In 1961, Secretary of Defense Robert S. McNamara made his decision to proceed with the concept of a central Defense intelligence organization to correct longstanding maladies in military intelligence. Moreover, the need existed for a central Defense organization that could satisfy effectively the foreign military and military-related intelligence requirements of the Secretary of Defense, the Joint Chiefs of Staff, the Unified and Specified Commands, other Defense components and, as appropriate, non-Defense agencies.

Two themes stood out prior to the establishment of DIA—the lack of management efficiency and the often poor quality of the products. They had been foremost of the many ills attributed to military intelligence after World War II. Numerous studies throughout the 1950's had determined that to correct these deficiencies, the fundamental concept under which military intelligence activities operated had to be evaluated and a new organizational structure considered.

Those who puzzled over how best to accomplish this objective probably would have been intimidated in their deliberations if the magnitudes of the forthcoming technological achievement, information explosion, and increase in world tensions had been known. Even before 1961, indications existed that the Nation—and the Intelligence Community—were embarking on a new and hazardous era. In one sense, this environment spawned the DIA.

It was not a single event or decision which produced DIA, although a few observers have claimed that the Agency owed its existence to the post-Sputnik "missile gap" debate of the late 1950's. While this contributed, the "causes" which "effected" a DIA were much more complex, producing an equally complex organization. DIA not only was the fruition of a concept, but it represented for Defense intelligence, i.e., military intelligence, a departure from the past and the appointment of a standard-bearer for the future. Critics doubts over efforts to define and develop a central, efficient Defense intelligence authority and organization stemmed from a failure to acknowledge the cause-and-effect relationship that the changing political, military, and social environment had on intelligence requirements, collection, production, and resources.

Traditionally, military leaders and theorists had acknowledged only the tactical value of intelligence, which limited its products to wartime use. World War II changed this notion by emphasizing the strategic aspect of intelligence and the need for a peacetime intelligence organization. While intelligence flourished in resources and methods during wartime, these gains continued to be offset by the waning of the same during the periods of peace.

The tragedy of Pearl Harbor and regret over what might never have occurred had there been an adequate warning system gave impetus more than any other event to this nation's long and vicissitudinous search for an efficient, comprehensive intelligence system. The development of an integrated community stemmed from inadequate Service efforts in the pre-World War II days, and branched into numerous trial-and-error reiterations of old functions in new organizational frameworks as a result of the War. It then underwent a strained process of consolidation and refinement in the 1950's largely brought about by advanced technologies in a realigned world. As so often is the case, process ultimately spawns a system. Thus, the advent of DIA should be considered a major evolutionary milestone in the series of organizational and functional military intelligence events as the Nation refined its overall national intelligence system to meet new challenges.
The origins of the DIA generally are credited to the late-1950's; however, the need for—and perhaps the conceptual and structural precedents of—a unified military intelligence organization can be traced to the early 1940's. One of the earliest traces of formal military intelligence cooperation was the Joint Intelligence Committee (JIC) created in 1941 as a coordinating mechanism of the fledgling Joint Chiefs of Staff organization (although it can be argued that the Joint Army-Navy Board established in 1905 sought interservice cooperation in intelligence matters as U.S. involvement in World War I became imminent). The Committee consisted of the directors and representatives of the intelligence organs of the Army, the Navy, the State Department, the Board of Economic Warfare, and the Coordinator of Information (COI).

The creation of the COI, and its redesignation by President Roosevelt on 13 June 1942 as the Office of Strategic Services (OSS)—the forerunner of the Central Intelligence Agency (CIA)—had not solved the multitude of problems associated with military intelligence. That was not intended, but it did add fuel to the post-war debate over intelligence. The OSS fulfilled the wartime need for reliable, integrated, national intelligence information, but competition with the Military Departments hampered its efforts. When General William Donovan of the OSS proposed that President Roosevelt establish an independent intelligence agency responding directly to the President, the issue was opposed by the Military Departments. After the war ended and President Harry S. Truman had disbanded the OSS, the Military Departments and State convinced the policy-makers that each department should retain autonomy over its own intelligence functions since each had independent needs. They acknowledged, however, that greater coordination was needed.

