

XIV. THE DEPARTMENT OF STATE

In addition to strengthening our defense, the purpose of U.S. intelligence activities is more effective foreign policy. Intelligence informs foreign policy decisions and in the role of covert action seeks to attain foreign policy objectives. In sum, intelligence is a service, a support function, indeed it is so designated and structured by the military services. However, in the field of foreign policy, intelligence activities have sometimes become an end in themselves, dominating or divorced from policy considerations and insulated in important respects from effective policy oversight.

The Department of State is responsible for the formulation and execution of foreign policy. Yet unlike the Department of Defense, the State Department has no command over intelligence activities essential to its mission except the Foreign Service.

The Department of State and the American Foreign Service are the chief producers and consumers of political and economic intelligence in the United States Government. The Department participates actively in the interagency mechanisms concerned with collection and production of intelligence. However, it has been unable or unwilling to assume responsibility over clandestine intelligence activities.

The Foreign Service competes with the Clandestine Service in the production of human source intelligence, but operates openly and does not pay its sources. The State Department, as well as American ambassadors abroad, is called upon, at least in theory, to exert a measure of control over certain aspects of CIA's secret overseas activities. Indeed, the State Department through U.S. embassies and consulates offers the only external check upon CIA's overseas activities; they are the only means abroad that can help assure that America's clandestine activities are being carried out in accord with the decisions made at the highest level in Washington.

The primary purpose of the Select Committee's inquiry was to examine the effectiveness of the Department of State and the Foreign Service in this role. The Committee also examined the Foreign Service intelligence collection efforts.

To this end, the Select Committee visited several overseas missions, embassies and consulates and conducted extensive interviews with ambassadors, Foreign Service officers and State Department personnel as well as taking sworn testimony. From this investigation it is evident that the role of the Department of State is central to fundamental reform and improvement in America's intelligence operations overseas.

A. ORIGINS OF THE STATE DEPARTMENT INTELLIGENCE FUNCTION

It has been the traditional function of the Department of State and the Foreign Service to gather, report and analyze information on foreign political, military, economic and cultural developments. That

intelligence function, like most of the responsibilities of the Department, is not established by statute. The basic statement of the duties and responsibilities of the Secretary of State is contained in an Act of Congress of July 27, 1789, as follows:

The Secretary of State shall perform such duties as shall from time to time be enjoined on or intrusted to him by the President relative to correspondences, commissions, or instructions with public ministers from foreign states or princes, or to memorials or other applications from foreign public ministers or other foreigners, or to such other matter respecting foreign affairs as the President of the United States shall assign to the department and he shall conduct the business of the department in such manner as the President shall direct.¹

The statutes are no more precise about the functions of the Foreign Service, and the members which

shall under the direction of the Secretary [of State], represent abroad the interests of the United States and shall perform the duties and comply with the obligations resulting from the nature of their appointments or assignments or imposed on them by the terms of any law or by any order or regulation issued pursuant to law or by any international agreement in which the United States is a party.²

Most Presidents have chosen to use the Secretary of State as their principal advisor and agent in foreign affairs; foreign intelligence activities of the Department and Foreign Service have developed in a logical pattern from that practice.

Today the President's Executive Order assigns to State responsibility for collecting overtly "foreign political, political-military, sociological, economic, scientific, technical and associated biographic information."^{2a} The reporting of the Foreign Service, together with that of the military attaché system, based on firsthand observation and especially on official dealings with governments, makes up the most useful element of our foreign intelligence information. Clandestine and technical sources provide supplementary information, the relative importance of which varies with the nature and accessibility of the information sought.

While clandestine and technical sources of information are today the responsibility of the CIA and other agencies, State is not without past experience in such matters. The Department operated one or more clandestine intelligence networks during and after World War II and closed them down, at CIA insistence, only in the 1950s. The Department engaged in such activities in earlier times. On the technical side, the State Department operated a cryptanalytic unit called the Black Chamber during the inter-war years. It was abolished by Secretary Stimson in 1929 on the ground that "gentlemen do not read each other's mail."

¹ R.S. § 202, 22 U.S. 2556.

