

3 January 1957

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MEMORANDUM FOR: Director of Central Intelligence
SUBJECT : Suggestions for Improvement of the Central Intelligence Agency

1. The attached is the result of many weeks careful thought and deliberation; a product of the experience of nearly four years as Inspector General of the Agency and of close to fourteen years in intelligence work. It is an effort on my part to suggest steps to improve the Agency and better the work of the intelligence community. While thoughts and suggestions were received from other members of my staff--and naturally in the course of our work we hear ideas from all over the Agency--the authorship is exclusively mine and nobody else has seen the only other copy which exists.

2. As you know, I conceive the work of an Inspector General to be primarily directed toward suggested ways for bettering the Agency while at the same time being alert to any errors or wrongdoings. During 1956 the staff of the Inspector General surveyed nine components of the Agency, ranging in size from the immediate office of the DD/S to the Office of Communications, the largest in the Agency. These included five DD/I elements, two DD/S and two DD/P. In all, on these surveys, we made a total of 343 recommendations. The units surveyed concurred in full with 53.5 percent of these recommendations, concurred with qualifications on another 13.9 percent for a total of 67.4 percent, and nonconcurred in 24.2 percent. The balance required further study. This would indicate that more than 200 recommendations made by this staff during 1956 have been or are being implemented.

3. I believe that the attached recommendations involve basic and fundamental principles related to the organization and policies of CIA. In presenting the case for each I have necessarily been brief, to save your time, but each could be documented at length. I believe these recommendations to be worth your personal attention for all of them affect the Agency as a whole. Indeed, these recommendations can be implemented only by your orders.

3/
Lyman B. Kirkpatrick
Inspector General

LBK/KP
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SECRET

1. PERSONNEL MANAGEMENT

This continues to be the single most serious problem in the Agency. It cannot be solved by any one single office or individual inasmuch as the Personnel Office, the Career Service boards throughout the Agency, and every one of some [redacted] supervisors is involved. The problem is further complicated by the fact that the commands of the three Deputy Directors are practically autonomous. Further, the Director of Personnel has no command authority except over his own office. In addition, each component has its own personnel officers and handles personnel management along individual lines within the policy framework of Agency regulations.

In brief, our present system allows too many persons to draw regular salaries while doing little or no work because their supervisors will neither give them jobs nor fire them. There are too many individuals handling personnel matters--in fact, [redacted]

(This compares to a generally accepted federal average of one to every 130 employees.) There is dissipated authority and responsibility in personnel management with the Personnel Office, the Career Service boards, and the line supervisors all having some share. Finally, even though our Career Service system emphasizes that the Agency can send people where it wants to, we do not have directed assignments, [redacted]

With the forthcoming advent of a new Personnel Director, we have prepared a lengthier paper on this subject for your consideration and possible reference to the Career Service Board. I would also recommend the following actions:

- (1) That an aggressive campaign be undertaken to reducing the number of individuals handling personnel matters.
- (2) That if the decision is made that the Director of Personnel continues to be without command authority that the Personnel Office be assigned only two major functions--the processing of personnel actions and maintenance of records, and supporting the development of personnel policy by you and the Career Service Board.
- (3) That the Office of Training should increase even more its management courses and that top executives be required to attend.
- (4) That all supervisors be given a brief written statement of their personnel management responsibilities.

2. REDUCTION IN MANPOWER

I do not feel that the Agency can delay much longer making a decision in regard to its size. During the last twelve months approximately [] persons have entered on duty. At present we have [] more employees in Washington than can be accommodated in the new building. At our present rate of growth the disparity will be even greater by the time the building is completed. Illustrative of the increases during the past year have been the Photographic Interpretation Division, the expanded ELINT staff, increases in the WE Division, and now projected increases in NE/A Division. I do not dispute, necessarily, the justification for these increases. But I do feel most strongly that the day is here or past when the Agency will have to give up lower priority tasks in order to do new jobs.