In January 1946 the National Intelligence Authority, with its staff arm, the Central Intelligence Group (CIG), was established by President Truman for the coordination, planning, evaluation, and dissemination of intelligence. Its budget and staff were drawn from the Military and State Departments. The Director of Central Intelligence position was established to head the organization. Thus, the Military and State Departments retained control over their own resources, influenced the CIG, and maintained their direct advisory relationships with the President.

In 1946, the congressional Joint Committee on the Investigation of the Pearl Harbor Attack recommended the integration of all Army and Navy intelligence organizations. "Operational and intelligence work required centralization of authority and clear-cut allocation of responsibility," the committee wrote. By 1947 a realization had emerged that increased integration of Service intelligence and improved joint operations were essential to maintain pace with the widening global nature of U.S. security issues and technological progress. The National Security Act of 1947 was the first step toward reordering an outmoded system.

The 1947 Act consolidated the separate Military Services into the National Military Establishment, created the National Security Council (NSC) as an advisory group to the President, and established the Central Intelligence Agency (CIA). The Act gave the CIA and the Director of Central Intelligence (DCI) responsibility for "coordinating the intelligence activities of the several Government departments and agencies in the interest of national security."

After the Central Intelligence Agency was established in 1947 the institutional claims of the Military and State Departments continued to plague that Agency. The CIG precedent, in which the Military and State Departments maintained control over their own resources, resurfaced whenever centralized control over the fragmented military intelligence apparatus was considered. Consequently, the task of reordering an inveterate system was a monumental undertaking that took until 1961 to achieve.
The National Security Act of 1947 had been purposely vague in defining CIA's responsibilities. The Military and State Departments opposed centralized management, arguing that to be prepared to conduct wartime operations they must exercise control over peacetime intelligence activities. The result was essentially a compromise. CIA became a "coordinator" in a confederation of departmental intelligence organizations. (When DIA was established in 1961, Deputy Secretary of Defense Roswell Gilpatric specifically instructed that DIA would not be a "confederation" for managing Defense intelligence.)

To advise the DCI in discharging his duties, President Truman in 1948 instituted the Intelligence Advisory Committee (IAC)—a predecessor of the United States Intelligence Board established in 1958. The IAC included each of the Military Services, the Department of State, CIA, the Federal Bureau of Investigation, and the Atomic Energy Commission. A major deficiency of the Committee was that at this highest level of national intelligence deliberation, the Department of Defense was not represented. Moreover, poor coordination, insufficient involvement, and unclear authority hampered the IAC's effectiveness.

The National Security Act left basically intact the JCS arrangement of the Joint Intelligence Committee within the Joint Staff. Thus, the JCS concept of part-time interservice committees supported by a full-time staff under a single director (Director of the Joint Staff) continued. During the War, the JIC's purpose had been to furnish "agreed military intelligence" in various forms to other agencies of the JCS and represent them on the Allied wartime Combined Intelligence Committee. The JIC did not unify military intelligence components, and it failed to produce composite national intelligence estimates. It did, however, provide organizational precedent for DIA.

The working level of the JIC was called the Joint Intelligence Subcommittee Staff. Officers from the Military Services were assigned full-time to this body, later renamed the Joint Intelligence Staff. Subsequently, the Joint Intelligence Staff became the Joint Intelligence Group (JIG), or the J-2. The JIG responded to the Director of the Joint Staff as well as the Joint Intelligence Committee. Reports from the Joint Intelligence Committee went directly to the JCS; the Director of the Joint Staff also reported directly to the JCS. Thus, the JCS received intelligence from the working level through two avenues. The dual reporting chain proved to be a recurring concept in Defense intelligence.

The Joint Intelligence Committee alternated leadership between the Deputy Director, Intelligence of the Joint Staff and the senior military member of the Service intelligence organizations. Furthermore, each of the members of the JIC was also a member of the Intelligence Advisory Committee. The JIC composition included the Army G-2, the Chief of Naval Intelligence, the Chief of the Directorate of Intelligence of the Air Force, and the Chief of the JIG.