² 22 U.S. 841.

^{2a} Executive Order No. 11905, 2/18/76.

Although foreign intelligence has always been a major function of the State Department, the Department had no separate—and acknowledged—intelligence unit prior to World War II. At the end of the war, the research and analysis branch of the Office of Strategic Services (OSS), numbering over 1,500, was transferred to the Department, and the position of Special Assistant to the Secretary for Research and Intelligence was established to head the new organization into which was incorporated as well certain existing State units.

President Truman initially contemplated a much more significant intelligence role for State and directed Secretary Byrnes to

take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity. This should be done through the creation of an inter-departmental group, heading up under the State Department, which should formulate plans for my approval.^{2b}

Although Dean Acheson, as Under Secretary, moved promptly in the fall of 1945 to develop such plans, he soon

encountered heavy flak. It came from three sources: congressional opposition to professional intelligence work, civil disobedience in the State Department [i.e. the geographic divisions opposed “intelligence work not in their organizations and under their control”] and indecision in high places brought on by military opposition to both unification of the services and civilian control of intelligence.³

In the end Secretary Byrnes bowed to this opposition and joined in recommending to the President what Acheson calls “an odd plan for a National Intelligence Authority and a Central Intelligence Group, . . . thus moving primacy in intelligence from the State Department to the Executive Office of the President.”⁴

Byrnes also adopted the recommendations of the Department’s geographic divisions and broke up the OSS research and analysis unit which State had inherited, dispersing its personnel to those divisions. However, this decision was reversed by General Marshall shortly after he became Secretary of State in January 1947 and State has since then had a central intelligence unit, now generally known as INR (Bureau of Intelligence and Research). INR’s stature and influence in the Department have gradually increased, though its size has been greatly reduced, numbering today some 325 with a budget of less than \$10 million. The reduction has resulted in part from budgetary pressures, in part from the transfer of certain functions (e.g., contributions to the now-defunct National Intelligence Survey, biographic reporting) to the CIA.

The organization is made up of two directorates reflecting the two basic responsibilities of the organization. The Directorate for Research produces finished intelligence (reports and estimates) to meet the operating and planning requirements of the Department. The Direc-

^{2b} Dean Acheson, *Present at the Creation* (New York: W. W. Norton and Co., 1969), p. 158.

³ *Ibid.*, p. 159.

⁴ *Ibid.*, pp. 160–161.

torate also participates in the production of National Intelligence Estimates. The Directorate for Coordination is concerned with the Department's relations with the other intelligence agencies on matters other than the production of substantive intelligence. This includes (a) the provision of Departmental guidance on operational intelligence questions, including staff support for State participation on the 40 Committee; (b) management of assignment of Defense Attaché personnel; and (c) development of positions on intelligence requirements and the allocation of intelligence resources.

However, INR has no personnel abroad and is not responsible for the collection of intelligence overseas. The substantive direction of the U.S. embassies and consulates, which are the intelligence collectors, is the responsibility of the geographic bureaus.

B. COMMAND AND CONTROL

In viewing the role of the Department of State in command and control of intelligence operations, it is necessary to distinguish between Washington and the embassies abroad. The authority and responsibility of the Secretary of State in this area differs markedly from that of the Ambassador. Secondly, a distinction must be made between covert operations, where the influence of the Department and the Ambassador is normally substantial, and clandestine intelligence and counterintelligence operations (espionage and counterespionage), where the role of the Department, and sometimes but not always that of the Ambassador, is minimal.

1. Role of the State Department in Washington

The duties and responsibilities of the Secretary of State, in general, and for the direction and supervision of U.S. foreign intelligence operations in particular, have not been defined by statute. Proposals after World War II to put the Secretary of State in overall control of U.S. foreign intelligence activities were rejected. The role of the Secretary appears to be further downgraded in the President's Executive Order of February 1976. The State Department is not represented on the new Committee on Foreign Intelligence and the Secretary is only authorized to "coordinate with" the DCI to ensure that United States intelligence activities and programs are useful for and consistent with United States foreign policy.

