

BUREAU OF THE BUDGET  
WASHINGTON 25, D. C.

SEP 11 1958

My dear Mr. Dulles:

In reference to NSC Action No. 1978, representatives of the Bureau of the Budget have discussed NSC Intelligence Directive No. 1 with General Cabell, General Truscott, and Mr. Robert Amory. The discussions were most helpful in providing necessary background information with regard to several aspects of the directive; in addition, our representatives suggested certain modifications which were understood to be acceptable to General Cabell for further consideration at an appropriate level.

Our primary concern, as you know, centered upon the relationship of the Director of Central Intelligence to the new U.S. Intelligence Board. The Bureau has long supported the principle of increased coordination of intelligence activities, and we welcomed the opportunity to discuss with your staff how the new NSCIDs relate to this objective. We do have some continuing concern about the language of NSCID No. 1, but since it does appear that present members of the USIB have a clear and common understanding as to the responsibilities which will now be vested with the Director of Central Intelligence for coordination of our foreign intelligence activities, we are prepared to withdraw our previously expressed reservations with respect to paragraph 2a. In the case of future revisions, however, we would hope that the Bureau of the Budget would be afforded an early opportunity to participate in order to assist in minimizing possible future ambiguities.

The composition of the new USIB has given us some concern, although we realize that it reflects accurately current intelligence capabilities within the Government. In view of possible organizational changes which may ensue under the Defense reorganization program, we feel that the membership of the Board may be a proper subject for consideration at a later date.

On file OMB release instructions apply.

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General Cassidy, Staff Director of the President's Board of Consultants on Foreign Intelligence Activities, has been apprised of our discussions, and it is our understanding that General Hull concurs in the above conclusion with respect to paragraph 2a. Because of the wording of NSC Action No. 1978, however, you may wish to check with him formally.

Sincerely yours,

*Manuel L. Taylor*  
Director

Honorable Allen W. Dulles  
Director of Central Intelligence  
Washington 25, D. C.

cc: Honorable Gordon Gray  
General J. E. Hull