In 1948, President Truman appointed a commission under former President Herbert Hoover to assess the organizational effectiveness of the Executive Branch of Government. The purpose of the Commission was to determine if the provisions of the National Security Act established "... a comprehensive program for the future security of the United States..." Moreover, organizational ties between departments and agencies required greater definition since there existed structural overlap and incompatibilities, circuitous reporting chains, and unclear authorities.

The Commission organized a special task force to examine closely the national security apparatus, especially the intelligence network. Concerning the National Military Establishment, the Commission noted that it lacked "centralized authority" which "should be placed firmly in the Secretary of Defense." Moreover, "... the continuance of intense interservice rivalries hampers and confuses sound policy at many points. One of our greatest needs is to elevate military thinking to a plane above individual service considerations. In fact, JCS decisions are already made on the basis of interdepartmental coordination."
... convinced that too many disparate intelligence estimates have been made by the individual departmental intelligence services, that these separate estimates have often been subjective and biased, that the capabilities of potential enemies have frequently been interpreted as their intentions, and that a more comprehensive collection system, better coordination and more mature experienced evaluation are imperative.

To address these problems, the task force suggested that, "... a better mechanism than now exists for coordinating the service intelligence agencies in the Secretary's office should be established... and that the Secretary must be, per se, the coordinator of intelligence and all other activities within the military establishment." Furthermore, it recommended a joint committee on foreign intelligence to improve coordination, assure the public of the essential need for intelligence, and promote awareness of the significance of intelligence by highlighting its accomplishments.

The findings of the Commission led to the 1949 amendments to the National Security Act and the Central Intelligence Act of 1949. Better coordination and control resulted, and the intelligence responsibilities of the JCS were better defined. Perhaps the most noteworthy aspect of the Commission's report was that deficiencies the task force identified in 1948 were the same ones for which the Defense Intelligence Agency was established in 1961 to correct.

The concept of strategic intelligence and the development of multi-source collection which emerged from World War II signalled a new age in intelligence operations for the military establishment. Advances in technology had much to do with this change. For example, intelligence collected on foreign technical developments was vital in order to prevent technological surprise, to identify weaknesses in foreign weapon systems, and to study foreign technological developments and weapons as indications of strategic intent. In addition, U.S. research and development efforts benefitted from foreign technology.

The start of the "Cold War" saw the growth of competition between the U.S. and Soviet Union in the development of weapons—first the atomic bomb (replicated by the Soviets in 1949) and then in ICBM and space programs in the 1950's. Remote-sensing techniques and extensive engineering analysis added what was not available through direct means of intelligence collection. In 1948, the Air Targets Division, Director of Intelligence, Headquarters USAF, initiated Project Treasure Island which was an effort to determine certain economic information concerning the Soviet Union which might be utilized in the event of war. In fact, each Service formulated intelligence missions according to their needs, often duplicating or competing against one another in their efforts.

Mushrooming military technological capabilities served to inhibit cooperation between the Service intelligence organizations and to undermine the credibility of their products. Technological change was expensive, and available resources were diminishing. This resulted in keen competition for these resources and bias in the intelligence products as each Service sought to acquire and apply the new
Resources and data in the intelligence products of each service sought to acquire and apply the new technologies. The "bomber gap" and "missile gap" theories of the 1950's perhaps illustrate this phenomenon best.

In 1949 the Defense Department formed the jointly manned Armed Forces Security Agency (AFSA) to administer strategic communications and intelligence functions, cryptology, code development and code breaking, and coordination of similar activities by other Defense organizations. On 4 November 1952, AFSA became the National Security Agency (NSA), by classified Presidential directive, with similar duties as the AFSA. On the surface, it appeared that a model for jointly manned, centralized intelligence activity under DoD had been established. When DIA was established in 1961, however, its mission would include all aspects of Defense intelligence activities and cut at the heart of the traditional military organization.

