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BY THE CENTRAL INTELLIGENCE AGENCY
DATE: 2001

10 OCT 1955

MEMORANDUM FOR MR. GEORGE F. KEENE

SUBJECT: Observations upon the report of the Dulles-Jackson-Correa Committee to the National Security Council.

1. It is understood that you desire my comments upon the report of the Dulles-Jackson-Correa Committee in order that you and Messrs. Joyce and Davies can have these before you in the preparation of your recommendations to the Secretary. For reasons which are well known to you, it is important that the observations contained in this memorandum be regarded as highly confidential.

2. I am not undertaking in this memorandum to comment extensively upon the numerous conclusions and recommendations set forth in the report, but rather I am limiting my remarks to certain of the most crucial issues which are raised. While there are a few relatively minor points in the report with which I would take issue, I consider that the report is on the whole so sound and so constructive as to warrant the Department's full support and I recommend that it be dealt with upon that basis. The most essential thing is that action be taken upon the report by the National Security Council at the earliest possible date and in this connection I believe that it will be necessary for the Secretary of State and the Secretary of Defense to assume the leading roles in pressing for consideration and action. If this matter is not followed up with prompt and forceful action, there is grave danger that it will be pigeonholed and forgotten, or at the very least that it may be disposed of by the adoption of a few minor and unimportant adjustments which will fall far short of accomplishing any real results. This matter has been allowed to drift for far too long and the presentation of this report affords the best opportunity for something to be done that is apt to present itself at any time in the foreseeable future. The real issue here involved is whether the U.S. is or is not to have a sound and useful intelligence agency.

3. The report puts its finger squarely upon the principal weakness of the Central Intelligence Agency, namely the lack of adequate leadership. From this deficiency there flows a host of evils which cannot be put to right without correcting the basic fault. Virtually every individual who has had occasion to deal with or look into the activities of the Central Intelligence Agency has recognized that the system of rotating directors and top staff personnel at fairly frequent intervals has

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disastrous consequences and that it is necessary to appoint to the top position a civilian director who should be a man of very considerable stature and personal reputation. This thought was well expressed in Kermit Roosevelt's recent memorandum to the Secretary, when he stated that the first necessary condition to the health of the Central Intelligence Agency is continuity of direction and that the second is civilian direction. He went on to say that continuity is essential not only for the reasons which make it desirable in any government department, but because intelligence and subversive activities are the most highly specialized undertakings and it is wrong to be constantly educating a series of rapidly moving heads and their immediate staffs--particularly when many of them regard their CIA assignment simply as an unwelcome stopgap to fill in between more desirably Army and Navy commands.

4. The criticisms of the direction of the Central Intelligence Agency which are developed at pp. 135 through 138 of the report are in the main well justified and they would in large part be applicable to any direction other than the present one so long as it is composed of military personnel. It is anticipated that the argument will be made that the report is unduly critical of the Director for his failure to effectively coordinate the intelligence activities of this government--for the military establishments do not acknowledge that he holds a clear-out charter to demand coordination. Be this as it may, there has been very little progress in the direction of coordination and it is submitted that any military man, with his ingrained respect for superior rank and his dependence upon the goodwill of the top military hierarchy for his own future advancement, must be expected to make all of the "necessary compromises."

5. For many reasons, of which the following are only a few, it is vital that an absolutely top-notch civilian be persuaded or dragooned into accepting the position as director. The selection of such an individual would bring to the entire organization the leadership and inspiration which it so badly needs and only in this manner can the organization be elevated from its state of low repute among the government agencies with whom it must work closely in order to be successful. If a person of the caliber of Messrs. Lovett, Dulles, Jackson or Gray cannot be prevailed upon to accept the position for a period of long duration, it would be worthwhile to have one of them take it for a year or more in order to accomplish the many improvements which they could make and give time for the permanent person to be located outside or allowed to grow up within the organization. I understand that the President himself may entertain some views on this point which would be helpful in obtaining the proper result.