The Agency will be under pressure during the 85th Congress from the Davis Committee in the House to justify its size and, most particularly, why it grew larger. We may also have questions from Armed Services and Appropriations. I am also of the opinion that the President will be exercising pressure to keep the size of the Agency down. He most certainly will demand that the intelligence community as a whole grow no larger.

As you know, I have felt for a long time that by certain organizational changes and better supervision we could do the same job with fewer people. I still believe this and believe that the numbers in Washington must either be stabilized at the present size or reduced.

The following action is recommended:

- (1) That you set a figure as to the maximum size of the Agency with an indication of precisely how many employees will

be allowed in Washington.

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(2) That the number of employees which you determine should be allowed in Washington coincide precisely with the number of employees that can be housed in the new building, and that if our present size is greater than this number, an Agency-wide phase-down plan be attempted.

(3) That one central focal point be established to review on an Agency-wide basis any increase in size and be charged with making the final recommendations to you; e.g., an Executive Director, perhaps after a review by the Project Review Committee.

3. EXECUTIVE DIRECTOR

You will recall that in my memorandum of 3 February 1955 (followed by one on 21 July 1955) one of the points that I raised was the question of whether the position of Executive Director in the Agency should not be re-established. Since that time this recommendation has been made by the Clark Task Force, and by the President's Board of Consultants to the President last month.

There are two basic factors which to my mind strongly recommend the establishment of the position of Executive Director. First, with the number of high level contacts required of the Director of Central Intelligence and the number of inter-Agency meetings and boards which he or his deputy must attend, it is to my mind extremely difficult for him to see that his policies and decisions are promptly and efficiently executed. Secondly, with the increased interest of the President's Board and the President in the DCI's taking a more active interest and aggressive position in coordination, elimination of duplication and economy in the intelligence community, the inter-Agency burdens on the DCI and the DDCI will be considerably greater. All of this is made even more true by the fact that CIA has evolved into an agency with three major and practically autonomous components under individual Deputy Directors. That is not to say that these three components do not enjoy good relations with each other, but the fact remains that there is no coordinating point and that in many instances over the last several years it has fallen upon the Inspector General to try and work out areas of disagreement in view of the fact that there is a normal and natural reluctance on the part of the Deputies to allow their disputes to be carried to you or the DDCI. Finally, sound organization has the DDCI as your alter ego, to act in your absence or for you and to solve your burdens.

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For your information, here are a few of the areas in which an Executive Director could save this Agency and the Federal Government considerable money and improve the efficiency of our work immeasurably.

(a) Travel: no one person monitors the travel of Agency officials, and no Deputy Director is in a very good position to tell another Deputy Director that his personnel shouldn't travel. To cite just one illustration-- had 78 visitors in one month, a rather serious handicap to getting their required job done.

(b) Regulations: if a regulation is not agreed upon by all of the subordinates of all the Deputy Directors, it generally isn't issued. The best illustration of this is the fact that it has taken over one year to get a regulation issued on the language incentive program.

(c) T/O's and Budgets: under the present system each component prepares its own T/O and budget. These are processed throughout the appropriate offices and issued. There should be one focal point on both which will weigh the priorities and see that the most important jobs are done rather than trying to do everything, which only dissipates our valuable assets and manpower.

(d) Publications: there are literally no controls over a unit issuing either an intra or inter-Agency publication. The result is that there are literally hundreds of publications being issued in the Agency today at not only monetary but manpower and paper expense.

(e) Economy: the President has stressed economy. There are many that could be effected in CIA--some minor and some larger. For example: two years ago I questioned why the Cable Secretariat should send cables several times a day to these offices in new manila

envelopes--two to each delivery--when the same or routing envelopes could be re-used. We asked the Management Staff to look into it and they did, but nothing was ever done about it. Admittedly this would have saved only several hundred dollars a year, but my Scottish ancestry has always lead me to believe that savings start in small amounts.