From its inception in 1947, the Directorate of Intelligence of the Air Force included an element in which there was joint-service participation. It had inherited as the nucleus of its air-targeting function the remnants of the Joint Air Targets Group in which there was still Army and Navy participation. Although the new element included several functions, it was called the Physical Vulnerability Branch and was comprised of personnel from all Services, military and civilian, who contributed according to their particular backgrounds, training, and experience.

In June 1952, the Air Force Director of Intelligence reorganized the activity, and placed the targeting function in a separate sub-directorate with Air Force personnel heading each major element. The other Services took strong exception, claiming that they held vested rights in parts of the element, and without participation in some of the controlling positions their interests in targeting would not be protected.

Interservice rivalry over the control of targeting intelligence resulted during the next few months, and it was necessary for the JCS to intercede to resolve the problem. Ironically at one point the Air Force Chief of Staff reportedly proposed to his colleagues that since the Services could not agree on the control of intelligence, perhaps all intelligence activities should be pooled and given to the Secretary of Defense to manage.

From the targeting controversy there emerged in the spring of 1953 an arrangement for joint participation in certain areas of air intelligence production, under the cognizance of a new activity in the Joint Intelligence Group, first called the Joint Intelligence Policy Review Group, and later, the Gold Team. Actual joint participation continued in the Air Force Intelligence Center until the formation of DIA in 1961.

Also in 1953, a limited central point for the control of intelligence emerged when the Secretary of Defense established the position of Assistant to the Secretary of Defense for Special Operations. This office (OSO) recommended policies, reviewed and provided guidance on planning and program development to DoD intelligence components, developed DoD positions on intelligence problems, and made recommendations to the Secretary on the actions necessary to provide more efficient and economical operations. Moreover, the reasons for establishing the position included providing intelligence staff support to the Secretary of Defense in his role as a member of the National Security Council, and improving coordination within the Defense intelligence "community." The office did not produce intelligence but served primarily as a coordination point for DoD intelligence and intelligence community liaison. Significantly, the position was weakened by the lack of authority to function as the focal point for DoD intelligence.
program development to DoD intelligence components, developed DoD positions on intelligence problems, and made recommendations to the Secretary on the actions necessary to provide more efficient and economical operations. Moreover, the reasons for establishing the position included providing intelligence staff support to the Secretary of Defense in his role as a member of the National Security Council, and improving coordination within the Defense intelligence "community." The office did not produce intelligence but served primarily as a coordination point for DoD intelligence and intelligence community liaison. Significantly, the position was weakened by the lack of authority to function as the focal point for DoD intelligence resource management—a dilemma later faced by DIA. Moreover, it was the first DoD effort to place Defense intelligence management under a single, high-level entity. The JIG, the small intelligence staff of the Joint Chiefs, could not effectively coordinate Service intelligence efforts either. As a result, several problems developed:

1. Each Service prepared its own estimate of the threat to U.S. security. These estimates were often self-serving in that they supported the Service's positions on roles and missions, weapon systems, etc. There was no single, authoritative military estimate.
2. There was considerable duplication of effort, not only in what was being produced but also in the collection area.
3. Neither the JCS nor the Secretary of Defense had an accurate picture regarding the total allocation of military intelligence resources.

In 1955, President Dwight D. Eisenhower created another commission headed by Herbert Hoover to evaluate Government efficiency. A task force was established under its auspices to study and make recommendations as to the structure and administration of the intelligence community. They looked at 22 Government agencies directly or indirectly engaged in intelligence "in one form or another" using the guideline that, "Intelligence deals with all the things which should be known in advance of initiating a course of action."

The Commission's report prompted considerable debate in Congress over strengthening and increasing the effectiveness of the U.S. defense posture. The intelligence portion received much attention. It warned of the need to collect more intelligence information about Russia, her satellites, and Communist China.

