

22 February 1963

MEMORANDUM FOR THE DIRECTOR

25 YEAR
RE-REVIEW

SUBJECT: Funding for Counterinsurgency and Paramilitary Operations

1. This is one of our greatest unresolved problems and will continue to be one until we can clean up our past difficulties with DOD and get an agreement on the funding for future activities. This matter is heavily involved with jurisdictional nuances based on the desires of the Department of Defense to extend its operations into heavily covert areas (perhaps to the point of taking over totally such operations), the DOD belief that because overt operations are overt they do not come under Special Group cognizance (this is contrary to NSAM 57, which states in pertinent part,

"Any proposed paramilitary operation in the concept stage will be presented to the Strategic Resources Group* for initial consideration and for approval as necessary by the President."

"A paramilitary operation is considered to be one which by its tactics and its requirements ... approximates a conventional military operation."

"The U. S. may render assistance to such operations overtly, covertly, or by a combination of both methods."

and a number of other factors based in part on personalities and, I think, a great jealousy of the manner in which the Agency can get things started in a hurry and maintain its impetus.

2. One of the greatest problems faced by DOD is the complete lack of flexibility and the lack of legislative authority for

* now Special Group (5412)

Handwritten signature and "DIRECTOR" stamp

- 2 -

such flexibility in the utilization of personnel, equipment, and particularly funds. Until they solve this, they can in no measure compete with the Agency. However, NSAM 57 is so confused and so subject to interpretation by the interpreter's own ends that CIA and DOD are continually having confrontations of responsibilities and authorities in this area.

3. I would urge that any solution to our past problems be predicated on a revision of NSAM 57 along the lines you have already approved and which I understand Mr. Gilpatric has been dissuaded from considering by his staff.

/s/ MSC

MSC

MSC:blp

Distribution:

Original - DCI

1 - EDCI

1 - Executive Director

1 - DD/P

1 - Comptroller

✓ ER

LEB 52 15 33 6W .23