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12 JUL 1949

MEMORANDUM FOR: Assistant Director, OCD
Assistant Director, OO
Assistant Director, ORE
Assistant Director, OSO
Assistant Director, OSI
Assistant Director, OPC
Chief, Inspection and Security
General Counsel
Chief, Advisory Council
Executive

SUBJECT: Approval by the NSC of Much of the Dulles Report

On July 7 the National Security Council met and approved of the recommendations in NSC 50, which was the State-Defense Report on the Dulles Report. NSC 50 recommended:

1. LEGISLATIVE PROVISIONS:

that the National Security Council concur in the Dulles survey group's conclusion that Section 102 of the National Security Act of 1947, which sets up CIA, is sound and that no amendments are necessary at this time; with the understanding that study may determine that certain functions and responsibilities should be under the control of the military in time of war.

2. COORDINATION:

that the National Security Council concur in the conclusions and recommendations; and confirm as a statement of principles to be followed by DCI and IAC:

a. that the responsibility of CIA with respect to the coordination of intelligence activities has not been fully discharged,

b. that the IAC is soundly conceived as an advisory body, but should, under the forthright initiative and leadership of the DCI, participate more actively in the continuing coordination of intelligence activities and in the discussion and approval of intelligence estimates.

3. MEMBERSHIP OF IAC:

that the NSC invite the Attorney General to have

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the FBI become a member of the IAC, and issue a revised NSCID No. 1 as proposed in this report. (Both of these steps have already been taken by the Executive Secretary of the NSC). The JIG and AEC remain members of the IAC, and added thereto are the DCI as member and chairman, and the FBI. The function of the IAC as an advisory group remains unchanged.

4. PARTICULAR QUESTIONS REQUIRING ATTENTION:

that particular attention of the DCI and IAC be drawn to the need for early and sustained action for more effective coordination in the following fields, discussed by the Dulles Report:

- Scientific intelligence;
- Domestic intelligence and counterintelligence in so far as they relate to the national security;
- Provisions for prompt coordinated intelligence estimates in crisis situations;
- The proper allocation of responsibility for political summaries;

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Coordination of covert intelligence activities in occupied areas;



Increased emphasis on the counterespionage activities abroad of CIA, and closer liaison on counterespionage matters with the FBI,

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and that the DCI submit to the NSC, within a period of six months, a report of progress in these matters.

5. NATIONAL INTELLIGENCE ESTIMATES:

that, as a statement of principles to be observed by the DCI and the IAC, the CIA should interpret and follow the NSCID's so as to refrain so far as possible from competitive intelligence activities in the production of research intelligence estimates; that CIA should draw upon and review the specialized intelligence production of the agencies in order to prepare coordinated national intelligence estimates; that a procedure should be adopted which would permit the Director and the IAC to fulfill their respective responsibilities to the President and the NSC regardless of unanimous agreement, but provide for concurrent submission of any dissent.

6. ORGANIZATION:

(1) that the NSC approve the recommendations of the Dulles Report to combine into one office the Office of Special Operations, the Office of Policy Coordination and Contact Branch

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(2) that further consideration will be given to establishing a separate administration for the new office indicated above after determination and further discussions of comparative costs.

(3) that the concept in the Dulles Report on the organizational matters indicated below be approved while recognizing that other methods of organization will accomplish the same objectives.

(a) Out of the present Office of Reports and Estimates there should be created (1) a small estimates division which would draw up and review the specialized intelligence production of departmental agencies in order to prepare coordinated National Intelligence Estimates, and (2) a Research and Reports Division to accomplish central research in, and coordinated production of, intelligence in recognized fields of common interest.

(b) The Foreign Documents Branch of the present Office of Operations should be included in the proposed Research and Reports Division.

(c) ICAPS should be reconstituted as a staff responsible only to the Director of Central Intelligence with the task of developing plans for the coordination of intelligence activities. It would also perform the present task of the Office of Collection and Dissemination with regard to the coordination of collection requirements and requests, and the dissemination of intelligence.

NOTE: The above recommendations are being studied by the Director and the Executive for later discussion with Assistant Directors prior to reporting to the Council "within 90 days."

7. SECURITY OF INFORMATION AND AVOIDANCE OF PUBLICITY:

that all publicity is undesirable, and that a NSCID should be issued to this effect within 30 days. (ICAPS is compiling the first draft of such a NSCID, to cover both security of information and avoidance of publicity, based on Section 102 (d) of the 1947 Act, and upon the recent discussions within CIA to protect security of sources so that dissemination will be made on the basis of only those who need to know rather than those who desire to know).

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8. CLANDESTINE ACTIVITIES:

that the DCI carry out certain recommendations about operating problems relating to clandestine activities with the assistance of the other Departments and Agencies concerned, and report to the NSC on any difficulties encountered. The principal questions are summarized as follows:

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(2) Relations with departmental agencies should be closer.

(3) The DCI should assure himself that the operating agencies of CIA receive adequate guidance on the current and strategic intelligence and policy needs of the Government.

(4) The operating services of CIA should have access to communications intelligence to the full extent required for guidance in directing operations, and for the more effective conduct of counterespionage.

1.3(e) (4)
Activities and

9. Other than as indicated above, no changes are contemplated by the Security Council in connection with the Dulles Report recommendations.

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central Intelligence

cc: TS Control
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