Nevertheless, the Secretary is the senior Cabinet member, his primacy within the executive branch in foreign relations has usually been accepted, and his Department is the only one with knowledge, personnel and facilities abroad to exercise effective control over foreign operations. A Secretary who is disposed to assert his potential influence and who has the support of the President can exercise considerable control over CIA activities. This is clearly the situation today. It is equally clear that it was not the situation under the previous Secretary of State, William Rogers, who not only did not play an active role in the intelligence area but on at least one occasion, the Committee found, was systematically and deliberately kept in the dark regarding important CIA operations.⁵

⁵ Senate Select Committee, "Alleged Assassination Plots Involving Foreign Leaders," p. 231.

Apart from his relationship with the President, however, the Secretary of State has had only limited influence upon the CIA. The Secretary of State does not have access to CIA communications, except as prescribed by the DCI. This privileged position, it is contended, is sanctioned by the provision of the National Security Act of 1947 making the DCI responsible for protecting intelligence sources and methods from unauthorized disclosure. The Secretary of State knows only as much about CIA operations as CIA elects to tell him. Secondly, except for covert action operations considered by the 40 Committee, he has had no voice in the expenditure of CIA funds abroad. This is in contrast to the role the Secretary of State has with regard to expenditure of Military Assistance Program funds.

The Secretary of State's influence or control over CIA operations varies greatly, depending upon the nature of the activity. It has been greatest in the area of covert action, least in the area of espionage. In the setting of intelligence requirements and the allocation of intelligence resources, the Secretary of State has a voice but it is only one voice out of many.

Authority for State influence over covert operations derives from NSC directives and is exercised through membership on the 40 Committee (now the Operations Advisory Group—OAG), which reviews and recommends approval of such operations and certain sensitive reconnaissance programs. Until the Kennedy administration, State chaired the Committee. During the Kennedy and Johnson administrations, even without the chairmanship, State often had a virtually controlling voice, through its veto power. Covert action and sensitive reconnaissance operations are normally not presented to the Committee unless cleared in advance with (or originated by) State and, where this is not the case, a negative State position has rarely been overridden. There have, however, been important exceptions, notably during the first Nixon term when State influence declined markedly. On one occasion the 40 Committee itself was bypassed.⁶

The leading role which State has normally played in the 40 Committee stems from the fact that covert actions are designed to further foreign policy objectives. But operations clearly have driven policy in many instances. It is the CIA, not State, which is called on, in the first instance, to explain and justify these programs to Congress. In part this has been due to a desire to preserve State's "deniability." However, that has apparently ended with President Ford's Executive Order which formally requires Secretary of State attendance at OAG meetings.

In contrast to the 40 Committee mechanism for covert action operations, there is no systematic procedure for Washington review and approval of clandestine intelligence and counterintelligence (espionage and counterespionage) operations outside CIA. The distinction was made by former DCI Richard Helms in this way:

Mr. HELMS. Exactly. Now this was one kind of approval for the so-called political action projects. They had to be approved not only once a year, but as they came forward each time. And thus they had to be sent to the Approval Com-

⁶ *Ibid.*, p. 225.

mittee, you know, it has been variously known as 303 and Forty and Special Group and so forth. So there was a special mechanism to have those projects cleared in the Special Group.

The intelligence projects had a different kind of clearance mechanism, because they could be done under the Director's own authority. As you recall, NSCID Number 5 gives the Director the authority to do foreign intelligence [checks?] and counterespionage on his own recognizance, he doesn't have to check it out with anybody as to whether he did this or that or something else.

Q. Is that a good system? When you were Director you had a sensitive collection program or counterintelligence program. Did you often or sometimes check with the President or somebody in the White House or the Secretary of State about the advisability or risks? Did you regard that as really basic to your job?

Mr. HELMS. It was left to my judgment when I was Director as to whether I cleared it with anybody or not.

Q. Did you very often?

Mr. HELMS. From time to time I did. I was involved with that Berlin Tunnel, for example, and I remember, we did check that out before we went ahead with it.

