to engage in intelligence collection or covert operations. In fact, as previously described, a point of resistance during the intelligence debate was collection remaining with the services currently possessing that responsibility. The president’s mandate had stated, “existing intelligence agencies of [the] Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.”¹³⁷ However, there was no specific prohibition on the new central intelligence group performing collection as well. General John Magruder wrote to his deputies describing the forthcoming transfer, “With respect to SSU...at such time as the Director [of Central Intelligence] is ready to start operating, this Unit, its activities, personnel, and facilities will become available to the Director.”¹³⁸ Regarding the apparent expansion of the CIG mandate from the president’s directive, Magruder further stated:

As you know, the intent of the President's directive was to avoid setting up an independent agency. Therefore, the Central Intelligence Group, purposely called the Group, will utilize the facilities of several Departments. This Unit will become something in the way of a contribution furnished by the War Department.¹³⁹

Thus, despite the large amount of resistance to the CIG performing collection tasks, they took on that responsibility. They became, in effect, a separate intelligence agency by appropriating the service that has been preserved for just such a purpose. The transfer of SSU

¹³⁶ Robert P. Patterson to John Magruder, September 27, 1945, p. 115.

¹³⁷ Harry S. Truman, “Presidential Directive on Coordination of Foreign Intelligence Activities, January 22, 1946”.

¹³⁸ Strategic Services Unit (SSU) Staff Meeting Minutes, January 29, 1946, in Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.117.

¹³⁹ Strategic Services Unit (SSU) Staff Meeting Minutes, January 29, 1946, p.117.

personnel to the CIG began very shortly after Hoyt Vandenberg took office as the second Director of Central Intelligence. Vandenberg stated that with the absorption of SSU, the new central intelligence service was not only fulfilling its first mandate of intelligence correlation, they had also begun to take on “all clandestine foreign intelligence activities”.¹⁴⁰ During the same meeting, Admiral Leahy stated at a different point, “It was always understood that the CIG eventually would broaden its scope.”¹⁴¹ This indeed turned out to be the case, as demonstrated by how quickly the CIG took on a life of its own. Directive Number 5 from the National Intelligence Authority expanded the CIG’s role to, “Conduct of all organized Federal espionage and counter-espionage operations...for the collection of foreign intelligence”¹⁴² DCI Vandenberg was well aware of departmental apprehension regarding expansion of the CIG and attempted to allay concerns by contending the expanded role of the new intelligence service was to “fill in current gaps rather than usurp any department’s functions.”¹⁴³ The directive did not consolidate all clandestine activities under the CIG, as DCI Vandenberg might have hoped. The authorization was carefully worded to limit the scope of activities and to “allay fears that the DCI would take control of departmental intelligence offices.”¹⁴⁴ Nonetheless, Central Intelligence was no longer just coordinating and organizing intelligence – it was now producing it.

Despite the resistance, by the time the CIG had its second director – only months after its inception – it had become “the nation's primary agency for strategic warning and the

¹⁴⁰ Michael Warner, ed., *The CIA under Harry Truman*, “Minutes of National Intelligence Authority (NIA) Meeting 4”, Document 13, pp. 56-57.

¹⁴¹ Michael Warner, ed., *The CIA under Harry Truman*, p.58.

¹⁴² U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, 1945–1950, Emergence of the Intelligence Establishment*, Document 160, “National Intelligence Authority Directive Number 5”, July 8, 1946 (Washington, D.C.: U.S. Government Printing Service, 2006), pp. 391-392.

¹⁴³ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., p. 16.

¹⁴⁴ Michael Warner, ed., *Central Intelligence: Origin and Evolution*, p. 5.

management of clandestine activities abroad.”¹⁴⁵ In short order, and in the face of considerable institutional resistance, the CIG came into being and took on these two main responsibilities. The CIA would inherit these mandates from the short-lived Central Intelligence Group within two years. However, the CIA would receive more than mandated roles of intelligence activity. They would also become the heirs of the tensions under which their predecessor was created. The two missions of strategic warning and clandestine activity are the central dynamic and point of contention in the early U.S Intelligence Community. However, this dynamic would continue to be a source of tension. As will be demonstrated in the next section, paths were solidified by the passage of the National Security Act of 1947. The Act formalized a structure into law that institutionalized the tensions of the postwar struggle to control intelligence. While the CIG had developed into a more fully-fledged agency capable of its own collection and activities, the DCI was never given the kind of authority required to manage intelligence centrally.

Structure Under Tension: The National Security Act of 1947

The National Security Act of 1947 (NSA1947) is crucial in the history of U.S. intelligence, as it created many of the institutions that would come to comprise the current Intelligence Community, as well as defining its structure for decades. As new agencies or offices were created, they came into existence as amendments to this central piece of authorizing legislation. The provisions of NSA1947 realigned or reorganized the U.S. Armed Forces, foreign policy apparatuses, as well as intelligence services. Several organizations were established, including, the National Security Council (NSC), a Secretary of Defense, a statutory Joint Chiefs of Staff, and the Central Intelligence Agency (CIA).

¹⁴⁵ Michael Warner, “Salvage and Liquidation, the Creation of the Central Intelligence Group”, p.118.

The wide-ranging bill had three major sections: One, the creation of a body to govern national security policy, called the National Security Council (NSC); two, the unification of the military under the Department of Defense (DoD) headed by the Secretary of Defense, with three separate services of the Air Force, Army and Navy; and three, the creation of the Central Intelligence Agency under the DCI.

President Truman's authorizing directive of January 22 had created the Director of Central Intelligence position, but only vaguely defined the CIG's responsibilities. Less text in the directive was dedicated to defining the precise duties of the CIG than was to the National Intelligence Authority and descriptions of the general assistance that the CIG would provide to existing departments. The expanded responsibilities of the CIG for intelligence collection were enacted as amendments to the president's directive from January of 1946. Because of this, the CIG still did not rest upon legislation from Congress. There was a broad consensus that Central Intelligence needed a more firm legal footing.¹⁴⁶ However, intelligence legislation would play a secondary role to the unification of the military services and other national security modernization efforts, which were the primary concern.

The White House made it clear to DCI Vandenberg that the defense reform bill would focus on the president's main goal of military modernization. Too much detail in the intelligence enabling section of the bill might provoke Congress to seek a similar level of detail regarding the

¹⁴⁶ Michael Warner, ed., *Central Intelligence: Origin and Evolution*, Center for the Study of Intelligence, Washington, D.C., 2001, quoting material from Lyle Miller, "Legislative History of the Central Intelligence Agency – National Security Act of 1947 (declassified draft)", Central Intelligence Agency, Office of Legislative Council, July 25, 1967, p. 72.

other sections. The intelligence section would be kept brief, “to ensure that none of its details hampered the prospects for [military] unification.”¹⁴⁷ Ironically, this had the opposite effect. The lack of details in the first draft provoked Congress to press for clarification and specifics on the proposed CIA.

The intelligence section in the proposed bill required several re-drafts to specify the character and authority of the CIA to address the concerns from Congress. Among the concerns, a significant controversy developed around whether the Director of Central Intelligence should be a military officer.¹⁴⁸ The JCS preferred to have the DCI as a serving military officer, while Congress sought to select which option would ensure the CIA’s independence from other government departments. Questions were raised as to the level of coordination between the CIA and the military and about “the chances of a ‘Gestapo-like’ organization developing with intrusive domestic activities.”¹⁴⁹ Intelligence scholar Mark Lowenthal observes the remainder of the intelligence bill followed Napoleon's maxims about constitutions – that they be short and vague.¹⁵⁰

Truman’s goal for the National Security Act was military unification, which was edging towards completion. The best way to avoid derailing the effort would be not to revive opposition from the military services by including potentially objectionable items. Provisions for expanded central intelligence autonomy, jurisdiction, and budget were avoided. Much like the original directive that established the CIG, the ambiguity regarding specificity would allow the CIA to

¹⁴⁷ Lyle Miller, “Legislative History of the Central Intelligence Agency – National Security Act of 1947 (declassified draft)”, p. 72.

¹⁴⁸ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., p. 17.

¹⁴⁹ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., p. 17.

¹⁵⁰ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., pp. 17-18.

expand in both size and scope by not including explicit limitations.¹⁵¹ The intelligence section of NSA1947 reads as a basic legal ground establishing the CIA, and a few brief items to address larger Congressional concerns. Owing to these factors, the origins of the U.S. Intelligence Community, the CIA, and a unique-in-the-world civilian intelligence model is covered in only two scant pages.

The CIA was congressionally established along with the Director of Central Intelligence (DCI) under the National Security Council (NSC). This established a structure that would endure for almost 60 years.

There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life.¹⁵²

The National Security Council's function was to "advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security."¹⁵³ The council is comprised of senior members of the government and military, as well as the Intelligence Community. This arrangement is structured to provide the president with a consensus of advice from senior officials to be used at the president's discretion. While the CIA is legally structured to be "under the National Security Council", the Council itself is utilized at the president's discretion for advisory purposes only. Thus, the Council itself does not direct the CIA, nor appoint its Director, who serves at the president's pleasure. General Donovan's vision of an intelligence service separate from the military and under the authority of the president,

¹⁵¹ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 165.

¹⁵² National Security Act of 1947, 80th Congress, Public Law No. 235, 61 Stat. 495, July 26, 1947, codified at 50 U.S.C. ch. 15, as amended, Section 102.(a) (b)(1).

¹⁵³ National Security Act of 1947, Section 101.(a).

although without him and in a different form, had been realized. It would certainly be the case that the influence of future DCIs was “directly proportional to [their] personal relationship with the chief executive.”¹⁵⁴

Several sections were added during the re-drafting process to address the concerns regarding the military status of the DCI. If a commissioned military officer were appointed to serve as DCI, in the performance of duty, “shall be subject to no supervision, control, restriction, or prohibition”¹⁵⁵ from the armed services. At the same time, such a DCI would not “possess or exercise any supervision, control, powers, or functions...with respect to the armed services.”¹⁵⁶ The intent was to ensure the independence of the CIA for the purpose of providing the most accurate and unbiased intelligence possible. Thus, the CIA is not attached to a government department, but independently autonomous under the NSC and president; also, explicit provisions were included to have the DCI outside the military chain of command to “help him resist any temptation to shade his reports to please his superiors.”¹⁵⁷ To further this end, intelligence related to national security from other departments and agencies was “open to the inspection” of the DCI.¹⁵⁸

Specific sections regarding the CIA’s breadth of activities were also included in the draft. This included the “services of common concern” that the NSC determined could more efficiently be conducted “centrally”.¹⁵⁹ Additionally, the CIA was tasked to perform “such other functions

¹⁵⁴ David Robarge, “A Long Look Back, Directors of Central Intelligence, 1946-2005”, p.5.

¹⁵⁵ National Security Act of 1947, Section 102.(a) (b)(1)(A).

¹⁵⁶ National Security Act of 1947, Section 102.(a) (b)(1)(B).

¹⁵⁷ Michael Warner, ed., *Central Intelligence: Origin and Evolution*, p.6.

¹⁵⁸ National Security Act of 1947, Section 102.(e).

¹⁵⁹ National Security Act of 1947, Section 102.(d) 4.

and duties related to intelligence affecting the national security.”¹⁶⁰ This language, as with much of the CIA section of NSA1947, was culled from the text of Truman’s directive establishing the CIG. This text was understood to refer to providing policy makers with intelligence procured from direct collection, as well as liaison with foreign intelligence services. Unlike the ambiguity regarding the collection role of the CIG, the CIA was explicitly charged with this responsibility. The “other functions and duties” mandate refers to clandestine action, when directed by the NSC from “time to time.” Although it was probably not clear at the time what the wider implications would become, it would have a significant impact of the evolution of the CIA.¹⁶¹ Part of the reason behind the vague language was to avoid wording that foreign governments might find objectionable. (There is no mention of spying or covert action abroad.) The other reason is the “bureaucratic sensitivities”¹⁶² involved in defining too clearly the DCI’s role as it related to other departments to avoid the inevitable institutional turf battle that would result. Finally, to allay concerns about possible intrusive CIA activities, the Agency is prohibited from possessing “police, subpoena, law-enforcement powers, or internal-security functions.”¹⁶³

The passage of NSA1947 and the accompanying legislative grounding for central intelligence came in the middle of the third DCI’s tenure. Rear Admiral Roscoe Hillenkoetter was the first DCI to preside over the new Central Intelligence Agency (CIA). He chose to separate the Agency into two divisions, one for intelligence operations and the other for analysis. Both sides would suffer as a result of conflict with departmental and military services. For

¹⁶⁰ National Security Act of 1947, Section 102.(d) 5.

¹⁶¹ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., pp.18-19.

¹⁶² U.S. House Permanent Select Committee on Intelligence (HPSCI) Staff Report – *Preparing for the 21st Century: An Appraisal of US Intelligence*, Appendix A, “The Evolution of the U.S. Intelligence Community-An Historical Overview, The National Security Act of 1947”.

¹⁶³ National Security Act of 1947, Section 102.(d) 3.

example, the NSC was considering psychological warfare in Europe to counter Soviet expansion. The NSC wanted the State Department as the lead service. Only after State refused to conduct such operations did the responsibility fall to the CIA, which was met with a lack of intelligence support.¹⁶⁴ Similarly, the new analytical arm of the CIA focused on short term assessments, as Hillenkoetter found it “difficult to force other agencies to participate in the development of longer papers”, despite the language of the 1947 Act.¹⁶⁵ Even the short-term evaluations were difficult to produce as they were often seen as intruding upon the role of the military, State Department, or FBI.

Conclusion

This early period saw a solidification of structures in the U.S. Intelligence Community, and the creation of several organizations, including the CIA. The initial conditions shaped these institutions and set them on a path that would be followed for decades. For reason of self-interest, established services exerted pressure to constrain the scope and authorities of the new DCI to resist “every thought of a central intelligence organization which might overpower their own intelligence agencies.”¹⁶⁶ Additionally, departments also acted out of social scripts, which defined their organizational identity. The State Department objected to the very existence of another intelligence service, as it could encroach upon their traditional prerogatives. Secretary of State Byrnes directly objected to the President receiving foreign policy analyses from another agency, which he viewed as his office’s purview.¹⁶⁷ Thus, the State Department prepared its

¹⁶⁴ HPSCI Staff Report, “The Evolution of the U.S. Intelligence Community, The Early Years of the CIA”.

¹⁶⁵ HPSCI Staff Report, “The Evolution of the U.S. Intelligence Community, The Early Years of the CIA”.

¹⁶⁶ Arthur B. Darling, “Central Intelligence Under Souers”, CIA Historical Review Program.

¹⁶⁷ Anne Karalekas, *History of the Central Intelligence Agency*, p. 13.

own daily intelligence brief, in addition to the CIG's. The Sociological aspects provide a solid explanation as to how inefficiencies could enter into the system at such an early stage.

As a direct consequence of institutional resistance posed on every level,¹⁶⁸ DCI Vandenburg sought to expand CIA authorities. This is a prime example of the 'unintended effects' that are a key feature of a Historical Institutionalist approach. Through their efforts to limit the extent that the DCI and the CIA could affect them, the resistant agencies helped accelerate the development of the CIA into a competitive agency. As will be demonstrated in following chapters, the CIA became ever more relevant as a producer of intelligence, and this increased the 'centrality' of the DCI's role. The DCI would be looked to by policy makers to demonstrate leadership, and, eventually, as the formal Director of the entire Intelligence Community.

¹⁶⁸ Anne Karalekas, *History of the Central Intelligence Agency*, p. 13.

Chapter IV — The Reform Process Begins

My own gloomy opinion is that it will not be solved in an orderly fashion and that we will go through the usual two, three or more reorganization stages — God bless bureaucracy!

—Special Assistant to the Secretary of State commenting on the likely course of events following intelligence restructuring.¹⁶⁹

Introduction

The struggle to control intelligence in the post-WWII era and the NSA1947 legislation set in stone many organizational tensions. Over the following decades, the Intelligence Community was periodically reviewed through various studies and investigations, revealing the insufficiencies in agency coordination and central leadership. As this chapter will demonstrate, many of the inquiries contain evidence of the insolubility of the ambiguities surrounding the IC Directors role, and the inherent difficulty in integrating the Intelligence Community. Moreover, how influential the initial conditions were in terms of defining lines of authority and how intelligence agencies related to one another.

While some smaller and peripheral government inquiries have touched on the challenges of management of national intelligence, emphasis here will be placed upon the most significant investigations to look into the matters of organization and leadership. This is crucial to policy tracing the development of a Director of Central Intelligence (DCI) in the late 1940s to a Director of National Intelligence (DNI) in the mid-2000s. The DCI and the CIG/CIA supporting

¹⁶⁹ FRUS, Document 70, “Memorandum From the Secretary of State's Special Assistant for Research and Intelligence (McCormack) to the Director of the Bureau of the Budget (Smith)”.

staff were originally conceived of, and legislated as, an apparatus for coordination only, thus lacked the standing to offer strong leadership. Nonetheless, an increasing expectation of leadership from the DCI emerged during the period examined in this chapter.

In the past 50 years, there have been over 20 major commissions and executive branch studies proposing every manner of organizational reform.¹⁷⁰ Many of these efforts yielded similar recommendations focused on the director of the Intelligence Community. Interestingly, recommendations for reform of intelligence management began as early as 1949,¹⁷¹ immediately following the establishment of centralized intelligence via NSA1947. According to national security scholar Amy Zegart, “no fewer than twelve major commissions, government bodies, or think tank task forces studied intelligence between 1991 and 2001, and nearly all of them issued recommendations emphasizing the need for major change in the IC.”¹⁷² Michael Warner identifies fourteen “significant” studies and investigations between 1947 and 2005,¹⁷³ whereas, Richard A. Best Jr. identifies nineteen major studies, reviews, and proposals from the period of 1949-1996.¹⁷⁴ An examination of the major reviews and significant outcomes thereof will establish “snapshots” of the community over time. This will reveal the consistent difficulties with management of a disparate community, and the uniformity of recommendations towards centralization to solve them. Moreover, a re-emergence of the same organizational and historical

¹⁷⁰ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, *CIA Center for the Study of Intelligence Monograph*, Retrieved on December 10 2012, <https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/US%20Intelligence%20Community%20Reform%20Studies%20Since%201947.pdf>.

¹⁷¹ Eberstadt Report, January 1949, p. 3.

¹⁷² Jordan Tama, *Intelligence Reform: Progress, Remaining Deficiencies, and Next Steps*, The Princeton Project on National Security (Princeton University Press, 2005), p. 2.

¹⁷³ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. iii.

¹⁷⁴ Richard A. Best and Herbert Andrew Boerstling, “Proposals for Intelligence Reorganization 1949-1996”, *IC21: The Intelligence Community in the 21st Century*, Appendix C (U.S. Government Printing Office, 1996), p.4.

factors that produces the difficulty in managing the IC, demonstrating the persistence of the paths the organizations were set upon.

The Eberstadt and Dulles Reports

During the formative years of centralized intelligence, two studies were commissioned to examine its condition and effectiveness. In the period from 1947-48 the *Eberstadt Report* and the *Dulles Report* examined the roles and capabilities of the CIA. Following World War II, not only intelligence, but also the whole of the American federal government underwent unparalleled expansion and functionality changes. Many studies were commissioned to examine the size, authority, and effectiveness of elements within the executive branch. Congress established the *Commission on Organization of the Executive Branch of the Government*, chaired by former President Herbert Hoover. As part of this larger study, a sub-group examined national security organizations, including the CIA. Their findings are contained within the Eberstadt Report, named after the sub-group's chair, Ferdinand Eberstadt. The report bears only a brief analysis, given that it was one of the first inquiries into the national security apparatus as a whole, and some of its conclusions and recommendations would be echoed in many other reports, including the Dulles Report that followed shortly after.

Eberstadt's group began inquiries in 1948 and determined that the "National Security Organization, established by the National Security Act of 1947, [was] soundly constructed, but not yet working well."¹⁷⁵ In what would be often repeated in assessments of the IC, the group's findings described poor relations and collaboration between elements of the national security

¹⁷⁵ Eberstadt Report, January 1949, p. 3.

organizations. Lack of cooperation was especially apparent among the military, the CIA, and State Department. A consequence of the identified failure to cooperate was duplicated activities and intelligence products that “have often been subjective and biased.”¹⁷⁶ The Eberstadt group’s evaluation attributed these problems to poor communication. The CIA was not providing the type of analysis that had been requested. Additionally, the State Department and Department of Defense (DoD) failed to consult with one another. They did not share pertinent information with central intelligence regarding what was known, and what was required of intelligence products. The report recommends “that positive efforts be made to foster relations of mutual confidence between the [CIA] and the several departments and agencies that it serves.”¹⁷⁷

Ferdinand Eberstadt himself was a strong advocate of intelligence centralization and was instrumental in the drafting of NSA1947. Eberstat’s conviction was a major reason for his assertion that the Community had been well organized, however “not yet working well.”¹⁷⁸ This assessment from 1948 echoed and affirmed a strongly central position for the DCI, as articulated in NSA1947 a year earlier. NSA1947 established the mechanisms for a well-functioning system, but the adversarial relationships between agencies demonstrated a need for further centralization of intelligence authority.¹⁷⁹ The final recommendations from the report were focused on the CIA being the center of intelligence collection and intelligence product development. This being the case, the DCI as the head of the CIA was best positioned for coordinating the Intelligence Community as a whole.

¹⁷⁶ Eberstadt Report, January 1949, p. 76.

¹⁷⁷ Eberstadt Report, January 1949, p. 16.

¹⁷⁸ Eberstadt Report, January 1949, p. 3.

¹⁷⁹ Eberstadt Report, January 1949, p. 76.

The Report criticises the CIA for not being properly organized to assess information concerning scientific developments of foreign nations. The appraisal of “scientific developments in enemy countries may have more immediate and catastrophic consequences than failure in any other field of intelligence.”¹⁸⁰ The estimation of the significance of these developments was lacking, as was the direction given to intelligence collectors accordingly. The requirement to direct collectors shows the role of intelligence coordination also includes leadership. This would become significant as the role of the DCI grew from just coordination, to managing and directing the Intelligence Community.

The Eberstadt Report concluded that the correlation effort was being frustrated by uncooperative agencies not sharing information. Individual agency estimates were “subjective and biased”,¹⁸¹ undermining the point in having a central service. The report suggested empowering the DCI with more personnel and budgetary authority. The CIA at this time was not a fully-fledged agency unto itself with the breadth of activity it would later possess. The CIA, and the CIG before it, had been set up to coordinate the fragmented intelligence from all departments into harmonized analyses. Lacking support and cooperation from the departments, the CIA had only recently become a producer collecting their own intelligence.

The report asserted the CIA “deserves and must have a greater degree of acceptance and support from old-line intelligence services than it has in the past.”¹⁸² It must be keep in mind the CIA is only two years old at this point. As will be demonstrated, the situation of recalcitrant agencies refusal to fully cooperate with one another improves only marginally over the decades.

¹⁸⁰ Eberstadt Report, January 1949, p. 16

¹⁸¹ Eberstadt Report, January 1949, p. 76.

¹⁸² Eberstadt Report, January 1949, pp. 76-77.

Far from being the result of individual behavior, it is the group dynamic of institutionalism that creates tension between organizations. The Eberstadt report suggests a “spirit of teamwork must govern interagency relationships” for the goals of intelligence to be realized.¹⁸³ Far from being resolved, this issue would stubbornly persist. It was described as being a potential obstacle even before the CIG was authorized; it plagued the CIG after its inception, and as concluded in the Eberstadt report as a significant restraint facing the new CIA.

During the same period as the Eberstadt group was conducting their examination of the Federal system, the National Security Council tasked three private citizens to specifically assess the CIA. The selected members included Allen Dulles, William Jackson and Matthias Correa, all New York lawyers with intelligence backgrounds. They began inquiries in January 1948, and produced their conclusions one year later, called The Dulles-Jackson-Correa Report, or simply, the Dulles Report.¹⁸⁴ The object of the survey was to assess the CIA’s “organizations and activities, and the relationship of these activities to intelligence work of other government agencies.”¹⁸⁵ It was highly critical of many facets of both the CIA and its Director, producing influential recommendations that would have a large impact on the association between the CIA and other agencies. It proved to be one of the most influential outside evaluations of the Intelligence Community, owing partly to the fact its authors understood Congress had always intended for the CIA to coordinate both analysis and operations.¹⁸⁶

¹⁸³ Eberstadt Report, January 1949, pp. 76-77.

¹⁸⁴ Officially titled The Intelligence Survey Group, or ISG.

¹⁸⁵ William M. Leary, *Central Intelligence Agency: History And Documents* (University of Alabama Press, 1984), Document Five, “The Dulles-Jackson-Correa Report to the National Security Council On The Central Intelligence Agency And The National Organization For Intelligence, January 1, 1949 (summary)”, p. 134. (Hereafter referred to as *The Dulles-Jackson-Correa Report*.)

¹⁸⁶ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. 11.

The NSC found the Dulles Report’s criticisms of DCI Hillenkoetter and the CIA to be “too sweeping”,¹⁸⁷ but did accept its basic conclusions. The CIA was determined to not be effectively carrying out its essential functions as described in NSA1947. Many of the criticisms focused on the coordination of intelligence between agencies for the production of unified estimates. It recommended the DCI to focus on Community-wide issues and delegate day-to-day CIA management to a subordinate. The Report unambiguously states “the central intelligence agency has tended to become just one more intelligence agency producing intelligence in competition with older established agencies of the government departments.”¹⁸⁸ Departmental services were still producing their own reports uncoordinated with others, undermining the point in having centralized intelligence. The Dulles Report identifies formal directives as a problem for not going far enough “in defining the scopes and limits of departmental intelligence activities.”¹⁸⁹ Without explicit boundaries upon respective responsibilities, established departments simply did what they had always done. The result was uncooperative services engaging in the same activity, creating “jurisdictional conflict and duplication that the National Security Act was intended to eliminate.”¹⁹⁰ The absence of communication and coordinated intelligence planning between agencies, especially the CIA, State and the military “remained serious”.¹⁹¹

The condition of domestic intelligence and counterintelligence was concluded to be operating no more smoothly. The Dulles Report recommended including the FBI Director as a permanent member of the Intelligence Advisory Committee to facilitate coordination between

¹⁸⁷ HPSCI Staff Report, “The Evolution of the U.S. Intelligence Community, The Early Years of the CIA”.

