10 July 1964

MEMORANDUM FOR THE RECORD

1. Mr. McCone called me at 7:30 p.m. last night to report sketchily on his conversation with McGeorge Bundy and Secretary Vance on NRO. He indicated that there was very little time for the discussion and it was inconclusive. Mr. Vance said that Mr. McCone's memorandum to Bundy gave the Department of Defense a number of problems and DOD did not feel that they were in position to question recommendations of the President's Board. Bundy said the President's Board recommendations were far-reaching and he for one was not prepared to accept them. Bundy said there was considerable merit to the CIA position and he felt that Mr. McCone was being edged out of his DCI responsibilities. McCone said that if there is conflict between McMillan and Wheelon it is of deliberate effort of McMillan, and that he for one was not prepared to accept DCI responsibility to carry on this kind of warfare. It was agreed that nothing would be done until Vance returned and that Bundy would have a discussion with Clifford. DCI said that if you had a proper man to run NRO you could rely on the April '63 agreement. Bundy said if you had a good man running NRO you could make it work without any paper. Vance expressed the opinion that he was inclined to move the NRO operation to the DOD level and out of the Air Forces but would then have to face the practical problem of McMillan quitting. Bundy said the Clifford Board report was unfortunate. McCone said there was some urgency for solution since NRO is trying to put _____ into the act and that they were the ones who screwed up SAMOS. NRO is intent on extending its power further. Mr. McCone said he wanted all the facts on SAMOS -- to get in touch with Bissell and to get the whole history.

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2. In the meantime, business will continue as usual and CIA is to accept no changes and make no concessions of any kind to McMillan, NRO, or DOD.

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No Distribution

Marshall S. Carter
Lieutenant General, USA
Deputy Director