Q. You did or did not?

Mr. HELMS. We did. And there were certain others that we checked out before we went ahead with them. I don't remember what they all were now. But there was a rule of reason that was permitted to prevail here. And I think most directors were sensitive enough fellows that if you were really going to run a serious risk to our diplomatic life or our foreign policy life, you might want to go to see the Secretary of State or somebody to hold hands on those things.⁷

Thus State is effectively excluded from the decision to carry out espionage operations unless CIA elects to consult. Because in practice State is rarely consulted,⁸ it does not have institutional arrangements to develop advice and guidance in this area—as it does for covert action operations.

The Committee is strongly of the view that these informal arrangements, which leave consultation to the discretion of the DCI and which do not fix any responsibility on the Secretary of State, have proved to be harmful. Two areas of concern can be cited: First, some espionage operations, e.g., the attempted recruitment as an agent or an official of a friendly government, can have major adverse foreign policy repercussions. Second, certain types of espionage operations have had the effect of covert political action. For example, a subsidy to the leader of a dissident group to facilitate the collection of information about the group, has been taken by the leader (and the government in power) as support for his dissidence. Thus a DCI cannot be subject to

⁷ Staff summary of Richard Helms interview, 9/11/75, p. 62.

⁸ Out of hundreds of agent recruitment efforts last year the Secretary of State was consulted on less than five.

40 Committee or other controls by defining an operation with significant political impact as espionage. State Department review of espionage operations is needed to provide support and advice to ambassadors in field supervision of CIA activities.

2. *Command and Control in the Field*

In contrast to the uncertain authority of the Secretary of State, the authority of the Ambassador with respect to U.S. intelligence activities in his country of assignment is clear, and, since 1974, has had a statutory basis.

In 1961, President Kennedy addressed a letter to each Ambassador stating that he expected him "to oversee and coordinate all activities of the United States Government" in his country of assignment.⁹

That letter appears to have remained in force until it was superseded, in December 1969, by a similar letter from President Nixon which included the following:

As Chief of the United States Diplomatic Mission, you have full responsibility to direct and coordinate the activities and operations of all of its elements. You will exercise this mandate not only by providing policy leadership and guidance, but also by assuring positive program direction to the end that all United States activities in (the host country) are relevant to current realities, are efficiently and economically administered, and are effectively interrelated so that they will make a maximum contribution to United States interests in that country as well as to our regional and international objectives.¹⁰

This letter was supplemented by a classified State Department instruction,¹¹ concurred in by the Director of Central Intelligence, which advised the Ambassador how the President's letter should be interpreted with regard to CIA. The effect of this instruction is to make the Ambassador's access to information on intelligence sources and methods and his authority to approve or disapprove CIA operations subject to the agreement of the Chief of Station and, in the event of disagreement, to Washington for decision. It may well also have had the effect of inhibiting ambassadors in seeking to inform themselves fully in this area.

In 1974, the authority of the Ambassador was given a statutory basis. The following new section was added to "An Act to provide certain basic authority for the Department of State," approved August 1, 1956, as amended:¹²

Authority and Responsibility of Ambassadors. Under the Direction of the President—

(1) the United States Ambassador to a foreign country shall have full responsibility for the direction, coordination,

⁹ "The Ambassador and the Problem of Coordination, A Study Submitted by the Subcommittee on National Security Staffing and Operations (Pursuant to S. Res. 13, 88th Cong.) to the Committee on Government Operations, United States Senate."

¹⁰ State Department Foreign Affairs Manual, 1 FAM 011.2, 1/27/70.

¹¹ CA-6693, 12/17/69.

¹² 22 U.S. 2680a.

and supervision of all United States Government officers and employees in that country, except for personnel under the command of a United States area military commander;

(2) the Ambassador shall keep himself fully and currently informed with respect to all activities and operations of the United States Government within that country, and shall insure that all government officers and employees in that country, except for personnel under the command of a United States area military commander, comply fully with his directives; and

(3) any department or agency having officers or employees in a country shall keep the United States Ambassador to that country fully and currently informed with respect to all activities and operations of its officers and employees in that country, and shall insure that all of its officers and employees, except for personnel under the command of a United States area military commander, comply fully with all applicable directives of the Ambassador.