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

The report noted the "apparent lack of accountability" in the intelligence community and the need for better organizational mechanisms. The report added that,

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

The Department of Defense Reorganization Act of 1958 stemmed from a widespread belief in the 1950's that the Defense Department needed major revision to provide for more effective, efficient, and economical administration, to eliminate duplication, and to encourage more comprehensive policies and programs. In preparing the legislation, the drafters sought to improve management and streamline channels of authority in DoD, yet did not wish to disrupt unduly the authority of the Military Departments by excessive consolidation. While the Act did not specifically call for a consolidated DoD intelligence organ, in amending the National Security Act of 1947 it instigated the ensuing Defense
intelligence reforms.

The Act proved far-reaching in that it lifted much of the decision-making out of the Military Departments and into the hands of the Joint Chiefs of Staff and the Secretary of Defense. It also confirmed and strengthened the central channel of military command over U.S. combatant forces from the President to the Secretary of Defense, thence through the Joint Chiefs of Staff (as his military advisers) to the commanders-in-chief of the Unified and Specified Commands.

Even if the 1958 legislation had not been enacted, the Defense intelligence system inevitably would have undergone an overhaul. Numerous studies since 1947 had recommended change, and the reasons abounded. Until the 1958 Act and its subsequent McCormack-Curtis Amendment, the general structure of military intelligence within the Defense Department had remained essentially unchanged since the de facto creation of DoD in 1947. Each Military Department maintained a separate vertical intelligence organization in which the general intelligence functions of collection, production, dissemination, and management were performed in support of their respective intelligence headquarters and component commands. The offices of the Assistant Chief of Staff for Intelligence of the Army and the Air Force, and the Office of Naval Intelligence provided their products directly to the Office of the Secretary of Defense, the commanders-in-chief of the Unified and Specified Commands, and to other governmental agencies. The ACS/Even if the 1958 legislation had not been enacted, the Defense intelligence system inevitably would have undergone an overhaul. Numerous studies since 1947 had recommended change, and the reasons abounded. Until the 1958 Act and its subsequent McCormack-Curtis Amendment, the general structure of military intelligence within the Defense Department had remained essentially unchanged since the de facto creation of DoD in 1947. Each Military Department maintained a separate vertical intelligence organization in which the general intelligence functions of collection, production, dissemination, and management were performed in support of their respective intelligence headquarters and component commands. The offices of the Assistant Chief of Staff for Intelligence of the Army and the Air Force, and the Office of Naval Intelligence provided their products directly to the Office of the Secretary of Defense, the commanders-in-chief of the Unified and Specified Commands, and to other governmental agencies. The ACS/

In addition, the Joint Chiefs of Staff were responsible in their corporate character for providing jointly agreed intelligence to the Secretary of Defense and to the heads of the Unified and Specified Commands; "joint intelligence" was actually a synthesis of departmental intelligence. To carry out this mission, the Joint Intelligence Group (JIG) in existence since 1948, had become the J-2 Directorate of the Joint Staff. In reality, however, the size limitations of the J-2 forced it to delegate much of the support responsibility to the Services. The major problem with this arrangement was that neither the J-2 nor the Services could resolve the differences that developed among the Military Departments. Important issues suffered, such as the optimal design of the national military posture and the military intelligence estimate contribution to the development of foreign policy.

Thus, the system was not "in consonance with the objectives of the 1958 Act" which specified strengthening the channels of command from the President to the "combatant forces." The Department of Defense intelligence assets and efforts were divided among the three Military Departments and the JCS. They were inherently duplicative, cumbersome, poorly distributed, costly, and did not provide for unified (or even coordinated) military intelligence estimates at any echelon. The system originally had been designed to work along departmental channels in response to each Service's internal needs. In practice it was ineffective because it failed to provide timely and credible estimates.
The Defense Reorganization Act of 1958 did resolve several asymmetries concerning the "vague authority" of the Secretary of Defense. The Act removed all doubts about the Secretary's authority and placed the JCS in the chain of command, particularly in terms of responsibility for intelligence support to the Unified and Specified Commands. Subsequently, DoD Directive 5100.1 (31 December 1958) was published assigning functional responsibility to the JCS and Military Departments for the provision of adequate, timely and reliable intelligence. Overall, the Act extended the centralization processes underway in DoD since 1947.