¹⁸⁸ The Dulles-Jackson-Correa Report, January 1, 1949, p. 140.

¹⁸⁹ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

¹⁹⁰ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

¹⁹¹ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

the CIA and the FBI. FBI Director Hoover was never happy with the idea of sharing responsibility for intelligence any more than the heads of other services. Hoover had even insisted on additional language added to NSA1947 requiring written requests from the CIA for access to FBI intelligence detailing the “essential” relevance of the request to national security.¹⁹²

These findings are not unique to the time period of the Dulles Report, as the disconnect exists up to the current day. The divide between domestic/foreign intelligence is as apparent as that between civilian and military intelligence. The difficulty lies in having different services for separate areas of intelligence responsibility. For example, at the time of drafting NSA1947, the separation of authorities and legal limitations addressed concerns about an “American Gestapo”. However, it also introduced the difficulty in producing coordination between agencies that were in tension as their respective areas of responsibility overlapped, producing significant inefficiency. Regarding the domestic intelligence issue, the Dulles Report states “espionage did not begin or end at our geographical frontiers, and intelligence to counter them cannot be sharply divided on any other geographical basis.”¹⁹³ This highlights an ongoing inherent tension within the Intelligence Community that, like other institutional conflicts, has its roots in the institutions themselves and how they were created.

The Dulles Report concluded the CIA was not performing its primary function of coordination as well as operations. A main cause stemmed from a lack of communication and collaboration between departments and military intelligence services. Prior to NSA1947, the

¹⁹² National Security Act of 1947, Section 102.(e).

¹⁹³ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

initial resistance from existing departments to a central intelligence agency had been about protecting institutional turf and preserving the bureaucratic status quo to forestall the possibility of a new rival agency. The best way for established agencies to avoid this was for the new central service to be a mere clearinghouse for coordination purposes, as opposed to anything more substantial. The vision of coordination as legislated in NSA1947 was not occurring because of the still fragmented nature of the Community. The CIA had begun to collect their own intelligence and generate their own analyses, becoming “one more intelligence agency producing intelligence in competition with older established agencies”, with centrally coordinated reports nowhere to be found.

The Dulles-Jackson-Correa survey group recommended large structural changes to the CIA, which would have departmental intelligence directors working more closely with one another. There were also vague recommendations of increased leadership on the part of the Director of Central Intelligence (DCI). An emphasis was placed on coordination being most effectively achieved by “agreement among the various agencies”.¹⁹⁴ The report stated that “with the right measure of leadership on the part of the central intelligence agency, a major degree of coordination could be accomplished”.¹⁹⁵ The DCI was being looked to for not just coordinated reports, but leadership of the Intelligence Community as well.

The question of civilian leadership for the CIA was also raised. This was not a new issue, and had been considered during the intelligence debate leading up to NSA1947. Resultant sections specified that if the DCI was a serving commissioned officer, they could not hold any

¹⁹⁴ The Dulles-Jackson-Correa Report, January 1, 1949, p. 137.

¹⁹⁵ The Dulles-Jackson-Correa Report, January 1, 1949, p. 137.

sway or authority in their home service, nor could that service influence the DCI. The Dulles Report went further, recommending that “the director should be a civilian”. If a current military officer were nominated, he should “sever his connection with the service by retirement” prior to taking office.¹⁹⁶ The reasons given were to ensure a lack of bias by eliminating service ties, and to create a “continuity of office” for the DCI, which would be less likely “if a military man holds the post on a ‘tour of duty’ basis”.¹⁹⁷

It is clear the Dulles-Jackson-Correa group saw the role of a strong DCI as essential to creating a more unified Intelligence Community. Their report recommends the DCI assert more leadership for the purpose of coordinating the Intelligence Community, and recommended civilian leadership to ensure independence from the military and departments, as well as creating a “continuity of office”. The Truman administration agreed: the CIA needed stronger leadership.¹⁹⁸ The DCI was becoming much more than the statutory head of “centralized intelligence”, a second hat was being fashioned for the role – Director of the Intelligence Community.

The Eberstadt Report and the Dulles study both had a large impact upon the developing CIA and the way the Intelligence Community functioned. While Eberstadt was not as widely read by policymakers as Dulles, both became central to reorganizations, which would solidify the CIA and its Director in the crucial early years of institutional formation. On July 7, 1949, the NSC released a revised version of the National Security Council Directive No. 1 that adopted a modified version of the Dulles report recommendations, and tasked DCI Hillenkoetter to begin

¹⁹⁶ The Dulles-Jackson-Correa Report, January 1, 1949, p. 141.

¹⁹⁷ The Dulles-Jackson-Correa Report, January 1, 1949, p. 141.

¹⁹⁸ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. 11.

implementing them. The Dulles Reports recommendations would become nothing less than the organizational blueprint for the future CIA.¹⁹⁹

Soon after the outbreak of the Korean War, Lt. General Walter “Beetle” Bedell Smith replaced Hillenkoetter as DCI. The leadership recommendations of Eberstadt, and especially the Dulles-Jackson-Correa Report, were realized when he took office as the fourth DCI in October of 1950. Smith came to the position with a strong will and the Dulles Report as a mandate, committed to “reshape the organization and make U.S. intelligence work as a team.”²⁰⁰ One of his first steps was to recruit Dulles Report author and OSS veteran, Allen Dulles, as Deputy Director for Plans. Smith was angered by the continued separation between departmental services and the CIA, which was supposed to be receiving intelligence to produce authoritative reports for policymakers. Smith’s reforms clarified the divisions of labor among the departmental services, and somewhat reduced duplication of intelligence. While Smith was not able to accomplish all he wanted in the face of strongly established departments and services, his forceful leadership did consolidate and recast the CIA’s position in the Community; it had become a fully-fledged agency unto itself. Despite Smith’s strong will and desire to fulfill the CIA’s mandate, the central coordination he wanted would elude him. Rather, he would have to settle for solidifying the role of the CIA within the IC. This is not to say Smith had no effect on the IC at large. Through his efforts, the DCI was also cast as something of a Community leader, not just the head a nebulous and undefined “centralized intelligence”. “DCI Smith’s major contribution to the emergence of the Intelligence Community was that, for the first time, he realized and used the DCI’s latent authority to lead the intelligence establishment... shape[ing]

¹⁹⁹ Richard A. Best, “Proposals for Intelligence Reorganization, 1949-2004”, p.11.

²⁰⁰ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. 11.

the nation's disparate intelligence agencies into something recognizable as an Intelligence Community."²⁰¹ This would have significant consequences as the expectation upon the DCI to lead the Intelligence Community grew.

Additional legislation was created in 1949, which helped further solidify the CIA an independent agency. The Central Intelligence Agency Act of 1949 conferred special statutory authorities to the DCI. In addition to legislation for handling foreign defectors and informants, the Act also dealt with budget appropriation authorities of the DCI. Rather than the convoluted process of obtaining funding for clandestine operations through the DoD and other departments, the Director could authorize finance under his own authority.²⁰² The Act was an augmentation of NSA1947, intended to assist the DCI in the execution of his responsibilities and maintain the secrecy of CIA activities. However, in it also provided flexibility in resource procurement and human intelligence collection capability, which allowed the CIA to further expand and develop as an independent producer, rather than strictly a coordination service.

The 1950s & 1960s: Expanding Cold War, Expanding Intelligence Community

The 1950s saw an escalation and expansion of the Cold War, as well as an accompanying expansion of the Intelligence Community to handle the increased responsibilities and challenges. Some areas of intelligence became large enough to justify new agencies, such as the National Security Agency (NSA) for signals intelligence. In a memorandum to the Secretaries of Defense and State on October 24, 1952, President Truman outlined and mandated the new structure and

²⁰¹ Michael Warner and Kenneth McDonald, "U.S. Intelligence Community Reform Studies Since 1947", pp. 12-13.

²⁰² HPSCI Staff Report, "The Evolution of the U.S. Intelligence Community, The Early Years of the CIA".

agency for signals intelligence in the United States.²⁰³ A friction that had been ongoing between military and civilian intelligence intensified during this period. The Department of Defense (DoD) was named the “executive agent of the government for communications information”.²⁰⁴ Formerly this responsibility had been spread across the Armed Forces Security Agency, other military elements, and the signals intelligence apparatus of the CIA.²⁰⁵ The overlapping responsibilities of different intelligence services would continue to elude centralized management and control. The DCI would be urged to take a stronger hand in Intelligence Community direction and be met with the same challenges of coordination.

The CIA expanded significantly during the 1950s. The Korean War saw the role of the CIA solidified in the intelligence establishment for both analysis and operations. For example, the capacity for the CIA to operate secretly in terms of both budgets and activities made them the ideal choice to run the U-2 spy plane program. In 1954, a second Commission to survey the executive branch was appointed, again led by former President Hoover. A task force headed by General Mark Clark was assigned to assess the Intelligence Community. The prospect of an examination of the CIA’s clandestine activities, which would be reported to a full Congress, led then-President Eisenhower to request this evaluation occur as a separate report to him personally. This resulted in two reports on the Intelligence Community submitted to the second Hoover Commission: one from Gen. Clark’s group, and one from the task force for covert activities, headed by Lt. Gen. James Doolittle.

²⁰³ Harry S. Truman, “Memorandum for the Secretary of State and the Secretary of Defense on Communications Intelligence Activities”, October 24, 1952, Retrieved on January 5, 2013, http://www.nsa.gov/public_info/_files/truman/truman_memo.pdf.

²⁰⁴ Harry S. Truman, “Memorandum for the Secretary of State and the Secretary of Defense on Communications Intelligence Activities”.

²⁰⁵ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. pp. 30-31.

The Clark task force report had similar assumptions and conclusions as the Eberstadt and Dulles reports some five years prior. The Clark group was set back by the sheer size of the Intelligence Community, reporting that it “found at least 12 major departments and agencies engaged in intelligence in one form or another. In addition, 10 or more minor agencies or activities.”²⁰⁶ Describing the task of reviewing it all as “Herculean”, it chose instead to focus on intelligence management, leadership, and agency interaction.²⁰⁷

Generally, the report found excessive emphasis on covert action over intelligence collection and analysis. The task force recommended that the CIA be reorganized internally to focus better on its primary missions. Similar to the Dulles report, the Clark group recommended that Allen Dulles, who was now the Director of Central Intelligence, should appoint a subordinate to manage the day-to-day operations of the CIA. Specifically, “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”²⁰⁸ The focus should instead be on management of the Intelligence Community, described as the “overall direction of the Agency and the coordination of the entire Intelligence effort.”²⁰⁹ This issue would be raised many times

²⁰⁶ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, The Intelligence Community, 1950–1955*, Document 221, “Report by the Commission on Organization of the Executive Branch of the Government to the Congress, June, 1955, Part II, Scope of the Studies”, Retrieved on February 1, 2013, <http://history.state.gov/historicaldocuments/frus1950-55Intel/d22>.

²⁰⁷ The Clark task force final report also spends a significant amount of time investigating the possibility of creating a permanent “watchdog” board comprised of presidentially appointed members of the House and Senate, as well as distinguished private citizens. The board would oversee the CIA, and its activities. This watchdog board recommendation bears a many similarities to the House and Senate oversight committees that would be one of the results of the Church and Pike Committee investigations in the 1970s. See: FRUS, Document 221, “Recommendation No.2”.

²⁰⁸ FRUS, Document 221, “ “Report by the Commission on Organization of the Executive Branch of the Government to the Congress, June, 1955, Conclusions and Recommendations, Administrative Flaws Noted”.

²⁰⁹ FRUS, Document 221, “ “Report by the Commission on Organization of the Executive Branch of the Government to the Congress, June, 1955, Conclusions and Recommendations, Administrative Flaws Noted”.

as the DCI tried to balance the two roles of directing the CIA, and directing the Community as a whole.

The decade of the 1960s was marked by further expansion of the Intelligence Community and technological advances in intelligence collection, with the latter often causing the former. The U-2 spy flights continued at the same time the CIA developed and successfully tested the first high-altitude and high-speed reconnaissance aircraft, the SR-71. Additionally, the first photo reconnaissance satellite was launched in 1962. The collection from these and other technical sources were handled jointly by the Air Force and the CIA. An agreement between the DoD and the CIA on September 6, 1961 resulted in the formal establishment of a new member to the Intelligence Community, the National Reconnaissance Office (NRO), a joint CIA-Air Force operation.²¹⁰ In order to consolidate and coordinate intelligence throughout the massive array of military collection and analysis operations, Secretary of Defense Robert McNamara authorized the creation of the Defense Intelligence Agency (DIA) on August 1, 1961. The new agency was responsible for “organization, direction, management, and control over all DoD intelligence resources” and reporting to the Secretary of Defense through the JCS.²¹¹ The new agencies served to increase the complexity of the Intelligence Community, and the challenges for the DCI to manage it as a whole. Technological innovations in collection were largely located under the auspices of the DoD, which rapidly expanded both its size and budget. The development in technology served to place an ever-increasing amount of Community assets outside the control of the DCI, which served to exacerbate the ambiguous relationship between the DCI and the DoD.

²¹⁰ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 37.

²¹¹ Jeffrey T. Richelson, *The U.S. Intelligence Community, Sixth Edition*, p. 59.

A notable – and influential – event that would have a significant impact on U.S. intelligence also occurred in this era, the failed Bay of Pigs invasion, in which CIA-trained Cuban expatriates attacked Cuba in an attempt to oust the Castro regime. The invasion failed without direct U.S. military support and became an embarrassment for the CIA, U.S. intelligence in general, and President John F. Kennedy in particular. This incident changed Kennedy’s approach to intelligence. He came to believe he was not receiving the proper intelligence to make policy judgements and took steps to institute corrective procedures. Specifically, he expressed a need for a senior intelligence officer to serve as his main intelligence advisor to keep him apprised.²¹² Kennedy tasked John McCone, his newly appointed DCI, to this role. McCone would meet with Kennedy weekly, which gave him direct access to the president and in turn increased the DCI’s stature and leverage within the Intelligence Community.

On January 16, 1962, President Kennedy sent a letter to McCone outlining his expectations for the DCI position. The letter specifically defines the DCI’s role, placing emphasis on the coordination of the Intelligence Community function and expansion into serving as the president’s primary intelligence officer. While this letter did not emanate from a government commission or inquiry, nor was it a NSC directive, it did carry the full weight of presidential authority. The letter drew a stark contrast when compared to previous understandings of the DCI’s role and had a significant impact on the evolution of leadership of the Intelligence Community. Kennedy directed, “As Director of Central Intelligence it is my wish that you serve as the Government's principal foreign intelligence officer, and as such that

²¹² Anne Karalekas, *History of the Central Intelligence Agency*, p. 73.

you undertake, as an integral part of your responsibility, the coordination and effective guidance of the total United States foreign intelligence effort.”²¹³

Previous inquiries, such as the Eberstadt, Dulles, and Clark Reports had, recommended the DCI take a greater leadership role in directing the Community. The latter two had even specifically recommended the appointment of an Executive Director to handle day-to-day CIA operations, freeing the DCI to direct the overall U.S. intelligence effort. Kennedy made it clear in the 1962 letter that he fully expected McCone to see Community leadership and advising the president as the primary responsibilities of the Director of Central Intelligence. A sharp distinction was made between directing the CIA, and directing the Community, with no ambiguity as to which duty was paramount. Kennedy states, “While you will continue to have over-all responsibility for the Agency, I shall expect you to delegate to your principal deputy, as you may deem necessary, so much of the direction of the detailed operation of the Agency as may be required to permit you to carry out your primary task as Director of Central Intelligence.”²¹⁴ Kennedy issued these directives partially to institute presidential access to intelligence via a single senior intelligence officer. In addition, the action was an attempt to “rectify Allen Dulles’ conspicuous neglect of Community affairs.”²¹⁵ DCI Dulles had spent the majority of his time in the Director position overseeing Agency activities, particularly covert action, ignoring the Community-wide responsibilities. The Clark Report from seven years prior expressed the same concern that, “The glamor and excitement of some angles of our intelligence

²¹³ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, 1961–1963, Volume XXV, Organization of Foreign Policy; Information Policy; United Nations; Scientific Matters*, Document 99, “Memorandum From President Kennedy to Director of Central Intelligence McCone, January, 16, 1962” (Washington, D.C.: U.S. Government Printing Service, 2006).

²¹⁴ FRUS, Document 99, “Memorandum From President Kennedy to Director of Central Intelligence McCone, January, 16, 1962”.

²¹⁵ Anne Karalekas, *History of the Central Intelligence Agency*, p. 73.

effort must not be permitted to overshadow other vital phases of the work or to cause neglect of primary functions.”²¹⁶ The report continued, “in [Dulles’] enthusiasm he has taken upon himself too many burdensome duties and responsibilities on the operational side of CIA’s activities.”²¹⁷

Although Kennedy’s instructions were intended to free the DCI from the day-to-day management and administration responsibilities at the Agency in order to focus on the interdepartmental coordination role, the situation was not resolved that simply. Continuing to manage the CIA was still a massive time consumer, even in the less intensive “over-all responsibility” manner Kennedy suggested. The CIA had thousands of employees involved in both operations, and analysis. In addition to managing (to any degree) an agency of that size was the now-primary responsibility for coordinating many agencies and staying abreast of current intelligence to brief the president on a weekly basis. The demands on the DCI’s time were extreme. Again, Mark Lowenthal’s statement about the “difficulty managing a wide and disparate community” rings true.²¹⁸

The experiences of DCI McCone exemplified Richard Immerman’s observation of the “conundrum encountered by the CIA because of the circumstances of its founding was manifest in...the dichotomy between directing central intelligence (the community) and directing the CIA.”²¹⁹ In an attempt to provide more time for the DCI to fulfill the Community-wide function, the position of Executive Director-Comptroller for the CIA was created to handle internal

²¹⁶ FRUS, Document 221, “Report by the Commission on Organization of the Executive Branch of the Government to the Congress, June, 1955, Introduction”.

²¹⁷ FRUS, Document 221, “Report by the Commission on Organization of the Executive Branch of the Government to the Congress, June, 1955, Introduction”.

²¹⁸ Mark Lowenthal, *U.S. Intelligence: Evolution and Anatomy*, 2nd ed., p.xvi.

²¹⁹ Richard Immerman, “A Brief History of the CIA, The Early Years of the CIA, 1947-1949”, *The Central Intelligence Agency: Security Under Scrutiny*, Ed. Athan Theoharis, et al. (Westport: Greenwood Press, 2006), p. 11.

management, with CIA veteran Lyman Kirkpatrick assigned to the role. However, this did not significantly limit the DCI's involvement in agency related administrative matters.²²⁰ A member of McCone's staff recalled that despite McCone's Community orientation, and Kennedy's instruction, the nature of covert action and other CIA functions meant, "McCone spent 90% of his time on issues related to clandestine activities."²²¹ In practice, this meant the DCI spent little time directing the Community, even if other agencies were open to the Director's management, which they were not.

In a memorandum of a discussion with Presidential Advisor Clark Clifford, McCone expressed his thoughts on the changing role of DCI as IC Director. Clifford and McCone had met in July of 1964 to discuss a number of intelligence matters, and the topic turned to the organization of the Office of the Director of Central Intelligence. Clifford recalled that as far back as 1961 he had proposed the DCI should be separated from "his intimate relationship with CIA", to more effectively give "guidance to the Community as a whole."²²² Allen Dulles, McCone's predecessor, had "absolutely refused to consider any such plans."²²³ McCone may not have reacted to the notion as strongly, but was very doubtful as to its success. He felt while the idea may have "some merit", it presented difficulty because "the DCI was so heavily dependent upon CIA for staff support."²²⁴ As McCone pointed out, "the original legislation provided that CIA be the coordinating agency within the intelligence community."²²⁵

²²⁰ Anne Karalekas, *History of the Central Intelligence Agency*, p. 74.

²²¹ Anne Karalekas, *History of the Central Intelligence Agency*, p. 74.

²²² John McCone, "Memorandum for the Record, Discussion with Mr. Clark Clifford, 14 July 1964", July 14, 1964, Retrieved on February 14, 2013, www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB144/document%201.pdf.

²²³ John McCone, Discussion with Mr. Clark Clifford, July 14, 1964.

²²⁴ John McCone, Discussion with Mr. Clark Clifford, July 14, 1964.

²²⁵ John McCone, Discussion with Mr. Clark Clifford, July 14, 1964.

Most importantly, McCone asserted that direction of the IC was not originally intended as a responsibility for the DCI – rather, “this role had been transferred to the DCI with the passage of time.”²²⁶ He seemed to disagree with the DCI being saddled with this role, or at the least question its viability. It is not clear whether he had always felt this way, but certainly, his experience trying to act in a leadership role of the IC since 1962 must have been an influence. McCone had not rejected the role when President Kennedy had directed IC leadership as a priority, but had certainly come to a strong opinion on the matter after four years of experience encountering the same resistance to centralization as his predecessors. In a letter to Clark Clifford two years later, then-DCI Richard Helms would express similar reservations. Helms outlined a number of issues regarding the viability of DCI management of the entire IC. He asserts that because of the CIA/Military divide of authorities, the DCI only “‘guides and coordinates’ the community but does not manage or command it.”²²⁷ Helms claimed because of the institutional structures in place, the agencies that “serve national intelligence purposes can never be totally subordinated to the direction, control and management of a single central authority.”²²⁸

Conclusion

Despite the fact the Intelligence Community was still relatively new, large amounts of inefficiency had already become apparent. Departmental services had not ceded the role of intelligence report coordination to the CIA. They continued to produce their own reports,

²²⁶ John McCone, Discussion with Mr. Clark Clifford, July 14, 1964.

²²⁷ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, 1964-1968, Volume XXXIII, Organization and Management of Foreign Policy; United Nations*, Document 253, “Discussion of adequacy of DCI authority to coordinate the U.S. intelligence effort”, September 20, 1966 (Washington, D.C.: U.S. Government Printing Service, 2006).

²²⁸ FRUS, Document 253, “Discussion of adequacy of DCI authority to coordinate the U.S. intelligence effort, September 20, 1966”.

refusing to relinquish past authorities to the new central service. The Dulles Report made a particular point of the lack of definition to the scope and limit of departmental activities. The boundaries and exact spheres of responsibility were left vague, as a necessity of achieving consensus regarding centralization of intelligence. Established agencies wanted to maintain the old status quo for reasons of rational preservation of their power and wishing to maintain traditional roles associated with their group identity. The result of agency resistance, according to the Dulles Report, was the creation of “jurisdictional conflict and duplication that the National Security Act was intended to eliminate.”²²⁹ The lack of coordination between the CIA, State and the military “remained serious”.²³⁰ However, the conflict over jurisdiction was not created by the lack of limits on departmental activities. It was the extant conflicts between services that caused the established agencies to insist on ambiguity in the law to provide them room in which to remain autonomous and in their traditional roles.

The expectation of IC leadership from the DCI also emerged shortly after NSA1947. The law provided the DCI with the authority of a coordinator only. Even though DCIs, such as Bedell Smith, wished to exert strong authority and unify the IC, firm resistance and the lack of statutory power limited what could be accomplished. The Dulles Report asserted, “with the right measure of leadership... a major degree of coordination could be accomplished”.²³¹ Ironically, Dulles was later criticised as DCI for the very lack of leadership he found wanting from then-DCI Hillenkoetter when he co-authored the Dulles Report. Although Dulles asserted in his 1949 conclusions that a “measure of leadership” could accomplish IC coordination, he as DCI was

²²⁹ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

²³⁰ The Dulles-Jackson-Correa Report, January 1, 1949, p. 136.

²³¹ The Dulles-Jackson-Correa Report, January 1, 1949, p. 137.

found to have a “conspicuous neglect of Community affairs.”²³² Rather than a failing on Dulles’ part, the lack of support and cooperation from other agencies caused successive DCI’s to focus on the considerable responsibilities at their home agency of the CIA, over which they possessed actual authority. The same was true of DCI McCone. President Kennedy’s directive to McCone reprioritizing the DCI’s role as Intelligence Community director had little effect on the institutional realities. DCIs had immense demands upon their time and a near-insurmountable challenge in trying to direct a disparate Community. Agencies had both protection of their traditional departmental prerogatives and power preservation motivating them to maintain decentralized operation.

²³² Anne Karalekas, *History of the Central Intelligence Agency*, p. 73.

Chapter V — Intelligence Community Leadership Re-Examined

He is both umpire and pitcher.

–Chairman of the President's Board of Consultants (Hull) describing the general feeling of agencies regarding the role of the Director of Central Intelligence (DCI) to President Eisenhower.²³³

Introduction

Since the founding of centralized American intelligence in the mid to late 1940s, the problems of coordinating the Intelligence Community had continued to persist. Previous chapters analysed how established organizations resisted a new central agency, especially if it meant coming under outside control. While the intended responsibility of the Director of Central Intelligence was coordination, the DCI position, and the CIA itself, had changed. In the face of early resistance to centralization, the CIA grew in a direction where it was not resisted, that is, developing into a larger service unto itself. This often resulted in duplication of activities, and the addition of another uncoordinated service.

