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2 December 1949

CIRCULAR MEMORANDUM TO: Director (information copy)
 Executive
 General Counsel
 Chief, I&SS
 Assistant Director, ORE
 Assistant Director, OSI
 Assistant Director, OGD
 Assistant Director, OSO
 Assistant Director, OPC
 Assistant Director, OO

Kindly inform COAPS within a week if you
 have any additions or deletions for this
DRAFT of a Report to the National Security Council

SUBJECT: Particular Intelligence Questions Requiring
 Coordination or Attention

REFERENCE: (a) Section 4 c(2) of NSC 50
 (b) Memorandum to Director, 8 July 1949 from
 Executive Secretary, National Security
 Council

Section 4 of NSC 50 lists particular intelligence questions requiring coordination or attention, and requests the Director of Central Intelligence to submit to the Council within six months a report of progress in these matters.

1. Scientific Intelligence. On January 1, 1949 an Office of Scientific Intelligence was established as one of the major offices in the Central Intelligence Agency. (Before that, it was a section of ORE). This office is being well staffed and is now devoting its time to matters of scientific intelligence in conjunction with other offices of the Government interested in this subject. DCI Directive 3/3, based on NSCID 3 was issued with IAC concurrence on October 28, 1949, establishing an interdepartmental Scientific Intelligence Committee to plan, support, and coordinate production of scientific intelligence as it affects the National Security.

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2. Domestic Intelligence. The Federal Bureau of Investigation is now on the Intelligence Advisory Committee so that domestic intelligence and related matters will be coordinated with foreign intelligence matters. The Office of Special Operations in the Central Intelligence Agency is working closely with the Federal Bureau of Investigation on matters where their respective interests are related.

3. Crisis Situations. On February 2, 1949, at a regular meeting of the Intelligence Advisory Committee, it was agreed to expedite the handling of intelligence matters when there were crisis situations. To confirm this agreement in writing, a proposed Director of Central Intelligence Directive on this subject was circulated to the members of the Standing Committee of the Intelligence Advisory Committee on 10 November 1949 and discussed subsequently. It is hoped that a directive on this subject will be issued this month, after agreement has been received from the interested agencies.

4. Political Summaries. As in war time, all intelligence has military implications, so in peace time all intelligence is of a political nature. The Director of Central Intelligence has the responsibility for producing national intelligence, which especially nowadays has political connotations. The Central Intelligence Agency is constantly striving to coordinate such production with the Department of State which has primary responsibilities therein and with the other members of the Intelligence Advisory Committee, all of whom are interested in varying degrees in intelligence of a political nature.

5. Exploitation of Foreign Nationality Groups and Individuals.
(Memo to come from OO).

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6. Covert Intelligence in Occupied Areas. Action has been taken with the Intelligence Division, GSUSA, to effect a closer coordination of such activity, which has resulted in appreciable improvement in the situation and a substantial increase of coordination in both the Far Eastern and European Areas. It could be improved still further if NSCIDs 2 and 5 were revised to centralize the responsibility for the coordination and procurement of all covert intelligence in the hands of the Director of Central Intelligence, both in occupied areas and all other areas outside the United States and its possessions, and to more specifically limit the exceptions to the allocated responsibility of the Director of Central Intelligence for the conduct of all federal espionage and counter-espionage outside the United States and its possessions.

7. Defectors. This subject has been under consideration, and a proposed NSCID thereon in preparation, for about a year by the interested agencies. After much discussion, a proposed NSCID was compiled on "Exploitation of Defectors and Other Aliens Within the United States" on 10 November 1949 and circulated to the Intelligence Advisory Committee on 14 November 1949 for the usual approval before submitting it to the National Security Council. A corollary proposal on the "Exploitation of Soviet and Satellite Defectors Outside the United States" was submitted to the Standing Committee of the Intelligence Advisory Committee on 8 November 1949. As a result of inter-agency discussions, a revised version was circulated to the Standing Committee on November 29th. It is hoped that both will soon be approved by the IAC so that they may be submitted to the NSC as proposed NSCIDs for early issuance.

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Until these over-all policy directives are established and put in operation, there is functioning a Pro Tem Interdepartmental Working Committee to handle problems on the important cases of defectors which arise and which have accumulated to date. It is hoped that before long the over-all directives will be approved and issued, so that the Pro Tem work of this nature may be discontinued and this work placed on a firmer and more regular basis. The chief difficulty with regard to this problem is the ultimate disposal of defectors and the costs entailed therein.

8. Counter-espionage Activities Abroad, and Closer Liaison with the Federal Bureau of Investigation. Central Intelligence Agency's Office of Special Operations has placed increased stress on its counter-espionage functions and on counter-espionage activity abroad on a continuing basis. As pointed out in Section 6 above, it would be helpful to have in an amended NSCID 5 greater clarity for coordination in the counter-espionage field to help the Central Intelligence Agency more effectively fulfill its counter-espionage mission.

The Office of Special Operations' liaison and cooperation attendant thereon with the Federal Bureau of Investigation have increased effectively over a considerable period of time. Obviously, the closest possible working relationship is not only highly desirable but also necessary to developing the closest possible counter-espionage liaison with the Federal Bureau of Investigation. The Central Intelligence Agency feels that this liaison relationship at the present time is close, effective, and mutually advantageous.

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cc:
 1 - Director
 2 - Exec.
 3 - Gen. Con.
 4 - Chief I & S
 5 thru 10 - ORE, OSI,
 OCD, OSO, OPC,
 OO respect. thru ER

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 17 - green file