I believe that the recommendation of the President's Board should be implemented and that an Executive Director should be established immediately under you and the DDCI to see that the policies and decisions which you enunciate are carried out. I am convinced that within a reasonably short period of time this action would demonstrate its value.

4. STREAMLINING DCI'S PERSONAL OFFICE

For some time I have felt that you do not get the maximum benefit out of the number of people that work directly for you and that you do not receive the speed and efficiency in the handling of paper work and people that you would like. It seems to me that some streamlining would achieve better results and make papers and appointments flow more smoothly. I mentioned this to you before your trip and believe you generally agree.

For example, the Executive Registry was created solely to handle the papers of the Director's Office. It remains largely that today, although the Director's Office per se has been expanded. But there is complete duplication between the files in your outer office and the files in the Executive Registry four doors away, with the single exception of your personal correspondence. I would combine the two sets of files, move the Executive Registry into closer proximity to your own office, relieve your immediate secretarial staff of filing responsibilities, and have the head of the Executive Registry nearby to quickly obtain any correspondence you desired. Your personal files I would handle within the same system but would have only your personal secretary, the head of the Executive Registry, and one file clerk allowed access to these files.

It is inconceivable to me that if, as we are told, each Deputy's office is responsible for seeing that only finished staff work is forwarded to your office, that it should require [] assistants [] secretaries 25X1 to handle this material for you and the DDCI. Further, it is also difficult for me to believe that as much time is required for the preparation of memoranda which you desire or answers to your correspondence as is often indicated. Finally, I am baffled why [] administrative officers are 25X1 required in your office [] 25X1

In addition to all of this type of assistance, I believe that we could utilize your immediate security staff better than is being done at the present. I hesitate to mention this because I know that you were reluctant originally to accept this staff, and I would not wish you to construe this as any indication on my part that it is not wholly desirable. I believe it most important that you receive this protection, but I do feel we could do more to keep the boys busy helping around the office at some type of jobs. This is particularly true inasmuch as there are a total of personnel involved, working in shifts.

I recommend that you authorize me to make a thorough study of the paper work and procedures in your office as I am sure that greater efficiency can be achieved, as well as economies.

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6. AGENCY ACTIVITIES

This continues to be the most difficult problem in inter-Agency relations, particularly between CIA and G-2. Now that the President's Board has taken a very active interest in this subject, it is most important that there be aggressive efforts to coordinate clandestine collection in Washington and especially in the field.

I can speak with considerable personal knowledge on this subject having been directly involved in 1951 and 1952; having drafted the first amendment to NSCID/5 with Brig. Gen. John Magruder in 1951; and having followed the progress carefully, if at a distance, the last four years. I am convinced that the trouble can be corrected only by determined command action for:

- on the one side, there are those in CIA who feel that espionage and counterespionage should be an exclusive CIA monopoly, that the competition for useful agents leaves barely enough for CIA, and that any revelation of sources or agents to the military is not only operationally insecure but would not be used in good faith;

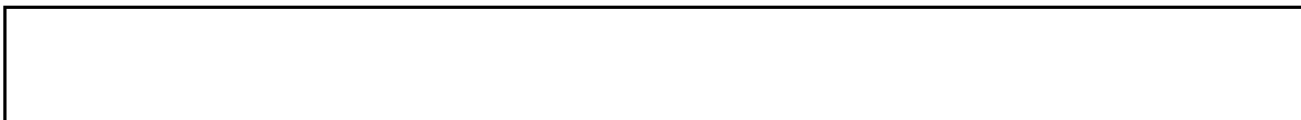
- on the other, the military feel that they are required to conduct clandestine operations for their own protection and that if they reveal their sources and agents to CIA, they will be taken over inasmuch as CIA doesn't want to coordinate but wants to run the operations.