The DCI was gradually tasked with the new responsibility of directing the Intelligence Community. However, as this chapter will demonstrate, the CIA became ever more deeply involved with a myriad of collection, analysis, and covert activities that required much of the DCI's focus to manage. Thus, the coordination and management function of the DCI was still not manifested in any appreciable way. President Kennedy attempted to rectify this situation by

²³³ U.S. Department of State, *Foreign Relations of the United States, Volume XXV*, Document 82, "Section V, The Role of the Director of Central Intelligence."

specifically tasking his new DCI, John McCone, with Community leadership as a priority, and appointing a subordinate to manage the CIA. This was something new to the IC Director's role. Nonetheless, the formidable demands of managing the CIA continued to draw the Director's attention, and the inherent difficulty in managing the Community precluded the successful realization of the dual responsibilities of the position. The studies analyzed in this chapter address the increasing difficulty of managing the IC as it continued to expand. The leadership arrangement began to be re-examined and found possibly in need of major restructuring. As the years progressed, new and further reaching solutions began to be proposed. Eventually, a dramatic proposal would gain traction: the complete separation of the DCI from the CIA.

Path Towards Separation

The earliest appearance of the idea of separation appeared in a study just prior to President Kennedy taking office. President Eisenhower commissioned the study late in his final term to examine U.S. foreign intelligence capabilities. Much like the Clark Report, to avoid an examination of clandestine activities reported to a full Congress, Eisenhower tasked the Joint Study Group to study "the organizational and management aspects of the foreign intelligence community."²³⁴ The group was led by long-time CIA insider, Lyman Kirkpatrick. The full report was submitted in a short seven months, on December 15, 1960.

As in other studies, the lack of Community coordination issue arose. Unlike previous reports that simply suggested the DCI take a larger role in Community-wide issues, or appoint a subordinate to handle CIA administration, the Kirkpatrick group's Recommendation #29 took a

²³⁴ The Joint Study Group, *The Joint Study Group Report on Foreign Intelligence Activities of the United States Government (The Kirkpatrick Report)*, December 15, 1960.

step further. The report asserted that “intelligence must be a Community effort in fact as well as name.”²³⁵ It proposed addressing the coordination problem by creating a separate executive staff for Intelligence Community management alone. “The Director of Central Intelligence should be supported in taking leadership and initiative to develop solutions for the problems of coordination by establishment of a coordination staff, under his personal supervision and separate from any operational responsibility of the Central Intelligence Agency or other department or agency.”²³⁶ A separate staff to identify impediments for coordination and assist in leadership was definitely a new direction. The DCI at the time, Allen Dulles, issued a draft directive on February 3, 1961 establishing the Coordination Staff, tasked to “exercise leadership and stimulate cooperative action throughout the U.S. Intelligence Community.”²³⁷ A follow up “status of actions” report on the progress on implementing the recommendations was submitted on August 21, 1961. The report details the Coordination Staff had been only partially convened, consisting of two deputies appointed by the DCI and representatives of the various services and departments.²³⁸ It describes the principal activity of the Staff has been “assisting the DCI... through consultations and briefings to identify and help solve interagency coordination problems.”²³⁹ The slow appointment of members by IC services to the Coordination Staff is indicative of the low priority they placed upon centralization.

²³⁵ The Kirkpatrick Report, p. 23.

²³⁶ The Kirkpatrick Report, Recommendation 29, p. 114.

²³⁷ Director of Central Intelligence Directive no. 1/10, “Coordination Staff”, February 3, 1961, retrieved on February 15, 2013, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001314226.pdf, p.2.

²³⁸ Director of Central Intelligence, *Status of Actions on Recommendations of The Joint Study Group On Foreign Intelligence Activities Of The United States Government*, August 21, 1961, retrieved on February 20, 2013, <http://cryptome.org/2013/04/cia-foreign-intel-1961.pdf>, p. 16.

²³⁹ Director of Central Intelligence, *Status of Actions on Recommendations of The Joint Study Group On Foreign Intelligence Activities Of The United States Government*, August 21, 1961, p. 17.

No appreciable coordination resulted from the creation of the Coordination Staff. While it may have been useful in identifying overlaps and duplication of activity, it did not change the essentially fragmented nature of the Community. Separate agencies still operated within their respective areas of responsibility, largely independent from centralized leadership.²⁴⁰ Only three months later President Kennedy would replace Dulles as DCI with John McCone. The following month, January 1962, Kennedy would issue the letter of directives to McCone outlining his expectations of the DCI's role to place Community leadership and advising the president as the top priorities. The effect the Coordination Staff had on McCone's thinking is not clear, but as described in the previous section, he encountered the same difficulties of the DCI's multi-hatted role, as had his predecessors.

The recommendation from the Kirkpatrick Group Report provides more evidence for the ongoing challenges of the DCI's position. However, the most informative aspect is the responses to the recommendation. Only weeks after the Kirkpatrick Report was submitted, the President's Board of Consultants on Foreign Intelligence Activities authored a letter to President Eisenhower. Eisenhower originally convened the President's Board in 1956 to provide outside advice and perspective on intelligence matters. The board exists at the pleasure of the president for advisory purposes. It has gone through several re-brandings, and is currently known as the President's Intelligence Advisory Board (PIAB). Largely consisting of members from outside government, or government retirees, the Board is in a position to offer fresh counsel from outside

²⁴⁰ The continued difficulty regarding a Community-wide intelligence effort is especially true of technical collection in this era. The Joint CIA-Air Force collaboration on spy flights and satellite photography was fraught with coordination problems, as well as disputes over control. The various collection targets and budgetary issues were also divisive, with the DCI lacking the authority to resolve the matter by simply issuing directives. See. Anne Karalekas, *History of the Central Intelligence Agency* (Laguna Hills: Aegean Park Press, 1977), pp. 74-76.

the stream of institutional pressures. This is a possible explanation for the forthright nature of the letter. Without much fanfare, the letter made a number of surprisingly frank assessments, as well as mention of an unexpected idea – separation between the DCI and the CIA.

The letter is a point-for-point evaluation of the Kirkpatrick Group’s recommendations. The Intelligence Board is upfront about its appraisal of the role of the DCI, and is dubious about any recommendation having a significant impact on the situation. The report states, “We continue to be concerned by the great burden of work involved in the assignment to one individual of the two-fold responsibility of serving simultaneously as administrator of the Central Intelligence Agency, a large and complex organization, and as Director of Central Intelligence with responsibility for coordinating all foreign intelligence activities of the ten agencies comprising the Intelligence Community.”²⁴¹ This statement is a succinct description of the problem every DCI faced. It is the reason, as previously described, that DCI McCone could not fulfill President Kennedy’s expectation for the DCI to manage the Community effectively. The Intelligence Advisory Board concluded the situation would not be “materially improved” by the creation of a Coordination Staff divorced from CIA responsibilities.²⁴² Alternatively, the Board advised the situation would be “bettered substantially”, if the DCI would “divest himself voluntarily of many of the functions he currently performs in his capacity as Head of CIA.”²⁴³ The voluntary divestment from the Agency would require an Executive Director to act for the DCI to manage the CIA, and the DCI would then focus exclusively on Community management.

²⁴¹ U.S. Department of State, Office of the Historian, Foreign Relations of the United States, 1961–1963, Volume XXV, Organization of Foreign Policy; Information Policy; United Nations; Scientific Matters, Document 82, “Report From the Chairman of the President's Board of Consultants on Foreign Intelligence Activities (Hull) to President Eisenhower, Section V, The Role of the Director of Central Intelligence.”, January 5, 1961 (Washington , D.C.: U.S. Government Printing Service, 2006).

²⁴² FRUS, Document 82, “Section V, The Role of the Director of Central Intelligence”.

²⁴³ FRUS, Document 82, “Section V, The Role of the Director of Central Intelligence”.

In the view of Eisenhower's Advisory Board, the change would result in the DCI being relieved of CIA duties to "perform the even more important duty of coordinating, integrating and directing all U.S. foreign intelligence activities."²⁴⁴ This suggestion would have certainly been a stark departure from the arrangement as specified in NSA1947, and the way intelligence had been organized to that point.

The Kirkpatrick Group Report and the Intelligence Advisory Board's evaluation letter came at the end of Eisenhower's term, thus there was no time to enact the recommendations. In the following administration, rather than any kind of reorganization, Kennedy chose to personally task DCI McCone with Intelligence Community Leadership as a priority. The recommendation for the DCI to voluntarily divest himself from the CIA would not occur. However, there was one radical approach mentioned by the Advisory Committee that called for a fundamental change. It would resurface, both in the near future as part of another report, and again much later as part of a major reorganization. As described, the first attempt should be the DCI's voluntary divestment. However, "after a reasonable trial period, if this course of action does not accomplish its intended goal, serious consideration should be given to *complete separation of the DCI from the CIA*."²⁴⁵ The fundamental shift this course entails cannot be understated.

In support of the Advisory Board's assertion of the implausibility of successfully fixing the current arrangement, the letter to Eisenhower made an important assessment. "We believe that his effectiveness as Director of Central Intelligence is impaired somewhat by the feeling on

²⁴⁴ FRUS, Document 82, "Section V, The Role of the Director of Central Intelligence".

²⁴⁵ FRUS, Document 82. (Emphasis added by author)

the part of several member agencies of the Intelligence Community that he is ‘both umpire and pitcher’ in that he is, at the same time, the coordinator of the entire Intelligence Community and the head of an operating agency which in many quarters is looked upon as a competing element of that Community.”²⁴⁶ The employment of a baseball analogy is particularly significant in expressing the social factors at play. In 1961, baseball was still an American cultural obsession. To this day, the American vernacular is replete with baseball references. They often allow for the succinct summation of a complex problem in a common colloquial vocabulary. The reference to the DCI being both “umpire and pitcher” is a strong indictment. A baseball game that has the same player serving in both positions would be viewed as “fixed”, or “rigged”. The reference indicates the heads of the member agencies felt the organizational situation is unacceptable. They would not actively assist in promoting the DCI’s authority. To do otherwise would be submitting to centralized direction, allowing the head of a competing agency to deliver directives at the same time as running a rival service. To use baseball parlance, in terms of taking direction from the DCI, the agencies never had, nor would they ever, “play ball.”

DCIs have been aware of these challenges from the earliest days of the position. This institutional resistance is the reason for the CIA’s early focus on securing a separate budget and personnel procurement process, to avoid reliance on other departments or agencies. Attempts to create a strong DCI had been met with serious objection from department heads who felt their prerogatives and areas of responsibility being encroached on. The path left open to DCIs was to develop the agency that was under their control, the CIA. This led to the phenomena identified in the Dulles report: the CIA had become “one more intelligence agency producing intelligence

²⁴⁶ FRUS, Document 82, “Section V, The Role of the Director of Central Intelligence”.

in competition with older established agencies.”²⁴⁷ The resultant inefficiency is evidenced by the multiple, uncoordinated reports being generated by intelligence agencies, and the overlap in activities. However, the problem went deeper than Intelligence Community members simply opposing the dual-hatted role of the DCI as indicated. Any direction not from the organization and its existing lines of authority would be met with lack of cooperation. The problem was institutional rather than structural; after leadership of the Intelligence Community was separated from the CIA, the resistance nevertheless continued, as will be demonstrated in following sections.

The Schlesinger Report

The Schlesinger Report of March 1971 was one of the most significant and widely read government inquiries into U.S. national intelligence management, and the detailed nature of the study and its influential findings merit significant analysis. Convened by President Nixon, it was the first report explicitly suggesting a separation of the role of director of the Intelligence Community from that of director of the CIA. The Report was named for its primary author, James Schlesinger, Deputy Director of the Office of Management and Budget at the time. Shortly after issuing the findings of the report, Schlesinger served as the Director of Central Intelligence for six months, before going on to become the Secretary of Defense. His strong background as an economist influenced Schlesinger’s report. To him, the challenges in the intelligence system were a problem of economics, with the major focus being on obtaining the best possible returns on expenditures. The lens through which Schlesinger viewed national security is quite apparent in the methodology of the report, which was an overall assessment of

²⁴⁷ The Dulles-Jackson-Correa Report, January 1, 1949, p.140.

the Intelligence Community resting heavily on the budgetary authority of the DCI. As will be demonstrated, however, Schlesinger's economic focus did not prevent him from providing recommendations for intelligence restructuring that would be echoed by investigators with widely different backgrounds over the next four decades. This demonstrates that despite the various reasons for intelligence reform at different times, and the varied backgrounds of those who propose it, the same recommendation of strongly centralized authority has persisted.

The Schlesinger Report bears close analysis because of the environment it was created in and the recommendations made, particularly in its echoing of the Eberstadt, Dulles, and Clark reports. In early 1969, newly instated President Richard Nixon became the commander in chief, thereby gaining overall command of the Intelligence Community. Nixon was not new to being an intelligence consumer, having served as Eisenhower's Vice President, but had not held that office since 1961, a decade earlier. As Warner points out, "Nixon had formed strong views about intelligence at some point in his career."²⁴⁸ The DCI at the time, Richard Helms, would see Nixon's opinion regarding intelligence "harden into a conviction, and would eventually feel the full force of presidential displeasure."²⁴⁹

The displeasure that Nixon developed for the IC was not born out of the Schlesinger Report. Rather, his disapproval for the lack of intelligence effectiveness inspired him to commission the inquiry that ultimately recommended extensive centralization of authority in the IC. The ineffectiveness Nixon perceived primarily related to the lack of quality in intelligence products and ineffective use of the IC's considerable resources in a coordinated way. At Nixon's

²⁴⁸ Michael Warner, "Reading the Riot Act: The Schlesinger Report, 1971", *Intelligence and National Security*, 2009, Vol. 24, No. 3, p. 393.

²⁴⁹ Michael Warner, "Reading the Riot Act: The Schlesinger Report, 1971", p. 393.

request in January 6 1969, DCI Richard Helms sent an “assessment of the strengths and limitations of the Government’s foreign intelligence coverage.”²⁵⁰ While Helms believed that the Intelligence Community structure was “basically sound”,²⁵¹ he did cite issues that had arisen in an internal review of the IC conducted by Frederick Eaton two years prior.²⁵² Specifically, Helms spoke of the need for “greater centralization of control over the intelligence activities conducted in the Department of Defense”,²⁵³ and an equal need for centralization of control in the Intelligence Community to increase its operational effectiveness.

The DoD was the major concern for Helms, as it had been for many previous DCIs. Much of U.S. intelligence activity and funding occurred under the auspices of the DoD, outside the control of the DCI — the supposed head of the Intelligence Community. In a memo to the DoD, Helms indicated Defense intelligence programs accounted for “on the order of 85% of the total resources devoted to national intelligence.”²⁵⁴ He suggested bringing DoD intelligence management under central control and constant review to eliminate multiple “gaps and redundancies in the intelligence effort as a whole.”²⁵⁵ The Secretary of Defense, Melvin Laird, agreed with Helms’ assessment. The aim was to consolidate resource management and

²⁵⁰ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 179, “Memorandum from Director of Central Intelligence Helms to President-Elect Nixon” (Washington , D.C.: U.S. Government Printing Service, 2006), p.361.

²⁵¹ FRUS, Document 179, “Memorandum from Director of Central Intelligence Helms to President-Elect Nixon”, p.363.

²⁵² Douglas F. Garthoff, “Richard Helms: Corraling the Beast, The Eaton Report”, *Directors of Central Intelligence as Leaders of the U.S. Intelligence Community*, Retrieved on November, 11, 2012, https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/directors-of-central-intelligence-as-leaders-of-the-u-s-intelligence-community/chapter_4.htm#_ftn6.

²⁵³ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 187, “Memorandum from Director of Central Intelligence Helms” (Washington , D.C.: U.S. Government Printing Service, 2006), p.378.

²⁵⁴ FRUS, Document 187 , “Memorandum from Director of Central Intelligence Helms”, p. 379.

²⁵⁵ FRUS, Document 187 , “Memorandum from Director of Central Intelligence Helms”, p. 379.

operational control under the Office of the Secretary of Defense, who could then coordinate with the DCI. This would enable multiple intelligence programs from the Consolidated Cryptologic Program (CCP), Consolidated Intelligence Program (CIP), and the National Reconnaissance Program (NRP) to be reviewed by a single body, facilitating identification of overlaps in functionality.²⁵⁶

Laird's first effort was to try and move the Defense Intelligence Agency (DIA) under his control. This was blocked by the Joint Chiefs of Staff (JCS), who wanted to maintain their authority over DIA. The JCS argued, "Operational direction of intelligence is not an appropriate function for management at the Office of the Secretary of Defense level but should be left to the operating agencies."²⁵⁷ They suggested the order needed "careful study" before they could proceed, and that "functions of directing operational intelligence matters should not be considered within the purview of any agency in the Office of the Secretary of Defense."²⁵⁸ Secretary Laird ultimately relented and gave up on consolidation of DoD intelligence resources and operations.

This situation amounted to an attempt to centralize control and oversight of DoD intelligence programs, in order to eliminate redundant activities. However, those in command of the sections in question refused to relinquish control. The reason for refusal was asserted to be the need to maintain operational control. However, conduct of operations was not at issue, rather

²⁵⁶ FRUS, Document 187, "Memorandum from Director of Central Intelligence Helms", p. 379.

²⁵⁷ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 215, "Memorandum from the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird" (Washington, D.C.: U.S. Government Printing Service, 2006), p.464.

²⁵⁸ FRUS, Document 215, "Memorandum from the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird", p. 466.

eliminating redundant operations is what was sought. The finality of the JCS's refusal shows both a lack of power in the DCI position outside of the CIA, and that many intelligence programs within the Community were working towards a similar (sometimes even identical) goal but were not coordinating their efforts, due to the lack of a central authority.

It was in this strained climate between military and civilian intelligence that President Nixon came to office in January 1969. He too had ideas about the workings of the IC, and “quickly formed, or remembered, a negative attitude toward the Community’s flagship, the Central Intelligence Agency.”²⁵⁹ Nixon had no problems using intelligence to further his foreign policy goals; he understood the purpose of intelligence as helping to inform the decisions of elected leaders, especially the president. Nixon did, however, have a problem with what he viewed as too much policy promotion from the agencies and analysts themselves. He believed they had become “arrogant and partisan” in their analyses, siding with what Warner calls “the permanent institutional interests and social culture of Washington.”²⁶⁰ Nixon was vocal about his distaste for partisan attitudes. In a memorandum to DCI Helms, an unnamed person from the CIA related the substance of Nixon’s statement at a National Security Council (NSC) meeting in which he made his views clear in his own inimitable way.

People have been showing a tendency to use intelligence to support conclusions, rather than to arrive at conclusions. I don’t mean to say that they are lying about the intelligence or distorting it, but I want you fellows to be very careful to separate facts from opinions in your briefings. After all, I’m the one who has to form the opinion – I’m the only one who has to run, I’m the one who has the sole responsibility when things go to pot... Is that understood now?²⁶¹

²⁵⁹ Michael Warner, “Reading the Riot Act: The Schlesinger Report, 1971”, p. 395.

²⁶⁰ Michael Warner, “Reading the Riot Act: The Schlesinger Report, 1971”, p. 395.

²⁶¹ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 191, “Memorandum from [name not

Dr. Henry Kissinger, Nixon's National Security Adviser, was of a similar opinion regarding the Intelligence Community in general and the CIA in particular. He regarded them as "Ivy League intellectuals opposed to him", who possessed no professional objectivity and were often guilty of "pushing their own [policy] preferences."²⁶² After a year in office, Nixon had become deeply entrenched in his position. This is clear in the recounting of the minutes of a meeting with his intelligence advisory group, which demonstrate his level of exasperation.

The president stated that the United States is spending a total of about \$6 billion per year on intelligence and it deserves to receive a lot more for its money than it has been getting. He does not expect the Intelligence Community to provide the president with proposed courses of action; that is a function for the National Security Council...He believes that those responsible for the deliberate distortion of an intelligence report should be fired. He suggested that the time may be coming when he will have to read the riot act to the entire intelligence community."²⁶³

The opinion of the president's aides on the National Security Council differed from that of Nixon regarding the reasons for the unacceptable quality of intelligence products. Their reasons included a lack of organization in terms of information available, as well as the inefficiency of multiple agencies performing analyses of identical issues, using the same information, but producing opposing conclusions. This echoes the much-attested lack of coordinated intelligence from a multiplicity of agencies identified in prior surveys of the IC. Nixon chose to attribute the issue to "[understanding] that the intelligence community has been bitten badly a few times and thus tends to make its reports as bland as possible so that it won't be

declassified] of Central Intelligence Agency to Director of Central Intelligence Helms" (Washington , D.C.: U.S. Government Printing Service, 2006), pp. 388-389.

²⁶² Henry Kissinger, *White House Years* (Boston, MA: Little, Brown, 1979), p. 36.

²⁶³ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 210, "Editorial Note regarding the President's Foreign Intelligence Advisory Board (PFIAB) meeting of July 18, 1970"(Washington , D.C.: U.S. Government Printing Service, 2006), pp. 446-447.

bitten again. The result is that many reports are completely meaningless.”²⁶⁴ Nixon had asked in his meeting with the advisory board for “majority and minority views” to be presented in reports. Though these were given, he nonetheless became frustrated with analysis that had come from diverse analytical perspectives in an uncoordinated fashion from all over the IC. The net result was production of multiple reports that were devoid of any real content, which Nixon believed were “meaningless”.²⁶⁵

NSC staffer Andrew Marshall attributed the weakness in analytical products to the organizational culture at the Office of National Estimates (ONE), which had been originally established in the early CIA in an attempt to coordinate intelligence. In a memo to Kissinger, Marshall described an intelligence consumer element of responsibility when policymakers do not receive the analysis they want.

Causes of product deficiencies lie on both sides of the producer/consumer interface. Top level needs have not been expressed clearly or persistently enough. There is little feedback or criticism of the intelligence product. The community misperceives some of the needs of top level people, and a doctrine that limits their response.”²⁶⁶ Marshall called for the reorganization of senior management at the ONE. Reorganization would include making the type of reports desired by senior officials more readily known, by “rebuild[ing] the national intelligence process.”²⁶⁷

Marshall gave precisely the kinds of recommendations for increased communication of consumer requirements and reorganization of central power at the management level that would

²⁶⁴ FRUS, Document 210, “Editorial Note regarding the President’s Foreign Intelligence Advisory Board (PFIAB) meeting of July 18, 1970”, pp. 446-447.

²⁶⁵ FRUS, Document 210, “Editorial Note regarding the President’s Foreign Intelligence Advisory Board (PFIAB) meeting of July 18, 1970”, pp. 446-447.

²⁶⁶ U.S. Department of State, Office of the Historian, *Foreign Relations of the United States, Organization and Management of U.S. Foreign Policy, 1969-1972*, Document 206, “Memorandum from the Consultant to the National Security Council (Marshall) to the President’s Assistant for National Security Affairs (Kissinger)” (Washington, D.C.: U.S. Government Printing Service, 2006), p.435.

²⁶⁷ FRUS, Document 206, “Memorandum from the Consultant to the National Security Council (Marshall) to the President’s Assistant for National Security Affairs (Kissinger)”, p. 437.

be described in the Schlesinger Report (and later by the 9/11 Commission, see Chapter VI). The expansive nature of the reforms recommended by Schlesinger can only be understood in the context of the Nixon Administration's dissatisfaction with the state of affairs within the Intelligence Community. This atmosphere resulted in the perceived need to identify weak and inefficient points in the IC and produce recommendations for their repair. There is no doubt that the Schlesinger Report caused a refocus on intelligence management, but arguably more important, it would have an impact on the structure of intelligence organization.²⁶⁸

The document outlines many areas of IC management and activities, dividing these into ten categories deemed crucial to reform. The "Organizational Dilemmas" section frankly assesses the structural problems within the Community.²⁶⁹ Schlesinger asserts that Central Intelligence was created to prevent a recurrence of the "intelligence confusion and delays" that preceded the attack on Pearl Harbor.²⁷⁰ The confusion could be eliminated by correcting "defects in the central processing, production, and dissemination of intelligence."²⁷¹ The crucial element is Schlesinger's identification of the main impetus for reforming of the Intelligence Community: the need for strong central management. The report makes little mention of problems with intelligence collection; the failings of the IC were perceived to rest entirely within the realms of national management, as the organization was not arranged in such a way as to allow "access to all intelligence and report its estimates to the national leadership."²⁷² For Schlesinger, the core of the organizational problem is the original NSA1947, which neither

²⁶⁸ CIA News and Information, Featured Story Archive, "A Look Back...The Landmark Schlesinger Report, 1971", Retrieved on July 20, 2012, <https://www.cia.gov/news-information/featured-story-archive/2008-featured-story-archive/schlesinger-report.html>.

²⁶⁹ The Schlesinger Report, 1971, Retrieved on November 20, 2012, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB144/document%204.pdf>, p. 2.

²⁷⁰ The Schlesinger Report, p. 16.

²⁷¹ The Schlesinger Report, p. 16

²⁷² The Schlesinger Report, p. 16.

anticipated future problems, nor provided explicit mechanisms to address the size and scope of IC expansion.

The Intelligence Community, as organized in NSA1947, was much smaller in both scope and breadth of activity than it became by 1971, and it was miniscule compared to the IC legislators would attempt to reform in 2004. Rather than the fifteen agencies that existed at the time of the Schlesinger's 1971 study, NSA1947 incorporated a relatively small number of organizations. The armed services' intelligence groups almost constituted the entirety of the Intelligence Community of that time, resulting in the aforementioned opposition of military leaders. Schlesinger additionally identifies the ambiguous wording in NSA1947 concerning the authorities of the DCI. The Act makes a clear provision for the "continuation of 'departmental intelligence'"²⁷³ specific to their respective governing body, but while it additionally provides the CIA (under direction of the DCI) the authority to coordinate these activities, it gives no legal backing to accomplish it. As a result, the Director of Central Intelligence is left with only theoretical power over the IC.

