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CONFIDENTIAL

MEMORANDUM FOR: The Honorable
The Director
Bureau of the Budget

SUBJECT : Proposed Psychological Strategy Board

1. You have asked for an informal expression of my views with respect to a draft of a letter (draft 19 February 1951) to be sent to the Secretaries of State and Defense, and the Director of Central Intelligence, by the President, with respect to the formation of a "Psychological Strategy Board."

2. In the light of the discussions of this draft in which representatives of this Agency have participated, it is understood that the term "Psychological Warfare" includes not only the battle for man's minds through various forms of propaganda, but also "covert activities" including the type of activities assigned to this Agency in NSC 10/2. If this is the case, I suggest that the proposed draft should include an adequate interpretation of the term "Psychological Warfare" as used therein.

3. Assuming that "Psychological Warfare" includes the activities mentioned above, I am confident that this Agency could continue to carry on its assigned activities in the field of covert operations,

terms of the proposed draft and that the proposed Psychological Strategy Board could furnish this Agency the policy guidance which it now receives from several consulting panels and committees. These panels and committees, composed of highly competent and cooperative officials, have been most helpful to this Agency. However, the furnishing of guidance on the high policy level proposed might have distinct advantages insofar as the Agency's operations are concerned.

4. You may wish to consider whether the purposes of the proposed directive and the policy guidance referred to above could be

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were expeditiously effected if, instead of bringing in an outside chairman, the Board were composed of the other personnel suggested in your draft with the substitution of an executive secretary or executive director in lieu of the proposed chairman.

5. I appreciate that this may not reach certain of the objectives sought in your draft proposal. The fact is, however, that suggestions in Congressional circles and in the Press that "new blood" is needed and that "new projects" should be undertaken in the covert field are largely occasioned by the impossibility of making public disclosure of such operations because of their secret character. In the long run, the bringing in of an outside chairman will not solve these public relations problems, as he should preserve the same degree of security concerning operations in the covert field as now prevails. Hence the new chairman would soon run into the same difficulty that is now experienced in meeting criticism from the Congress and the Press.

6. Furthermore the several departments and agencies which are to supply the personnel for the proposed Board now have in hand a broad series of projects in the field of Psychological Warfare. Here in this Agency, for example, we now have underway projects in the covert field which completely absorb our present capabilities, and in certain respects go beyond them. Today our problem is to recruit quickly competent personnel and, in the face of certain material shortages, to secure the logistic support required to carry out these projects. A new Board and a new chairman will not appreciably alter this situation.

7. An additional argument for the suggestion I have made above as to the composition of the proposed Board, is that a higher caliber of working personnel is likely to be made available to the new Board by the operating departments and agencies if such personnel is to operate under the direct guidance of senior executives of those departments and agencies rather than under an outside independent chairman.

8. In addition to the above general comments on the draft, there are the following specific suggestions:

a. If this Agency is to provide the "funds, space and other administrative services" for the proposed Board, it would be necessary to make special provision therefor since at the present time this Agency has neither the excess funds nor the excess personnel or space to make available to the Board unless certain existing activities are curtailed or

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abandoned. I am writing you separately on the matter of space and housing.

b. Under the Law this Agency would be required to carry out the directive to furnish the proposed Board "full access to whatever information they may require to carry out their assigned duties," within the legal limitation which places upon the Director of Central Intelligence the responsibility "for protecting intelligence sources and methods from unauthorized disclosure, etc." It is most unlikely that this legal mandate would prevent this Agency from furnishing the new Board the information necessary to carry out its duties insofar as CIA is concerned, if the Board operates with due regard for its internal security.

c. Regarding the provision that the Chairman "will take the initiative in bringing matters" before the Board, it is suggested that this should not be interpreted as preventing any member of the Board from initiating the discussion of any matter or project which such member may consider pertinent.

d. This Agency is in full agreement with the suggestion that the staff of the new Board be strictly limited in number and excluded from the field of operations so as to avoid duplication of the work of existing departments and agencies as well as duplication and competition in the recruitment of the highly specialized and scarce personnel required for such operations. However, it is felt that the suggestion that this staff should be wholly recruited from participating departments and agencies might prove in actual practice too restrictive as preventing the Board from obtaining the services of outside experts and advisors. To avoid any duplication in recruiting, new staff personnel might be recruited for the Board by or through one of the constituent members of the Board.

e. Possibly over emphasis is placed, in the draft letter, on the machinery to resolve disagreement. Insofar as CIA operations are concerned, experience shows that men of the caliber suggested as members of the Board are likely to find a basis of agreement, and there always remains the right of appeal to the Security Council.

f. If the letter with regard to the new Board is to be made public, or if there is to be a press release with respect

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to the constitution of the Board, it is suggested that any such public document should avoid the use of the term "Psychological Warfare." Possibly the term "psychological strategy" or some such term should be used in any public document.

WALTER B. SMITH
Director

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Copies 1 & 2 hand carried by Mr. Dulles to Mr. Staats and Admiral Souers.

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