

NOTES TAKEN FROM THE  
TASK FORCE REPORT  
ON  
INTELLIGENCE ACTIVITIES  
MAY 1955

25X1

- Page VI - Complain of security restriction imposed by CIA. Recommend no legal restrictions in future.
- Page XXIII - 1st Hoover Report (1948) said excess of adm. personnel. This report says it still exists (excess) but due to number of buildings and compartmentation.... (Task force apparently accepts fact that some improvement has been made.)
- Page XXV - Comment on the Command Relationships paper which evolved since 1st Report (1948). The committee feels that due to seriousness of the problem continued study should be made to solve problem, to reach the best possible solution, prior to outbreak of war. (This indicates further solution required.)
- Page XXV - 1st Report (1948): Military do not reveal enough to (CIA?) on grounds of security. This report says situation is not solved.
- Page XXVIII - Comment favorably on quality (CIA) improvement of scientific and medical intelligence -- handicapped because of inability of all intelligence community to operate in bloc.
- Page XXIX - CIA not contaminated -- good security risk -- Dulles commented on favorably but report states he has taken upon himself too many operational tasks. Certain admin. flaws have developed in CIA which must be corrected.
- Page XXIX - Task force deeply concerned over lack of adequate intelligence data from behind curtain. Aggressive leadership and boldness is essential in order to get the info.
- Page XXX - Majority of task force convinced internal reorganization of CIA is necessary to insure primary and vital functions are discharged without diversionary interests interfering with primary responsibility.
- Page XXX - Recommend watch-dog commission (Joint Congressional).

ARMY

Page 118:     Relationship of Assistant Chief of Staff, G-2, to Other Intelligence Agencies.

" . . . G-2 operates generally in a healthy atmosphere of cooperation with the other Agencies in the intelligence community. The only areas of disagreement which currently exist stem from the proscriptions contained in certain directives of the National Security Council. . . . "

Page 118:     "There are certain attitudes taken by some Agencies which have a tendency to interfere with this overall effort, however, and these are evidenced in an over extension of the 'need-to-know' criteria. If this criteria could be given a 'need-to-know-all' connotation, a fuller degree of mutual understanding would result . . . . . Having a source which has certain capabilities should be a matter of common knowledge within the community. "

Page 124:     "The Army is definitely not satisfied with this agreement (Agreed Activities) only accepting the terms as the best obtainable solution at this time. "

Pages 124, 125, 126 are devoted to the

25X1

Page 135:     Conclusions:

"The Army has a responsibility under Section 102 (d) (3) of the National Security Act of 1947 as amended and also under the provisions of NSCID 1, to engage in clandestine activities. The NSCID 5 therefore is in effect a denial of the Army's capability and statutory authority in this respect. The 'Agreed Activities' paper is only a partial recognition of this responsibility and does not fully permit the Army to meet the requirements of this responsibility or the exigencies of the situation. " . . . The Army has a very extensive capability for further exploiting the defector program but is prevented from doing so by the implementation of the provisions of NSCID 13 which relate especially to the inducement aspect of that program. "

Page 137 -     Recommendations:

That the NSC revise NSCID 5 to provide for clandestine intelligence activity on the part of the military services consistent with their 25X1

~~TOP SECRET~~

capabilities and statutory responsibilities under the National Security Act of 1947.

". . . . That the implementation of NSCID 13 be extended to permit participation in the Soviet and Satellite Defector Inducement Program by the military services and CIA in direct proportion to the capabilities of each."

#### U. S. NAVY REPORT

- Page 145: NSCID/1 requires CIA to furnish collected info of concern or interest to another agency to service attache or other local intell. rep. in the area. Reported to task force that in some areas this procedure is not being fully implemented.
- Page 146: Effect of Naval Blockade (China). Navy & Army have purview in the field. State and CIA are also furnishing info on this. Estimates of Navy and Army should be considered paramount; under terms of National Security Act of 1947 and NSCID/1, CIA will not duplicate intell. activities of various departments but will use department intell.
- Page 154: Navy jealous of its prerogatives in intell. field. Several cases cited where CIA duplicated work of primary interest to Navy particularly guided missiles and transportation in Far East.