6. The recommendation, several times repeated in the report, to

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the effect that the three covert activities of CIA* be more closely integrated under a common chief and within a new overall Operations Division, is considered sound and desirable, provided (a) that the decision to place OPC within the Central Intelligence Agency is final; and (b) that this will not result in a cutting-off of OPC from the policy guidance of the Department of State and the National Military Establishment. Given the desired reconstitution of the directorate of the Central Intelligence Agency, there would be very little danger in the adoption of this proposed new setup, but it must be borne in mind that the Department of State and the National Military Establishment have a vital interest in the planning and conduct of political and psychological warfare operations. It follows from the last point that provision should be made for allowing the Department of State and the National Military Establishment to exercise a controlling influence over these operations. A variety of approaches have been considered in the past for the accomplishment of this purpose, and it may well develop that one or more of these will be raised again in connection with the current consideration of the Dulles report by the various interested agencies. One of these approaches contemplates that the necessary degree of policy guidance can best be provided through the medium of a small and very high level (NSC staff level) inter-departmental committee, chaired by the Department of State representative and having representatives from the three military establishments. Such a committee would be empowered to obtain the assistance, advice and active cooperation wherever necessary of the other governmental departments and agencies having responsibilities in fields of importance to the overall objectives of political and psychological warfare. Another approach would be to have a group of advisors with representatives from the Department of State and the elements of the National Military Establishment, which would advise the chief of the Office of Policy Coordination or the new Division of Operations. In order to be effective and useful, this group would have to consist of fairly high level and very well qualified individuals, who could speak with authority for their respective departments and whose recommendations back to their departments would command respect and compliance. It is believed that support might be found for this approach in certain areas of the National Military Establishment, although the Navy would probably be reluctant to lend real participation on this basis. [An effort along the lines of the latter approach was actually made at the outset of OPC operations, with a view to obtaining assistance in the initial planning of OPC activities and in order to engender within the military services a real sense of participation. However, this was only partially successful as the result of the failure of the military services to come forward with more than one or two

sufficiently

*The Office of Special Operations (secret intelligence), the Office of Policy Coordination (secret operations) and the Contact Branch of the Office of Operations.

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sufficiently qualified and authoritative representatives. The Navy's representation was particularly weak and contributed so little as to raise the inference of deliberate foot-dragging and to give support to the suspicion that the Navy takes a gloomy view of any CIA activity.

7. Of particular importance to the effective and secure operation of the proposed new Operations Division is the recommendation that it be made as autonomous and self-sufficient as possible, especially as regards having its own administrative support services. I fully subscribe to the points which are made at p. 114 to the effect that secret administrative support should be as close and as accessible to secret operations as possible, that the most elementary rules of security are breached when overt and covert administrative units are placed together and that the unique character of secret operations renders inapplicable most ordinary rules of administration. I have protested, vigorously but without avail, the recent removal of administrative support from the direct authority of the officials responsible for secret intelligence operations and I have found that the resulting concentration of power in the hands of a large administrative organization inevitably means that administrative considerations are allowed to guide and even control intelligence and operational policy.

8. A relatively small but nevertheless important point which I should like to raise for the record is that the report makes the role of OPC subordinate to that of OSO in the field of encouraging the defection of strategically placed personnel in the Soviet and satellite government services. It is our interpretation of our charter (NSG 10/2) that OPC is given this responsibility but that we recognize the special interests of both the Office of Special Operations and the Office of Operations (Contact Branch). A memorandum prepared by my office and concurred in by the other two branches and submitted to the Director some time ago, outlined a proposed method of coordination between the three offices principally concerned and other interested governmental agencies. This memorandum was disapproved by the Director, presumably upon the ground that he does not possess a sufficient degree of control over the activities of OPC. This is one of the many problems which can be resolved only as the result of the major adjustments above mentioned, since under present circumstances the Director can argue whenever it suits his convenience, that he has been given responsibility without commensurate authority over the activities of OPC.

9. The observations of the committee about the insecurity of the present physical setup of the Washington headquarters of OSO (and OPC) are also well justified. OSO and OPC are placed together in a conspicuously identifiable building when they should be covered in a large

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establishment having no previous OSS or CIA taint and having so many services and visitors that the identification of the staff members and their visitors would be rendered most difficult. Given the "cloak and dagger" reputation which the CIA so prevalently enjoys, it is difficult if not impossible for us to cover or explain away the significance of our work.

10. A word should be said concerning the finding of the report to the effect that the CIA has not been hampered in its work for lack of funds. I agree that this is the case but I think it is most important that this statement not be interpreted as meaning that the CIA budget for the fiscal year 1949 should be taken as a ceiling. When that budget was prepared the Office of Policy Coordination was not in contemplating and it should be recognized that the very considerable additional responsibilities which have been given to the Central Intelligence Agency as the result of the adoption of NSC 10/2 will require a substantial increase in future appropriations. I have heard it said that the Chairman of the Senate Appropriations Committee (who is not generally known for his liberality in dealing with government agencies) had estimated that \$50,000,000 would not be too much to appropriate for the accomplishment of the work which OPC is set up to do. For the balance of fiscal 1949, we are trying to get along on funds which have been scraped up by the Director from the other areas of his responsibility. Considering the nature and extent of our responsibilities and the large amounts which could easily be expended in subsidies of various kinds, we have submitted a very modest budget estimate for fiscal 1950, although we have reserved the right to reopen this question before the deadline date.

11. My final comment is made in connection with the recommendation that a so-called "intelligence officer" within the Department of State serve as the principal liaison officer between the Department and the Central Intelligence Agency, including the Office of Policy Coordination. This recommendation is, of course, contrary to the present arrangement but my reaction to it in general would depend upon the identity of the individual and the position at which he is placed in the hierarchy of the Department. Unless this "intelligence officer" is situated at a very high policy level within the Department, the result would be very detrimental and under no circumstances should the liaison between OPC and the Department be tied in with the research and intelligence staff of the Department.

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