Schlesinger's report, in brief, makes succinct recommendations as solutions to what were called, "unproductively duplicative" processes,²⁷⁴ as well as the conflicted nature of the DCI position. Speaking of the DCI, Schlesinger writes, "His multiple roles as community leader, agency head, and intelligence adviser to the President, and to a number of sensitive executive

²⁷³ The Schlesinger Report, p. 14.

²⁷⁴ The Schlesinger Report, p. 1.

committees, are mutually conflicting.”²⁷⁵ He goes on to describe the unworkable nature of the DCI position with a blunt specificity not found in earlier intelligence studies:

Realistically, it is clear that the DCI, as his office is now constituted, cannot be expected to perform effectively the communitywide leadership role because:

- As an agency head, he bears a number of weighty operational and advisory responsibilities which limited the effort he can devote to communitywide management.
- Is a competitor for resources within the community owing to his responsibilities as director of the CIA, a large collection program of its own; thus he cannot be wholly objective in providing guidance for communitywide collection.
- The DCI is outranked by other departmental heads to report directly to the president and are his immediate supervisors on the national Security Council.²⁷⁶

The first possible solution forwarded in the Report was for the creation of a National Intelligence Director (NID) who would directly control of all foreign intelligence resources. The second was to strengthen the DCI’s authority and remove any responsibility for management of CIA clandestine activities, but remain in control of its analytic production. Third, was to establish a Coordinator of National Intelligence (CNI) who would act as a Cabinet-level White House coordinator of the Intelligence Community. Schlesinger ultimately concluded the second option of a strengthened DCI was the most practical measure to achieve higher levels of integration and bring costs under control.²⁷⁷ Option one would never be accepted by the DoD, as it would bring their intelligence resources under outside control.²⁷⁸ With the economic and budgetary issues addressed by the second recommendation, Schlesinger relinquished the idea of a director of the IC totally separate from the CIA.

²⁷⁵ The Schlesinger Report, p. 15. It is interesting to note the language is virtually synonymous to 9/11 Commission Report findings some 30 years later. See, *The 9/11 Commission Report*, Chapter VI.

²⁷⁶ The Schlesinger Report, pp.15-16.

²⁷⁷ The Schlesinger Report, pp. 25-33.

²⁷⁸ Douglas F. Garthoff, “Schlesinger Study, Reactions to Study”, *Directors of Central Intelligence as Leaders of the U.S. Intelligence Community*, Retrieved on November, 11, 2012, https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/directors-of-central-intelligence-as-leaders-of-the-u-s-intelligence-community/chapter_4.htm#_ftn6.

Schlesinger's 1971 review broke important ground in detailing the flaws of national intelligence management. However, though the report is important, intelligence scholar Amy Zegart asserts it "fell short of creating a truly unified intelligence apparatus. In 1974, as in 1947, intelligence continued to be collected and analysed by a wide array of organizations, each with its own priorities and interests."²⁷⁹ Despite the environment of Nixon's hostility towards intelligence agencies and the strong mandate given to Schlesinger, no great reforms came out of this process. The Watergate scandal and Nixon's subsequent resignation precluded any major enactment of the recommendations. However, it did produce a number of notable changes, including the creation of a "Community Affairs" staff²⁸⁰ to assist the DCI with Community management, and the creation of an Assistant Secretary of Defense for Intelligence.²⁸¹ James Schlesinger went on to become Director of Central Intelligence in 1973, lasting only 150 days in office, before transferring at Nixon's request to his new job as Secretary of Defense. He left behind a reinvigorated Intelligence Community Staff, more focused on resource management and IC organization than before. However, the most lasting impact Schlesinger had was his 1971 Report, which suggested the role of Intelligence Community leader required a new "director of national intelligence."

A Time of Crisis, A Flurry of Investigations

²⁷⁹ Amy Zegart, *Flawed by Design: Evolution of the CIA, JCS, and NSC*, p. 192.

²⁸⁰ The creation of the Community Affairs staff is significant in and of itself. It served as the precursor and model for the Community Management Staff (CMS) of later DCI's. It was the CMS personnel and organizational model that were transplanted to become the Office of the Director of National Intelligence (ODNI) in 2005. This is a further demonstration of how post-9/11 recommendations were not new, but were in fact based on existing ideas, structures, and personnel. For further information see: Patrick Neary, "The Post 9/11 Intelligence Community, Intelligence Reform, 2001–2009: Requiescat in Pace?", *CIA Studies in Intelligence (unclassified extracts)*, Vol. 54, No. 1, March 2010, pp. 5-6, and Office of the Director of Central Intelligence, *Director of Central Intelligence Directive 3/3, "Community Management Staff"*, June 12, 1995, <http://www.fas.org/irp/offdocs/dcid3-3.htm>, Retrieved on November, 10, 2012.

²⁸¹ Richard A. Best, "Proposals for Intelligence Reorganization, 1949-2004", p. 30.

The 1970s were a controversial time for U.S. intelligence. Multiple public hearings put a spotlight on intelligence, especially CIA activities. Following the Schlesinger Report early in the decade, a flurry of other investigations followed which helped shape the continued evolution of the IC. While the Schlesinger Report contained the first explicit recommendation for legislation to take the IC management away from the CIA Director, many other inquiries followed suit. The reiteration of the conclusions from this era in reports more than two decades later illustrates the enduring relevance of the findings. Other inquiries would be convened in the 1970s, but none would carry the political heft of the Schlesinger Report.

In mid-1972, a congressional study into American foreign policy was authorized to assess the foreign policy organizations and procedures of the federal government. The blue-ribbon Murphy Commission, led by former Deputy Secretary of State Robert Murphy, submitted its final report in June of 1975. The report only contained one chapter on intelligence, but nonetheless, it held findings of interest.

The report focuses almost entirely on the CIA, offering no recommendations regarding intelligence organization in the Departments of State, or Defense. While recognizing the DoD, “receives the largest portion of the intelligence budget”, the recommendations were concentrated on overall IC organizational improvement.²⁸² The Murphy Group made a set of recommendations similar to Schlesinger’s third option for reforming the DCI’s role – a Coordinator of National Intelligence (CNI).²⁸³ The CIA would be retitled the Foreign

²⁸² *The Commission on the Organization of the Government for the Conduct of Foreign Policy (The Murphy Commission)*, Congressional Research Service (CRS) Summary, Retrieved on February 20, 2013, <http://www.policyarchive.org/handle/10207/bitstreams/20213.pdf>, p. 13.

²⁸³ The Schlesinger Report, pp. 25-33.

Intelligence Agency (FIA), with the new Director of Foreign Intelligence (DFI) serving mainly as the president's primary intelligence officer. The DFI would enjoy "clear jurisdiction" over all foreign intelligence activities, yet military and diplomatic intelligence would remain in the control of the DoD and the State Department respectively.²⁸⁴ The main notion behind the Murphy recommendation was to get the DCI to be closer to the president, which would have him act as a Cabinet-level official (though not head an actual Cabinet department). Through this placement, the DCI would be better positioned to head the IC, and advise the president.

An unusual study was submitted to the president and the NSC in September of 1975. Called the Taylor Report, it is unique for not being a mandated investigation, nor was the research group comprised of public figures. Then-DCI William Colby commissioned a study by six senior CIA officers and led by CIA Deputy-Comptroller James Taylor. It is an internal review of the CIA and the Intelligence Community describing the "present environment of intelligence", and the "problems in the organization and management of intelligence."²⁸⁵

The report is forthright from the outset, identifying the limited powers of the DCI and the unclear relationship between the DCI and the Secretary of Defense. While previous commissions had touched on this issue, the Taylor Report was candid.

We place particular stress on two problems: First, the relationship between the DCI, who has at least nominal responsibility for all US intelligence, and the Secretary of Defense, who has operating authority over the bulk of its assets. This relationship is ill defined and hampers development of a coherent national intelligence structure.

²⁸⁴ The Murphy Commission, CRS Summary, p. 13.

²⁸⁵ CIA Study Group, *American Intelligence: A Framework For The Future*, (The Taylor Report), October 13, 1975, Retrieved on February 20, 2013, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB144/document%2010.pdf>, p. iii.

Second, the ambiguity inherent in the current definition of the DCI as both head of the Intelligence Community and head of one element of the Community. This poses internal management problems for CIA and also reduces the DCI's ability to carry out effectively his Community role.²⁸⁶ Once again, the issue of the multi-hatted nature of the DCI had come to the forefront.

This time, it was being connected to two issues, and not weighted down with other considerations. The Taylor Report identifies the relationship between civilian and military intelligence as the primary issue, one that can be best addressed by clarifying the exact role of the DCI as defined in NSA1947. As collection technology rapidly advanced and came under the auspices of the military, the DCI found “the act of 1947 did not provide the DCI with authorities and an administrative structure adequate for the management of the intelligence community in 1975.”²⁸⁷ The original legislation was ambiguous regarding the DCI’s authority relative to other intelligence department heads. The Act had built into it the tensions among agencies looking to remain autonomous from centralized control, thereby exacerbating the difficulties of coordinating the Community. The expectations upon the DCI grew over the decades, from the original role of just coordination to additionally management of the expanding IC. The result was “an accretion of improvised structures, lacking statutory basis, over which the DCI exercises varying degrees of influence.”²⁸⁸ The Taylor Report recommended to clarify the ambiguity of the DCI's role – NSA1947 needed to be significantly amended.

The Taylor group suggested that there were only three possible solutions. The first was to “transfer most national intelligence activities out of the Department of Defense” and into a new Central Intelligence Agency.²⁸⁹ The new CIA would service the fundamental intelligence needs

²⁸⁶ The Taylor Report, p. iii.

²⁸⁷ The Taylor Report, p. 7.

²⁸⁸ The Taylor Report, p. 7.

²⁸⁹ The Taylor Report, p. iv.

of both civilian and military leadership. The second was to have the CIA absorbed completely into the Department of Defense. This would eliminate the DCI and “place responsibility for effective coordination of all American intelligence on a Deputy Secretary Of Defense.”²⁹⁰ The third was a recommendation common in other reports – to strengthen the authority of the DCI position as Community leader, and a deputy would handle day-to-day operations at the CIA.²⁹¹

Only the third option was considered feasible. Not only because of the political impossibility of enacting the first two measures, but also it would not “adversely affect the legitimate interests of the Departments of State and Defense.”²⁹² The newly proposed DCI, called the Director General of Intelligence (DGI), would be released of line management of the CIA, yet would be made a statutory member of the NSC. These additions would need to be enacted as full amendments to NSA1947, to provide statutory grounding, and solidify the position so as not to be overshadowed at the Cabinet level by the Secretaries of Defense and State.²⁹³ The DGI suggestion was an attempt to achieve a level of authority over intelligence programs for the IC leader, without proposing operational control over all intelligence agencies. Unfortunately, the functional reality is the heads of the various intelligence agencies and their parent departments view those authorities as going hand in hand.

The 1970s were a tumultuous time for U.S. Intelligence. The break-in at the Watergate Hotel and the subsequent investigations opened a Pandora’s Box of inquiries and accusations of CIA excesses. The Church and Pike Committee investigations, conducted respectively in the

²⁹⁰ The Taylor Report, p. iv.

²⁹¹ The Taylor Report, p. iv.

²⁹² The Taylor Report, p. v.

²⁹³ The Taylor Report, pp. vi and viii.

Senate and House, were an exhaustive investigation of the Community, and clandestine action in particular. While the final reports of these Committees did touch on IC organization, they were largely geared towards intelligence oversight. For the purposes of this thesis, it is sufficient to mention the Church Report agreed with other investigations of the same era, recommending the DCI relinquish direct control of the CIA, and focus on Community affairs.²⁹⁴ The Pike Committee also expressed a similar notion in its brief list of recommendations regarding Community management. The most significant outcome from the two investigations was the establishment of permanent congressional oversight. The House Permanent Select Committee on Intelligence (HPSCI), and the Senate Select Committee on Intelligence (SSCI) were both established shortly afterwards. These two standing bodies served to make intelligence accountable to not only the president and the NSC, but Congress as well. This produced a secondary effect of keeping a lid on the political desire for more inquiries and surveys. The rash of investigations in the 1970's gave way to a hiatus on reform efforts through the 1980s. With the advent of two new permanent oversight bodies, there would be no major reviews into the Intelligence Community until the 1990s.²⁹⁵

The Taylor Report was not widely read, nor did it have the gravitas of the presidentially mandated Schlesinger Report. Nonetheless, there was no re-write of NSA1947 to redefine the role of the DCI in order to clear up the ambiguity in relation to other departments, especially the DoD. Schlesinger's suggested reorganization of national intelligence management, while influential, was not enacted. However, President Nixon did direct the DCI in 1971 to combine

²⁹⁴ L. Britt Snider, *The Agency and the Hill: CIA's Relationship with Congress, 1946-2004*, Retrieved on December 10, 2012, www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/agency-and-thehillfi'he%20Agency%20and%20the%20Hiii_Book_1May2008.pdf, p. 55.

²⁹⁵ This, of course, excludes the Iran/Contra Affair and resulting investigations. However, the affair was an investigation and series of hearings focused on the Reagan Administration, rather than a review of the IC.

all “national” intelligence activities into a single budget. In theory, this would furnish the DCI with the ability to establish requirements and priorities for intelligence collection. As will be examined in the next section, the budget change allowed more military and departmental resistance to centralized authority through the complexity of the process. Intended to unify priorities and IC direction, the measure instead had little effect on agencies behaving as uncoordinated entities.

Another change during the decade came in February of 1976; President Gerald Ford issued Executive Order 11905. This first Executive Order on intelligence clarified the DCI’s position as Director of the Community, and added a deputy to specifically handle IC-wide issues and management. The order states, to assist the DCI in the supervision and direction of the Intelligence Community, “the position of Deputy to the Director of Central Intelligence [DDCI] for the Intelligence Community is hereby established.”²⁹⁶ However, the position of the Deputy for the Intelligence Community did not survive in subsequent executive orders.

The 1990s and the re-examination of the IC

Following the intensive amount of government inquiries during the 1970s was the relatively quiet 1980’s. No major investigations or inquiries were convened to assess the management of the IC. This is not to say the challenges of the DCI had gone away. During this period the nature of warfare had changed to become increasingly technological. More and more emerging collection systems were hi-tech and being administered by DoD intelligence agencies. This resulted in an ever-increasing amount of intelligence activities and resources falling outside

²⁹⁶ Gerald Ford, Executive Order 11905, SEC. 3. (d) (2), February 18, 1976, Retrieved on February 20, 2013, <http://www.fas.org/irp/offdocs/eo11905.htm>.

the jurisdiction of the DCI. While this might not have been the intention behind Intelligence Community structuring, the manifest reality was the majority of intelligence was not under central leadership, but within the originating department. The increase in technology equaled decentralization.

The early 1990s also saw a new set of debates arise following the Gulf War and the fall of the Soviet Union. In 1992, a major legislative initiative got underway which was intended to restructure the Intelligence Community for the post-Cold War era. Both the Chairman of the Senate Select Committee on Intelligence, Senator David Boren, and the Chairman of the House Permanent Select Committee on Intelligence, Representative Dave McCurdy, separately announced they were putting forth separate plans to restructure the IC. The basic approach was to mirror for intelligence what the Goldwater-Nichols Reorganization Act had done for the Department of Defense in terms of creating “jointness”.

While the bills forwarded by Boren and McCurdy were different in some respects, they both called for the same central reorganizations in terms of national management.²⁹⁷ A Director of National Intelligence (DNI) was proposed that possessed budget line authority over the entire IC, including the Defense Department, as well as the ability to direct expenditures of allocated budget funds. The DNI would have two Deputy Directors of National Intelligence (DDNIs) for analysis and Community Affairs. In the plan, the CIA would have a separate director relieved of

²⁹⁷ Intelligence Reorganization Act of 1992 (S. 2198, 102nd Congress), retrieved on March 1, 2013, <http://thomas.loc.gov/cgi-bin/query/z?c102:S.2198.IS:>, Title II, Sec. 201. And, National Security Act of 1992 (H.R.4165, 102nd Congress) <http://thomas.loc.gov/cgi-bin/query/z?c102:H.R.4165.IH:>, retrieved on March 1, 2013, Title I, Subtitle A.

all responsibility for IC management. Analytic elements in the IC from both departmental and military services would be consolidated in a separate office under the DDNIs.

The proposed bills represented a restructuring of Intelligence Community management. However, neither bill was adopted. Richard Best asserts, “Observers credited strong opposition from the Defense Department and concerns of the Armed Services Committees with inhibiting passage of the original legislation.”²⁹⁸ This is not particularly surprising, considering how deeply the reorganization would have encroached upon the DoD’s institutional turf. Many of the operational and personnel authorities over DoD services and control over vast amounts of budgetary funds would have been removed. Institutional resistance of this type would manifest whenever organizational prerogatives, especially deeply seated ones, were threatened by proposed legislation. (This will be particularly evident in the events surrounding the post-9/11 reform process.) As Best points out, some of the smaller provisions were added to the Intelligence Authorization Act of 1994, such as providing basic charters for agencies created in NSA1947.²⁹⁹

The early 1990’s were a time of downsizing and discussion centered on the reformation, and possible elimination, of various intelligence elements. *The Commission on the Roles and Capabilities of the U.S. Intelligence Community*, or the Aspin-Brown Commission, was authorized in this environment of post-cold war downscaling.

²⁹⁸ Richard A. Best, “Proposals for Intelligence Reorganization, 1949-2004”, p. 30.

²⁹⁹ Richard A. Best, “Proposals for Intelligence Reorganization, 1949-2004”, p. 30.

The original impetus for the Aspin-Brown Commission is disputed. While the result was a commission to survey the IC at large, what spurred the first major inquiry that examined IC management in over 15 years is not clear. Loch K. Johnson, a widely respected academic who served on the Commission staff, asserts the initial drive to create the investigation was the killing of 18 U.S. special forces soldiers in Mogadishu, Somalia, in October 1993. The event suggested an intelligence failure, and therefore a need “to pursue a major probe into the intelligence deficiencies that had contributed to the Somali tragedy.”³⁰⁰ In contrast, L. Britt Snider, the Aspin-Brown Commission Staff director, argues the principal motivation was the Aldrich Ames spy case, which broke in February of 1994. Snider asserts, “Many senators, notably Senator John Warner, feared that the case would add fuel to the anti-intelligence sentiment that appeared to be growing in the public domain and Congress after the end of the Cold War.”³⁰¹ Thus, a review of the IC was in order to quell public and congressional concerns of widespread problems.

Regardless of the particular motivation, and how it influenced the development of the range of topics to be investigated, the inquiry's stated purpose was to “determine how best to adapt the Intelligence Community to the challenging new world that had emerged following the end of the Cold War.”³⁰² The focus of the study's final report was an assessment of the future direction, priorities, and structure of the Intelligence Community. The blue-ribbon panel was

³⁰⁰ Loch K. Johnson, “The Aspin-Brown Intelligence Inquiry: Behind the Closed Doors of a Blue Ribbon Commission”, *Studies In Intelligence*, Vol. 48, No. 3, p. 2.

³⁰¹ L. Britt Snider, “A Different Angle on the Aspin-Brown Commission”, *Studies In Intelligence*, Vol.49, No.1, p.1.

³⁰² Loch K. Johnson, “The Aspin-Brown Intelligence Inquiry: Behind the Closed Doors of a Blue Ribbon Commission”, p. 1.

authorized in late 1994 with two former Secretaries of Defense chairing the group successively.³⁰³

The final report covered a wide-range of issues, often focusing on the change in the nature of warfare towards a more technological footing and movement of the IC towards a more flexible system. In terms of leadership of the Community, the report echoed many prior findings. The now familiar recommendation for increased authority for the DCI was repeated. Johnson, in recounting his experience with the Commission, cites a RAND document that spoke to the “crux of the organizational dilemma facing the DCI”. The U.S. intelligence system is “organized and dominated by the owners of collection systems...that is, by the suppliers.”³⁰⁴ Previous reports had spoken often of this issue – the increasing gulf between agencies and the supposed central nexus where the information was supposed to flow, the CIA. The “stovepipes” through which information flowed went upwards through their various organizational chains of command, not towards central coordination, as envisioned in 1947. Johnson refers to this phenomenon representing the “gorillas in the stovepipes, undermining the more centralized coordination of intelligence that President Harry S. Truman had sought.”³⁰⁵

In addition to the steady suggestion that agencies should be functioning as a “Community”, the report identifies the organizational arrangement as insufficient for strong central leadership. Specifically, “authority is dispersed, and administrative barriers often prevent

³⁰³ A blue-ribbon panel is an informal term for a government appointed commission or study group. They are usually comprised of individuals without direct government ties. They possess no authority to legislate, but as an independent group, free of political influence, they are perceived as able to offer an impartial outside evaluation.

³⁰⁴ Loch K. Johnson, “The Aspin-Brown Intelligence Inquiry: Behind the Closed Doors of a Blue Ribbon Commission”, p. 7.

³⁰⁵ Loch K. Johnson, “The Aspin-Brown Intelligence Inquiry: Behind the Closed Doors of a Blue Ribbon Commission”, p. 7.

or impede cooperation between agencies.”³⁰⁶ The overall findings and conclusions section of the report could hardly have contained a more candid or succinct summation of the situation.

- Over 85 percent of the intelligence budget is executed by agencies not under the DCI’s control.
- [The DCI] exercises no line authority over the personnel of agencies other than the CIA and has little recourse when these agencies choose to ignore his directives.
- [The DCI’s] ability to influence other agencies is largely a function of his persuasiveness rather than his legal authorities. Partly because of their relatively weak position with respect to the Intelligence Community as a whole.
- Most DCIs have devoted the bulk of their time to managing the CIA and serving as intelligence adviser to the President.³⁰⁷

Not since the Schlesinger Report in 1971 had the matter been so bluntly stated in an official inquiry.³⁰⁸ In brief, the Aspin-Brown Report, like many reports before it, had identified the effects of a cause dating back to the origins of the Intelligence Community. Lack of centralization had been apparent following WWII, which was one of the main reasons for the creation of the DCI and the CIA. However, the confined space in which the CIA was legislated to operate did not provide a strong position from which to enforce centralization of intelligence. In short order, the CIA began developing past its coordination role by gaining collection capabilities and became an agency unto themselves. When tasked with exercising leadership over the IC, the DCI had to contend with agencies that continued to operate within their own spheres, adhered to their own interests and organizational cultures, and resistant to the notion of centralization. The Aspin-Brown Report concluded that despite the amount of authority the DCI appeared to possess vis-à-vis the agencies of the IC, “the DCI is left in a relatively weak

³⁰⁶ U.S. Congress, *The Commission on the Roles and Capabilities of the U.S. Intelligence Community* (the Aspin-Brown Commission Report), 1996, p. xvi.

³⁰⁷ The Aspin-Brown Commission Report, p. xix.

³⁰⁸ The Taylor report is explicit in these matters as well. However, it was not a congressionally mandated inquiry, but in an internal review ordered by then-DCI Colby. As clear and through as the Taylor Report was, it was not widely read, nor influential. Thus, was excluded from this comment.

position.”³⁰⁹ The report describes this as the “DCI’s Dilemma”. In the Aspin-Brown Group’s analysis, it is not surprising DCI’s have chosen to spend the bulk of their time on their other major functions where they possess more than theoretical authority – that is, principal intelligence adviser to the president and head of the CIA.³¹⁰ It is significant that these observations are so similar to the many previous reports describing a disparate IC, and followed by a recommendation for increased central authority. However, the same fundamentally disparate IC remained, even after new definitions clarifying the DCI’s role as head of the IC, and measures towards strengthening that role were introduced.

Despite making strong commentary on the DCI’s limited ability to direct the IC, the Aspin-Brown final report recommended no major changes to the management arrangement. The Commission saw no reason “to alter the fundamental relationship between the DCI and the Secretary of Defense.”³¹¹ While the situation was flawed, the report recognized the inherent difficulty in altering the arrangement of institutional authorities. The DCI is in a position of “relative weakness in relation to the Secretary of Defense”³¹², yet the intelligence agencies of the DoD, while servicing non-military consumers, “in all likelihood would not exist if there were no military justification.”³¹³ Since the DoD intelligence agencies are funded and staffed by Defense resources it would “pose a considerable risk” to alter the management by affording their control to the DCI.³¹⁴ This relationship represents a quagmire of interlaced bureaucratic complexities. The DCI was encouraged to take an active hand in managing the IC towards a unified

³⁰⁹ The Aspin-Brown Commission Report, p. 51.

³¹⁰ The Aspin-Brown Commission Report, pp. 51-52.

³¹¹ The Aspin-Brown Commission Report, p. xix.

³¹² The Aspin-Brown Commission Report, p. 53.

³¹³ The Aspin-Brown Commission Report, p. 53.

³¹⁴ The Aspin-Brown Commission Report, p. 53.

Community effort, yet more than 85% of the resources of the IC fall outside that position's authority. This was not by intentional design, but by the institutional nature of their respective range of activities and origins. In short, the organizational structure had been in place for so long that as the Community elements and their scope expanded, the arrangement became all the more entrenched and less able to be altered.

The Aspin-Brown group considered many options, including a separation of the DCI from the CIA. This would have the advantage of unravelling the two responsibilities. There would be a Director who would manage the CIA, and a newly created "Director of National Intelligence (DNI) who would preside over [the] Intelligence Community."³¹⁵ However, this commission decided against endorsing such a measure, citing reasons that had been raised in the Kirkpatrick Report (see Chapter V, *Path Towards Separation*), and would be repeated in future reform efforts.

