

**INTELLIGENCE ANALYSIS AND THE CIA –
A HISTORICAL PERSPECTIVE. THE DOINGS, THE CRITICS,
AND THE UNEXPECTED DISSOLUTION OF ORE –
OFFICE OF REPORTS AND ESTIMATES (1947-1950)**

Dan ROMAN*

Abstract:

Intelligence analysis is inextricably linked to the CIA, where it was established and developed as a specific professional activity. Based on a short-lived experience, accumulated during World War II, the CIA's first analytical structure, the Office of Reports and Estimates (ORE), faced the difficulty of producing intelligence products on the new security environment of the early Cold War period, with the focus on the threat posed by the USSR.

Keywords: *CIA, Cold War, Communism, intelligence analysis, Soviet Russia.*

Introduction

The analytical dimension has had a fundamental role in the Central Intelligence Agency (CIA) since its inception. This professional activity, expressed by the phrase intelligence analysis, quickly evolved in the Agency, where it soon acquired the characteristics of a discipline, in accordance with the (still debatable) judgements of its founder, Sherman Kent. Beyond this, intelligence analysis has been consistently reflected within the CIA as a dynamic tool, aimed at making the Agency's work as accurate and effective as possible in achieving its goals of ensuring the national security of the USA.

This material aims to explore, from a historical perspective taking the Cold War as a reference point, the main coordinates that defined the

* PhD Candidate, Romanian Academy "George Barițiu" History Institute, Cluj-Napoca, email: danroman2012@yahoo.com

development of intelligence analysis in the CIA. This was the time when the functions and limits of intelligence analysis were defined, in which its techniques were crystallized, systematized and refined, and the main exponents of this field manifested themselves. Through these consistent and, above all, unprecedented accumulation for other intelligence services at the time, a formidable analytical apparatus was developed in the CIA, which proved capable of coping with the difficult tasks that lay before it. Which is not to say that the Agency was infallible in its assessments. On the contrary, the failures recorded were neither few nor insignificant. Finally, the intelligence analysis component revealed the complexity of this field of activity.

The study will focus on the following aspects on the intelligence analysis in the CIA: the institutional framework, and the transformations that occurred during the reference period, the analytical products written by the CIA, and how they were received within the intelligence community and, obviously, at the political decision-making level.

In order to achieve this endeavour, the present paper will be developed in four different parts, considering as the main criterion the significant reorganizations that had been recorded by the intelligence analysis in the CIA from its beginnings until today.

In accordance with this organization, the first part of the study defines the object of study and, then, approaches the first intelligence analysis service in the CIA, the Office of Reports and Estimates (ORE). The second part presents the activities of its successor, the Office of National Estimates (ONE), with a portrait of Sherman Kent, the head of this service, a person commonly considered “the founder father of intelligence analysis”. The third part presents the Office of Intelligence Estimates (ONI), which took over from ONE in the mid-1970s. Finally, the fourth part of the study is devoted to the post-Cold War period.

The sources used in the preparation of this study are drawn, to a significant extent, from declassified CIA documents available on the CIA website (cia/reading-room.gov). Some of this material is of a documentary nature and was produced by the CIA’s Historical Office. Other material constitutes operational documents of the CIA and capture various aspects of interest related to intelligence analysis in the Agency. An important documentary resource was also the National Security Archive ([nsarchive](http://nsarchive.gov)).

gwu.edu). Last but not least, several studies that appeared in the CIA, professional journal *Studies in Intelligence* were used.

This scientific approach to presenting the intelligence analysis carried out in the CIA, as a professional activity and *wannabe discipline* takes place in a special circumstance, worthy of mention: the 75th anniversary of the CIA, which it recently marked (1947-2022).

It is certainly a good opportunity to highlight this essential component of the CIA, which quickly established itself as “the intelligence device supreme”, as characterized by Sherman Kent. This way, the evolution, the results and the limits of the intelligence analysis during its three-quarters of a century in the CIA, with important successes and noisy failures, can be known as such and thus appreciated in a fair light.

CIA: its purpose and its means

Created at the dawn of the Cold War in order to respond to the threat posed by the USSR (as a totalitarian state actively engaged in subverting democratic values to the benefit of the so-called *world communist revolution*), the CIA had as its primary and fundamental mission the preparation of integrated intelligence products from various sources, intended for the American decision-makers.

In a noteworthy study on the beginnings of the CIA (*Why was the CIA created in 1947*), the American professor Rhodri Jeffrey-Jones, researcher of the contemporary history of Western intelligence services, notes that the documents declassified by the Agency in the early 90's confirm the importance of Sovietophobia as a motivating factor in the creation of the CIA (Jeffrey-Jones, 1997, p. 23). This was openly stated only in the 90's, when not a few questioned including the role and relevance of the Agency in the new post-Cold War world.

For example, Thomas F. Troy, chief historian at the CIA, does not mention in his opus, declassified in 1975, in which he presents the beginnings of the Agency, the Soviet danger as a cause that would have determined its foundation.

The CIA was established by President Harry Truman on the basis of the National Security Act of 1947. The new agency is, in fact, the successor of the Central Intelligence Group (CIG), the first civilian

intelligence agency of the United States in the early post-World War II years. This came into existence under the name Office of the Coordinator of Information (OCI), and a good part of its staff consisted of academics grouped within the Research & Analysis Branch.