Obviously, there is truth and error on both sides, but that does not absolve CIA from its coordination responsibilities. It is increasingly im-

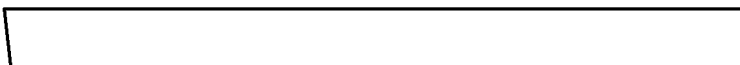
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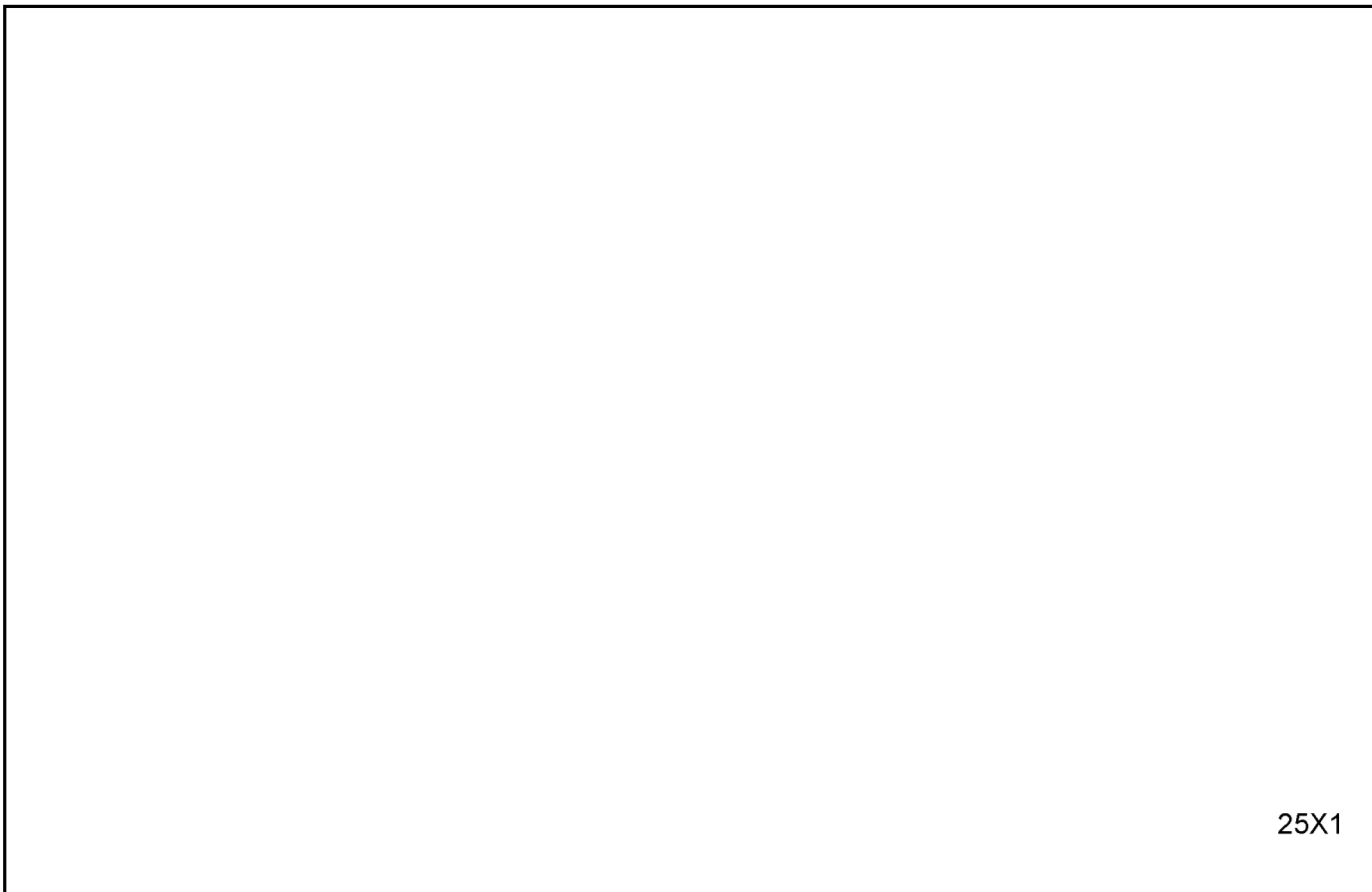
[redacted] and as long as such absurd situations exist as our [redacted] products 25X1