In an action related to the Defense Reorganization Act of 1958, the National Security Council by directive created the United States Intelligence Board (USIB), effective 15 September 1958. The directive dissolved the Intelligence Advisory Committee (IAC) and the United States Communications Intelligence Board (USCIB) and ascribed to the new USIB the general responsibilities and functions previously discharged by the IAC and the USCIB. The USCIB was established in 1946 to advise and make recommendations on communications intelligence to the Secretary of Defense. The Board consisted of the Secretaries of State and Defense, the Director of the FBI, CIA, and NSA, and representatives from the Services.

The membership of the USIB included the former members of the IAC and USCIB. Thus, at the Nation's highest level of intelligence deliberation the Joint Chiefs of Staff, Army, Navy, Air Force, Department of State, Central Intelligence Agency, Atomic Energy Commission and Federal Bureau of Investigation had co-equal representation. The inclusion of the Assistant to the Secretary of Defense for Special Operations and the Director of the National Security Agency (as former members of the USCIB) placed representatives of the Department of Defense—with no JCS or Service affiliation—in the senior national intelligence body for the first time. However, the procedures prescribed by the USIB frequently required the Secretary of Defense to review the dissenting opinions of the Service intelligence chiefs in order to achieve a consensus from Defense. Consequently, the longstanding problem of who spoke for Defense remained as before. The USIB finally resolved the problem in 1964.

To ensure that the DoD general intelligence organization would be sufficiently responsive to a centralized system of decision and command, detailed and repeated studies followed the adoption of the Defense Reorganization Act. As the impact of DoD reorganization became clear, a concomitant need for a focal organization for the Defense intelligence effort emerged. Secretary of Defense Thomas S. Gates underscored the urgency for some form of action by pointing out that intelligence requirements of the Unified and Specified Commands, the JCS, and the Office of the Secretary of Defense had increased substantially.

By 1959, DoD was seeking to put its house in order. The Secretary directed the JCS to study the intelligence requirements of the military departments to identify for elimination any duplication, and to establish some order of priority for those requirements that remained. (In the sense employed, "requirements" embraced collection, production, and dissemination.)

Thus, under the chairmanship of the Chief of Plans, J-2, a Joint Chiefs of Staff/Military Departments Task Force began work in December 1959. The Task Force concluded, in part, that some 37 separate intelligence products, all addressing substantially the same information but for different consumers, could not be justified. Accordingly, their initial determination was that a joint requirements facility should be established under the Joint Chiefs of Staff. However, before this proposal could be staffed and discussed adequately by the JCS, a meeting on 6 May 1960 between the Director of Central Intelligence, the Secretary of Defense, the Director of the Bureau of the Budget, the Special Assistant to the President for National Security Affairs, and the President's Board of Consultants on Foreign Intelligence Activities...
resulted in a decision to establish an ad hoc Joint Study Group (JSG) to review specified aspects of the foreign intelligence effort of the United States.

The Joint Study Group (JSG), appointed by President Eisenhower as a special task force under the chairmanship of Lyman Kirkpatrick (formerly CIA Inspector General), concentrated on revamping the existing organizational and management structure of U.S. foreign intelligence. Foremost among the subjects to be reviewed was military intelligence coordination:

United States intelligence must be a community effort in fact as well as name, which means that effective coordination of intelligence as a truly national effort must be achieved. By far the preponderant part of U.S. intelligence in terms of manpower and money is that undertaken by the DoD. Great strides toward a more closely integrated community would result from improved intelligence coordination within the DoD.

Service intelligence channels still followed the chain of command used since World War II from Service headquarters to Service components in the field, although the Reorganization Act of 1958 had established a new operational chain of command from Secretary of Defense through the JCS to the CINCs. If coordination was to be improved, it must have a central, control point.