Truman saw the new created Agency mainly as an integrator of national intelligence. According to his memoirs, the American president reserved the Agency rather the role of a *press service* for the benefit of the White House, as argued in a study written by the former chief historian at the CIA, already mentioned (Troy, 1976). Truman also expressed a clear attitude on this matter in the article *Limit CIA Role to Intelligence*, he published in *The Washington Post* (Sunday, Dec, 22, 1963). He explains his decision to create a central intelligence agency through the need for information “in its ‘raw natural’ state and in as comprehensive a volume as was practical” (*The Washington Post*, Sunday, Dec, 22, 1963). However, the most important thing, as he mentions, was “to protect himself from the chance that information would be used to influence or lead the president into unwise decisions (...)” (*The Washington Post*, Sunday, Dec, 22, 1963).

The American authorities, including the White House, accepted less, at least openly, the operational component of the CIA, represented by espionage and covert actions. Describing the atmosphere, CIA legislative liaison W. Phorzheimer claimed that the congressional committees “didn’t want the word ‘espionage’ or ‘spy’ or something on that order to appear in the law. They wanted us to do it quietly.” (Snider, 2008, p. 140)

Organizationally, these activities were under the responsibility of the Office of Special Operations (OSO), which “was intended to become the new clandestine foreign intelligence service” (Warner, Ruffner, 2020). Created in June 1946, it continued the former Strategic Services (SSU), which had operated during the Second World War within the Office of Strategic Services (OSS). After its dissolution had been taken over by the War Department, where it was put, for the most part, on a standby mode.

In parallel, the CIA had, in its early years, another structure that carried out clandestine activities: Office of Policy Coordination (OPC). According to declassified CIA documents, it was authorized to carry out

the full spectrum of covert actions: “secret political, psychological, and economic warfare together with preventive direct actions (paramilitary activities) – all within the policy direction of the Department of State and Defence.” (Snider, 2008)

OPC was created in June 1946, under the name Office of Special Project. Formally established with the new name in September 1948, operated independently until October 1950 under the rule of the Assistant Director of CIA for Policy Coordination. At that moment, the Director Walter Bedell Smith, took control of the Office. Finally, OPC ceased to exist in August 1952, when it merged with OSO into a combined directorate: the CIA Clandestine Service.

What is intelligence analysis?

Having its origins in World War II, when it began to be practiced institutionally mainly by a number of American academics grouped in the Research and Analysis Branch of the Office of Strategic Service (OSS), intelligence analysis came to fruition a few years later with the creation of the CIA. In parallel with this activity at the Agency, there was a constant preoccupation with defining and conceptualizing it.

CIA practitioners have been trying since early on to establish the idea that intelligence analysis is more than just a profession, namely a genuine discipline. In a landmark article in this direction, which appeared in the first issue of the CIA’s internal journal, *Studies in Intelligence*, entitled “The Need for an Intelligence Literature”, the author, Sherman Kent, who had held the position of Chief of the Analytical Bureau for several years within the Agency, states the following:

“Intelligence today is not merely a profession, but like most professions it has taken on the aspects of a discipline: it has developed a recognized methodology; it has developed a vocabulary; it has developed a body of theory and doctrine; it has elaborated and refined techniques” (*Studies in Intelligence*, no.1, 1955).

Six years before making these specific assessments, Kent extensively analysed the intelligence in his iconic book *Strategic Intelligence for American World Policy*, published in 1949. The author

substantiates three essential characteristics of it: knowledge, organization and activity. However, without insisting on a definition, he specifies in the preface of the book: "Intelligence, as I am writing of it, is the knowledge which our highly placed civilians and military men must have to safeguard the national welfare" (Kent, 1949, p. VII).

In the three quarters of a century since Kent's landmark book and the comprehensive perspective he formulated on the notion of intelligence, there is still a lack of unanimously accepted definition of intelligence in both the academic and professional communities.

This situation is highlighted in a conclusive study, *Wanted: A definition of intelligence*, that Michael Warner, a former CIA historian, published in the Agency's professional journal *Studies in Intelligence* (vol. 1, no. 46, 2002). The author analysis several definitions of intelligence, and mentions that analysis is one of the facets of intelligence activities (alongside, for example, collection or covert actions).

Jack Davis, a disciple of Kent, directly involved in intelligence analysis in the CIA, presents the role and specifics of this activity as follows:

"The mission of intelligence analysts is to apply in-depth substantive expertise, all-source information, and tough-minded tradecraft to produce assessments that provide distinctive value-added to policy clients' efforts to protect and advance U.S. security interests." (Davis, 2005, p. 1007).

The main characteristic of the intelligence analysis is briefly emphasized by James B. Bruce and Roger Z. George (2008) as: "the thinking part of the intelligence process." Last but not least, it is worth noting the definition given by the RAND Corporation:

"Intelligence analysis is the process by which the information collected about an enemy is used to answer tactical questions about current operations or to predict future behaviour." (www.rand.org)

As part of intelligence work, intelligence analysis is thus characterised by the fact that it creates added value from the perspective of substantiating and supporting national security issues. It correlates information and draws conclusions in support of policy-making. Its

history is organically linked to the CIA, where this professional activity developed, where it was theorized and practiced.

Organization and functioning of ORE

The CIA took over and operated for a short period on the organizational structure of its predecessor, the CIG. Analytical activities in the Agency thus continued to be under the responsibility of the Office of Reports and Estimates (ORE).

The CIG came into existence in January 1946 as the first American civilian intelligence agency, with the primary objective of capturing and producing intelligence about the Soviet threat. By creating this agency, it was hoped that a possible new Pearl Harbour could be avoided. In fact, this was perhaps the strongest argument the White House presented in order to support its plans for the making of a centralized intelligence system. The objective was materialized in January 1946, with the creation of the CIG.