Improvement in CIA relationships with the military services in general and the army in particular should be a priority objective for 1957, for the absence of a good working relationship between certain elements of the Agency and the military is the root cause of the relatively ineffective



coordinated planning to meet the



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7. CLOSER LIAISON BETWEEN DD/P AND DD/I

For some time I have felt that our compartmentation has jeopardized the exchange of valuable information which could assist the Board of Estimates or the Office of Current Intelligence. In many instances this information is not of a nature that would be published in Clandestine Services intelligence reports but is the type of general knowledge that senior officers in the DD/P have constantly in mind; for example, the redistribution of Soviet [redacted] [redacted] in various parts of the world, and other information of an operational nature which might well fit into information already in the hands of ONE from the State Department, military [redacted]

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Further, I believe that closer liaison between key men in DD/I and those in DD/P would benefit the Clandestine Services by enabling them to get a first-hand knowledge of the intelligence gaps and therefore the requirements of the intelligence producing offices. I recognize that in this increased liaison the intelligence should be closely held so that operations will not be jeopardized on the one hand, or that our highly qualified estimates not be given too broad dissemination on the other.

I recommend that the following action be taken:

- (1) that biweekly or monthly meetings be held to review critical areas or crisis situations with the DD/I represented by the Chairman of the Board of Estimates, [redacted] and perhaps one or two other members of the Board, plus the necessary key heads of areas in OCI and that the DD/P be represented by the seven Area Division chiefs; and

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(2) that the Chief of Reports in each Area Division in the DD/P set up a system of weekly or biweekly meetings with his opposite number in OCI for regular discussions of incoming material and information needed.

8. RELATION BETWEEN INTELLIGENCE AND POLICY

This is a subject which obviously has excited the interest of the President's Board of Consultants. You will recall that in the memorandum of 3 February 1955 I expressed concern over the danger of CIA becoming too closely connected with policy making and thereby jeopardizing the objectiveness of intelligence and exposing the Agency to the type of politically partisan attack that is usually directed at the makers of policy. I mentioned at that time our active participation in the NSC Planning Board and several other items.

The present attack on the administration concerning recent events in the Middle East has, as you know, tended to make the point that there was an intelligence failure. This, of course, immediately opens the arena to a discussion as to what is an intelligence failure and what is a command failure. Rather than engage in philosophical analysis of that nature, the principal point here is to inquire as to whether the United States Government has the best possible mechanism for utilizing intelligence information in foreign policy decisions.

Obviously, major steps forward in this regard have been made in the last 15 years. National Estimates now embody the major conclusions of the United States Intelligence community. These reports and the Current Intelligence Bulletin are delivered to the top policy makers of the government. If any weaknesses exist, it is in the area of what action is taken as a result of an intelligence estimate or report. To my mind it would be a grave error for either the DCI to sit as a member of the NSC and thus become responsible at least by association for security policy decisions, or, on

the other hand, for the intelligence community to recommend what action should be taken. If the latter is done, then the intelligence community might become subjective in its approach to information and more inclined to search for facts that would back up a previous recommendation than to report information objectively and factually.

It would seem to me that the NSC Planning Board and the OCB are two already constituted bodies that could insure that intelligence reports receive due consideration.

I therefore recommend:

- (1) that the NSC Planning Board and the OCB discuss this matter and determine whether they feel they are duly constituted to see that intelligence reports and estimates are acted upon; and
- (2) that consideration be given to possibly requiring from the above bodies or the Departments of State and Defense a follow-up report which would indicate that an estimate had been given due consideration and the necessary adjustments made in policy.

