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DIARY NOTES

Executive Director-Comptroller

3 December 1965

1. After the Morning Meeting this morning, Dick Helms conducted a meeting made up of a rather sizeable group to discuss R&D. He outlined the principles for a centralized R&D program pretty much as I had furnished them to him a few days ago. (See attachment.) When he opened the session for discussion, Des FitzGerald said that he had no argument with the principles. Ray Cline said that he had no argument with the principles but was worried about the procedures. Ray then asked Art Lundahl to speak. Art made a rather impassioned but, I thought, not very effective speech, the gist of which was that, since NPIC operates under NSCID 8 and is a national asset, its R&D program cannot be subject to external control. He felt strongly that the people running NPIC R&D must be the same people who are concerned with the continuing, day-to-day problems and alluded to [redacted] strong support of this position. He also alluded to the fact that his collaboration with the military is excellent and that it might not be if their R&D were subject to any external control. He made the same point with respect to NRO and indirectly took a shot at Bud Wheelon with the clear implication that Bud's relations with NRO are not good. Art also said that they are not doing very much research but are more involved in the development field and that they are more interested in shelf items than in pure research. John Vance for OCR echoed this last point. Bob Bannerman said that he thought the principles were all right. However, [redacted] of the Office of Communications were both worried about opening up R&D on especially sensitive items [redacted] Des FitzGerald echoed this concern. I said I felt that, whatever system we devise, we would always have enough flexibility in our souls to handle this type of situation on an ad hoc basis. The only point Bud Wheelon raised was whether we are going to centralize NRO R&D done by CIA and DOD since some projects are funded partly with NRO funds and partly with CIA funds. At the conclusion of the meeting Dick said that we are going to push along this route and that he could see no insurmountable problems. He urged everybody to cooperate and lend a hand to get on with the program. He announced that we would have further discussions on this subject with the appropriate people and that we would then decide what the next step should be.

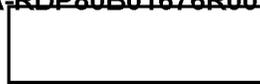
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2. In response to the Director's remarks at the Morning Meeting this morning about psychological services in the Agency, I asked Walt Elder to set up an appointment for Dr. Tietjen with the Director to discuss this general matter. This is just a starter, however, and I will have to do something further to be completely responsive to the Director's request.

3. John Clarke, [redacted] and I spent two hours at the Bureau of the Budget discussing our Fiscal Year 1967 budget. The gist of our discussion is summarized in the attached Memorandum for the Director.

4. Immediately following the meeting this morning on R&D, Des FitzGerald came to my office to plead that this central authority not be turned over to DD/S&T and particularly to Bud Wheelon. He reluctantly accepted the fact that we are going to have a central program but urged that the senior Agency R&D officer be set up on my staff. He said that, if we would do this, he would give us the best man he has in TSD to do the job and that he felt sure the resistance which we were now finding would melt away.

5. I talked with Des FitzGerald about a replacement for [redacted] on John Clarke's staff. We discussed both [redacted] and I told Des that they were just not acceptable. I emphasized that what I want and what I feel would be mutually advantageous is someone in whom the Clandestine Services has real confidence and for whom they have real respect and that this would never happen if we took people who are placement problems in the Clandestine Services.

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[REDACTED]
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7. Squirrel Ashcraft telephoned to ask me to provide him privately and confidentially with the present figure in the Fiscal Year 1967 budget for the [REDACTED] He understood that he might have to take a cut of ten but did not know the base figure. I agreed to furnish him this figure but told him that he would have to fight for the slots in DD/I.

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PRINCIPLES IN SUPPORT OF A CENTRALIZED R&D PROGRAM

1. In Fiscal Year 1967 we are asking for [redacted] R&D. Whatever happens to this request, it is reasonable to expect that our program will cost [redacted] It is essential, therefore, that we organize a well-coordinated and integrated Agency program and that we be able to defend it successfully as one which is expected to accomplish Agency high-priority objectives without waste or duplication of time, effort, or funds.

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2. DCI and DDCI must look to an individual who is well qualified in all respects to prepare, present, monitor, and to a degree control the total Agency R&D program in order to ensure that it is well coordinated, integrated, and consistent with Agency priority objectives.

3. This staff officer must have full and complete access to all R&D activities in order to prepare an Agency R&D program for the consideration and approval of DDCI and DCI.

4. Any component in disagreement with the R&D program as presented and executed should have an opportunity to express its disagreement at any time.

5. Once the Director has approved the R&D program, this staff officer must monitor it to ensure that it is carried out as approved.

6. Significant program changes brought about by budgetary considerations or for other reasons would be resubmitted to the DCI as a program change and in the same manner as the original program.

7. Our objective is not to have a central office which does all Agency R&D. On the contrary, we propose that units now engaged in R&D (Communications, [redacted] NPIC, etc.) would continue to execute approved programs and would play a full role in the development of the Agency program with a right to dissent or appeal as they see fit. We do intend, however, to ensure that the total program is responsive to Agency priority requirements, that the component best equipped to do a particular project will do it, that there is no unnecessary duplication of effort, and that all resources are used in a manner that will accomplish the maximum.

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8. We do intend to look to the DD/S&T as the Agency staff officer primarily responsible for accomplishing these objectives.

Executive Registry
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3 December 1965

MEMORANDUM FOR THE DIRECTOR

As a result of spending two hours this afternoon with Jim Clark, Chief of the International Division of the Bureau of the Budget, I can report the following: The International Division staff unquestionably feels that it has done pretty well for the Agency in getting Schultze to go along with the figure he spoke to you about. They are not optimistic that he can be persuaded to go higher than this. However, as a result of our discussions this afternoon, I myself have a feeling that the staff might recommend a little higher figure, perhaps

25X1 [redacted] I would be very pessimistic about any more than this. They did agree to ensure that the cost of the civic action program we have been discussing is identified separately as something we are doing as a "service of common concern" and which is not of primary interest to this Agency. I plugged hard for putting [redacted] 25X1 [redacted] our reserve in the Fiscal Year 1966 supplemental. They were not hostile but at the same time were noncommittal. They did agree to discuss it with Schultze when they saw him later this afternoon and agreed to advise us either tonight or tomorrow morning whether there is any change in the figure.

As soon as we know this, we can start firming up your notes for your meeting with Schultze. They were pointed in their remarks about the great pressures he is under and the severe limitations on his time and urged that you talk to the specific differences between our two marks rather than to the over-all budget. Also, they were reasonably certain that your meeting with Schultze would not take place before next Wednesday, 8 December, at the earliest, and conceivably it might not be before the early part of the following week.

/s/ L. K. White

L. K. White

ExDir:LKW:jrf

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