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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

APR 20 1961



MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

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SUBJECT: Implementation of Joint Study Group Recommendations:
Quarter Ending 15 April

This report will cover Joint Study Group recommendations which are the implementing responsibility, either wholly or in part, of the Secretary of Defense. In Defense these are considered to be Numbers 1 through 9, 12, 13, 16, 19, 26, 30, 34, 35 and 39.

As stated in the first monthly report on this subject, Recommendation No. 1 is considered basic to the great majority of the recommendations within the Secretary's purview. On this premise, the Secretary of Defense directed the Joint Chiefs of Staff to develop a concept for an integrated Defense Intelligence Agency.

A JCS paper was forwarded to the Secretary, early in March, setting forth a proposal for a Military Intelligence Agency. This paper was circulated throughout the Department of Defense and to members of USIB for study and comment. After analysis of the JCS response, together with the several detailed comments mentioned above, the Secretary addressed specific questions to the JCS seeking fuller information about particular aspects of the proposed Agency. Within the last few days the JCS has provided answers to these questions and the initiative is again with the Secretary of Defense as to the DOD reorganization required to implement Recommendation No. 1.

While it is true that final action on the majority of the recommendations under consideration herein must wait upon decisions directly concerned with Recommendation No. 1, final action has been taken on No. 16 with the establishment of the National Photographic Intelligence Center. Part c of Number 1, calling for revision of the NSCIDs, was implemented by NSC Action No. 2377, approved by the President on 18 January 1961. In addition, a great amount of preliminary work has been done on the majority of the recommendations. A description of this effort comprises the remainder of this report.

It is clear that the eventual intelligence organization which emerges in Defense will be accompanied as a matter of high priority by improved budgeting procedures as specified in Recommendation No. 3. Meanwhile the Office of Special Operations will continue to seek improved bases of comparability by refinements of the combined cryptologic budget and submissions to the Intelligence Cost Data Committee.

OSD REVIEW COMPLETED

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Recommendations Nos. 4 and 12 are clearly related and have been studied together. At the request of the Assistant to the Secretary of Defense (Special Operations), the military departments have made available a comprehensive statement of policy governing each department's provisions for career development of officers who are more than ordinarily involved in intelligence and related activities. These statements, together with related background material, have been analyzed in OSO, and discussions have been initiated with the Office of Manpower to explore approaches to improved management principles, including selection and training, which might enhance the career status of intelligence duty.

Recommendation No. 5 is considered related to training and is being taken up in conjunction with Recommendation No. 13. The Assistant to the Secretary of Defense (Special Operations) has written a letter to each of the three military departments requesting that means be studied by which Recommendation No. 13 could be most advantageously implemented from the Defense standpoint. Estimates were also sought as to the number of personnel likely to be available on a yearly basis for training and the criteria which the training would be called upon to meet. Responses are expected in the Office of Special Operations on 22 April 1961. The Deputy DCI notified the Assistant to the Secretary of Defense (Special Operations) by letter that Mr. Matthew Baird, Director of Training, has been designated as the representative of the Central Intelligence Agency to undertake negotiations concerning this matter. The Assistant to the Secretary of Defense (Special Operations) by letter has noted the designation of Mr. Baird, informed General Cabell of action the Office of Special Operations has taken, assuring staff cooperation to facilitate whatever arrangements are necessary to insure an effective inter-departmental training effort. Contact has been made between OSO and CIA Office of Training to arrange an initial meeting shortly after Mr. Baird's return from a temporary absence.

The re-examination of the assignment of Defense electronics intelligence resources to unified and specified commands, as prescribed by No. 7, has been underway for some time. First, Assistant to the Secretary of Defense (Special Operations) requested Director, NSA to comment on the general subject of ELINT direct support. Director, NSA has replied by letter stating that he has directed a study be made to determine areas where an improvement in existing arrangements could benefit all ELINT consumers. A report of findings will be submitted to OSD during the next week.