Initially, the analytical area was represented by the Central Reports Staff, whose name was changed, in July 1946, to the Office of Research and Evaluation and after a very short time, in October 1946, to the Office of Reports and Estimates.

The history of the first analytical entity of the CIA – in fact, a relatively short one, but nevertheless quite problematic, transpires from a series of declassified documents of the CIA, as well as from several memoir works written by former employees of the Agency.

The activity and the role of ORE in the early years of the American intelligence community have also been presented in a scientific perspective, in studies or works by a number of historians. Among these, particularly noteworthy is the contribution of Woodrow Kuhns, who gave an eloquent presentation of the ORE in the preface of the collection of documents *Assessing the Soviet Threat: The Early Cold War Years*, a book he edited in 1997 (separately, the material was republished with the title “The Beginning of Intelligence Analysis in CIA: The Office of Reports and Estimates: CIA’s First Centre for Analysis”, in *Studies in Intelligence*, vol. 66, no. 33, September 2022).

In a wider context, related to the establishment of the CIA and the activities the Agency carried out in its first years, the topic of ORE is also

comprehensively treated by European scholars. An emblematic example is the work *La Naissance de la CIA. L'aigle et le vautour (1945 – 1961)*, by French historian Francois David, published in 2007.

From a documentary-historical perspective, the first references regarding the activity of ORE are included in several CIA documents developed by the Historical Staff, a service created within the Agency with the principal task of preserving its institutional memory. In an extensive document of this kind, *Organizational History of Central Intelligence, 1950-1953*, the following characteristics of the ORE are revealed:

- 1) it was a centralized service;
- 2) it had the responsibility of producing different national intelligence papers;
- 3) it did not have access to operational information or political, appreciating that these types of information were, however, pertinent;
- 4) it was dependent, almost entirely, on estimates received from agencies within the American intelligence community.

The last one also represented the main limit in the effective performance of ORE, given that both the Pentagon and the State Department showed reservations in transmitting the data they possessed to the CIA, preferring to develop their own intelligence products.

At a first level, useful due to its informational value (although it is obviously limited, burdened by an inherent subjectivity), the activities carried out by the ORE, together with some tasty accounts of the way of working at that time, including the names of representative members of this service, are mentioned in several memoirs written by former employees.

One of the first public presentations of the realities within ORE was made by Ray S. Cline, who faced them directly as an analyst, a capacity in which he was assigned to the CIA in 1949, immediately after obtaining his doctorate at Harvard University. In the book *Secrets, spies, and scholars: blueprint of the essential CIA*, which he published in 1976 (three years after he retired from the CIA, where he worked as the head of the Directorate of Intelligence), the analytical structure of Agency,

Cline explains some things about what ORE meant and about the way this service functioned.

ORE started operating with a modest staff of almost 80 analysts. But things changed in a short time. By mid-1946, following CIG expansion measures taken by the new director, Hoyt Vandenberg, ORE reached 200 analysts. At that time, the CIG had 1,800 employees, of whom 1,000 were part of the Office of Special Operation (600 were on missions outside the country, and another 400 were active in Washington). At the same time, no less than 600 employees had administrative and support duties (Cline, 1976, p. 92).

An important aspect that the author dwells on concerns the relationship of the ORE with the other American intelligence agencies, which often shows that it was not the best. On the contrary, and the situation did not seem to be able to be changed, as proved by the director of ORE, Theodor Babbit, “an amiable official who tried desperately to placate State, Army, Navy, and Air Force and rarely won a bureaucratic battle” (Cline, 1976, p. 105).

Under these conditions, ORE allocated its analytical efforts to carry out, mainly, current intelligence activities consisting in the preparation of the Daily Summary, intended for the president. Truman seemed satisfied with the ORE materials, although he was receiving, in parallel, a similar document prepared by the State Department.

Jack Smith, another veteran of the early years of intelligence analysis in the CIA, also left testimony from inside the ORE, which he presented in *The Unknown CIA*, published in 1986. Regarding the activities of the ORE, in which he had been active since the summer of 1947, he also notes that they mainly consisted in the elaboration of the Daily and Weekly Summaries bulletins, intended for President Truman. The compilation of these was for the ORE a demanding activity, “a high-speed operation with an inflexible time”, which was carried out “in the midst of an organized chaos” (Smith, 1986, p 31). In fact, it always ended up in contradictory discussions between the editor of the materials and the senior officers in charge of the regional branches on topics that might or might not be relevant to the USA President. Discussions ended with one side’s point of view being imposed, without it being possible to say

who was really right on the issue. When that didn't work either, a novel solution was reached:

"The comic backdrop to this daily turmoil was that in actuality nobody knew what President Truman wanted to see or not see. And of course there was an added kicker in that I, fresh from the Finger Lakes village of Aurora and the maidenly quiet of English Lit. 20, should be presuming to decide." (Smith, 1986, p. 34)

The faithful image of the activities carried out by ORE and the changes it has experienced are contained, of course, in the internal documents of this service. Those materials present a series of specific aspects, on the basis of which the overall picture of the ORE can be properly outlined, respectively highlights some concerns expressed within it.

The declassified CIA documents capture both aspects of the functions and mission of ORE, as well as various organizational formulas and developments. For example, its role and relevance within the CIA are highlighted, in a document from July 15, 1948, which states that ORE "is responsible for the production and presentation of national intelligence required for the formulation and administration of policy and operational decisions affecting national security".