The legislative history indicates that this statute was intended to give statutory force to existing directives. However, under any reasonable construction, it goes well beyond the Nixon letter, particularly as interpreted by the State Department instruction cited above. Nevertheless, more than a year after its enactment, no new regulation or directives have been issued by the executive branch in implementation of the statute, nor does it appear that it necessarily plans to take any action to modify present guidelines. In response to the Committee's inquiry, the White House has advised the Chairman as follows:

As you know, the issues addressed by this legislation were encompassed in President Kennedy's letter of May 29, 1961, President Nixon's similar letter of December 9, 1969, and the Department of State Circular Airgram 6693 of December 17, 1969. In addition, the Department of State in July 1975 sent the relevant section of Public Law 93-475¹³ to all major embassies in confirmation and reinforcement of existing guidelines. The President is considering further steps and we will keep you informed of any additional action that is taken.¹⁴

So far as the Committee knows, no Ambassador has sought to invoke the statute in seeking information on CIA operations. One senior Ambassador testified that the statute is not really in effect without implementing regulations in the executive branch:

Ambassador PORTER. Yes, but when you get the legislation but you don't get the regulation based on it, you're not much better off. That '74, yes, sir, that '74 addition to the basic State Department Authorization Act, that really isn't in force because the implementing regulations have not been issued.

Senator MONDALE. Well, Mr. Ambassador, when a law is passed, that is the law, is it not?

¹³ *Ibid.*

¹⁴ Letter from Philip Buchen, Counsel to the President, to Senator Church, 12/22/75.

Ambassador PORTER. Yes, sir.

Senator MONDALE. Can a law be repealed by failing to issue regulations?

Ambassador PORTER. Repealed?

Senator MONDALE. Suspended.

Ambassador PORTER. Suspended? I would say yes.

Senator MONDALE. I think the word is "inoperative."¹⁵

The statute is apparently also "inoperative" so far as the CIA is concerned, as indicated by the following CIA written responses to Committee questions:

—If the Ambassador asked to see every operational report (as opposed to intelligence report) what would the Chief of Station say?

The Chief of Station would inform the Ambassador that he is referring the Ambassador's request immediately to his headquarters for guidance.

—Is there any place where agent recruitments are cleared by the Ambassador or the Secretary of State, including real names?

Individual agent recruitments are not cleared with either the Ambassadors or the Secretary of State.¹⁶

The Committee staff has learned that there are divergent views within the executive branch regarding implementation of the new statute. It is clear from the testimony that CIA opposes giving the Ambassador the unrestricted access to its communications and other operational information that the law would appear to authorize. In the past, the Agency has argued that this would conflict with the provision of the National Security Act making the Director of Central Intelligence responsible "for protecting intelligence sources and methods from unauthorized disclosure." However, the statute resolves any doubts as to whether disclosure to the Ambassador is authorized.

There are also other problems, of a practical nature, in implementing the statute. Can an Ambassador, without additional support from Washington, effectively direct and supervise the work of CIA personnel? The basic responsibility of the Ambassador is for United States relations with the country to which he is accredited. The Ambassador is expected to be highly knowledgeable about the country to which he is assigned. For CIA operations conducted within his country of assignment, the Ambassador should be a good judge of the risks of such operations, and of their possible usefulness to the U.S. It is often the case, however, that CIA espionage operations mounted from his embassy are directed against a *third* country, more often than not a denied area country.¹⁷ There is no assurance that the Ambassador is qualified to assess fully the risks or benefits of such operations. Nor, if he perceives that an operation directed from his embassy in Country X against the denied area country poses a risk to U.S. relations with Country X, is he able to weigh that risk against the potential benefits of the intelligence to be gained. Such judgments often can only be

¹⁵ William J. Porter testimony, 11/11/75, pp. 45-46.

¹⁶ William Nelson testimony, 12/10/75, Attachment B.

¹⁷ Essentially the communist countries.

made in Washington. Washington is where the problem arises. No one outside the CIA, unless it be the President himself, is responsible for directing and supervising CIA clandestine intelligence operations or is authorized access to the information necessary to do so.