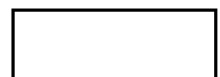
#### AIR FORCE

- Page 179: Recommendation: Intell. Research Center be established under CIA to guide the total intelligence research program. (Makes note of Air Force research in this field.)

#### COVERT OPERATIONS

##### Department of Defense

- Page 183: JSCAP 1954 - Approved by Joint Chiefs in 1954 (June). No consultation or referral to CIA was effected until it was approved by JCS.



~~TOP SECRET~~

Page 184: CIA responsible for preparing a base for E&E and UW. "So far as JCS know, this is not being done in areas now under Soviet or Satellite control." Theater commanders and certain other members of Army and Navy planning staffs in Washington must know current status of assets in order to plan intelligently. The knowledge is not now available to pertinent military staffs in Washington.

Page 184: Army member of JCS directed realistic estimate of guerrilla potential behind curtain for D/Day and D/ 6 months up to 24th month.

Each of Iron Curtain countries report was 0 "which indicates lack of info on part of commander (theater) or of action on part of CIA." Army much concerned because JSCAP says "GW will be used to the maximum from D-Day onward."

Page 186: "In spite of accomplishments of Inter-Agency Priorities Committee, Army is concerned over the lack of info from the CIA as compared to its own collection achievements in certain areas."

Army wants restraining directives lifted believing it could collect more info in Europe. Confidence because Army type info is more easily obtainable thn that which CIA is trying to collect.

DEFECTION

25X1

Page 188:

Page 188:

25X1

TOP SECRET

25X1C

Page 190:



GW

Army assigned "Primary Interest" of all services for GW.

Page 193: Grave concern expressed by Army that Theater Commanders are not informed by CIA of UW assets and planned operations; concern based on --

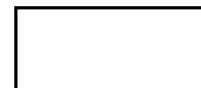
"Meagerness of assets set forth in plan submitted by the theater commanders in accordance with JCS instructions."

"Complete lack of info on part of staff at Washington level charged by JCS with staff supervision of and planning for this type of war."

Page 194: Makes reference to fact that EUCOM has dragged military feet in providing CIA with targets to be covered. These initial requirements of war so huge it couldn't be filled - (Take off of Erskine statement). (This has to do with special forces and assistance to S. F. by CIA.)

DEPT. OF NAVY

Page 194-5: Intelligence Collection: Sent "agreed activities" to field, in addition sent instruction to direct efforts to development of E&E info and provision for assistance in coastal areas where evaders or escapees may seek refuge. Latter activity cannot be construed to come under "Agreed Activities" and is recognized by working level of naval intelligence. Navy issued these instructions because of lack of any info that such assets have been or will be developed by CIA and felt it must go ahead on its own.



25X1

~~TOP SECRET~~

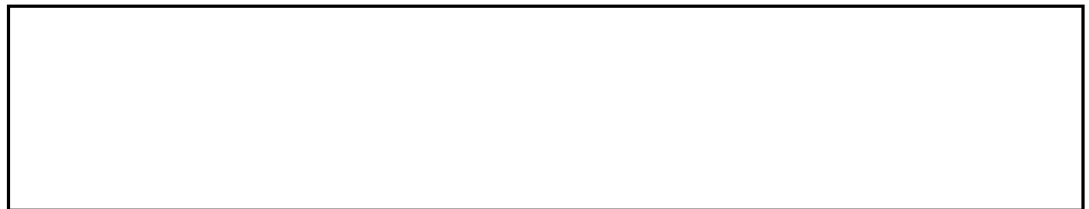
Page 196: "In the Far East all collectors [ ] except CIA, are 25X1A cooperating and the services have a control system for all of their operations. CIA contends that because of requirements of National Security Act of 1947 and Public Law 110 of 1949 it cannot cooperate."

This has to do with system of source control and IAC-D-54 dated July 24, 1952.