9. PLANNING

With due consideration given to Mr. Richard Bissell, who I consider to be one of the brightest and most able men I have encountered in the government, I do not feel that the Agency is receiving today the type of long-term planning that is required. As you will recall, the original concept of the Bissell Staff was that it should represent, but not replace, the planning elements of the three Deputies. Further, it was believed that this staff and these individuals should remain divorced from the day-by-day activities of the Agency so that they could analyze potential developments and prepare the Agency for forthcoming intelligence targets. All of this was discussed and outlined in a paper prepared by myself and the three Deputies and was given to Mr. Bissell on his arrival in the Agency. Unfortunately, AQUATONE and other pressing items such as PRSUCCESE have occupied more of Mr. Bissell's time than long-term planning.

I still believe that the Agency needs an ivory-tower group of qualified and able individuals looking toward the future. This is particularly true today with unrest in the satellites affording us many opportunities to continue the breakdown of the Soviet regime. In addition, with the increased emphasis of inter-agency coordination, your Special Assistant for Planning and Coordination should be the focal point for backstopping you and the DECI in regard to coordination.

I, therefore, recommend the following action:

- (1) that the Special Assistant to the Director for Planning and Coordination be reinforced and enjoined to engage in long-term planning.

10. RELATIONS WITH THE PRESS

There are still certain major dangers inherent in CIA's dealings with the press. I should immediately add that I believe we have made great progress under the persistent guidance of Colonel Grogan to regularize the relations with the press, and that your program of receptivity to approaches from the press is important and valuable in maintaining good public relations, which as you know I consider to be essential.

On the other hand, there is still a tendency in some areas of the Agency to try to influence articles and items published within the United States. I consider this to be very dangerous not only because of the highly sensitive attitude of the press toward maintaining its integrity, but also because of the general view in the Congress that no government agency should try to influence U.S. public opinion. Further, on foreign affairs matters I feel very strongly that the Department of State should be the sole authoritative view in Washington. Of course it is easy for us to speak with authority on the same subjects as State, and the press is always searching for an eager voice and also one that is bright and intelligent and often more willing to speak. In this regard, I am particularly concerned about the number of times the individuals in the DD/I's immediate office see newspapermen.

I therefore recommend that the following action be taken:

- (1) that no official of this Agency, with the exception of yourself and the DD/I, be permitted to see a newspaperman to discuss Agency material or foreign affairs unless Colonel Grogan is present;
- (2) that your program of seeing the press as often as your time will permit and having occasional background meetings with representative members of the press be continued; and
- (3) that no element of the Agency be permitted to approach the press for the purpose of securing any action without prior coordination with Colonel Grogan and specific approval by either yourself or the DD/I.

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12. PAPER WORK

One of the special studies made by the last Hoover Commission was on the subject of government paper work. In each of my periodic lectures to the Office of Training's Basic Management Course I quote some of the statistics from this report, such as: that it would require 7 Pentagons to house nothing but the government's files, that there are 4 billion letters written by the government each year at a cost of \$1.00 a letter, that each tax-paying family of four contributes about \$400.00 a year to government paper work.

As you are probably painfully aware, the paper work within the CIA is too voluminous. I mentioned in one of the previous points that there is no central control over our publications. I also mentioned that there are difficulties in coordinating regulations, but did not note that we have been sending out 69 copies of each regulation for coordination. Many memoranda are written in the Agency when a telephone call would suffice, but too many of our employees feel that they can't get action unless they put it in writing. The volume of our regulations, which now number more than 950, are indicative of using paper often as a substitute for judgment.

At the time of the issuance of the Hoover Commission Report the White House requested all agencies to take action to cut down on the volume and flow of papers. From long experience in trying to cope with the unending flow of papers, I am convinced that reduction cannot be achieved by any other method than actually specifically indicating the types of documents, memoranda, notices, etc. that should not be written.

~~Therefore, I recommend,~~ that the following action be taken:

- (1) that all Agency files be surveyed on a unit-by-unit basis and each unit told exactly what files it can and cannot maintain; and
- (2) that if an Executive Director is created he be empowered to exercise, on your behalf, authority over what should and should not be issued on paper.