A logical corollary to 22 U.S. 2680a would, thus, be to assign to a Washington authority responsibility for control and supervision of clandestine intelligence collection paralleling that assigned to the ambassadors. The responsibility might be assigned to the Secretary of State or to the 40 Committee. Either way, the Department of State would have to have access to operational and source information to which it is not privy today, if meaningful supervision and control is to be exercised.

Ambassadors interviewed by the Committee all recognize some degree of responsibility for supervision of CIA activities and cite President Nixon's letter of 1969 as the governing document. Most express misgivings about their ability to do so with confidence of support from Washington. The lack of access to CIA communications leaves a residue of doubt that the Ambassador really knows what is going on. Vigor and initiative on the part of Ambassadors seems lacking. Most Ambassadors the Committee has talked with have not appeared inclined to request detailed information, particularly regarding espionage operations.

Supervision of intelligence activities by Ambassadors is in fact uneven and, when exercised, the methods used differ widely. Much depends on the knowledge and experience of the Ambassador, and the support he has or believes he has in Washington. Further, the Committee's inquiries have turned up no evidence that the State Department today attaches more than routine importance to this ambassadorial function.

In the absence of detailed guidance or indication of support from Washington, ambassadorial performance varies widely. One Ambassador, who generally is known to "run a tight ship," exercises detailed supervision and control over the CIA Station. For example, he insists on knowing source identities and on approving any sensitive espionage operation in advance and CIA, or at least the Station Chief, has accepted such control. This Ambassador, a career Foreign Service Officer, tends to attribute his good working relationship with the CIA Station in large measure to the fact that he has had a great deal of prior experience with CIA in Washington and in the field. Such experience is clearly required by Ambassadors assigned to important countries, though in practice, the assignment of Ambassadors has not considerably reflected this requirement.

For whatever reason, this degree of detailed supervision appears to be unusual, if not unique. Our inquiries suggest that Ambassadors rarely seek to learn source identities. In this area they seem to be affected by what one Ambassador has called "self-inflicted intimidation." In one post—where there is a serious terrorist problem—the Ambassador explained that he preferred not to know source identities because of the possibility of being kidnapped. However, the same Ambassador has taken a very strong stand that control of communications is essential if the Ambassador is to exercise effective supervision over CIA. Still another senior Ambassador does not consider that control of communications would really ensure that the Ambassa-

dor knows everything that is going on. This Ambassador controls by what amounts to a threat; he informs each Chief of Station that he expects to be consulted in advance about any operation which could cause embarrassment. If any CIA operation about which he has not been consulted causes difficulties, the Station Chief can expect no support from the Ambassador. This would appear to be a more typical procedure.

It should be noted that these are techniques designed to forestall surprise and embarrassment. There is no body of doctrine or standards against which judgments can be made on whether to approve a given operation, nor are Ambassadors given any basic instruction on espionage techniques and risks. It is hardly surprising, therefore, if there is a wide variation in practice and that judgments tend to be *ad hoc* and subjective. This is not likely to change so long as the matter is left to individual Ambassadors.^{17a}

C. SUPPORT: COMMUNICATIONS

In the early 1960s, responsibility for most U.S. diplomatic communications was assigned to CIA. This came about as the result of a decision to bring about radical (and costly) improvements in existing facilities. It was judged that CIA could obtain the necessary funds more easily and quickly than State. Furthermore, CIA already had its own communication facilities, and, as it was accepted that the Agency would have to have such facilities in the future, it also seemed more efficient to give CIA responsibility for a single network serving both agencies. To permit some privacy in State communications, the new system provided for a State superencipherment capability.

The situation today is that State has access to CIA communications only as determined by CIA, whereas CIA has access to all State communications, except in those cases where State takes the initiative (and the trouble) to encipher the message giving it to CIA for further encipherment and transmission. Control of communication is a key element of command; the existing arrangements are not compatible with the role of the Ambassador prescribed in 22 U.S. 2680a. The Ambassador cannot be sure that he knows the full extent and nature of CIA operations for which he is held responsible by law.