DEFECTION

25X1

Page 196:



E&E

Page 197: Long discussion on E&E concerning Air Force and Navy - then -

CIA will not reveal assets in field of E&E at this time. States it is unnecessary. Commander 6th Fleet got instructions in sealed envelope to be opened in time of war which would provide instructions for pilot briefings. CIA will not provide info to Navy crews participating in "overflights" -- CIA says why sacrifice all for one or two men. "This is the only firm indication available to the Navy at the Washington level of the possible existence of any CIA assets in this field."

CONCLUSION

Page 203: "There is a need for the establishment of a control registry of clandestine agents in accordance with IAC Dir #54 in order to prevent duplication of payment and false confirmation or information. Action in this respect is being delayed due to Agency reluctance to disclose sources." (p. 196)

25X1

~~TOP SECRET~~

"Either CIA has been unable to develop and maintain adequate assets in the E&E guerrilla warfare areas or is furnishing inadequate info to the services concerning its assets. Such a condition can only result in duplication of effort, inadequate planning and failure in operations." (pp. 183, 184, 189, 192-194, 201, 202.)

Possibility of withdrawal of military and political representation for certain foreign countries indicate a need for CIA to develop other means of cover for their operations abroad.

#### RECOMMENDATIONS

Page 204&5: All concerning above, and

"That the NSC review present assets and direct the necessary action to assure adequate preparation for E&E and support of guerrilla warfare.

#### ATOMIC ENERGY

Page 219: Conclusion

No one agency has primary responsibility for collection or production of info in their field.

Page 220: Recommendation:

"That the Central Intelligence Agency, in the exercise of its responsibilities for coordination of the production of national intelligence, pay special attention to the production of atomic energy intelligence."

### III. COORDINATION IN OVERSEAS AREAS

Page 308: "CIA generally has been the least cooperative Agency in these exchange matters and has aroused thereby the greatest dissatisfaction. It is appropriate to note that the CIA representatives apprised of their activities to the extent they are permitted to



do so. However, because of the restrictions imposed on the use of this information by the recipient, its use is limited. In some areas a few military men were found who were of the opinion that CIA possessed assets and capabilities which, in fact, they did not have."

Page 309: Conclusions:

The strong emphasis on security which gives rise to a high degree of compartmentation has an unfavorable impact on the exchange of information so vital to the effective operation of the intelligence function. The limitation imposed by CIA on its field representatives has aroused the greatest dissatisfaction.

25X1



CIA Action Reports on Hoover Commission Report

1. DCI to Hon. Harry Byrd, Chairman, Joint Committee on  
Reduction of Nonessential Federal Expenditures - dated 9 July 1957  
(ER 9-3978A)
2. DCI memo to Assistant to the President - dated July 5, 1956  
(TS 158456, copy no. 5)
3. DCI to Hon. Arthur S. Flemming, D/Office of Defense Mobilization -  
dated 16 April 1956 (TS 143501, copy no. 5)
4. DCI memo for President - dated 13 August 1955 (TS 142708, copy no. 4)

ER 9-3978A

9 JUL 1957

(3)

**The Honorable Harry F. Byrd  
Chairman, Joint Committee on Reduction  
of Nonessential Federal Expenditures  
Congress of the United States  
Washington 25, D. C.**

**Dear Mr. Chairman:**

**This is in reply to your letter of 31 May concerning the action taken by this Agency on the recommendations of the Second Hoover Commission.**

**Annex A, attached hereto, summarizes the action we have taken on those aspects of the government-wide recommendations of the Hoover Commission which were relevant to the activities of this Agency. In addition to its government-wide recommendations, the Hoover Commission also made a specific report on Intelligence Activities. This report, which was published on 29 June 1955, made only one specific recommendation, relative to the creation of a Presidential Advisory Board and a Joint Committee of the Congress to concern themselves with foreign intelligence activities. This recommendation, with comment as to actions taken, is set forth in Annex B. The remainder of the Hoover Commission report consisted of a series of comments and recommendations by its Task Force on Intelligence Activities, under the chairmanship of General Mark Clark.**

**The Clark Task Force recommendations were forwarded for the consideration of the Congress and of the Executive Departments concerned without any specific comment or approval by the Hoover Commission or action by the Congress. We have not dealt with them in this unclassified report. Since any meaningful comments on many of the recommendations**

would have to bear a high security classification, however, we have prepared a classified report, describing actions taken relative to the Clark Task Force recommendations. We would be happy to discuss this report with you or your Committee if you so desire.