Prior to the issuance of the Joint Study Group report and Recommendation No. 8, the Office of the Secretary of Defense had been concerned about developments in the concept of partnership between NSA and the service cryptologic agencies. The attention devoted by the Joint Study Group to this problem and the resultant recommendation were therefore welcomed. While still retaining the organizational relationship between

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The Assistant to the Secretary of Defense (Special Operations) has convened a group composed of OSO, DDR&E and NSA representatives to study approaches to the implementation of No. 9. Two meetings have been held which have: a) Reviewed with NSA the capabilities and limitations of existing research and development programs for ELINT purposes, b) determined that major deficiencies now appear to center on ELINT data processing, analysis, handling and dissemination, c) discussed the Strong Report of 1958 in light of current activities and studies now in progress, and d) generally agreed that the qualitative and quantitative aspects of collection capabilities be kept under constant review to insure proper assignment of priorities and consistency with the current strategic situation.

Looking to the implementation of No. 19, the JCS is currently reviewing its directives and procedures governing MAAG and mission support of the intelligence effort. In requesting this review the Assistant to the Secretary of Defense (Special Operations) has also asked for an evaluation of the indoctrination given by the Military Assistance Institute to prospective MAAG and mission personnel. The Office of Special Operations is furnishing staff assistance in this review and is coordinating contacts between the Joint Staff and the Office of International Security Affairs in matters relating to the Military Assistance Institute and other matters within its jurisdiction. The JCS report is due on 15 May 1961.

As a result of invitations from the Assistant to the Secretary of Defense (Special Operations) to the Director of Central Intelligence and to the Director, Defense Research and Engineering, an inter-departmental group has been organized to define the scope of the problem in coordinating Defense and CIA research and development activities as defined by Recommendation No. 39. To date, three meetings have been held in which the group has been briefed by [redacted] on the role of the Coordination Staff of DCI in implementing Joint Study Group recommendations and by [redacted] on the coordination procedures within CIA.

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The results achieved so far have been a fuller exchange of information on intelligence-related R&D projects. Defense participants have particularly benefited from increased knowledge of CIA projects of interest to Defense, including some devoted to clandestine purposes. A fresh start has been made on the problems of compatibility, duplication, security classification (particularly in the photographic reconnaissance field), and the hazards--as against the advantages--of a highly

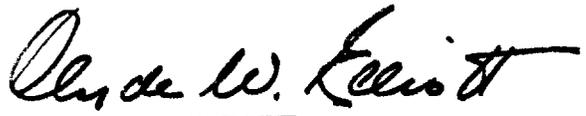
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formalized inter-departmental coordination. On this last point it was pointed out that coordination on a personal basis at working levels has developed very satisfactorily. The substitution of formal departmental coordination runs the risk of saddling creative research and development with the inhibiting weight of bureaucratic overhead and the possibility of inter-departmental check mating through the exercise of veto power. On the other hand there is a real need for a strong focal point in OSD to prevent duplication of effort in service department programs, provide timely introduction of new equipments into the operational inventory and to prevent the demoralizing effect of an unexpected technological breakthrough in one or more of our own programs.

Recommendations Nos. 2, 26, 30, 34 and 35 are considered to be entirely dependent upon a decision on No. 1 and there is nothing to report on their implementation.

In addition to the above recommendations which are specifically assigned to DOD for implementation, the Assistant to the Secretary of Defense (Special Operations) has taken action on No. 20, since it involves a matter of vital Defense interest. A request has been directed to the Director J-2 (Intelligence), The Joint Staff, for information on the present level of CIA support to unified and component commands, and what additional support is required. The views of the commanders themselves will be solicited for the purpose of laying the groundwork for a coordinated Defense approach to CIA with concrete proposals.

for 
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General, USMC (Ret)
Assistant to the
Secretary of Defense
(Special Operations)

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