Specifically, the document mentions the following activities carried out by ORE:

"1. Prepares current and staff intelligence reports and estimates on a regional, functional, and global basis, on its own initiative, or in response to specific requests. Such reports and estimates will present and interpret the significance of foreign conditions and developments which affect U.S. national security, analyse trends, forecast, and interpret probable future developments, and their consequences.

2. Coordinates and administers an interdepartmental program for the production, maintenance, publication and dissemination of basic intelligence designed to meet the common requirements of CIA and the IAC agencies.

3. Formulates the National Intelligence Objectives in collaboration with the IAC agencies and under guidance of the the NSC Staff.

4. Evaluates available intelligence information and intelligence; assesses its adequacy, accuracy, and timeliness, and prepares reports of such assessments for the guidance of collection, source exploitation and producing agencies to assure that all fields of intelligence bearing on the national security are adequately covered.

5. Formulates requirements for the collection and exploitation of intelligence data in order to insure a steady flow of material in fulfillment of production requirements.

6. Advises the Director of Central Intelligence on plans, programs, policies and procedures for the production of national intelligence." (CIA declassified document, July 15, 1948)

The organization of the ORE, based on the model that operated in the State Department, is revealed in several documents. These also outline the changes that have taken place at ORE, reflecting the concern to optimize the framework within which the activities were carried out and to supplement it with new services. For example, such mentions are contained in the document *Principles of Organization of ORE*, dated May 28, 1947, according to which it was organized *primarily on a regional basis*. Detailing this aspect, the document states that "each region comprising a group of countries related by geographical, political, and economic and other considerations is formed into a Branch", respectively that "the Branch is responsible for all the functional intelligence, except Scientific, related to its area." (*Principles of Organization of ORE*, May 28, 1947)

Another CIA document from the same period, named *ORE Instruction no. 35-47*, presents the organization within ORE of a structure that was called *Consultants Panel*. This was made up of several groups, as follows: Global Survey Group (with duties in monitoring and studying international events likely to affect the national security of the USA); Economics Group which "produces intelligence on economic matters beyond the scope of regional treatment"; Armed Force Group with "duties are similar to those of the Economics Group, but relating to Armed Force matters"; Transportation Group responsible for aspects related to international transport; International Organization Group with "duties are similar to those of the Transportation Group but in the

field of International Organizations” (*ORE Instruction no. 35-47*). The same document also mentions a new functionality: The Map Intelligence Branch. Another document that presents the organization and functions of the CIA in 1949 reveals the following components of the ORE: Global Survey Group, Functional Consultants Groups, Intelligence Production Board, Basic Intelligence Group, Current Intelligence Group, Staff Intelligence Group, Regional Branches, and Map Branch. An Administrative Staff, respectively a Plans and Policy Staff also functioned within the ORE (*Analysis of ORE Production*, July 19, 1949).

ORE carried out a relatively varied set of activities in carrying out its tasks, which consisted of the development of integrated analytical products for American policy-makers, with the aim of supporting the foreign policy directions of the United States. Initially, ORE’s activities were circumscribed only to the current intelligence component, through the elaboration by this structure of the publications that had the US President as its main beneficiary. These realities are made explicit in an internal CIA document on the organizational development of the ORE, which highlights the following: “Whatever the Office of Research and Evaluation might become capable of at a later date, it did not claim, in February 1947, to be able to do much more than furnish the President with summaries of current intelligence.” (*Analysis of ORE Production*, July 19, 1949)

In fact, the strategic intelligence component of ORE is linked to the creation of a new *Production Program*, in February 1947. It included, for the most part, only a resumption of what ORE was already doing, but it also added, apparently, a new element, namely the drafting of Situation Reports. These were presented as analyses of the strategic and national policy aspects of the situation in each significant country or other appropriate geographical area or with respect to significant functional subjects of continuing interest.

The newly established reports opened the way for the development of the strategic evaluation at ORE, as a constant and programmatic activity. At the same time, the production of documents of this nature substantiated the development of support activities, consisting of basic intelligence, a function which, according to the CIA document above-mentioned, “had not been contemplated for the office

and for which no preparation had been made" (*ORE Instruction no. 35-47*).

The brief history of the ORE, revealed by declassified CIA documents, shows that this office went through various attempts to organise its work and set its own objectives. New activities and responsibilities were added in order to best meet its mission. Through these, the basis for organising intelligence analysis work in the CIA was laid.

ORE's products: a look inside

The topics in the ORE materials cover a wide range of subjects, generally dealing with the communist threat posed by Soviet Russia. A comprehensive and useful overview of these materials is provided by Woodrow Kuhn, in the afore-mentioned collection of CIG and CIA documents *Assessing the Soviet Threat. The Early Cold War Years (1946 – 1950)*, which brings together no less than 208 declassified products of ORE (mainly *Daily* and *Weekly Summaries*).

A significant part of this refers to the situation in Eastern Europe, including Romania, where the Communists had embarked on a full conquest of power under Moscow's control and coordination. For example, according to the Weekly Summary Excerpt of November 8, 1946, entitled Communist Pre-Electoral Tactics in Romania, the Romanian communists were preparing to use in the elections of November 17, 1946 (the first after the Second World War), the *Communist electoral pattern, so successfully delineated in Yugoslavia and Bulgaria*. Petru Groza's government was not affected by polls showing that the conservative opposition enjoyed a 75% voting intention, being determined to win the election with 85% of the vote. To make sure of this, he started *a campaign of violence and terrorism*, the ORE document assessing "that will make it impossible for the Opposition to register its full strength at the polls" (Kuhn, 1997, p. 88). The consequences of these actions were crystal clear: "The Romanian election, therefore, will probably reflect the will of the people even less truthfully than did the elections in Bulgaria and Yugoslavia, where opposition to Communism was neither as well organized nor as determined" (Kuhn, 1997, p. 88).