Removing the Director (DCI or DNI) from direct control of CIA operations would deprive him of an important source of his authority. The operations of the CIA form a unique aspect of U.S. intelligence. Having direct responsibility for those operations and communicating the results of those operations to the President and other recipients are important and traditional elements of the DCI's power.³¹⁶

Instead of any dramatic changes, the Commission chose to endorse a recommendation, which would unburden the DCI from many CIA responsibilities and "give the DCI more time to manage."³¹⁷ The report recommends the creation of two deputies to assist the DCI, one for the day-to-day operations and the CIA, and the other for Community management. Like the DCI,

³¹⁵ The Aspin-Brown Commission Report, p. 53.

³¹⁶ The Aspin-Brown Commission Report, p. 54.

³¹⁷ The Aspin-Brown Commission Report, p. xx.

both would be Senate-confirmed positions.³¹⁸ Additionally, to give the DCI “greater bureaucratic ‘weight’ within the Intelligence Community, the DCI would concur in the appointment (or recommendation for appointment) of the heads of ‘national’ intelligence elements within the Department of Defense.”³¹⁹ The DCI would thereby be playing a larger role in the IC through the selection of the heads of Defense Department intelligence agencies. Some of these recommendations would find their way into law, when combined with recommendations from a House review that had gotten underway in the same period – the IC21 Study.

Spurred on by the Aspin-Brown Commission, the House Permanent Select Committee on Intelligence (HPSCI) began their own investigation into the state of the IC following the Cold War. The Republican HPSCI Chairman, Larry Combest, apparently did not want the largely Clinton-appointed Aspin-Brown Commission to have the final word on the subject.³²⁰ However, in contrast, the House inquiry did not just evaluate the current state of the IC, but undertook determining where it needed to be in the next 10-15 years.³²¹ With this in mind, the Staff Study was titled, *IC21: The Intelligence Community in the 21st Century*. Chairman Combest stressed in a statement in early March 1996 that this was the best approach, because while he did not believe the IC was unable to deal with the current challenges, the IC had “been largely shaped by the Cold War and now faces new challenges as we enter the 21st century.”³²² Like the attempts

³¹⁸ The Aspin-Brown Commission Report, p. 56.

³¹⁹ The Aspin-Brown Commission Report, p. xx.

³²⁰ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. 36.

³²¹ House Permanent Select Committee on Intelligence, *IC21: The Intelligence Community in the 21st Century*, U.S. Government Printing Office, 1996, p.2.

³²² The Intelligence Community Act of 1996, Statement by Chairman Larry Combest, March 4, 1996, Retrieved on February 21, 2013, <http://www.fas.org/irp/commission/ic21test.htm>.

at intelligence reorganization in 1992, Chairman Combest sought the Goldwater-Nichols achievement of “jointness”, or cooperation, to create a complementary corporate entity.³²³

The IC21 conclusions agree with the Aspin-Brown report in that neither advocates separating the DCI from the CIA. While the IC21 report is clear that if the IC is to achieve a “greater degree of coherence and corporate identity, then the role of the DCI has to be changed”, it nonetheless did not support separating the DCI from its powerbase.³²⁴ All those interviewed, “concur that the DCI needs an agency ‘of his own’ – i.e., the CIA – if he is to have any real power within the IC.”³²⁵ This conclusion had been reached in prior reports (as described previous sections) and constituted a significant concern. The core identity of the DCI was established as head of the CIA as far back as NSA1947 and without that administrative and bureaucratic support, the director of the IC would be in an even less advantageous position than the DCI already was.

The IC21 group concluded that while altering the current structure was not a sound course; some alterations did need to be made. Recommendations were introduced for empowering the DCI’s comparatively weak position in the IC. The DCI needs “authority within the IC that corresponds to his responsibility” as without a “bureaucratic basis for his authority he will be largely irrelevant.”³²⁶ The IC21 proposals suggested a “truly corporate IC team” whereby the Secretary of Defense, when appointing the heads of Intelligence Defense agencies, “should seek the advice and concurrence of the DCI, not merely ‘consult’ with him as is now

³²³ The Intelligence Community Act of 1996, Statement by Chairman Larry Combest, March 4, 1996.

³²⁴ IC21: The Intelligence Community in the 21st Century, “Roles, Relationships and Authorities, Role of the DCI”.

³²⁵ IC21: The Intelligence Community in the 21st Century, “Roles, Relationships and Authorities, Role of the DCI”.

³²⁶ The Intelligence Community Act of 1996, Statement by Chairman Larry Combest, March 4, 1996.

required.”³²⁷ This change, as when previously recommended, would have the advantage of giving the DCI’s authority within the IC more weight. It also would not transfer any operational control, or even direct management of agencies away from the DoD, which had always been met with stern resistance in the past.

It was also recommended the DCI be granted the authority to transfer “limited amounts of money within the National Foreign Intelligence Program (NFIP)” without program managers’ approval.³²⁸ This recommendation enters into territory often referred to as “technocratic”, because of the complicated nature of the budget approval process and how the subtleties of the system leave the DCI in a disadvantaged position to “manage” the IC. The budget system is complex because of the near byzantine relationship between Congress, the DCI, the DoD, the CIA, and other IC elements. The IC21 Report did an outstanding job of making the system intelligible to a congressional audience considering IC reform, yet not intimately familiar with the budget process.

A more subtle, but more important disadvantage to this process is that it is still the “tail trying to wag the dog.” Currently, the program managers submit to the CMS [the CIA’s Community Management Staff] a proposed budget based on top-line guidance from the DCI that has been coordinated with the Secretary of Defense. The CMS does a largely surface review of the submissions and may make some minor changes to accommodate DCI priorities... When the Congress authorizes and appropriates the money, it is appropriated directly to the program managers. The CMS has no control over – indeed, no visibility into – budget execution.³²⁹

Much of what is thought of as “management” in the broad sense of the term actually manifests as personnel and budget authority. One of the most effective ways for an IC manager

³²⁷ The Intelligence Community Act of 1996, Statement by Chairman Larry Combest, March 4, 1996, and *IC21: The Intelligence Community in the 21st Century*, “IV. Roles, Relationships and Authorities, NFIP Defense Agencies”.

³²⁸ *IC21: The Intelligence Community in the 21st Century*, “VII. Planning, Programming, and Budgeting”.

³²⁹ *IC21: The Intelligence Community in the 21st Century*, “VII. Planning, Programming, and Budgeting”.

to move agencies towards a given priority is through funding execution and denial. To ensure the DCI had actual authority to manage the Community, the IC21 Study suggested the DCI (via the Community Management Staff, CMS) must have “formal authority for formulating the NFIP budget, including the ability to monitor execution, withhold funds and reprogram funds.”³³⁰ This statement makes a clear distinction between two types of funding authority: budget approval and budget execution. The DCI lacked the latter. The arrangement has the funds dispersed to the program managers (i.e. managers of a specific intelligence program within the DoD) and the DCI with no control over, or visibility into, budget execution. This means after the largely surface review by the DCI’s office, the funds are allocated to the program. How they are spent – and on what – are outside the DCI’s control and detection. Without more authority, the DCI cannot enforce priorities or guide collection in a significant way. Budget control had always been one of the main ways agency resistance to intelligence centralization and protection of institutional turf was manifested. The IC21 Group sums up this problem with a succinct statement: “If the DCI is to manage the Community as a corporate entity and ensure that resource trades are made to address priorities, he and his staff need more authority in the intelligence budgeting process.”³³¹

Some of the recommendations from both the Aspin-Brown Commission and the IC21 report were combined and added as amendments to the National Security Act of 1947 (NSA1947). The additions created a Deputy Director of Central Intelligence for Community Management (DDCI/CM). Additionally, three Assistant Directors of Central Intelligence positions were created for collection, administration, and analysis and production. (ADCI/C, ADCI/A, ADCI/AP, respectively.) This greatly increased the size of the administration and

³³⁰ IC21: The Intelligence Community in the 21st Century, “IV. Roles, Relationships and Authorities, NFIP Defense Agencies”.

³³¹ IC21: The Intelligence Community in the 21st Century, “VII. Planning, Programming, and Budgeting”.

management staff at the DCI's disposal, giving the DCI more managerial presence across the IC in order to help support and promote the DCI's Community interests.

The changes stopped short of impinging upon the territory of other agencies, or giving the DCI authority over them in terms of personnel or budget. There would not be any legislation that moved budget authority to the CIA away from defense intelligence activities. Instead, the DCI was provided a larger hand in the determining the overall defense intelligence budget. However, some of the changes provided a larger measure of reach and awareness to the DCI's managerial efforts. For example, as stated in the recommendations, the legislation required that the "DCI concur in the appointment of three major defense intelligence agencies — NSA, the NRO, and NIMA"³³² (later renamed the National Geospatial Intelligence Agency). These services were particularly important, as they service a number of non-military customers, especially the CIA.

The fundamental and inherent imbalance between the DCI and the Secretary of Defense was to remain. The structure of authorities created in the early days by institutional interests were not worth unraveling, as the perceived positive outcomes of reform would not outweigh the resulting quagmire. President Bill Clinton and then-DCI John Deutch had strong reservations about the newly created positions in the DCI's office requiring Senate confirmation. They had concerns the positions added another layer of management requiring the involved process of confirmation, yet did not represent "a corresponding gain in the DCI's ability to manage the

³³² Richard A. Best, "Proposals for Intelligence Reorganization, 1949-2004", p. 34.

Intelligence Community.”³³³ Clinton also argued that requiring the advice and concurrence of the DCI to appoint the aforementioned intelligence officials amounted to a “circumscription of the President’s appointment authority.”³³⁴ In a possible show of resistance, of the four new positions only two individuals for the roles of Deputy DCI for Community Management and Assistant DCI for Administration were forwarded to the Senate.

The first person nominated to the new position of DDCI for Community Management (DDCI/CM) was long-time intelligence professional Joan Dempsey. Many of the critical and long-running problems of IC management were raised during her confirmation hearing. Senator Baucus outlined the issue by citing the conclusions from the DCI's Revolution Task Force, “The community can no longer afford to disperse authority and responsibilities among several semi-autonomous intelligence bureaucracies with their own budgets and resource planning functions.”³³⁵ As the DDCI/CM position was created to address these issues, the questions directed at Dempsey revolved around her impression of the problems and the viability of solutions. Two items were raised as central points of contention: the unbalanced relationship between the DCI and other heads of other departments (especially the Secretary of Defense), and the capability of the DCI to effectively manage the IC. As previously described, these issues had long plagued the Community, and while the details of their current incarnation varied, the issues themselves had not changed. Vice Chairman Bob Kerrey cut to the important aspect by asking a

³³³ William J. Clinton, “Statement on Signing the Intelligence Authorization Act for Fiscal Year 1997,” October 11, 1996, The American Presidency Project. Retrieved on January 20, 2013, <http://www.presidency.ucsb.edu/ws/?pid=52086>.

³³⁴ William J. Clinton, Statement on Signing the Intelligence Authorization Act for Fiscal Year 1997.

³³⁵ U.S. Congress, 105th Congress, 2nd session, Senate Select Committee on Intelligence, Hearing, “Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management”, Senate Hearing 105-1056, May 21-22, 1998, Retrieved on February 5, 2013, <http://www.intelligence.senate.gov/pdfs105th/1051056.pdf>, p. 42.

series of questions as to whether the DCI even had the statutory authority to manage the Community:

Rather than ask you do you think the DCI has a sufficient amount of statutory authority, I'm going to disclose to you I think he does not. I think he has a problem. Not only is it a problem for him to manage, but there is an expectation that he can do things that the law doesn't allow him to do... The American people think he has a lot more authority than he actually has.³³⁶

The discussion during the hearing changed from how the DCI should be managing the IC, to whether it was even possible for that kind of authority to be centralized in a single office. This was especially true of the relationship between DoD intelligence and centralized civilian leadership, “One of the big confrontations that we constantly have concerns the relationship between the Secretary of Defense and the Director of Central Intelligence... They have cooperated because they know the significant overlap between what the military needs to know and what other national customers require.”³³⁷ As identified in the IC21 study, and other prior inquiries, DoD agencies provide intelligence to non-military customers but exist primarily to service military needs. However, as the departments serve Cabinet-level heads, there is a “constant balance” to be struck between the DCI’s task in prioritizing national intelligence requirements and ensuring the “the community is functioning the way it should while also meeting those Cabinet-level responsibilities and demands.”³³⁸ While the issue can be succinctly framed, decades of tension over lines of authority and the tremendously complicated expectation on the DCI to manage “responsibilities among several semi-autonomous intelligence bureaucracies” demonstrates there is no easy solution.

³³⁶ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management, p. 49.

³³⁷ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management,, pp. 39- 40.

³³⁸ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management,, p. 43.

Drawing on her experience as a long-time DoD intelligence manager and additional service in the DCI's office, Dempsey describes the tensions between agencies as such:

It's somewhat amusing to me – and I've spent most of my career in the Department of Defense ... and when I was in DoD there was always this fear that a very powerful DCI with a full-time emphasis on intelligence and managing the Community would fail to support the DoD the way it needed to be supported with intelligence. Since I've come over to the Central Intelligence Agency side of the Intelligence Community, I've found the same fear, but this time directed at what DoD is going to do to subvert the role of the DCI.³³⁹

The motivations of management in both services are directed towards their institutional interests. Those interests and the areas of intelligence responsibility they encompass are incompatible with sharing accountability with another service. Dempsey observed, "The Department [of Defense] has never, in my experience, wanted to run U.S. intelligence. It's a function of wanting to make sure that the intelligence that it needs is provided when it needs it."³⁴⁰ This is an alternative way of stating the same problem. Historically and institutionally, the DoD, the State Department, and others had always run their own intelligence services. They were unwilling to have outsiders with authority over their services as it could "subvert the role", or "fail to support" their interests. Dempsey concluded this point by asserting, "I think part of the concerns have been fears of what could happen rather than what necessarily has happened."³⁴¹ Regardless of any legal authority the director of the IC could possess, individual agencies have both a long-standing culture and a mandate to fulfill their institutional goals.

³³⁹ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management,, p. 40.

³⁴⁰ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management,, p. 41.

³⁴¹ U.S. Congress, Nomination of Joan A. Dempsey to be Deputy Director of Intelligence for Community Management,, p. 40.

Dempsey's statement in the Senate hearing regarding what she considered a common perception about DCI authority in the Department of Defense is highly informative. A powerful DCI was viewed with great suspicion, as this type of director would fail to support the DoD. While there was no evidence to this effect, and Dempsey considers this thinking unfounded, it nonetheless greatly influenced the DoD's relations with IC central management. Mark Lowenthal argues this point similarly,

It is difficult to believe that any DCI or DNI [Director of National Intelligence] would run the political risk inherent in not giving full support to the military in peacetime or in war, if for no other reason than self-protection, to avoid being blamed for military setbacks or casualties. Nothing in past practice over the more than sixty years of the modern Intelligence Community's existence would suggest that any substance can be found behind this argument.³⁴²

The concern surrounding intelligence control from outside of one's department is an alternative manifestation, or expression, of the protection of institutional turf. As opposed to any kind of pettiness, or mere organizational rivalry, an organization as large as the DoD that is reliant upon tailored intelligence will protect that resource and their long-held organizational prerogative to control it. This produces a strong caution against any change that might potentially interfere with their traditional sphere of authority.

Conclusion

This chapter addressed a wide period in American intelligence history, from the 1950s to the late 1990s. This stretch of time saw numerous changes within the IC: the Cold War began and concluded, technology grew rapidly, intelligence priorities changed, and the IC expanded

³⁴² Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed. (Washington, D.C.: CQ Press, 2012), pp. 331-332.

greatly. However, the problems of IC management and the ambiguous position of the DCI within the Community either persisted or became exacerbated.

In 1960, the suggestion arose for the first time to separate the DCI's responsibilities. While the idea of separating the DCI from the CIA would gain traction and be raised in several studies, many were also opposed to the idea, believing the DCI might become "a mere figurehead if he lost the influence conferred by his ability to command an operating intelligence agency."³⁴³ This assertion will be revisited in the following chapter, as it becomes a central argument for the DCI remaining as head of the CIA. It also speaks to the institutional forces within the IC. It is not enough for an individual to be merely named "the director". The IC is comprised of operational agencies, and bureaucratic authority among them necessitates an established agency representing a sphere of influence to back the individual.

The decentralized paths upon which the Community was set became more pronounced as the decades went on. The path-dependent nature of institutional development further inculcated into its members semi-autonomous operation as the normal state of affairs. By the time of Schlesinger's 1971 study, the notion of reforming the IC in such a way as to impact the DoD's prerogatives was considered impractical.³⁴⁴ Thus, Schlesinger recommends a strengthening of the DCI, rather than options that, in the light of bureaucratic reality, were simply unworkable. The Taylor Report of 1975 suggests a level of authority for the IC director sufficient to provide

³⁴³ Michael Warner and Kenneth McDonald, "U.S. Intelligence Community Reform Studies Since 1947", p. 18.

³⁴⁴ Douglas F. Garthoff, "Schlesinger Study, Reactions to Study", *Directors of Central Intelligence as Leaders of the U.S. Intelligence Community*.

authority over priorities, yet not operational control.³⁴⁵ Unfortunately, the functional reality persisted that the heads of those services regarded those authorities as one and the same.

The studies of the 1990s came to similar conclusions regarding the difficulty of altering authorities that were as much about organizational identity as functional imperatives. The Aspin-Brown Report concluded to not alter the fundamental relationship between the DCI and the Secretary of Defense, recognizing the inherent challenge to altering a decades-old system. While flawed, so many institutional interests and traditional prerogatives were at stake that any significant alteration would likely prove unfeasible. In the next chapter, the seemingly unshakable recalcitrance of agencies met head on with a punctuated moment in history; a tragedy on the level of the Pearl Harbor attack, which acted as a catalyst for the original formation of the Intelligence Community. The aftermath of the September 11th attacks would see the most extensive restructuring of U.S. intelligence since 1947.

³⁴⁵ The Taylor Report, p. v.

Chapter VI — 9/11 and The Resurgence of Reform

All That Had Changed Was A Single Letter (DCI to DNI).

–Former ODNI official Patrick C. Neary describing the feeling from Congress regarding intelligence reform.³⁴⁶

Introduction

As demonstrated in the previous chapter, the inhibitory factors to central direction of the Intelligence Community have been present for decades. For nearly 60 years the IC structure, with all of its built-in tensions, remained remarkably consistent. However, a watershed moment occurred towards the end of 2001 that would create a new impetus for reform. The shock and tragedy of the terrorist attacks of September 11th, 2001 put a spotlight on the Intelligence Community as few events in American history had ever done. Scrutiny from the media and political figures quickly focused on U.S. intelligence and the possibility that the attacks represented a catastrophic intelligence failure. Two investigations and reports followed in relatively quick succession after 9/11 – the Joint Inquiry in early 2002, and the 9/11 Commission established at the end of the same year. While the Joint Inquiry was first, its impact on policy would pale in comparison to that of the 9/11 Commission. Possessing great political credibility and steadfast support from some of the families of 9/11 victims, the Commission’s report became an instrumental factor in the enactment of sweeping reform measures.

³⁴⁶ Patrick Neary, “The Post 9/11 Intelligence Community, Intelligence Reform, 2001–2009: Requiescat in Pace?”, *CIA Studies in Intelligence (unclassified extracts)*, Vol. 54, No. 1, March 2010, p. 2.

After decades of reviews and recommendations, the notion of a director of the Intelligence Community separate from the CIA became a reality as part of the intelligence reforms of 2004. As discussed in previous chapters, the concept of a Director of National Intelligence (DNI) did not originate as a post-9/11 reform. In fact, it had been forwarded many times as a potential solution to a disparate and uncoordinated Intelligence Community. This chapter will analyze the recommendations of both 9/11 investigations, and how they led to the restructuring of the IC. While decades-old recommendations were finally enacted, the ever-present institutional interests and cultures played a major role in shaping reform in such a way as to limit altering lines of authority or spheres of influence. After the reforms, the findings of several reports, comments of intelligence officials, and the short history of the DNI's will be shown to indicate the bureaucratic realities were still present. These factors established in the earliest days of the IC acted as an impediment to anything that might change or affect them. In fact, the worst-case scenario that was raised as a concern for decades may have become a reality – the national intelligence director was little more than a superfluous layer of bureaucracy.

The 2002 Joint Inquiry

The first body to investigate Intelligence Community activities surrounding the attacks was a joint probe between the U.S. House and Senate Intelligence Committees in 2002, called the *Joint Inquiry*.³⁴⁷ It was a large, cumbersome body composed of the entire 37-person membership of both the House and Senate Intelligence Committees, with an additional 24 people

³⁴⁷ Officially titled *The Joint Inquiry into Intelligence Community Activities before and after the Terrorist Attacks of September 11th, 2001*.

as support staff.³⁴⁸ The investigations performed by the committee were arguably very important, as their task was to research the events surrounding 9/11 and increase the body of knowledge regarding the incident. In spite of the gravity of what was being investigated, the Inquiry itself had a small impact on policy.³⁴⁹ This was partly because of the “disunity and partisan approach of some of the members”, as well as the difficulty of deliberation and reaching consensus among such a large group.³⁵⁰ As evidence of this, in addition to the Joint Inquiry’s majority report, Senator Richard Shelby attached a lengthy minority opinion. Seven other shorter additional statements by Inquiry members were also included, often sharply critical of the majority report. While the events of September 11 were the primary focus of the investigation, Intelligence Community management, specifically the DCI position, became a point of contention.

Former Congressman and future 9/11 Commission vice-chair, Lee Hamilton, had extensive intelligence experience through his years in Congress and as chair of both the House Foreign Affairs and Intelligence committees. In his testimony before the Joint Inquiry, Hamilton made the broad case for IC reform citing many long-standing issues.

The very term “Intelligence Community” demonstrates how decentralized and fragmented our intelligence capabilities are. The Intelligence Community is a kind of loose confederation. There is a redundancy in our efforts, an imbalance between collection and analysis, and problems with coordination among various agencies...turf wars and squabbling must end.³⁵¹

³⁴⁸ House Permanent Select Committee On Intelligence and The Senate Select Committee On Intelligence, *Joint Inquiry Into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001*, 107th Congress, 2d Session S. Rept. No. 107- 35,1 H. Rept. No. 107-792, pp. vii-x.

³⁴⁹ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 175.

³⁵⁰ Jordan Tama, *Terrorism and National Security Reform* (New York: Cambridge University Press, 2011), p. 158.

³⁵¹ Testimony of the Honorable Lee H. Hamilton Before the Senate Select Committee, House Permanent Select Committee on Intelligence Joint Inquiry into events surrounding September 11, 2001, October 3, 2002, Retrieved on January 10, 2013, https://www.fas.org/irp/congress/2002_hr/100302hamilton.html.

Hamilton stated the “new era” following 9/11 required a renewed effort to reorganize the IC to correct its fragmentary nature and redundant efforts of many uncoordinated agencies. In reference to the “systemic” nature of the problem, he asserted, “If we were starting all over again, I cannot imagine we would create such a vast enterprise and have no one clearly in charge.”³⁵² The now-familiar claim that the DCI possessed insufficient authority to direct the Community was reiterated by Hamilton.

I have heard the argument about strengthening the DCI for 35 years... “Let's strengthen the DCI. Let's give him a little more authority.”...It's a move in the right direction. But I don't think it gets us into the new era we're in. [The DCI needs] control over much, if not most of, the Intelligence Community budget, and the power to manage key appointments. [Presently, the DCI] does not have this control, and thus lacks authority.³⁵³

As a corrective measure, Hamilton recommended the idea first forwarded in the 1970's – a director for the IC as a whole, separate from the CIA, or any other agency. “We need a single Cabinet-level official who is fully in charge of the Intelligence Community – a Director of National Intelligence, or DNI.”³⁵⁴ While the idea had appeared previously in report findings, Hamilton forwarded possibly the most succinct wording issued on the subject. He summed up the two essential features of national intelligence management as follows:

In order to effectively manage the Intelligence Community, a Director of National Intelligence must have budget and management authority. The person who controls the budget controls the operation. And if you don't have budget authority, you are dramatically undercut in your ability to manage the operation. That's why the bureaucrats fight so hard over budget. Budget is power.³⁵⁵

³⁵² Testimony of Lee H. Hamilton Before the Joint Inquiry into events surrounding September 11, 2001.

³⁵³ Report of the Joint Inquiry Into September 11, 2001, pp. 347, 349.

³⁵⁴ Testimony of Lee H. Hamilton Before the Joint Inquiry into events surrounding September 11, 2001.

³⁵⁵ Report of the Joint Inquiry Into September 11, 2001, p. 348.

During his testimony, General William Odom was in general agreement with Hamilton on the need for the proposed DNI to have budget planning power, but only so far as to ensure agencies were adequately funded. He expressed opposition to the idea of the Community director possessing “execution” or “spending” authority.³⁵⁶ This is because the general defense budget of the DoD is intertwined with its intelligence expenditure. The NSA, for example, while a primary member of the Community, is nonetheless a DoD agency, and thus funded by and under the control of that Cabinet-level department. As identified in the IC21 study (see chapter V), the IC director only possesses the ability to give broad approval to overall budgets, yet has little influence on how those funds are spent within programs. Without authority to do so, the DCI has a limited capacity to significantly enforce national intelligence priorities. As Lee Hamilton asserted, “budget is power”, both in terms of management and directing priorities. Former Senator Warren Rudman stated in his testimony, “You have a Director of Central Intelligence who is also the Director of the CIA; eighty-five percent of [the Intelligence Community’s budget] is controlled by the Department of Defense.”³⁵⁷ This disproportionate level of authority over funding undermined the DCI’s ability to enforce priorities in any significant way. However, the Department of Defense had long been in control over its own services and wanted to see that end no more in 2002, than it did in 1947. In reference to these resistant factors, and the legislative challenges involved in the creation of a DNI, former Congressman Hamilton testified, “The new demands on intelligence demand a new management structure. I am, of course, well aware of the opposition to this approach, and the difficulty of enacting it.”³⁵⁸

³⁵⁶ Report of the Joint Inquiry Into September 11, 2001, p. 348.