I hope that the material forwarded herewith is responsive to the requirements of your Committee. In the event that further information is required, we shall make every effort to furnish it.

Sincerely,

SIGNED

Allen W. Dulles  
Director

**Enclosures**

1. Annex A
2. Annex B

IG/LC,   fm (9 July 57)  
Distribution:

- O & 1 - Addr.
- 1 - DCI
- 1 - ER w/ cy of basic
- 1 - DDCI
- 1 - IG w/ cy of basic ✓
- 1 - DD/S w/ basic
- 2 - Leg. Counsel w/ cy of basic

APPROVED FOR RELEASE 2003/04/25 : CIA-RDP86B00269R000100060006-8

WALTER F. GEORGE, SENATOR FROM GEORGIA  
ALLEN J. BLANDINO, JR., SENATOR FROM LOUISIANA  
RICHARD L. MULLAND, SENATOR FROM FLORIDA  
EDWARD MARTIN, SENATOR FROM PENNSYLVANIA  
RUBEN H. HANSEN, SENATOR FROM ILLINOIS

HERB COOPER, REPRESENTATIVE FROM TENNESSEE  
WILSON D. HILLS, REPRESENTATIVE FROM ARKANSAS  
GEORGE H. HANCOCK, REPRESENTATIVE FROM TEXAS  
DANIEL A. REED, REPRESENTATIVE FROM NEW YORK  
JOHN TADEA, REPRESENTATIVE FROM NEW YORK

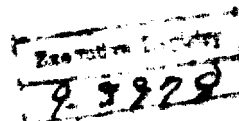
GEORGE H. HANCOCK, SECRETARY OF THE TREASURY  
PETER F. BRYNDACK, DIRECTOR OF THE BUDGET

# Congress of the United States

## JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

(CREATED PURSUANT TO SEC. 61 OF THE REVENUE ACT OF 1941)

May 31 1957



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

My dear Mr. Dulles:

Under authority of Section 601 of the Revenue Act of 1941 (55 Stat. 726), the Joint Committee on Reduction of Nonesential Federal Expenditures requires information relative to Second Hoover Commission recommendations applicable to agencies and their administration, activities, programs and projects under your jurisdiction, as follows:

1. List of all recommendations, with your estimate of annual expenditure savings in each instance, assuming full acceptance and implementation.
2. List of all recommendations fully implemented to date.
3. List of all recommendations partially implemented to date, with your estimate of annual expenditure savings in each instance based on that part implemented.
4. List of all recommendations which have not been implemented to any degree to date.

If there are government-wide recommendations incapable of specific application to agencies, activities, programs and projects under your jurisdiction, it will be appreciated if you will identify them with explanation in each instance.

Your views and comments on any aspect of the subject of this inquiry will be welcomed. Response to this inquiry is requested not later than June 15, 1957.

Very truly yours,

Harry F. Byrd, Chairman

ANNEX A

**ANNEX A**

**GOVERNMENT-WIDE RECOMMENDATIONS OF THE  
HOOVER COMMISSION IMPLEMENTED BY  
THE CENTRAL INTELLIGENCE AGENCY**

- 1. The Agency has in effect a Paper Work Management Program which embodies all of the features suggested by the Hoover Commission Report. These features are:**

- Office Business Machines**
- Regulations Control**
- Forms Management**
- Correspondence Management**
- Reports Management**
- Vital Materials**
- Microfilming**
- Records Systems**
- File Equipment**
- Supplies Standardization and Utilization**
- Records Disposition**

**Except for the Records Disposition feature delineated below, savings from this program have been widespread but intangible, i. e., less paper, better systems, more efficiency, etc. However, the Records Disposition Program has produced tangible and substantial savings as follows:**