The "Final Report" of the JSG advanced the concept of a new intelligence organization which would act as a primary point of contact for the military intelligence community and have broad managerial powers over the intelligence programs and activities of DoD components. Thus, the notion of a "Defense Intelligence Agency" was conceived. But the JSG anticipated opposition to the idea and included their reservations when broaching it:

It has been suggested to the Study Group that a positive solution would be to establish one intelligence service for the whole DoD, reporting directly to the Secretary of Defense. Although this proposal has considerable merit, it is our view that on balance it would be unwise to attempt such an integration of intelligence activities so long as there are three Military Services having specialized skills and knowledge.

Nonetheless, intelligence management within the DoD must be organized in such a way as to provide adequately for intelligence as a coordinated system of highest priority. Besides increasing JCS responsibility in coordinating over-all defense substantive matters, there is need to establish and maintain cognizance of the over-all program in terms of resources of manpower and money allocated, and to eliminate waste, duplication, and inefficiency. For this there should be an authoritative focal point within the Office of the Secretary of Defense, which should also be the primary point of contact with the rest of the community.

As expected, the Joint Chiefs of Staff reacted strongly to several portions of the final 43 recommendations in the JSG report submitted to the Secretary of Defense on 15 December 1960. Especially unpalatable to the JCS was the following portions of the "Final Report" recommending that,

The Secretary of Defense take appropriate action to bring the military intelligence organization within the Department of Defense into full consonance with the concept of the Defense Reorganization Act of 1958. Toward this end:

a. There should be established within the Office of the management review authority over military intelligence programs and providing over-all coordination of all foreign intelligence activities
conducted by various Defense components.

b. The authority of the Joint Chiefs of Staff in intelligence coordination and operations should be strengthened in support of their assigned mission by such means as:

1. ) Placing under the Joint Chiefs of Staff in intelligence coordination at operations should be strengthened in support of their assigned mission by such means as:

2. ) Requiring the Joint Chiefs of Staff to coordinate the intelligence views on substantive intelligence matters within the Department of Defense, notably for estimates;

3. ) Requiring the Joint Chiefs of Staff to coordinate the intelligence activities of the unified and specified commands and be the primary channel to these commands for guidance and direction of intelligence matters originating with the Department of Defense.

c. National Security Council Intelligence Directives, Department of Defense and Joint Chiefs of Staff directives should be revised in accordance with the above.

The increased intelligence resources required by the Joint Chiefs of Staff and the unified commands should be drawn from the existing resources of the military departments and component commands as appropriate.

Intelligence guidance and instructions to components of unified commands originating in military departments should be transmitted to these commands through the Joint Chiefs of Staff (J-2).

Unified commanders should exercise control and command over the intelligence activities of their component commands and be the primary channel to them for guidance and direction on intelligence matters including any instructions that originate in the Service departments.

On 30 December 1960, the Joint Chiefs of Staff forwarded a memorandum to the Secretary of Defense stating the JCS position with respect to each recommendation of the JSG. The JCS, addressing the recommendations listed above, expressed their reservations about certain proposals having to do with organizational realignments:

The Joint Chiefs of Staff are gravely concerned over the far-reaching impact that the implementation of certain of the recommendations could have on the entire structure, operational methods and effectiveness of the military intelligence activities of the various elements of the Department of Defense.

The Joint Chiefs of Staff agree that the military intelligence organization within DoD should be brought into full consonance with the concept of the Reorganization Act of 1958. The nature, timing, and scope of actions which are required to realize this should, of course, be the result of careful planning and of an evolutionary process. There would otherwise be the hazard of losing valuable intelligence during the realignment process and hastily conceived alterations in the military intelligence structure which would require continuous overhaul as experience was gained. The Joint Chiefs of Staff therefore recommend that the Secretary of Defense support the principle embodied in this introductory paragraph . . . , but that he take the position . . . that these are specific implementing suggestions which should not be decided upon until a detailed study is made and submitted by the Joint Chiefs of Staff.

The Deputy Secretary of Defense, in a memorandum to the Director of Central Intelligence on 6 January 1961, acknowledged that the JSG recommendations were well-taken in "principle," expressed reluctance "to endorse the methods of implementation," and suggested that additional study was required since the
"implementation ... must be an evolutionary process."