³⁵⁷ Report of the Joint Inquiry Into September 11, 2001, p. 43.

³⁵⁸ Testimony of Lee H. Hamilton Before the Joint Inquiry into events surrounding September 11, 2001.

The oft-recommended notion of separating the DCI from the CIA was also addressed throughout the Joint Inquiry hearings. Former National Security Advisor Sandy Berger recommended proposals to “separate the DCI and CIA Director positions, so the DCI can focus primarily on Community issues and not just CIA concerns.”³⁵⁹ Lee Hamilton echoed this concern as well by adding the separation should not just be from the CIA, but from any department, as they “would have a natural bias towards their own agency.”³⁶⁰ Former DCI William Webster disagreed with the separation of authorities, and advocated keeping the “dual-hatted” role of the DCI to be both director of the IC and the CIA simultaneously.³⁶¹ Alternatively, he argued for a significant strengthening of the DCI’s authority. Webster believed a separate DNI was not necessary if more emphasis was placed on “finally addressing the lack of real authority that the DCI has over the Intelligence Community.”³⁶² To support this, he described the minimal budget control of the DCI, and regarding the limited authority recounted that, “Occasionally, I would issue something that looked nominally like an instruction...it was mostly hoping with a lot of groundwork behind it...something would come of it.”³⁶³

Former DCI Webster asserted his concerns that a director of the IC without a home agency was problematic, as had been offered as a point of opposition in previous inquiries. If the

³⁵⁹ Report of the Joint Inquiry Into September 11, 2001, p. 348.

³⁶⁰ Testimony of Lee H. Hamilton Before the Joint Inquiry into events surrounding September 11, 2001.

³⁶¹ Although the phrase “dual-hatted”, or “double-hatted” is often used to describe the DCI’s responsibilities as directing the IC and CIA, this leaves out the third responsibility of serving as the primary intelligence advisor to the president. Thus, the most correct term would be “triple-hatted” or “multi-hatted” role. The responsibility of main intelligence advisor to the president is often considered part of the IC director’s job. However, this has not always been the case, nor is it outside the president’s authority to name an individual other than the IC director to serve as primary intelligence advisor.

³⁶² Report of the Joint Inquiry Into September 11, 2001, p. 349.

³⁶³ Report of the Joint Inquiry Into September 11, 2001, p. 349.

proposed DNI were placed at a Cabinet-level position at the White House, “without troops...it’s difficult for me to see how it would be truly effective.”³⁶⁴ The head of the IC needed the clout of an established agency behind them. Former CIA Inspector General Fred Hitz agreed with Webster’s position. In a surprisingly candid description, he portrayed the Secretary of Defense as an “‘800-pound gorilla’ that the DCI has never been able to wrestle to the ground because of the Secretary’s responsibility and command authority for defense intelligence agencies.”³⁶⁵ The DCI could not effectively direct the Community since autonomous authority had been built into the U.S. intelligence structure at a very early stage. The DCI simply did not possess the authority – budget or otherwise – to contend with department-level heads that control the budgets and personnel of the very agencies the DCI was expected to manage. Those not in favor of the new DNI proposal believed the position would not provide more authority from which to direct the Community. In fact, lacking a supporting agency would only weaken the standing of the position.

Senator Richard Shelby was particularly critical of the DCI’s authority in his very forthright minority opinion. His “additional views” section was excerpted in the New York Times and garnered public attention because of some of the blistering dissent it contained. Shelby focused on the “fragmented nature” of the DCI’s authority, which was exacerbated by bureaucratic politics. The net result was a Community that responds to centralized direction either too slowly, or not at all. He identified “the institutional weakness of the DCI’s office within the Community”³⁶⁶, resulting in an inability for the DCI to direct national intelligence

³⁶⁴ Report of the Joint Inquiry Into September 11, 2001, p. 349.

³⁶⁵ Report of the Joint Inquiry Into September 11, 2001, p. 349.

³⁶⁶ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 4.

priorities. As evidence of this, Shelby referred to the aftermath following the 1998 bombings of U.S. embassies in Tanzania and Kenya. In response to the attacks, then-DCI George Tenet issued an Intelligence Community-wide “declaration of war” against Al-Qaida. Tenet told his deputies he wanted “no resources or people spared in this effort, either inside the CIA or the Community.”³⁶⁷ Despite the DCI’s declaration, “there was no massive shift in budget or reassignment of personnel to counterterrorism until after September 11, 2001.”³⁶⁸ Moreover, as cited in the majority report, the Intelligence Community as a whole “had only a limited awareness of this declaration”³⁶⁹, and Assistant Director of the FBI’s Counterterrorism Division testified he “was not specifically aware of that declaration of war.”³⁷⁰ This spoke to the limited direction of priorities the DCI possessed referred to by former DCI Webster. Senator Shelby identified institutional problems in the IC as the main contributing factor; “Caught ambiguously between its responsibilities for providing national-level intelligence and providing support to the Department of Defense to which most IC agencies owe their primary allegiance, the Community proved relatively unresponsive to the DCI’s at least partly rhetorical 1998 declaration of “war” against Al-Qaida.”³⁷¹

The minority report states that any serious attempt to reform intelligence cannot ignore “the weaknesses of the office of the DCI as the Community’s nominal head.”³⁷² In agreement with many other members of the Joint Inquiry, Shelby names the domination of the IC by the Department of Defense as the most fundamental bureaucratic reality for anyone attempting to

³⁶⁷ Report of the Joint Inquiry Into September 11, 2001, p. 16.

³⁶⁸ Report of the Joint Inquiry Into September 11, 2001, p. 15.

³⁶⁹ Report of the Joint Inquiry Into September 11, 2001, p. 40.

³⁷⁰ Report of the Joint Inquiry Into September 11, 2001, p. 40.

³⁷¹ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 4.

³⁷² Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 21.

manage the Community as a whole. While the DCI may be the titular head of the IC, the DoD remains in control of some 85% of the intelligence budget. Moreover, major components of the IC follow lines of authority to the Secretary of Defense, not the DCI.³⁷³ Quoting CIA historian Michael Warner, Shelby asserts that, because of the military interests at stake, “the DCI never became the manager of the Intelligence Community.”³⁷⁴ The difficulty lay in the dual-sided nature of defense intelligence agencies that also served national intelligence consumers. There was never a question as to which responsibility was a priority – the defense requirements came first, as it was the DoD that was in charge.

Shelby’s report argues the expense of collection had turned agencies into “self-interested bureaucratic ‘players.’”³⁷⁵ This observation is a development that came out of the long history of resistance to centralization addressed in previous chapters. Different intelligence agencies had been operating for so long within their own spheres, with their own collection priorities, as to develop institutional cultures separate from one another. “Signature types of intelligence” were perceived as the property of the agency traditionally responsible for that type of collection, outside the understanding of others.³⁷⁶ Shelby’s report deemed it necessary to break from this problematic, culturally imposed mindset. He argues the approach should be about individual types of intelligence and expertise as a resource of the whole Community, rather than “barriers to entry wielded in defense of bureaucratic and financial ‘turf.’”³⁷⁷ Again, this spoke to the culture of agencies engrained over a period of decades.

³⁷³ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 21-22.

³⁷⁴ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 22.

³⁷⁵ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 6.

³⁷⁶ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 6.

³⁷⁷ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 6.

In assessing the recommendations from the various people that had testified before the Joint Inquiry, Shelby believed they generally offered only two poor options. They could be split between those who thought the DCI should be separated from the CIA, and those that wanted to empower the DCI to the point where a Cabinet-level official, or “Secretary of Intelligence”, had been created. In his view, this was a choice between the “virtually unworkable and the clearly undesirable.”³⁷⁸ Institutional interests and long-standing organizational identities would stymie efforts to enact either choice; “Creating a *true* DCI would entail removing dozens of billions of dollars of annual budgets from the Defense Department, and depriving it of ‘ownership’ over ‘its’ ‘combat support organizations.’ In contemporary Washington bureaucratic politics, this would be a daunting challenge; DoD and its congressional allies would make such centralization an uphill battle, to say the least.”³⁷⁹ Alternatively, Shelby asserts that, merely separating the DCI from the position’s powerbase as head of the CIA was also undesirable. The enactment of that recommendation would make a bad situation worse by cutting the DCI off from “one of the few sources of bureaucratic power the DCI enjoys.”³⁸⁰ This point has been a mainstay of opposition since the idea of separating the two responsibilities first surfaced in the 1970s.

In the end, as was the case in 1947 and with many reports over the decades, Shelby deemed empowering centralized authority to be the best solution. Despite the problems with the two types of solutions, Shelby recommended the DCI be given “more management and

³⁷⁸ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 24.

³⁷⁹ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 24.

³⁸⁰ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 31.

budgetary authority over IC organs and be separated from the job of the CIA Director.”³⁸¹ He seemed to agree with Hamilton in recommending a new DNI, yet also echoes former DCI Webster’s recommendations to simply empower the DCI. The report stops short of a direct recommendation, by carefully “urging that we consider reinventing the DCI as the “Director of National Intelligence.”³⁸² Far from a demonstrable endorsement, the language seems crafted to raise the idea of a DNI, but not directly support it. Instead, the responsibility to decide is placed with congressional legislators. Regardless of the particulars of type of official, his concern was to significantly increase the strength of central authority under a director willing to exercise the position’s power.

The majority report of the Joint Inquiry focused a great deal on Intelligence Community management in its conclusions, and was more direct in its recommendations than was Senator Shelby. Primarily, the committees found the basic structure of the IC made leadership difficult, and left the DCI without the ability to enforce consistent priorities at all levels throughout the Community.³⁸³ As testimony had indicated, while the DCI had statutory responsibility that spanned the Intelligence Community, the actual authorities are limited to the budgets and personnel over which the position exercised direct control, i.e., the CIA, the Office of the DCI, and the Community Management Staff.³⁸⁴ Additionally, the Community Management Staff (CMS), which was created to bring a common mission to the IC and enforce national priorities, was not effective. The report states the CMS “has little authority to ensure compliance with the

³⁸¹ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 4.

³⁸² Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 4.

³⁸³ Report of the Joint Inquiry Into September 11, 2001, p. 40.

³⁸⁴ Report of the Joint Inquiry Into September 11, 2001, p. 43.

DCI's priorities. It cannot withhold funding from the Intelligence Community agencies if they do not comply with those priorities.”³⁸⁵

The Joint Inquiry majority report unambiguously recommended and endorsed the creation of a Director of National Intelligence (DNI). The argument was forwarded that strong and empowered leadership was required to bring direction and unity to the massive U.S. intelligence system. The National Security Act of 1947 was recommended to be amended in order to create this Cabinet-level, Senate confirmed position. The proposed DNI position had all the features that had often been suggested. The DNI would serve as “the President's principal advisor on intelligence and shall have the full range of management, budgetary and personnel responsibilities needed to make the entire U.S. Intelligence Community operate as a coherent whole.”³⁸⁶ As well, the often-raised suggestion of separation of the DCI and the CIA was included. To ensure “focused and consistent Intelligence Community leadership”, the recommendation states that no one should simultaneously serve as DNI and as the head of another intelligence agency, including the CIA.³⁸⁷

While there was significant disagreement among the inquiry members and across the minority and majority reports, there were points of similarity. For example, both the main report and additional statements championed a suggestion raised in the IC21 Report and early 1990s legislation efforts (See Chapter V). Congress should give serious consideration in reforming intelligence to an approach “loosely analogous to that adopted by the 1986 Goldwater-Nichols

³⁸⁵ Report of the Joint Inquiry Into September 11, 2001, p. 53.

³⁸⁶ Report of the Joint Inquiry Into September 11, 2001, Recommendations, p. 2.

³⁸⁷ Report of the Joint Inquiry Into September 11, 2001, Recommendations, p. 3.

Act in reforming the military command structure.”³⁸⁸ This method of seeking a “joint” command structure was intended to overcome “entrenched bureaucratic interests” to form an effective IC out of a “motley and disputatious collection of parts.”³⁸⁹ While this language appearing in a section of Shelby’s minority report is well chosen, and even accurate, it also seems to recognize the essential “disputatious” nature of the long-fragmented IC, and the unlikelihood of bringing it under a central command office. Indeed, this tone can be detected throughout the hundreds of pages of the Joint Inquiry report. The testimony from those with IC management experience had made an impression on the Inquiry’s staff as to how deeply the “entrenched bureaucratic interests” of intelligence agencies had become.

Despite the length and detail of the Joint Inquiry’s report, it had little effect on intelligence policy. Amy Zegart argues the momentum for reform had passed by the time the report was issued in December 2002.³⁹⁰ Former Bush administration Deputy Homeland Security advisor Richard Falkenrath observed the report’s recommendations, including that Congress should establish a Cabinet-level director of national intelligence “were ignored”.³⁹¹ The shortcomings of the Joint Inquiry and an adept public advocacy campaign by some of the families of 9/11 victims were significant aspects of the desire of certain Members of Congress to establish a full independent commission in order to better investigate the attacks; this resulted in the establishment of the 9/11 Commission.³⁹²

³⁸⁸ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 5.

³⁸⁹ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 5.

³⁹⁰ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 175.

³⁹¹ Richard Falkenrath, “The 9/11 Commission Report: A Review Essay”, *International Security*, Winter 2004/05, Vol.29, No.3, p.172.

³⁹² Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 331.

The 9/11 Commission

The most influential investigation on post 9/11 intelligence reform was the *National Commission on Terrorist Attacks Upon the United States*, more commonly referred to as the *9/11 Commission*. It was formed to produce a complete and in-depth account of the terrorist attacks on the United States and prepare recommendations. The best-selling and widely read final report of the Commission was organized into several main sections based upon the area of inquiry. The final chapter of the report entitled “How To Do It? A Different Way Of Organizing The Government”,³⁹³ contains the main recommendations to strengthen central authority. This section cannot be understated in terms of the influence it had upon the intelligence reform process. Unlike the Joint Inquiry that had little impact on policy, the Commission’s unanimous report “sent a powerful signal that its proposals should be acceptable to a broad cross-section of Americans and legislators.”³⁹⁴

Of the 41 recommendations within the report, fifteen of them deal directly with intelligence policy change and reorganization, and were largely implemented within three years of the release of the report.³⁹⁵ The success of the 9/11 Commission Report in enacting change, where the previous Joint Inquiry was largely ineffectual, can be explained as the result of a number of factors. The tragedy of the September 11th attacks had not been forgotten and media coverage was immense for the new Commission, which was promoted as being a fresh, impartial

³⁹³ National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report* (New York: W.W. Norton & Company, 2004), p. 399.

³⁹⁴ Jordan Tama, *Terrorism and National Security Reform*, p. 172.

³⁹⁵ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

account of 9/11. This reinvigorated the impetus for reform. The Commission received more television news coverage than the Iraq War between July and December of 2004.³⁹⁶

The Commission's final report was not written in the traditional style of a government paper. Instead, it was presented as a jargon-free narrative, followed by briefly stated recommendations. The language used is deliberately plainspoken, lacking technical or bureaucratic terminology, in hopes of making it more accessible. Available in bookstores on the day of its release, it became a bestseller; 2 million copies were sold in the eight months following its publication alone.³⁹⁷ These factors meant the recommendations were known to more than the few who had read findings as long as the 858-page Joint Inquiry report. In fact, for the first time, a wide array of Americans and legislators alike were aware of some of the issues within the Intelligence Community. Media coverage, in particular, focused heavily on the Director of National Intelligence (DNI) recommendation.³⁹⁸ Although the Joint Inquiry majority report, and many reports prior, had come to a similar conclusion, the media put a spotlight on this 9/11 Commission finding. President George W. Bush had additional pressure upon him to endorse and support the Commission's recommendations, especially the DNI proposal, because of the media focus and the presidential campaign at the time. These factors and the Commission's widespread credibility resulted in the report having a unique influence on legislators and policy makers.

³⁹⁶ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 179.

³⁹⁷ Jordan Tama, *Terrorism and National Security Reform*, p. 172.

³⁹⁸ Jordan Tama, *Terrorism and National Security Reform*, p. 163.

For members of Congress, the report played an interesting role in the legislative process of intelligence reform. Unlike other reports that were used to inform, and perhaps even serve to offer ideas for specific legislation, the 9/11 Commission report was used as a sort of playbook. One Senate staffer commented that, “the legislation would have never been introduced, much less enacted, had it not been for the Commission report”, while another congressional aide observed the reform legislation “was entirely driven by the report”.³⁹⁹ As evidence of the direct impact upon the creation of law, a congressional aide recalled, “People were carrying the Commission report around [on Capitol Hill], tabbing it, and drawing up legislation literally based on sentences of the report. It’s like they were walking around with bibles.”⁴⁰⁰ Very few, if any, inquiries or reviews had ever possessed this level of influence.

Many of the major recommendations found their way to the floor of Congress and were included in the final version of major reform legislation – the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). However, as will be discussed, the extent to which the recommendations were implemented and their effectiveness was proportional to the degree to which they affected the status quo. Institutional interests came into play, as they had for decades prior when intelligence agencies felt their interests and turf were at stake.

The language of the report leaves little room for doubt regarding what Commission members thought of the state of affairs within the IC prior to September 11th, 2001. Many of the criticisms and recommendations from prior IC reviews and the Joint Inquiry are repeated. These include the familiar criticisms of poor IC organization and a lack of strong leadership,

³⁹⁹ Jordan Tama, *Terrorism and National Security Reform*, p. 168.

⁴⁰⁰ Jordan Tama, *Terrorism and National Security Reform*, p. 167.

specifically because “The DCI is confirmed by the Senate but is not technically a member of the President’s Cabinet. The director’s power under federal law over the loose, confederated ‘Intelligence Community’ is limited.”⁴⁰¹ After the many testimonies and the examination of thousands of documents, the Commission established six primary issues considered to be “problems” within the Intelligence Community that were most in need of reform and the strongest reasons to restructure the Intelligence Community:

1. Structural barriers to performing joint intelligence work.
2. Lack of common standards and practices across the foreign-domestic divide.
3. Divided management of national intelligence capabilities.
4. Weak capacity to set priorities and move resources.
5. Too many jobs [for the Director of Central Intelligence].
6. Too complex and secret.⁴⁰²

Intelligence reform is so inherently complex that the Commission decided to focus on key areas, as attempts to fix the Community as a whole rapidly became unworkable. It is evident that attempting to overhaul a bureaucratic establishment as extensive as the IC would present more difficulties than fine-tuning it. Each of these six primary points is a reiteration of previously outlined findings and recommendations, which often called for centralization of intelligence authority as a remedy for a disconnected Community.

The first issue, *Structural barriers to performing joint intelligence work*, became a focal point for the recommended reforms that followed. This phenomenon is often referred to in the press and analyses as “failure to connect the dots”⁴⁰³ or most commonly as “stove-piping.”⁴⁰⁴ It refers to information or raw intelligence moving up a chain of analysis as if it is contained in an

⁴⁰¹ The 9/11 Commission Report, p. 86

⁴⁰² The 9/11 Commission Report, pp. 408-410.

⁴⁰³ Steven Simon, “Connecting the dots of intelligence reform”, *Council on Foreign Relations Online*, January 26, 2010, <http://www.cfr.org/yemen/connecting-dots-intelligence-reform/p21126>, Accessed on July 20, 2012.

⁴⁰⁴ Larry C. Kindsvater, “The Need to Reorganize the Intelligence Community: A Senior Officer’s Perspective”, *Studies in Intelligence (unclassified extracts)*, Vol 47, No.1, March, 2003, pp. 2, 3, 4, 7.

isolated “stovepipe” or conduit. In this context, the conduit refers to bureaucratic structures of analysis where information is not shared across agencies or divisions. These structures merely move information vertically upwards to higher levels of the analytic bureaucracy, bypassing complementary branches of the IC completely. One of the primary results is that interpretation of data is limited to a particular agency or set of analysts. The IC is such a large aggregate of agencies that the importance of integrated, all-source analysis cannot be overstated, as “no one component holds all the relevant information.”⁴⁰⁵ As in the Joint Inquiry, the Commission Report points to the reorganization of the Defense Department following the Goldwater-Nichols legislation of 1986 as an example of effective integration. After many years of implementation, the result was more integration of the Army, Navy, Air Force, and Marine Corps training, organizational, and equipment standards to harmonize joint missions. Rather than functioning as independent units, they were given synchronized and complementary roles. The joint military structure was used as a model of comparison for the IC in hopes that the fifteen various agencies could be harmonized under central leadership in the same fashion. One of the critical elements of joint command – or ‘jointness’ within the military – was and continues to be that an officer can only be promoted after serving tours outside of their service:

(c) EDUCATION AND EXPERIENCE REQUIREMENTS.-

- (1) An officer who is nominated for the point specialty may not be selected for the joint specialty until the officer-
 - (A) Successfully completes an appropriate program at a joint professional military education school and
 - (B) After completing such program of education, successfully completes a full tour of duty in a joint duty assignment.⁴⁰⁶

⁴⁰⁵ The 9/11 Commission Report, p. 408.

⁴⁰⁶ The 9/11 Commission Report, pp. 408-409; and United States Public Law 99-433-October 1, 1986 Goldwater-Nichols Reorganization Act of 1986 § 661.(A),(B).

This requirement had multiple positive outcomes, most notably the creation of a ‘joint awareness’ in individual officers. This involves an increased understanding of, and appreciation for, the particular challenges and capacities of different services. This facilitated a more harmonized joint mission capability. This joint model is cited by both post-9/11 investigations as a success; “The culture of the Department of Defense was transformed, its collective mind-set moved from service-specific to “joint,” and its operations became more integrated.”⁴⁰⁷ The success of the ‘joint command’ initiative was a primary factor in the recommendation for a Director of National Intelligence. The hope was that strong central leadership could oversee the integration of intelligence agencies in a similar fashion and replicate the success of Goldwater-Nichols.

The second issue, *Lack of common standards and practices across the foreign-domestic divide*, resulted from IC elements having different requirements for how intelligence is handled. This is especially apparent between foreign and domestic services. The Commission insisted that this could be addressed by developing a standardized criterion for the ways in which information is “collected, processed, reported, shared, and analyzed.”⁴⁰⁸ Beyond the ease of accessibility this offers analysts – which can result in reports that are more coherent – there is the belief that the absence of standardization for intelligence handling is partly responsible for the continued lack of cooperation and information sharing between agencies. The Commission Report argued that “a common set of personnel standards for intelligence can create a group of professionals better able to operate in joint activities, transcending their own service-specific

⁴⁰⁷ The 9/11 Commission Report, p. 409

⁴⁰⁸ The 9/11 Commission Report, p. 409

mind-sets.”⁴⁰⁹ Thus, this point is closely associated with the former one in terms of attempts at integrating services with long-standing, separate practices.

The notion of *Divided management of national intelligence capabilities* is a complex idea that had its origins in the aftermath of the 1991 Gulf War. The CIA used to have a much stronger role in intelligence collection from technical assets; one example is the utilization of signals intercept, satellites, and low orbital aircraft photography. These collection methods proved invaluable for the successful execution of modern precision warfare. This change saw a shift in the management of technical assets away from the civilian CIA and towards the Department of Defense and the agencies falling under its auspices. These include the National Security Agency (NSA), the National Geospatial-Intelligence Agency (NGA), and the National Reconnaissance Office (NRO).⁴¹⁰ As previously described, this shift resulted in the Director of Central Intelligence (DCI) having less influence over how these technical resources are allocated and used, as this authority was largely transferred to the DoD. This speaks directly to the issues raised by many preceding investigations, in terms of the lack of authority the DCI has to manage and direct the IC as a whole.

The DCI’s *Weak capacity to set priorities and move resources* is a problem that is closely associated with the previous ones, being rooted in both lack of IC integration and the questionable authority of the DCI. As had often been asserted, the DCI is described as having insufficient legal and statutory authority with which to move resources and personnel around the IC as necessary. The director of the IC was expected to direct the work of US intelligence

⁴⁰⁹ The 9/11 Commission Report, p. 409

⁴¹⁰ The 9/11 Commission Report, p. 409.

towards national intelligence goals. In lacking the ability to utilize resources as required, the DCI was ill equipped to accomplish this task. Second, this problem is related to a lack of agency integration. As stated in the Commission Report, “The agencies are mainly organized around what they collect or the way they collect it. But the priorities for collection are national.”⁴¹¹ Therefore, the need to harmonize the collection priorities of agencies is representative of a disparate Community, and the lack of power in the Community’s director to change it.

In addition, the DCI had *Too many jobs*. Of the six main problems identified by the Commission, three are most directly related to the capacity for the DCI to successfully direct the Intelligence Community. The DCI position includes the responsibilities of being the director of the CIA, and of the Intelligence Community, briefing the president as his main intelligence advisor, which includes the responsibility for National Intelligence Estimate (NIE) production. In the words of the Commission members, “No recent DCI has been able to do all three effectively. Usually what loses out is management of the Intelligence Community, a difficult task even in the best case because the DCI’s current authorities are weak. With so much to do, the DCI often has not used even the authority he has.”⁴¹² This is certainly not a new complaint, as it has been addressed in numerous intelligence reform investigations and reviews. However, it reiterates the perception that the DCI’s responsibilities were too widespread to be sufficiently managed by a single individual.