D. PRODUCTION OF INTELLIGENCE

Surveys carried out by the Director of Central Intelligence make clear the importance of Foreign Service reporting in the production of national intelligence. In these surveys analysts are asked which collection sources had most often made a key contribution to the *National Intelligence Bulletin* and national intelligence memoranda and reports. The ranking reflects intelligence inputs regarded by the analysts as so essential that basic conclusions and findings could not have

^{17a} At the request of the CIA, the Committee has deleted a section of this report entitled "Support: Cover" to protect sensitive intelligence sources and methods. A classified version of this section is available to Members of the Senate under the provisions of S. Res. 21 and the Rules of the Senate.

been reached without them. The State Department's collection inputs have consistently led the ratings.¹⁸

Of course, collection of overt intelligence is only one function of the Foreign Service Officer, who is charged also with representation of U.S. interests, negotiations, etc. It is, in fact, the latter functions, which put him in contact with responsible and knowledgeable officials and politicians of the local government and with other diplomats, that give him access to the most important information. Foreign Service reporting generally includes analysis pointing up the significance of particular events. These factors probably account in large measure for the high ranking accorded FSO reports by the intelligence analysts.

In any event, the Committee has found no evidence of any correlation between the importance attached by the intelligence community to the Foreign Service collection operation and the application of resources in men and money to that operation. Indeed, political and economic reporting positions abroad have been steadily reduced for some years. In one major European country crucial to America's security there is only one Foreign Service political reporting officer located outside the capital due to such cutbacks. The Ambassador said that if he had additional resources, the first move would be to re-establish political reporting officers in the several consulates in the country. The Ambassador explained that by law the Foreign Service must carry out a number of consular functions and that with ever-tightening resources the political reporting function has been squeezed out. The Committee determined, however, that the CIA has sufficient resources to consider a major new clandestine collection program in that same country.

For the past thirty years, the Department of State has been short of resources. Its reporting functions have been taken up by the relatively more prosperous CIA. Within State or in the intelligence community, there is no systematic or clear allocation of resources for the reporting task—except for commercial information. Overseas posts get a "representation allowance," generally meager, which is used in part to cultivate reporting sources and contacts but which also must be shared with other sections of the post, including the administrative and consular sections. When there is a choice between paying for the costs of a visiting distinguished official, such as a Congressman, or supporting the work of a junior political officer, the only source for this outlay is the so-called "representation fund."

The State Department's "representation allowance" is a favorite target for Congressional reduction in part because it has become synonymous with diplomatic "cocktail parties." As a result, the CIA with its "operational funds" and even the Military Attaches have a much greater degree of funding and flexibility. In one post, for example, the allowance of the Defense Attache nearly equaled that of the Ambassador and the political and economic sections combined. There is no separate fund to facilitate overt collection of political and economic information. The Department of State budget contains no line items for such purposes and continues to show only salaries and expenses with no indication of their objectives. The Department has

¹⁸ "Key Sources of Selected CIA Publications," Annual Survey done by Directorate of Intelligence of CIA (1975).

been unwilling to press the Congress for more funding, particularly for expansion of the so-called "representation allowance." As a result, the largest, most important, and least risky source of political and economic intelligence for the United States Government is neglected in the Federal budget and severely underfunded.

Secondly, the Department itself seems to have made little effort to direct the Foreign Service collection effort in a systematic way. The Department itself levies no overall requirements. Most regional bureau Assistant Secretaries send periodic letters to field posts indicating subjects of priority interest and these letters are supplemented by "official-informal" communications from the Country Director (desk officer). In addition the Department participates in the development of inter-agency intelligence requirement lists, and those lists are transmitted to the embassies and consulates abroad. The Department believes that these procedures suffice, and does not favor the development of a more elaborate requirement mechanism for the Foreign Service.

The Department has made no significant effort to train junior Foreign Service Officers in the techniques of political reporting. The record is somewhat better for economic reporting. A recent report of the Department's Inspector General concluded that the Department has generally been remiss in setting and maintaining professional standards through systematic training, assignment, and promotion policies. These judgments go well beyond the mandate of the Select Committee, but the Committee would strongly endorse measures designed to maximize the usefulness of this key collection source.