In support of these claims, the ORE document gives a brief and enlightening account of the actions taken by the Romanian communist

government against the opposition in order to ensure its perpetuation in power and the complete communisation of the country. Thus, it blocked a large number of potential opposition voters from taking part in the elections, who were asked to present no fewer than 16 documents for registration at the polling stations, some of which they were unable to obtain. It has also established effective control over the media and radio, preventing the opposition from campaigning, while its leaders were kept under house arrest for alleged subversive acts, without being formally charged.

Last but not least, according to the ORE document, the Groza Government divided the opposition and secured consistent support from some national minorities, especially the Jewish one, which promised “their 200,000 votes to the Governmental Bloc in return for substantial concessions.” (Kuhn, 1997)

Considering all these, ORE is not at all optimistic about the results of the elections: “Election day will be probably quiet. Opposition leaders admit their impotence to combat a reign of terror which on that day will be backed on Army, the secret police, the militia, and an estimated 10,000 armed Communist reservists specially called up for the occasion” (CIA documents *Assessing the Soviet Threat*).

Soviet intentions regarding the satellite countries are revealed in the Daily Summary of February 13, 1948. Entitled *Possible Soviet Plans for Poland*, the document presents the opinion of the American ambassador to Moscow, General Walter Bedell Smith, the future director of the CIA, according to which the Soviet-Polish economic agreement by which Moscow committed to invest various capital equipment in Poland and in the Polish part of Germany, reflected Soviet Russia’s decision to “never to let go of eastern Germany and to develop Poland as the first Satellite to be incorporated into the USSR” (Daily Summary of February 13, 1948). In the comment accompanying the information presented, the Agency notes that it shares the ambassador’s assessment of Moscow’s concern regarding East Germany and, “eventually to incorporate the Satellites into the USSR”. However, the CIA believes that this should not be expected to happen in a short period of time:

“However, because absorption of Poland would increase the anti-Communist opposition and add to the security problem of the

USRR, the Kremlin will probably not order such a step until all latent opposition to such a plan has been eliminated" (Daily Summary of February 13, 1948, p. 170).

A distinct category of materials prepared by the ORE were of an evaluative type, highlighting the analytical function of the structure. During its five years of operation, ORE has produced more than 300 such materials, in which it has also tried to forecast developments on various topics. According to the American military historian William M. Leary, although they provided substantial added value to the raw or semi-finished information that was delivered to the CIA by other American agencies, these materials also reflect the limitations of the ORE in this sphere of professional activity, ultimately highlighting the difficulty of analytical demerits of an evaluative nature (Leary, 1984, p. 21-26).

ORE completed its first strategic synthesis on July 23, 1946. The 11 pages material is called *ORE no. 1 – Soviet Foreign and Military Policy* and was compiled at the level of the Global Survey Group. The ORE document begins with a summary, and the actual content consists of two parts: *Enclosure "A" – Soviet Foreign Policy* and *Enclosure "A" – Soviet Military Policy*. The most space is allocated to Soviet foreign policy, which is judged to be governed by "the fundamental thesis that the peaceful coexistence of Communism and capitalist states is in the long run impossible" (*ORE no. 1 – Soviet Foreign and Military Policy*).

Elaborating on the claim, the document states that:

"The basis of Soviet foreign policy is consequently a synthesis between anticipation of and preparation for an ultimate inevitable conflict on the one hand and need for the indefinite postponement of such a conflict on the other. In any matter conceived to be essential to the present security of the Soviet Union, including the Soviet veto power in international councils, Soviet policy will prove adamant. In other matters Soviet policy will prove grasping, but opportunistic and flexible in proportion to the degree and nature of the resistance encountered, it being conceived more important to avoid provoking a hostile combination of major powers than to score an immediate, but limited gain" (*ORE no. 1 – Soviet Foreign and Military Policy*, p. 59).

Next, the document briefly presents the Soviet foreign policy, revealing its characteristics in Eastern Europe, Austria and Germany, Western Europe, the Middle East and the Far East. Regarding the first area mentioned above, it is stated that communist Russia perceives the control over the states of Eastern Europe, over the Baltic Sea and the Adriatic Sea as essential for its security, so it will not tolerate any influence. In the document, Romania is mentioned alongside Poland and Hungary in the category of states to which Moscow faces “stubborn and widespread opposition”. The *friendly* governments installed in these countries are “notoriously unrepresentative”, but Moscow intends to maintain them because “no truly representative government could be considered reliable from the Soviet point of view” (*ORE no. 1 – Soviet Foreign and Military Policy*). Moreover, Soviet military policy issues are presented in a brief (one and a half page) framework, revealing Moscow’s constant concerns and actions to develop and expand its capabilities.