The intelligence community is *Too complex and secret*; most individuals attempting to grasp the immense structure and depth of the intelligence bureaucracy are quickly

⁴¹¹ The 9/11 Commission Report, p. 409.

⁴¹² The 9/11 Commission Report, p. 409.

overwhelmed.⁴¹³ As the Report pointed out, “The community and the DCI’s authorities have become arcane matters, understood only by initiates after long study. Even the most basic information about how much money is actually allocated to or within the intelligence community and most of its key components is shrouded from public view.”⁴¹⁴ The ways in which resources and personnel are moved within the IC, as well as the complexities of lines of authority within and between agencies, are usually understood only by those who study it deeply or are involved in an operational manner on a daily basis.

As in many other reports, the DCI’s authority was deemed as insufficient for directing the massive IC, in light of the intense bureaucratic politics involved. The 9/11 Commission concluded the responsibility of directing the Intelligence Community must be separated from that of directing the CIA. The Report addresses this directly:

Recommendation: The current position of Director of Central Intelligence should be replaced by a National Intelligence Director with two main areas of responsibility:

- (1) To oversee national intelligence centers on specific subjects of interest across the U.S. government and
- (2) To manage the national intelligence program and oversee the agencies that contribute to it.⁴¹⁵

These often-repeated recommendations became central in Congress during the intelligence reform debates following the 9/11 Commission. Far from merely being another collection of inquiry findings, the 9/11 Commission report played a pivotal role in the restructuring of the IC. In particular, the recommendation for a Director of National Intelligence (DNI) was seen as a crucial centerpiece for post-9/11 reform. It was focused upon by the media,

⁴¹³ Dana Priest and William M. Arkin, “Top Secret America: A hidden world growing beyond control”, *The Washington Post*, July 19, 2010.

⁴¹⁴ The 9/11 Commission Report, p. 410.

⁴¹⁵ The 9/11 Commission Report, p. 411.

and some of the families of 9/11 victims proved “an effective and difficult-to-refute lobbying force in favor of the DNI legislation.”⁴¹⁶ In relatively short order following the release of the Commission report, the IC reforms and establishment of the DNI were enshrined in law through the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).

The IRTPA

The IRTPA restructured the Intelligence Community in a way not seen since its original inception, despite these recommendations having been put forward repeatedly for decades. The Act is lengthy, and exists as an amendment to the original National Security Act (NSA1947). It contains many reforms and measures intended to increase counterterrorism efforts, and a general strengthening of national security. However, the Intelligence Community management reforms are of particular significance as they restructure the arrangement that had been in place, more or less, since 1947. The particular wording of the IRTPA is important as it is the exact phrasing that succeeds in implementing the 9/11 Commission recommendation.

The Commission’s unambiguous recommendation for a DNI seemed to address a main perceived issue of IC leadership, which is reflected in the six main “problems” with intelligence, as previously described. However, also contained within the language of the IRTPA section are elements that considerably limit the authority of the position, thus being counterproductive to the original intent. The relevant section of the Act, which creates the DNI, is as follows:

SEC. 102. (a) DIRECTOR OF NATIONAL INTELLIGENCE.—(1) There is a Director of National Intelligence who shall be appointed by the President, by and with the advice and consent of the Senate. Any individual

⁴¹⁶ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 331.

- nominated for appointment as Director of National Intelligence shall have extensive national security expertise.
- (2) The Director of National Intelligence shall not be located within the Executive Office of the President.
- (b) **PRINCIPAL RESPONSIBILITY.**—Subject to the authority, direction, and control of the President, the Director of National Intelligence shall—
- (1) serve as head of the intelligence community;
- (2) act as the principal adviser to the President...
- (3) consistent with section 1018 of the National Security Intelligence Reform Act of 2004, oversee and direct the implementation of the National Intelligence Program.
- (c) **PROHIBITION ON DUAL SERVICE.**—The individual serving in the position of Director of National Intelligence shall not, while so serving, also serve as the Director of the Central Intelligence Agency or as the head of any other element of the intelligence community.⁴¹⁷

Section 102. (a)(1) begins with creating the position of the DNI, and asserting that this individual would be appointed by the president, with the advice and consent of Senate. This makes it consistent with Article II, Section 2, Clause 2, of the U.S. Constitution, where it states that the president may appoint Cabinet members with Senate Confirmation.⁴¹⁸ Therefore, this language seemed to create a Cabinet-level position for the new Intelligence Community Director, but this was not the case.

The new DNI was not to be a departmental secretary within the President’s Cabinet, and this is clearly stipulated in the section immediately following, Section 102.(a)(2). It established that the DNI would “not be located within the Executive Office of the President.”⁴¹⁹ This issue is the result of a contentious part of the intelligence reform debate in Congress over the particular authority that the DNI was to have. According to former Office of the Director of National

⁴¹⁷ Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA, 2004), December 2004, Sec. 102, A. http://www.nctc.gov/docs/pl108_458.pdf, Accessed January 22, 2013.

⁴¹⁸ Constitution of the United States, Article II, Clause 2, Section 2, http://www.usconstitution.net/xconst_A2Sec2.html, Accessed April 15, 2012.

⁴¹⁹ Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA, 2004), December 2004, Section 102.(a)(2).

Intelligence (ODNI) official Patrick C. Neary, “The Senate acted as if the DNI was a departmental secretary, while the House acted as if all that had changed was a single letter (DCI to DNI).”⁴²⁰ Neary's comment underscores the ambiguous nature of the DNI's particular position. In fact, Section 102.(b)(2)(1)(c), the “Prohibition on dual service”, makes it clear that the DNI cannot serve in any other role while also serving as the Director of National Intelligence. This section is meant to address the long-standing recommendation that the positions of Director of the CIA and Director of the Intelligence Community should be separated. It also creates clear lines of delineation between the DNI and all other bodies – such as the Cabinet and other IC agencies – so that the position has the authority to direct the Intelligence Community free from departmental influence.⁴²¹

The IRTPA does grant the DNI some authority to determine budgets and funding allocation to the various IC agencies, but is somewhat unclear about the precise institutional authorities of the position. A compromise gave the DNI authority to “develop” agency budgets and direct their allocation, as well as limited authority to transfer some personnel and funding between services. However, the actual execution of budgets was left with the agencies and program managers. Budget execution was identified by the 1995 IC21 report as a crucial element to central authority in the IC, which the DCI lacked. In his testimony before the 9/11 Commission, General William Odom stood opposed to the DNI possessing this level of authority, as it would intrude upon the institutional prerogatives of the DoD. The IRTPA contains the compromise on this point to allow the DNI more budgetary authority than the DCI, but not the control of where the actual spending occurred, or on what. This limitation of

⁴²⁰ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 2.

⁴²¹ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 4th ed. (Washington, D.C.: CQ Press, 2006), p. 28.

authority affects the DNI's ability to direct national intelligence priorities as had previously been the case with the DCI. The structure benefited the Department of Defense, in the sense that it maintained their control of defense intelligence spending and military intelligence priorities.

Congress was also a factor in the allocation of authorities in the IRTPA reforms. The House and Senate Armed Services Committees “jealously guard[ed] the turf of the Department of Defense (DOD) that they oversee.”⁴²² The funds controlled by these committees are enormous, and they did not want to lose control of that authority to the DNI. As will be explained, Congress was a major influence on sections of the act that limit the authority of the DNI. Not just in terms of budget control, but also in maintaining organizational structures despite the restructuring of intelligence reform. The section quoted previously, which creates the DNI states, “consistent with section 1018 of the [IRTPA], oversee and direct the implementation of the National Intelligence Program.”⁴²³ As innocuous as “Section 1018” might initially sound, it does nothing less than undermine the power allocated to the DNI in the preceding lines of the Act.

There are very few aspects of the IRTPA that have proven as controversial as Section 1018. The relevant passage is labelled as the “Preservation of Authorities”, and states that the president will ensure the effective implementation of the authorities granted to the DNI. However, the DNI will execute their responsibilities in a manner that “respects and does not abrogate the statutory responsibilities of the heads of the departments of the United States

⁴²² Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 330.

⁴²³ IRTPA, Sec. 102.(A)(1)(2)(c)

Government.”⁴²⁴ This effectively limits the DNI’s authority over agencies within existing departments, including the Department of Defense (DoD), Department of State, Department of Homeland Security (DHS), and Department of Justice (DOJ). In fact, there is only one non-departmental intelligence agency – the CIA. Section 1018 was inserted into the bill at the “eleventh hour in the legislative process” by Chairman Duncan Hunter of the House Armed Services Committee.⁴²⁵ Former CIA and NSA director Michael Hayden described the inclusion of this language as a “determined push to protect the Secretary of Defense’s prerogatives.”⁴²⁶

The compromises contained within the legislation were a result of the many inherent difficulties involved in enacting change that conflicts with the traditional roles of long-established organizations. As Lowenthal observed, Congress was a significant factor beyond their role as lawmakers; the stake-holding committees jealously guarded the turf of the departments that they oversee.⁴²⁷ In the Senate, reform legislation was headed by Senators Collins and Lieberman of the Governmental Affairs Committee. The Senate concluded early on that a strong, central, and independent DNI was required with significantly more authority than the DCI had possessed. However, in the House of Representatives, the aforementioned Rep. Hunter of the House Armed Services Committee, and others, “led an impassioned effort to rein in reform lest it imperil intelligence support ‘to the warfighter.’”⁴²⁸ The resistance effort appeared to be advocacy for the Secretary of Defense (Donald Rumsfeld), “who stood to lose

⁴²⁴ IRTPA, Sec. 1018.

⁴²⁵ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

⁴²⁶ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

⁴²⁷ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 330.

⁴²⁸ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 2.

some of the DoD’s traditional prerogatives in managing intelligence support for the military if reform resulted in an empowered DNI.”⁴²⁹

Attempts to find a compromise resulted in a legal definition of a very centralized DNI with the addition of Section 1018, which protected long-held areas of de-centralized responsibility. The situation was improved somewhat in 2008 when President Bush issued a revised Executive Order 12333 – a basic document through which the president organizes and controls the Intelligence Community. It was re-written to include the provision that only Cabinet secretaries could invoke the charge of abrogation. Consequently, it limited the ability for any departmental official from rejecting an ODNI initiative solely on the basis of a Section 1018 claim of violation of traditional authorities.⁴³⁰ Only the head of a department that contains an IC element or the director of the CIA could seek resolution through the president regarding a “directive or action of the Director” which they believed violated their “statutory or other responsibilities”.⁴³¹ While an improvement which somewhat clarified the DNI’s authority, it did take over three years, during the DNI’s crucial formative time, for the White House to effect this order.⁴³² Former CIA director Hayden argued strongly for the inclusion of the provision, because without it his agency (the CIA) was “not ‘protected’ by a Cabinet official’s prerogatives.”⁴³³ Additionally, he asserted that if the DNI were unable to have authority over the

⁴²⁹ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 3.

⁴³⁰ Patrick Neary, “The Post 9/11 Intelligence Community”, pp. 3-4.

⁴³¹ Executive Order 13470 of July 30, 2008, Amendment to Executive Order 12333, Retrieved on January 10, 2013, <http://www.fas.org/irp/offdocs/eo/eo-13470.htm>.

⁴³² Patrick Neary, “The Post 9/11 Intelligence Community”, pp. 3-4.

⁴³³ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

majority of the IC, which were controlled by other departments, the DNI and ONDI staff would, “focus more and more on the CIA for the worst of all reasons – because they could.”⁴³⁴

The long-standing argument as to the DCI’s lack of authority was the inability of that office to affect or direct the bulk of the IC. The DoD alone is the parent organization for eight agencies within the Intelligence Community.⁴³⁵ It is the single largest consumer of the intelligence budget, encompassing over two thirds of expenditures, in addition to those funds that are specifically allocated to them under the defense budget.⁴³⁶ The DoD and budget committees in Congress “jealously guard” the authorities they have always enjoyed. Action from Congress to protect DoD prerogatives would continue to be a strong pressure on DNIs. During the Senate confirmation hearing of DNI Michael McConnell, Senator Warner questioned McConnell as to his willingness not to interfere with DoD intelligence budget authorities.

Given that I once wore a hat as Chairman of the Armed Services Committee. I’m still a Member of that Committee. But during that period of time, I must say I was somewhat protective of the infrastructure that I feel is essential for that department. We had an interesting chapter in legislative history when we put together the legislation which created your office and other revisions in the intel community...I’m pleased that you recognize the importance of what the Department of Defense has and its need to preserve those tactical resources and infrastructure.⁴³⁷

The legislation that created the DNI, as with that which created the DCI, was constructed as not to hinder or affect departmental authorities. Senator Warner’s comments and the inclusion

⁴³⁴ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

⁴³⁵ Air Force Intelligence, Surveillance and Reconnaissance Agency (AFISRA), Army Intelligence and Security Command (INSCOM), Defense Intelligence Agency (DIA), Marine Corps Intelligence (MCIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency (NSA), Office of Naval Intelligence (ONI)

⁴³⁶ Dana Priest and William M. Arkin, “Top Secret America: A Hidden World Growing Beyond Control”, *The Washington Post*, July 19, 2010.

⁴³⁷ U.S. Congress, 110th Congress, 1st Session, “Nomination of Vice Admiral Michael McConnell to be Director of National Intelligence”, Senate Select Committee on Intelligence Hearing, February 1, 2007, p. 14.

of section 1018 in the IRTPA demonstrate how enduring the resistance is to altering long maintained arrangements.

On balance, the new Director of National Intelligence, who was to have authority over the entire Intelligence Community, had that authority checked in the very section of law that created the position. Beyond the seeming counterproductive nature of this arrangement, Neary argues the “provision created the potential for agencies to stall ODNI initiatives – save those related to the National Intelligence Program (NIP) – by asserting the activity impinged on their secretary’s prerogatives and thus they would not participate in the process in question.”⁴³⁸

Former Deputy Director of Central Intelligence John McLaughlin, more candidly, described the provision regarding departmental authority as “a loophole you can drive a tractor through.”⁴³⁹

In a review of the 9/11 Commission Report, Joshua Rovner asserted “the real authority of the DNI is ambiguous. Although given broad nominal control over budgets, personnel, and tasking, there is no guarantee that the DNI will have the bureaucratic influence to impose his will over the community.”⁴⁴⁰ It has been often stated by senior intelligence officials that the strength of the Community Director rested on their influence as head of the CIA, whereas the DNI lacked this standing. Former DCI Michael Hayden argued, “in terms of creating unity of effort and operational cohesion in the intelligence community, the strongest ‘glue’ that we had was the fact that the head of the community, the DCI, also headed up the most operationally relevant agency

⁴³⁸ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 3.

⁴³⁹ Jordan Tama, *Intelligence Reform: Progress, Remaining Deficiencies, and Next Steps*, p. 10.

⁴⁴⁰ Joshua Rovner and Austin Long, “Intelligence Failure and Reform: Evaluating the 9/11 Commission Report”, *Breakthroughs*, Vol.14, No.1 (Spring 2005), p. 15.

within it, the CIA.”⁴⁴¹ A very similar point made by John McLaughlin contended that the CIA represented a “strong institutional base”, which was crucial to the IC Director, whereas the new DNI “does not have this base on which to fall back.”⁴⁴² As those who occupied the DNI’s office came to find out, many of the same issues of Intelligence Community management that had plagued DCI’s for decades had not gone away. The IC’s organizational charts had been changed, but the motivations for agencies to act independently had not.

Everything is Different, Nothing Has Changed

The first person to take the position of Director of National Intelligence was former ambassador John Negroponte. Some legislators described the Office of the Director of National Intelligence (ODNI) under Negroponte’s leadership as merely “another bureaucratic layer.”⁴⁴³ During his tenure, Negroponte encountered resistance from the DoD to perceived encroachment upon their budgetary authority. Some officials interpreted a 2005 directive issued by Secretary of Defense Donald Rumsfeld as a direct challenge to the DNI’s authority over the DoD.⁴⁴⁴ The directive outlined the responsibilities of Stephen A. Cambone, the Under Secretary of Defense for Intelligence (USD(I)). Contrary to the legal authority of the DNI to transfer up to 100 Pentagon personnel for duties in other agencies, the directive asserts “concurrence” with the USD(I) is required.⁴⁴⁵ Additionally, “authority, direction and control” of DoD intelligence agencies are to be exercised by the USD(I) only “in consultation with the DNI”, as opposed to

⁴⁴¹ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

⁴⁴² Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 330.

⁴⁴³ Walter Pincus, “Some Lawmakers Doubt DNI Has Taken Intelligence Reins”, *The Washington Post*, February 2, 2006.

⁴⁴⁴ Walter Pincus, “Some Lawmakers Doubt DNI Has Taken Intelligence Reins”.

⁴⁴⁵ U.S. Department of Defense, Directive Number 5143.01, November 23, 2005, Section 4.3.6.

under the authority of the DNI.⁴⁴⁶ Intelligence official John Gannon argued the Secretary of Defense had added “more heft to what was already the IC’s thousand-pound gorilla.”⁴⁴⁷ Representative Susan Collins, an instrumental architect of the 2004 reform legislation, summarized the issues for the first DNI; “I think Director Negroonte has battles to fight within the bureaucracy, and particularly with the Department of Defense...DoD is refusing to recognize that the Director of National Intelligence is in charge of the Intelligence Community.”⁴⁴⁸ By the time of Negroonte’s abrupt resignation in January 2007, the originally small ODNI staff had swelled to over 1,500 people.⁴⁴⁹ Senator Feinstein argued, “I don’t see the DNI leadership...what I see...is the growth of a bureaucracy.”⁴⁵⁰ While Negroonte did get the ODNI up and running, overall, he was heavily criticized for being unwilling, or unable, to exercise the authority of the position.

Retired Vice Admiral Michael McConnell became the second DNI and attempted to focus on integration and collaboration across the IC. McConnell felt a priority was to “clean up the authorities for the DNI with regard to how this Community is managed.”⁴⁵¹ Particularly, he asserted the continuing vagueness of the DNI’s budget powers was problematic, as “there’s a difference between building a budget and executing the funds...that’s an area that I have started to look into, I am concerned about.”⁴⁵² He was a strong voice in 2007 advocating the NSC and

⁴⁴⁶ U.S. Department of Defense, Directive Number 5143.01, November 23, 2005, Section 5.1.3.

⁴⁴⁷ John Gannon, written testimony before the Senate Judiciary Committee, 109th Congress, 2nd session, May 2, 2006, in Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 183.

⁴⁴⁸ Scott Shane, “Year Into Revamped Spying, Troubles and Some Progress”, *The New York Times*, February 28, 2006.

⁴⁴⁹ Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 183.

⁴⁵⁰ Hearings Before The Senate Select Committee On Intelligence, *Intelligence Reform*, 110th Congress, 1st Session, January 23, 2007, p. 91.

⁴⁵¹ Nomination of Vice Admiral Michael McConnell to be Director of National Intelligence, p. 11.

⁴⁵² Nomination of Vice Admiral Michael McConnell to be Director of National Intelligence, p. 12.

president to re-write Executive Order 12333, which addressed some of the weaknesses in the IRTPA.⁴⁵³ However, McConnell ended up spending a significant amount of his three-year tenure embroiled with the Foreign Intelligence Surveillance Act (FISA), and issues surrounding domestic surveillance. This was not something that arose during his time in office alone. Throughout McConnell's Senate confirmation hearing this topic and his thoughts regarding to domestic surveillance were raised repeatedly.⁴⁵⁴ The net result was little change from a DoD-dominated IC and an ambiguously empowered Community director.

Retired Admiral Dennis Blair took on the role of the third DNI for a relatively short period from 2009-2010. In addition to the problems faced by his predecessors, he became involved in a series of bureaucratic arguments in the aftermath of the December 2009 terrorist attempt, these included disagreements over the ambiguous authority of the DNI to negotiate intelligence agreements with foreign countries, and the naming of senior overseas intelligence officials.⁴⁵⁵

James Clapper became the fourth DNI in 2010 with a focus on reducing the size of the ODNI, which had greatly expanded since its inception. He consolidated a number of senior ONDI positions and plans to shift some central management functions to other agencies that would act as executive agents on the DNI's behalf.⁴⁵⁶ DNI Clapper, formerly the Under Secretary of Defense for Intelligence, secured an agreement with the Department of Defense to bring a significant amount of the top line spending of the national intelligence budget to the

⁴⁵³ Michael Hayden, "The State of the Craft: Is Intelligence Reform Working?"

⁴⁵⁴ Nomination of Vice Admiral Michael McConnell to be Director of National Intelligence, pp. 11-12, 26-27, 31.

⁴⁵⁵ Adam Entous and Caren Bohan, "Rift Raises Questions on Obama Intel Czar's Future", *Washington Post*, March 26, 2010, and Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 333.

⁴⁵⁶ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 333.

DNI's office.⁴⁵⁷ While this move was touted as a means to increase the internal transparency of intelligence funds, it is not clear whether it will afford the DNI more control in terms of setting IC priorities.

Although the DNIs faced different issues during their respective tenures, they all have been subject to the same challenges inherent in attempting central management of the IC. In late 2008, the Office of the Inspector General (OIG) released a review, requested by the DNI, of the Office of the Director of National Intelligence. The assessment focused on the “critical challenges” that fell within the DNI's responsibility to lead and integrate the IC under the Intelligence Reform and Terrorism Protection Act of 2004 (IRTPA).⁴⁵⁸ The OIG report described the DNI's management responsibilities as both “critically important and exceedingly difficult”.⁴⁵⁹ Nonetheless, it admonished the DNI that the obligation of supplying intelligence to policy makers will “reduce or eliminate” the attention to the “painstaking, long-term work of integrating and managing the community”.⁴⁶⁰

The report details the results of two diagnostics performed over a period of 18 months on ODNI organization and the state of integration and collaboration across the IC. The results were far from encouraging and tended to support the assertion that the DNI's office was an unnecessary level of bureaucracy that held an unclear position in the IC. Some of the crucial findings concluded:

⁴⁵⁷ Ellen Nakashima, “Control of Intelligence Budget Will Shift”, *Washington Post*, November 3, 2010.

⁴⁵⁸ Office of the Inspector General (OIG), Office of the Director of National Intelligence, *Critical Intelligence Community Management Challenges*, November 12, 2008, Retrieved on November 10, 2012, <http://www.fas.org/irp/news/2009/04/odni-ig-1108.pdf>, p. 1.

⁴⁵⁹ *Critical Intelligence Community Management Challenges*, p. 2.

⁴⁶⁰ *Critical Intelligence Community Management Challenges*, pp.1-2.

- The majority of the ODNI and IC employees (including many senior officials) whom we interviewed were unable to articulate a clear understanding of the ODNI’s mission, roles, and responsibilities with respect to the IC.

- IC agencies complained that the ODNI sends duplicative tasking and conflicting messages to the IC, thereby undermining the ODNI’s credibility and fueling assertions that the ODNI is just an “additional layer of bureaucracy.”

- While the leadership of some IC elements support IC collaboration in principle, the culture of protecting “turf” remains a problem, and there are few, if any, consequences for failure to collaborate... some IC agencies have interpreted the DNI’s support for collaboration to mean that the IC is managed only by the consent of the major IC agencies.⁴⁶¹

Specifically citing the OIG report, former ODNI official Patrick Neary describes one of the underlying problems with the ODNI arrangement – it was based on the old Community Management Staff (CMS) of the DCI.

The CMS structure, upon which the ODNI was built, was not neutral with respect to the Community management mission: it developed under a DCI construct and was optimized for coordinating the Community to work together when the community chose to do so. It was not designed to, nor did it prove capable of, integrating the community absent that volition. Yet, this structure remains the base structure of the ODNI today.⁴⁶²

Overall, the OIG report concluded the DNI was not resolving many of the issues the position had been intended to address. In addition to the above items, the report found the now-familiar matter of most IC elements being accountable to a government department (i.e. DOJ, DoD, DHS) other than the ODNI. This inevitably led to “contradictory guidance; differing systems, policies, and procedures.”⁴⁶³ However, more than mere contradiction, history indicates IC agencies will follow their departmental lines of authority, regardless of the priorities emanating

⁴⁶¹ *Critical Intelligence Community Management Challenges*, pp. 2, 6.

⁴⁶² Patrick Neary, “The Post 9/11 Intelligence Community”, p. 6.

⁴⁶³ *Critical Intelligence Community Management Challenges*, p. 9.

from central intelligence management. Culturally, institutionally, and financially, they had every reason to do so.

It is important to note, however, that many of the OIG findings do not point to incompetence or lack of action on the part of the DNI. Rather, the identified issues tend to relate to mind-sets and long-established ways of doing business. Much in the same fashion Representative Susan Collins asserted the DoD refused to recognize that the DNI is in charge of the IC⁴⁶⁴, the OIG report points to a “culture of protecting ‘turf’.”⁴⁶⁵ The culture of agencies is a particularly large obstacle in terms of coordination. As previously described, Section 1018 was added to legislation to “protect” all departmental intelligence services from “abrogation” of their traditional authorities, except for the CIA – the IC’s lone independent agency.

The independence of the CIA was more than a legal classification for CIA officers and officials; it was an essential part of their group identity. NSA1947 had established the CIA with their independent status within the government, and over decades it had “developed into Agency gospel.”⁴⁶⁶ The suggestion that the CIA was now under the authority of an outside director, the DNI, was met with staunch resistance. Some CIA lawyers asserted that because the DNI did not have Cabinet Secretary authority, the Agency did not work for the DNI. Patrick Neary recounted how, “CIA personnel would dutifully come up to me and privately correct me for suggesting the CIA did work for the DNI.”⁴⁶⁷ While the law regarding IC authority may have changed, the CIA

⁴⁶⁴ Scott Shane, “Year Into Revamped Spying, Troubles and Some Progress”, *The New York Times*, February 28, 2006.