Meanwhile, two of the Services reacted to the JSG report by submitting to the JSC for approval their own concept papers for the "control and coordination of military intelligence." The Army and Air Force Chiefs of Staff papers were submitted on 6 and 17 January 1961, respectively. The JCS directed the J-2 to meet with the Service intelligence chiefs and prepare a unified concept paper, since the Services held divergent views in the matter. This was overtaken by events when an 8 February memorandum from the new Secretary of Defense, Robert S. McNamara, to the Chairman of the JCS, conveyed his decision to establish a Defense Intelligence Agency. Significantly, his deputy's recommended method of implementation, that is, an "evolutionary process," was incorporated into the final plan for activating DIA.

In Secretary McNamara's 8 February memo to the JCS, he directed that they submit within 30 days a concept for a Defense Intelligence Agency which embodied the extensive integration of the military intelligence efforts of all DoD elements. The proposed concept should include a five-phased implementation schedule and a draft DoD Directive for the organization's authorization. The Secretary cited several guidelines to be accomplished in establishing the new agency. These included the elimination of duplication in intelligence collection, processing, production, estimating, and publication; limiting Service intelligence functions to training, personnel, and support responsibilities; restricting Service headquarters levels to no more than a small intelligence staff; and precluding the policy and planning staff of the Joint Staff from assuming any intelligence function which could be handled by DIA.

Upon learning of the Secretary of Defense's direction, the Director of the J-2 recommended to the JCS that the requested "concept" be prepared within the Secretary's guidelines, but to include the following provisos: "the Director for the Agency will be a military officer on active duty; and the Agency will be responsible to the Joint Chiefs of Staff." He cautioned:

In some specific areas of intelligence activity, such as counterintelligence and technical intelligence, it is possible that the Joint Chiefs of Staff would desire to minimize the integration. Accordingly, the Joint Chiefs of Staff may wish to submit a reclama on certain aspects of the concept enunciated by the Secretary of Defense in his memorandum. However, the risks inherent in making any reclama should be carefully considered, since efforts to minimize the degree of integration contemplated might well result in a decision to place the DIA outside the jurisdiction of the Joint Chiefs of Staff.

By 2 March 1961, the JCS had completed the concept paper requested by Mr. McNamara in his 8 February memo. The JCS proposed a Military Intelligence Agency (MIA) to include estimating, targeting, and basic intelligence functions "... in those areas where economies and increased efficiency can be achieved." The paper offered to reduce the Military Departments "to operating with minimum essential headquarters intelligence staff." On the other hand, the JCS reserved for the Services the mission of continuing "to acquire, produce, and disseminate military intelligence and counterintelligence as required in fulfillment of their assigned departmental missions, and shall participate in joint intelligence activities as required." Moreover, the military departments would continue "... production of those elements of military intelligence and counterintelligence and security which have not been integrated into the Military Intelligence Agency." Hence, the JCS envisioned a Military Intelligence Agency which would:
of continuing "to acquire, produce, and disseminate military intelligence and counterintelligence as required in fulfillment of their assigned departmental missions, and shall participate in joint intelligence activities as required." Moreover, the military departments would continue "... production of those elements of military intelligence and counterintelligence and security which have not been integrated into the Military Intelligence Agency." Hence, the JCS envisioned a Military Intelligence Agency which would, "... not necessarily imply complete integration of the military intelligence and counterintelligence activities of the DOD under the MIA. It should be noted that the use of "Military" instead of "Defense" by the JCS was intentional, indicating their perception of the status and role of the new agency, a lengthy debate ensued over the name which ended upon the Secretary's insistence of the use of the word "Defense."

On 5 July 1961, the Secretary of Defense approved the concept for a DIA and on 1 August 1961, the Department of Defense made a public announcement that the Defense Intelligence Agency had been established. Upon approval of the new Agency's activation plan by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, the Defense Intelligence Agency became operational on 1 October 1961. Lieutenant General Joseph F. Carroll (USAF) was appointed Director, DIA, and in this capacity, the principal staff advisor to the Joint Chiefs of Staff and the Secretary of Defense for substantive intelligence matters.