A more eloquent document about Soviet military intentions and capabilities is *Intelligence Memorandum* no. 301 of June 30, 1950. Prepared immediately after the start of the Korean Civil War (June 25, 1950), the CIA estimate was intended to present to the White House, mainly, the perspectives of the USSR, respectively the military activities associated with them. The CIA document lists three *lines of action* available to the Kremlin, so that it avoids the start of a new global war, a situation it would not have wanted:

“1) the encouragement of guerilla activities and creation of local disturbances; 2) the incitement of rebellions, local uprising which could lead to autonomous movements splitting off parts of presently non-Communist areas; 3) the use of a Soviet-controlled regime to attack and capture control of an adjacent nation or area.” (Intelligence Memorandum no. 301 of June 30, 1950, p. 396)

Knowledge of developments in China has also been a topic of interest in informing American foreign policy decisions. In this direction, too, ORE produced several evaluative materials, one of them being ORE 45-48, *The Current Situation in China*, completed on July 22, 1948. The document mainly presents the developments recorded in the civil war in this country, emphasizing the difficult situation of the nationalist government, which was on the verge of falling at any time. General

Chiang Kai-shek is considered unlikely to remain in power, including through continued American support, and the Communist influence is expected to increase. The CIA estimate is not at all optimistic about the expected developments expected in China. The consolidation of communism is seen as the most likely scenario: "The prospect for the foreseeable China is at best an indefinite and inconclusive prolongation of the civil war, with the authority of the National Government limited to dwindling area in Central and South China, and with political and economic disorder spreading throughout the country except possibly in Communist-held areas." (ORE 45-48, *The Current Situation in China*, completed on July 22, 1948, p. 234)

Evaluations and the end of ORE

To what extent did the CIA's first analytical structure fulfil its professional duties? In other words, did the ORE prove to be an entity fit for the purposes for which it was created? The answer, for the most part, is a negative one. This emerges both from the conclusions of some official control reports of the CIA's activity, compiled in the first years of the agency's operation, as well as from the assessments made by people who worked in the ORE.

The first critical assessment of the CIA can be found in the 1948 in the *Eberstadt Report*, developed in a larger context regarding the functioning of the US executive branch. The effort was carried out by a commission led by former President Herbert Hoover, established for this purpose a year earlier by the Republican Congress. The Hoover Commission set up a task force headed by Ferdinand Eberstadt – a friend of the Secretary of Defence, James Forrestal and former chairman of the Army Munitions Board and Vice Chairman of the War Production Board –, to outline how the American national security system, including its intelligence component, worked.

The *Eberstadt Report* acknowledges the crucial importance of the CIA's work in the new security climate in which nuclear force was to be a significant game-changer. From this perspective, it concludes that "intelligence is the first line of defence in the atomic age". (*Eberstadt Report*, vol. I). The descriptive part gives a brief overview of the organization and functioning of the CIA and its relations with other

agencies in the US intelligence system. The report's assessments are mentioned in the evaluation part, which outlines the CIA's progress and limitations in its early years of operation:

“Intended as the major source of coordinated and evaluated intelligence, on which broad national policy could be soundly based, the Central Intelligence Agency has as yet fallen short of the objective. While it has made progress in organizing and equipping itself, its product, however valid, does not presently enjoy the full confidence of the National Security Organization or of the other agencies it serves and has not yet – with certain encouraging exceptions – played an important role in the determination of the National Security Council.” (*Eberstadt Report*, p. 13-14)

The general assessment of the CIA's work, according to which the Agency was not fulfilling the objectives for which it had been set up to the best of its ability, is accompanied by specific elements. One such reference, which directly concerns the CIA's area of intelligence analysis, relates to the production of scientific intelligence. In this connection, it is stated that “the Committee was particularly concerned over the Nation's inadequacies in the field of scientific, including medical intelligence” (*Eberstadt Report*, vol. I).

This type of intelligence is considered to be one of *vital importance*, which requires from the Agency “far greater efforts than appear to have been devoted to this need in the past” (*Eberstadt Report*, vol. I). Although it highlights a number of problematic aspects that it was able to identify in the CIA (the team members had only limited access to the Agency's documents and personnel), the *Eberstadt Report* does not support the need for organizational changes in the recently established American intelligence community. In this perspective, the following proposal is advanced: “CIA and other Government intelligence agencies should be permitted a period of internal development free from disruption of continual examination and as free as possible from publicity.” (*Eberstadt Report*, p. 48)

In parallel with the work of the Eberstadt Commission, the NSC decided to review the intelligence system in order to understand how to properly exercise oversight over the CIA. The people tasked with drafting

this report were three *intelligence veterans*, Allan Dulles, William Jackson and Matthias Correa. Under the direction of the first of Dulles, who would later become the first civilian director in CIA history and record the Agency's so-called *golden years*, a comprehensive document was produced, this time based on extensive research. The three formed an Intelligence Survey Group in the first part of 1948, tasked with drafting a report on the CIA, which it handed over to the NSC, on January 1, 1949. Known mostly as the *Dulles Report*, after the name of the head of this task force, the assessment dealt strictly with the CIA. In essence, it points out that the CIA failed to assume the role of coordinator of the US intelligence system, acting rather as a competitor to other agencies:

“The Central Intelligence Agency should not be merely another intelligence agency duplicating and rivalling [sic] the existing agencies of State, Army, Navy, and Air Force. It should not be a competitor of these agencies, but a contributor to them and should help to coordinate their intelligence activities. It must make maximum use of the resources of existing agencies; it must not duplicate their work but help to put an end to existing duplication by seeing to it that the best qualified agency in each phase of the intelligence field should assume and carry out its particular responsibility.” (*Dulles Report*, 1949, p. 26-27).

In this context, ORE was often totally inadequate, preparing materials in areas for which it did not have the necessary skills. Also, it shows that the CIA structure has inadvertently fostered rivalries with other agencies, treating them as outsiders rather than collaborators. Expressing the belief that he will not receive them.