⁴⁶⁵ *Critical Intelligence Community Management Challenges*, p. 6.

⁴⁶⁶ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 4.

⁴⁶⁷ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 4.

had not. Former CIA Director Hayden ascribes this phenomenon to “history and tradition” at the CIA. For decades, the DCI was director of the Agency, and the IC. The shift of much of that authority to the DNI changed the “pride of place, and the Agency’s collective culture is very reluctant to admit otherwise.”⁴⁶⁸

Culturally based resistance occurred outside of the CIA as well, at the senior central management level. In terms of experienced IC members, following the IRTPA reforms intelligence officials from different agencies assigned to collaborate at the national level resisted sharing information with colleagues even when security protocol permitted it.⁴⁶⁹ As for new members, “Analysis 101” was established to provide a month-long introductory training session for new analysts, to further the goal of common analytical frameworks across the IC.⁴⁷⁰ The intention was to provide common training, and help build professional networks. In light of positive results, the Deputy DNI for Analysis attempted to make the course mandatory. Some agencies tried to have it eliminated, others sought a bargain whereby the course would be optional, and shortened to two weeks. The Defense Intelligence Agency (DIA) wanted more control over the curriculum, whereas, the CIA stopped participating all together.⁴⁷¹ These results are not particularly surprising, as agencies have very set ideas about training, especially introductory training. Indoctrination is a powerful method by which organizational culture and behavior are imparted to new members, and thus agencies want to remain in control of it. This explains some of the challenges to joint duty initiatives in the IC. The military possesses a military chain of command culture whereby enforcement of joint duty mandates is possible over

⁴⁶⁸ Michael Hayden, “The State of the Craft: Is Intelligence Reform Working?”.

⁴⁶⁹ Daniel Klaidman, “Look Who's Not Talking—Still”, *NewsWeek*, April 3, 2005.

⁴⁷⁰ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 14.

⁴⁷¹ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 14.

time. However, this is not the case in the IC where disparate intelligence agencies have vastly different cultures. Additionally, the DNI does not possess the authority to force mandatory participation in joint duty if individual IC agencies do not wish to comply, which is especially true of the CIA that possesses the largest analytic capacity within the IC.⁴⁷²

Several IC inquiries had raised the idea of a Goldwater-Nichols style reform of the Intelligence Community. The Joint Command structure of the Goldwater-Nichols Act, used to help unify the military services, was incorporated into elements of the IRTPA reforms in hopes of creating a more coordinated structure. Over a period of years, jointness was successfully implemented in the military, yet failed to gain any traction in the IC. A fundamental reason for the lack of success has been the failure to change culture and behavior. Patrick Neary had personal experience at the ODNI with this, and asserts, “the key to jointness is the change in behavior that occurs when a professional is put in an entirely different operating environment.”⁴⁷³ The IRTPA followed the Goldwater-Nichols Act in making it a requirement for promotion that intelligence officials serve for a period in other agencies. There never were any civilian joint service commands, and the Joint Duty Program was comprised of hundreds of jobs that were “joint qualifying”, yet never required service outside of home agencies.⁴⁷⁴ The 2008 OIG report included the finding, “The effectiveness of the IC Joint Duty Program is at risk because of inconsistent participation in the program, lack of support from IC leaders, and limited understanding of Joint Duty opportunities.”⁴⁷⁵

⁴⁷² Mark Lowenthal, Interview by Author, Reston, VA, August 6, 2013.

⁴⁷³ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 12.

⁴⁷⁴ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 8.

⁴⁷⁵ *Critical Intelligence Community Management Challenges*, p. 6.

As Neary opines, if the positions to bring a joint mentality to the IC actually changed culture, there would have been no need to create a Joint Duty program in the first place. Lackluster advancement of joint service initiatives resulted in an IC that very much resembled the defense establishment of the 1940s. The military intelligence services are in a position to build “culture and capabilities and then deploying and operating those capabilities as they see fit.”⁴⁷⁶ For jointness to be successful, implementation measures would have to be established and then allowed to become institutionalized over time, as the way the organizational cultures are always imparted to members. Organizational identities and spheres of operation date back to the origins of organizations. They are inculcated over decades, thus difficult, often impossible, to change without a concerted and sustained effort. The 2008 OIG report is correct in identifying the “painstaking” and “exceedingly difficult” task of central management of the vast U.S. intelligence enterprise. History, and the historically based reasons for the resistance, bears this out.

Conclusion

Since the creation of the position, there have been four DNIs in a short number of years. This does not bode well for the stability of the position, or the likelihood of solving the fundamental difficulties in managing the IC. As opposed to being a surprising result, it is, in fact, entirely expected and predictable. The motivations in 1947 to protect institutional interests causing the resistance to centralization are the same factors that limit the effectiveness of the newly created DNI. The significance of the post 9/11 reform efforts and how they relate to the findings of this thesis will be analysed in more detail in the following chapter (the thesis

⁴⁷⁶ Patrick Neary, “The Post 9/11 Intelligence Community”, p. 12.

conclusion.) It is sufficient to say the aftermath of 9/11, the newest critical juncture for American Intelligence, saw the same shaping of legislation and power struggles as the post-WWII period. Individual actors were motivated by the same forces and their actions can be understood similarly.

Conclusion — The Path Was Set, The Course Was Followed

What's Past is Prologue.

–The Tempest, Act 2, Scene 1

Insights and Conclusions

As the analytic narrative of this paper demonstrates, the United States Intelligence Community has had long-standing difficulties coordinating its many member agencies. The establishment of a powerful central management office to address this issue has been a particular challenge. The lack of a national director of the massive US intelligence enterprise has been identified in many reviews of the IC and was particularly highlighted in the investigations following the September 11th terrorist attacks. The establishment of strong central leadership became a key point of reform legislation in 2004 in order to coordinate efforts, eliminate inefficiency, and provide a common unity of command. Nonetheless, despite the creation of a Director of National Intelligence (DNI) many of the same problems have persisted that challenged for the former nominal head of the IC, the Director of Central Intelligence (DCI). The DNI possesses limited budget control and has little authority to direct Community priorities.

The Historical Institutional (H.I.) framework interprets behavior as both rationally and culturally based, understood through the historical context. It places an emphasis on “why a certain choice was made, and/or way a certain outcome occurred.”⁴⁷⁷ Seeking to understand why organizations behaved as they did is the basis for a more complete understanding of the

⁴⁷⁷ Sven Steinmo, "What is Historical Institutionalism?", p. 163.

institutional forces at work that shaped an outcome. In the case of this paper, the outcome in question is the IC's fractious nature, its resistance to centralization, and why actors chose to pursue this course. Historical Institutionalism provides a realistic and broad approach to answering the question, *what are the historical and organizational factors of resistance to the establishment of an effective Director of the United States Intelligence Community?* The conclusion of this paper is the answer lay in the IC's history, institutional interests, and developmental paths set early on.

- 1) The Post-WWII era was marked by a struggle between established departments over areas of intelligence responsibility and lines of authority. The existing departments resisted a new agency that might possess authority over their services or appropriate their responsibilities.
- 2) The Director of Central Intelligence (DCI) and the CIA were established to coordinate reports coming in from the State Department, the military, and the FBI with the authorities appropriate for that role. The lack of cooperation from established agencies was a major factor in the CIA developing into an agency unto itself.
- 3) These initial conditions of the Intelligence Community established developmental paths of decentralized and semi-autonomous agencies that became an "entrenched state-of-affairs" over decades.
- 4) Because of an ever-expanding Community, more in need of centralized coordination than ever, the DCI was increasingly expected to exert leadership, despite possessing insufficient authorities for the task, and uncondusive established conditions.

5) Finally, the reform efforts following 9/11 encountered the same recalcitrant agencies and interested parties resistant to strong centralization. The legislation establishing the new Director of National Intelligence was subject to the same pressures to maintain established prerogatives and limit centralized authority. The result was an IC director that did not meet the expectations of policy-makers and legislators, unable to exert statutory authority or combat a culture of decentralized operation that had been reinforced for decades.

Historical Institutionalism's focus on history is driven by two factors. One, policy choices are always made within a specific historical context, which has a direct bearing on the decisions or events; and two, the history of an institution points out critical junctures, where new paths are set that are followed throughout the organizations development.⁴⁷⁸ Through a detailed analysis of the available histories, one can understand an institution's origins and character, thus how it shapes attitudes and decisions made by members. Hall and Taylor refer to H.I. scholars "scour[ing] the historical record for evidence" in search of the motivations of actors, and punctuated, path-creating moments in history.⁴⁷⁹ The detailed analytic narrative in the previous chapters was taken largely from government studies of the IC, as they occurred at fairly regular intervals, and thus provides evidence of *consistency* towards a given path, or behavior, overtime.

An analysis of the IC director's role in the government reports demonstrate a consistently decentralized IC, comprised of semi-autonomous agencies that are strongly opposed to changing that arrangement. The reports share a common shortcoming in their assessment of IC

⁴⁷⁸ Sven Steinmo, "What is Historical Institutionalism?", pp. 163-64.

⁴⁷⁹ Peter Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms", p. 954.

management: they fail to place appropriate weight on the factors that have impeded a “central intelligence” role, and led the DCI to focus on CIA management. While several of the studies touch upon the issue of managing the CIA as a time consumer not allowing the DCI to do much else, they only rarely mention another essential matter. The missing element is the institutional explanation beyond the director’s time constraints: namely, the resistance of agencies to being led by an outside director not of their organizational stream. The pre-existing institutional identities at the time of DCI’s creation (the critical juncture) set in stone the pattern of agencies operating separate from centralization, answering to their service specific lines of authority. Agencies resisted or ignored the central authority, because it was incompatible with their traditional role (cultural identity) or to preserve authority to maximize utility (Rational Choice maximizing). In short, there never was a point where the IC had a “director”, or centralized coordination as envisioned by policy-makers or legislators. The DCI, and now the DNI, have always contended with a system that is factious, decentralized, and set up to operate that way from its earliest days.

Historical Institutionalism stresses the importance of path dependence in institutional development.⁴⁸⁰ The paths chosen or designed early in the existence of an institution shape its long-term development. This is useful in determining features of institutional creation, as well as the persistence of inefficiencies. As described in detail in Chapters II and III, the IC came into existence following WWII as an attempt to coordinate the efforts of the various intelligence activities of the military, State Department, and the FBI. A struggle ensued as to what form intelligence was to take and who would control it. The documents surrounding the establishment

⁴⁸⁰ Paul Pierson, “Path Dependence, Increasing Returns, and the Study of Politics,” *American Political Science Review*, Vol. 92, No. 2, 2000, pp. 251-52.

Conclusion — The Path Was Set, The Course Was Followed

of the CIA reveal heated disagreement between already established departments over areas of intelligence responsibility and lines of authority. The existing departments resisted potentially coming under the authority of an upstart agency, or of a new rival eroding their institutional turf. It was precisely this resistance that would shape the CIA's role and, thereby, its organizational identity. The approach of Historical Institutionalism indicates that formative events are central: they define areas of responsibility, which become ingrained over time as an organization's culture. Therefore, partly for reasons of bureaucratic turf protection, and partly for reasons of refusal to accept outside leadership, the establishment of centralized authority was constrained in such a way as to not interfere with the bureaucratic status quo. Successive DCIs, not able to function effectively in the coordination role, then turned their attention to the agency over which they did have authority, the CIA. In the following years, as the CIA grew into a fully-fledged agency unto itself, the rest of the Community expanded as well. The DCI was increasingly looked to for management of the growing IC, but possessing only the limited authority for coordination, and facing decades of entrenched semi-autonomous agencies, leadership proved a daunting challenge.

The initial conditions of the Intelligence Community influenced organizational development over the decades. The choices during the formative years made by departments for rational reasons of institutional interest would become self-reinforcing over time, and eventually ingrained as culture. The paths set in motion define the way in which members view the status quo. As a matter of the way institutions function vis-à-vis their members, they "cannot readily be transformed by the actions of any one individual. Institutions are resistant to redesign ultimately because they structure the very choices about reform that the individual is likely to

make.”⁴⁸¹ While the original rational choices of established agencies to resist centralization were about the preservation of authority and budget, over time the autonomy becomes part of the identity, or culture, of the group. For example, the CIA possesses a strong culture based around their status as an independent agency that reports to the president. The removal of the CIA’s standing by placing them under the authority of the DNI amounted to an attack on their organizational culture, which was, and will continue to be, met with strong resistance.⁴⁸² Thus, through an understanding institutional origins and culture, it becomes possible to identify the motivations for later behavior.

Evidence of the persistence of non-cooperation and the shaping of reform efforts on the part of services is clear throughout the reviews and reports assessed in chapters IV-VI. As early as the 1960s, a new conclusion begins to be found in IC studies – the unlikelihood of altering the situation. The President’s Advisory Board finding in 1961 was particularly indicative of the general attitude toward central civilian leadership in the IC, that the DCI was both “umpire and pitcher”.⁴⁸³ The Board relayed this direct assessment along with their doubtfulness at changing the disparate Community. Michael Warner observed that DCIs were faced with a contradiction, they could coordinate intelligence, but not control it, and thus “the DCI never became the manager of the Intelligence Community.”⁴⁸⁴ Perhaps the clearest example of the DCI’s lack of power to control intelligence priorities and direct the Community is DCI Tenet’s failed 1998 “declaration of war” against Al-Qaida. Despite Tenet’s call for “no resources or people spared in

⁴⁸¹ Peter Hall and Rosemary Taylor, “Political Science and the Three New Institutionalisms”, p. 940.

⁴⁸² Mark Lowenthal, Interview by Author, Reston, VA, August 6, 2013.

⁴⁸³ FRUS, *Volume XXV*, Document 82, “Section V, The Role of the Director of Central Intelligence.”

⁴⁸⁴ Michael Warner, ed., *Central Intelligence: Origin and Evolution*, p. 8.

Conclusion — The Path Was Set, The Course Was Followed

this effort, either inside the CIA or the Community”⁴⁸⁵, there was little shifting of personnel or budget to counter-terrorism following the Community-wide “declaration” until after 9/11.⁴⁸⁶ Moreover, the IC only had a “limited awareness of this declaration”⁴⁸⁷, and Assistant Director of the FBI’s Counterterrorism Division testified he “was not specifically aware of that declaration of war.”⁴⁸⁸ Rather than a personal failure of Tenet’s leadership, the nature of the problem is organizational. Amy Zegart observed during Tenet’s declaration “People outside of CIA say, ‘this declaration doesn’t apply to us, it applies to CIA’. People inside the CIA say, ‘this directive applies to every agency but the CIA, he’s talking as leader of all the intelligence agencies.’ It is much easier to resist change than to create it.”⁴⁸⁹ Former DCI Webster also testified similarly regarding “the lack of real authority that the DCI has over the Intelligence Community”⁴⁹⁰, and uncertainty that results from issuing directives to the IC at large. “Occasionally, I would issue something that looked nominally like an instruction...it was mostly hoping with a lot of groundwork behind it...something would come of it.”⁴⁹¹ More examples and evidence have been covered in the previous chapters, but what seems clear is a persistent ambiguity regarding the role and authority of the supposed director of the IC.

Considering the enduring vagueness of the DCI’s position over decades, it raises a very serious concern about the DNI. It would seem the DNI, who has no intelligence agency directly under their command, would have more difficulty in this regard than the DCI. The 2008 Office of the Inspector General (OIG) review identified authority and vagueness of mission as “critical

⁴⁸⁵ Report of the Joint Inquiry Into September 11, 2001, p. 16.

⁴⁸⁶ Report of the Joint Inquiry Into September 11, 2001, p. 15.

⁴⁸⁷ Report of the Joint Inquiry Into September 11, 2001, p. 40.

⁴⁸⁸ Report of the Joint Inquiry Into September 11, 2001, p. 40.

⁴⁸⁹ Amy Zegart, “Amy Zegart has a lot to say about U.S. intelligence agencies”, Interview, Jan 14, 2008, Retrieved on January 14, 2013, http://www.spotlight.ucla.edu/faculty/amy-zegart_spying/.

⁴⁹⁰ Report of the Joint Inquiry Into September 11, 2001, p. 349.

⁴⁹¹ Report of the Joint Inquiry Into September 11, 2001, p. 349.

challenges” to the DNI.⁴⁹² Moreover, many intelligence managers believed the DNI manages the Community “only by the consent of the major IC agencies.”⁴⁹³ A particular assertion observed in this study throughout the decades of reviews speaks to this: the IC director needs a “home agency” to be relevant. The DNI has none. As early as 1960, the Joint Study Group asserted there was an understanding that the DCI might become “a mere figurehead” without the backing and influence of an operating intelligence agency.⁴⁹⁴ It is possible these concerns have become reality. Despite the ambiguity of the DCI’s dual-role, the DNI may be in a less authoritative position being divorced from the administrative and bureaucratic support of an operational IC agency. Indeed, the 2008 OIG report conveys the perception within the IC that the DNI is just an “additional layer of bureaucracy.”⁴⁹⁵ The ODNI has certainly broadened in terms of size, growing to over one thousand employees in its first two years. However, it is not certain the ODNI will grow in the same way as the CIA did in its formative years. The CIA became an operational collection agency by virtue of the conditions at the time. The remnants of the OSS were kept intact at the Department of War, providing the CIA with a ready-made foreign intelligence collection infrastructure. There is no similar set of intelligence capacities to transfer to the ODNI. Additionally, the CIA had been created as a coordination service, not as a leadership apparatus. The expectation of IC leadership from the DCI had developed over time, creating many of the difficulties described in previous chapters. On the other hand, the ODNI was created with leadership in mind. The similarity between the two organizations is the institutional resistance present during their formative years, constraining their authorities and the persistent semi-autonomous nature of IC agencies that continues to resist centralization. While

⁴⁹² *Critical Intelligence Community Management Challenges*, pp.1-2.

⁴⁹³ *Critical Intelligence Community Management Challenges*, pp. 2, 6.

⁴⁹⁴ Michael Warner and Kenneth McDonald, “U.S. Intelligence Community Reform Studies Since 1947”, p. 18.

⁴⁹⁵ *Critical Intelligence Community Management Challenges*, p. 2.

the ODNI may never grow into an active collection role as the CIA did, it will continue to expand in size, as all bureaucracies tend to. ODNI staff and budget size will increase as the demands for leadership over an ever-growing IC increases. However, the enduring nature of IC agencies to be protective of budgets and resistant to central management will preclude any serious advances in these areas.

Promising Areas for Future Research

Beyond providing a more robust understanding of the IC's strong tendency towards decentralized activity and resistance to a powerful director, this paper can also point towards future consequences of the findings. It is extremely unlikely that the DNI would be able to wrest a significant amount of budget control over intelligence agencies, especially within the Department of Defense. Intelligence budget allocation, and especially budget execution, is too intertwined with the overall defense budget. As stated by Senator Shelby, an IC dominated by the Department of Defense is an inescapable "bureaucratic fact of life" in terms of managing the Community.⁴⁹⁶ Neither senior management in the DoD nor their supporters in Congress are likely to endorse any measure that would see the masses of funding they govern slip from their control. New legislative efforts in this regard would be likely to yield the same limited results as they have in the past. Nonetheless, it would seem policy and priorities must emanate from a centralized location to achieve unity of command and a greater degree of coordination. A possible answer lay in the example of the Goldwater-Nichols Reorganization of the Department of Defense. Because of the array of different agencies with starkly different organizational cultures and functional priorities, a joint command structure would be far more effective in

⁴⁹⁶ Report of the Joint Inquiry Into September 11, 2001, Additional Views of Senator Richard C. Shelby, p. 21.

Conclusion — The Path Was Set, The Course Was Followed

creating *complementary* services, as opposed to centralized command through a single office and director attempting to force *integration* of services. The other option is for the ODNI to attempt to gain incremental increases in authority over services which history indicates are very likely to resist at every stage. As development of the ODNI continues, it is possible pursuit of jointness will become a new organizational path and the post-9/11 reform era will represent a critical juncture where that path branched off.

While some of the 2004 intelligence reforms attempted to incorporate elements inspired by the Goldwater-Nichols' example of joint command, they were not successful. The failure of joint duty is particularly strong evidence of the entrenched nature of the cultural and agency specific mind-sets. Despite not being in the interests of the overall goal of the national security, the agencies refused to compromise and change. However, an interesting possible avenue for future research would be how to successfully introduce jointness into the IC. This research would provide a strong evidentiary foundation and framework for understanding areas of likely resistance to change. A potentially fruitful avenue of inquiry would be an investigation of how to implement joint duty and joint command initiatives in the IC such that they could become institutionalized. The 2007 establishment of the IC-wide National Intelligence Priorities Framework (NIPF) was largely successful because it was accomplished through briefings, agency by agency, to safeguard interests of the organizations while still achieving the goal. Mark Lowenthal learned from the process of over 130 briefings to “not make changes wholesale, you do them retail.”⁴⁹⁷ Perhaps in a similar fashion a joint initiative for the aforementioned “Analysis 101” could be accomplished to achieve a unified training curriculum to minimize resistance. Focused research in this regard may prove productive.

⁴⁹⁷ Mark Lowenthal, Interview by Author, Reston, VA, August 6, 2013.

Epilogue

The ongoing process of reform recommendations described throughout this paper demonstrates that American intelligence reform is far from over. In fact, despite all of the changes that have occurred, the most recent reforms largely mirror suggested approaches from prior decades. The concept of a Director of National Intelligence can be traced clearly from early calls for centralized intelligence authority, to direct recommendations for this position in the 1971 Schlesinger Report, and most recently in the 9/11 Commission's conclusions. This being the case, it can be rationally assumed the process will continue into the foreseeable future, with further attempts to strengthen and centralize the authority of the DNI position.

The persistent challenges of centrally managing the IC as a whole raise questions as to the viability of the effort – that is, whether effective central management is even possible. The difficulties the DNI office faces are often identical to those of the former DCI office. While daunting, the dominance of the DoD and the complexities of budgets are not the whole of the problem. Agency-specific mindsets and culture ingrained since the earliest days of the IC are geared towards agency separation and decentralized operation. Regarding the mission of the DNI, Representative Jane Harman stated in 2006, “We gave [the DNI] budget authority and a charge to change the culture and reinvent our intelligence capabilities.”⁴⁹⁸ During the same period, DNI Negroponte said he had “begun reshaping the cultures of United States national intelligence.”⁴⁹⁹ Not long after, however, the mandate to reshape culture met the hard truths of recalcitrant organizational identity and ingrained spheres of operation. The IC was not designed

⁴⁹⁸ Walter Pincus, “Some Lawmakers Doubt DNI Has Taken Intelligence Reins”, *The Washington Post*, February 2, 2006.

⁴⁹⁹ Scott Shane, “Year Into Revamped Spying, Troubles and Some Progress”, *The New York Times*, February 28, 2006.

to operate as a coordinated entity. Rather, it was set up around individual organizations whose sometimes-overlapping priorities required coordination of their intelligence products for policy makers. It is not surprising that the attempt to institute more centralized leadership in 2004 was met with resistance from separate institutional interests, as was the case in 1947.

With such extensive doubt regarding the actual authority granted to the DNI, coupled with severe restrictions on the position's capabilities, it is difficult to be optimistic about the capacity for the DNI to effect Community-wide change. The authority given to, or restricted from, the new director is unquestionably crucial to whether proper reform has actually taken place. Modifying organizational structure is only a partial solution. In the words of former IC professional Gregory Treverton, "Real reforms are much more matters of organizational culture than of organization charts."⁵⁰⁰ The DNI should direct their power towards complementary operation and jointness. Without this, the IC will have changed little from the disparate and factious Community of agencies the 9/11 Commission described prior to the September 11th attacks.

As Mark Lowenthal points out, gauging the long-term success or failure of the DNI position is difficult, as what is expected of the position varies and is often ambiguous.⁵⁰¹ What is certain is the position encountered many of the same problems the DCI had for decades. Rather than a question of authority based in legislation, the DNI has been limited by the inherent difficulty in managing an enterprise as wide and disparate as the U.S. Intelligence Community.

⁵⁰⁰ Gregory Treverton and Peter A. Wilson, "True Intelligence Reform Is Cultural, Not Just Organizational Chart Shift (Opinion)", *The Christian Science Monitor*, January 13, 2005, Retrieved on July 20, 2012, <http://www.highbeam.com/doc/1G1-126940100.html>.

⁵⁰¹ Mark Lowenthal, *Intelligence: From Secrets to Policy*, 5th ed., p. 333.

Additionally, the same challenges persist in attempting to manage agencies that have historically been semi-autonomous, and the majority of which fall under the control of the Cabinet-level Department of Defense.

Amy Zegart asserted, rather bluntly, that the 2004 Intelligence Community restructuring “triggered a scramble for turf that has left the Secretary of Defense with greater power, the Director of National Intelligence with little, and the Intelligence Community even more disjointed.”⁵⁰² During the intelligence debates of 1947 that led to the creation of the first central intelligence director, the various established agencies resisted centralization to maintain control of their respective institutional turf. The result was a powerful military intelligence presence, the continuation of pre-existing authorities, weak central leadership, and a fragmented Community. Zegart’s description of the IC following the 2004 restructuring is eerily similar to that of post-1947 – eerie, yet unsurprising. Although the intelligence reforms had changed a great many things, institutional interests dating back to the birth of the Intelligence Community ensured that little would be fundamentally different. When it comes to understanding the challenges in establishing a director of the United States Intelligence Community, history does indeed matter.

⁵⁰² Amy Zegart, *Spying Blind: The CIA, The FBI, and the Origins of 9/11*, p. 183.

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