The *Dulles Report* presents in a critical note the main documents drawn up by the ORE, highlighting their incompleteness and one-sided character, which does not agree, first of all, with the characteristic of the CIA mission. For example, the Daily Summary, the main and most frequent intelligence document that reached the US President's desk, was composed 90% of the data provided by the State Department. The document also contained a series of comments on the facts related, regarding which it is noted that “these, for the most part, appear gratuitous and led little weight to the material itself” (*Dulles Report*, 1949).

In the terms of the report, the result of such an approach is “a fragmentary publication that deals with operations as well as intelligence, without necessarily being based on the most significant materials in either category.” Moreover, “in a summary of this type, circulated to the President and the highest officials of the Government, there is an inherent danger that it will be misleading to its consumers. This is because it is based largely on abstract of State Department materials, not in historical perspective, lacking a full knowledge of the background or policy involved and with little previous consultation between the Central Intelligence Agency and the State Department. Moreover, it is incomplete because it is not based on all the important materials.” (*Dulles Report*, 1949, p. 84).

Nor are the estimation studies developed by ORE on various subjects presented in a favourable light. The *Dulles Report* mentions that this type of documents “are circulated throughout the various agencies for the purpose obtaining concurrence or dissent”. Beyond this, “in no way means that they are properly coordinated estimates which represent the best thinking on the subject under review” (*Dulles Report*, 1949, p. 84). The various memoranda drawn up by ORE, less formal materials, produced on their own initiative or in response to specific consumer requests benefit from similar considerations. A common element of these is the lack of coordination with other agencies. The main flaw, however, is the lack of relevance and practical utility: “Much of this production is academic, tends to duplicate work in others departments, has little relation to national intelligence, and is not produced as a recognized service of common concern” (*Dulles Report*, 1949, p. 87).

In general terms, the dysfunctions and difficulties faced by the first analytical structure of the CIA were also highlighted in the memoirs, already mentioned, and written by former employees of the Agency. Evoking the first years of the CIA’s operation, Ray Cline outlines a compartmentalized image of the American intelligence system, in contradiction to what it was supposed to represent. Moreover, the impotence of the CIA to live up to its mission is highlighted. Although it should have acted from the position of intelligence coordinator and integrator, it turned out to be just another agency, competing to ensure its primacy over the other agencies in the American intelligence system:

“It cannot honestly be said that it coordinated either intelligence activities or intelligence judgments; these were guarded closely by Army, Navy, Air Force, State, and the FBI. When attempts were made to prepare agreed national estimates on the basis of intelligence available to all, the coordination process was interminable, dissents were the rule rather than the exception, and every policymaking official took his own agency’s intelligence appreciations along to the White House to argue his case.” (Cline, 1976, p. 91)

Similar judgments regarding the suitability of ORE to his duties were also made by Jack Smith. The former editor of the Daily Summary notes that the analytical structure he was a part of failed to meet its goals. In his view, this was largely due to resistance to change in the fledgling American intelligence community:

“We were not fulfilling our primary task of combining Pentagon, State Department, and CIA judgments into national intelligence estimates (...) To say it succinctly, CIA lacked clout. The military and diplomatic people ignored our statutory authority in these matters, and the CIA leadership lacked the power to compel compliance.” (Smith, 1989, p. 42)

Back to the two reports that analysed the CIA’s activity, they recorded different reactions. The *Eberstadt Report*, completed on November 15, 1948, was delivered by former President Hoover to the new Democratic Congress in January 1949. It did not receive much attention in the US legislature and in the US intelligence community in general. In any case, as two former CIA historians note in a work on the reforms in the American intelligence community since its establishment, this report was “overshadowed by a long, detailed and critical survey of the CIA and related intelligence activities prepared for the National Security Council (NSC)” (Warner, McDonald, 2005, p. 8).

This was, of course, the *Dulles Report* case too. Classified top secret, it also included some recommendations to make the activities of the CIA more efficient. Although the *Dulles Report* determined a series of changes at the level of the Agency, including from the perspective of the organization and operation of the ORE, in reality it was rather acted to preserve the status quo. In fact, even in the organizational history of the

Agency, elaborated by the CIA Historical Staff, it is mentioned that the respective changes, produced in 1949, represented a so-called *reorganization*. In support of this claim, it is pointed out that the schematic representation of the CIA in mid-1950 is essentially the same as that of January 1949, prior to the completion of the *Dulles Report*. According to the CIA document, the only important exception regarding the *reorganization* also occurred in the area of intelligence analysis, through the establishment of a new service:

“The only significant change, in fact, is represented in the addition of an Estimates Production Board (vice an Intelligence Production Board which had appeared on the January 1949 chart) which represented a partial answer to the Dulles Report’s suggestion to a ‘small estimative group’, in that a Board of Division Chiefs was to review all estimates produced in the Office.” (Dulles Report, 1949)

However, the time for major changes in the CIA was much closer than thought. These occurred unexpectedly after the demise of the Agency reorganization talks prompted by the Dulles Report, and were initiated and organized by the new CIA director, General Walter Bedell Smith.

Considered the founding father of the CIA, Bedell Smith (*Beetle* to friends) was appointed to head the Agency in July 1950. General opinion links his appointment to the failure of the CIA, in particular of its analytical structure, to anticipate the outbreak of the Korean War in June 1950. In fact, the White House had already decided in May 1950 to replace Hillenkoetter as director of the CIA. This decision was caused by Hillenkoetter’s inability to find a suitable *modus vivendi* with the other American Intelligence Agencies. In this regard, Ludwell Lee Montague, another CIG/CIA intelligence veteran, notes in his book on Bedell Smith that the departure of his predecessor, Hillenkoetter, was not due to the disgrace he would have fallen into due to a possible failure of the Agency to anticipate the outbreak of the Korean War. According to the former CIA employee, Hillenkoetter’s departure was more due to his three years he failed to impose himself as the head of American Central Intelligence (Montague, 1999).

The reforms imposed by DCI Walter Bedell Smith on the American intelligence community visibly strengthened the position of the CIA in this institutional ensemble, dominated, at that time, by rivalries. The

changes provided the Agency with a new and necessary framework for carrying out its activities efficiently. The new director had a total support from William Jackson, one of the co-authors of the *Dulles Report*, whom he appointed to the position of Deputy Director of the Central Intelligence (DDCI), created specifically to manage the intended reform process. It began with the internal reorganization of the CIA, where the analytical and operational activities were much more clearly outlined and delimited as such into two consistent directorates. ORE was divided into five internal services, placed *au coeur de la CIA*:

- Office of National Estimates (ONE), which took over the creation of integrated assessment products,
- Office of Current Intelligence (OCI), which continued its activity for a very short time,
- Office of Operation (OO), which dealt with actions from open sources such as press articles, academic knowledge,
- Office of Collection and Dissemination (OCD), which disseminated reports in the administrative area and archived the unused intelligence materials in the Agency,
- Office of Scientific Intelligence (OSI). (David, 2016, p. 139)

These formed the Directorate of Intelligence, the other major component in the CIA being the Directorate of Plans (Directorate of Operations, from 1973), which dealt with espionage and covert actions.

Conclusions

The beginnings of intelligence analysis in the CIA were largely marked by the rivalries between the agencies that formed the new American intelligence community, established under the National Security Act of 1947. This situation caused the maintenance of the departmental perspective on national intelligence subjects. Along with a sequential and incomplete approach, they usually contained different (or even contradictory assessments), which had a negative impact on the substantiation of a decision by the policymakers.

In terms of action, the first intelligence analysis office in the CIA mainly prepared current intelligence products, in the form of Daily and Weekly summaries, for the US President. Estimate products have been

less prominent in ORE activities. Both categories of products faced critical reactions as to their usefulness and relevance. While in the case of the first category (which the US President referred to as ‘my newspaper’), the State Department criticized the fact that they were mostly made up of raw material provided by the State Department (more than 80%) and did not include data unknown to the State Department, the estimation products were criticized in the US intelligence community mainly because they were limited to the CIA perspective.

References:

Documents:

1. *The Dulles Report*, available on www.nsarchive.gwu.edu.
2. *Eberstadt Committee Report pertaining to CIA*, available on www.archive.org.
3. Internal CIG/CIA documents on ORE (Principles of Organization of ORE; ORE Instruction no. 35-47, Organization of the ORE, August 15, 1947; Analysis of ORE Production with Conclusions – First Report Ad Hoc Production Review Subcommittee, July 19, 1949; Proposed Revision of ORE Current Intelligence, March 23, 1949; Organization History of Central Intelligence Agency, 1950 – 1953), available at www.cia.gov/readingroom

Books and studies:

1. Barnes, Trevor. (1984). “The Secret Cold War: the CIA and American Foreign Policy in Europe, 1946 – 1956”, in *Historical Journal*, vol. 24.
2. Cline, Ray S. (1986). *Secrets, Spies and Scholars: Blueprint of the Essential CIA*, Washington DC, Special Learning Group.
3. David, Francois. (2016). *La Naissance de la CIA. Laigle et le vautour (1945 - 1961*, Nouveau Monde Editions, Paris.
4. Davis, Jack. (December 2006). “Intelligence Analysts and Policymakers: Benefits and Dangers of Tensions in the Relationship,” in *Intelligence and National Security* 21, no. 6.
5. Hersh, Burton. (1992). *The Old Boys: the American Elite and the origins of the CIA*, New York, Charles Scribner’s Sons.
6. Jeffrey-Jones, Rhodri. (1997). “Why was CIA created in 1947?”, in *Intelligence and National Security*, vol. 12, no. 1.

7. Kent, Sherman. (1949). *Strategic Intelligence for American World Policy*, Princeton University Press.
8. Kuhns, Woodrow J. (1997). *Assessing the Soviet Threat: The Early Cold War Years*, Centre for Studies of Intelligence, Central Intelligence Agency.
9. Leary, William M. (1984). *The Central Intelligence Agency: History and Documents*, University of Alabama Press.
10. Montague, Ludwell Lee. (1999). *General Walter Bedell Smith as Director of Central Intelligence, October 1950 - February 1953*, Pennsylvania University Press.
11. Moseman, Scott A. (2020). "Truman and the Formation of the Central Intelligence Agency", in *Journal of Intelligence History*, vol. 19, Issue 2.
12. Ranelagh, John. (1986). *The Agency: the Rise and Decline of the CIA*, New York, Simon & Shuster.
13. Troy, Thomas F. (1976). "Truman on CIA (Examining President Truman's Role in the Establishment of the Agency)", in *Studies in Intelligence*, CIA, Spring.
14. Smith, Russel Jack. (1989). *The Unknown CIA: my three decades with the Agency*, Berkley Books, New York.
15. Smith, Bradley. (1997). "The American Road to Central Intelligence", in *Intelligence and National Security*, vol. 12, nr. 1.
16. Warner, Michael, McDonald, Kenneth (eds.). (1994). *CIA Cold War Records. The CIA under Harry Truman*, Central Intelligence Agency.
17. Warner, Michael, Ruffner, Kevin C. (2000). "The Founding of the Office of Special Operations (U)", in *Studies in Intelligence*, CIA, vol. 44, no. 2.