**As of 31 December 1956, the Agency has removed from active Headquarters file space to an inactive removed area a cumulative total of 39,708 cu. ft. of records. Of these, 7,314 cu. ft. have been destroyed. Besides space savings and clerical time consumption at Headquarters, the greatest tangible saving here is the elimination of need for purchasing safe cabinets to house these records at Headquarters. These total cubic feet would have required the purchase of an equivalent of 4,963 four-drawer safe cabinets or \$1,766,902.**

**This saving is exclusive of that arising from records destroyed by the offices in progressive initial attack on the problem. A recent sample of a few offices only indicate the initial destruction of approximately 1,200 cu. ft. of records.**



2. Re personnel and Civil Service.

The Agency has already in effect particular programs to meet the same objectives as the Commission. These are in the fields of training, executive selection and development, position classification, and performance evaluation. For the most part, we found little explicit reference to groups of positions excepted by statute as are all positions in the Agency.

3. Re legal services and procedures.

Recommendation No. 1:

Review by Congress of Justification for Agency Legal Staffs.

Comment:

Not applicable to CIA. Because of knowledge of operations and functions required, CIA could not use legal services of the Department of Justice. This Agency must have its own legal staff.

Recommendation No. 2:

The Department of Justice be Recognized as the Chief Law Office of the Government.

Comment:

CIA complies with this recommendation.

Recommendation No. 3:

Congress Create a Procedure Permitting any Department, Agency or Regulatory Body to Refer Differences of Legal Interpretation to the Attorney General.

Comment:

CIA agrees with the intent although no Congressional action is believed necessary.

Recommendation No. 4:

The Legal Staff of Each Department or Agency be Integrated Under a General Counsel.

Comment:

CIA complies with this recommendation.

Recommendation Nos. 5 through 10:

Not applicable to CIA.

Recommendation Nos. 11 and 12:

Establishment of a Legal Career Service for all Civilian Attorneys Under the Department of Justice.

Comment:

Agreed in regard to lower level attorneys. The Agency head should have authority to retain or dismiss his top legal advisor.

Recommendation No. 13:

Establishment of an Attorney Classification Act.

Comment:

Attorney's salaries should be consistent with those of other equivalent positions in the Agency. The nature of the work and recognition accorded are more important than salaries in retaining qualified attorneys.

Recommendation No. 14:

Tenure of Attorneys Under a Legal Career Service.

Comment:

Agreed in regard to lower - level attorneys. The Agency head should have authority to retain or dismiss his top legal advisor.

Recommendation No. 15:

Veterans' Appeals to Office of Legal Services and Procedure.

Comment:

Agree with principle.

Recommendation No. 16:

Repeal of Performance Rating Act.

Comment:

Not applicable to CIA.

Recommendation No. 17:

Limitation on Outside Legal Practice of Government Attorneys.

Comment:

Complied with by CIA.

Recommendation Nos. 19 through 52:

Not applicable to CIA.

4. Re food and clothing.

Not applicable to CIA.

5. Re use and disposal of Federal surplus property:

Recommendation No. 1:

Not applicable to CIA.

Recommendation No. 2:

Completion and Use of Federal Catalog Program.

Comment:

Agreed. CIA is completing catalog program incorporating the procedures and principles of the Federal Catalog Program.

Recommendation No. 3:

Training and Qualification of Personnel Engaged in Property Management.

Comment:

Complied with under the Agency career service program.

Recommendation No. 4:

Revision of Federal Property and Administrative Services Act of 1949.

Comment:

Agree with intent. Security requirements may necessitate some exceptions in CIA implementation.

Recommendation Nos. 5 and 6:

Not applicable to CIA.

Recommendation No. 7:

Bureau of the Budget Review Reimbursement and Processing Procedures in Regard to Transfer of Excess Property.

Comment:

Agree with recommendation.

Recommendation Nos. 8 through 11:

Not applicable to CIA.

Recommendation No. 12:

Departments and Agencies Authorized to Dispose of Surplus Property  
Encourage Competition Among Potential Buyers.

Comment:

Recommendation being complied with.

Recommendation Nos. 13 through 17:

Not applicable to CIA.

Recommendation No. 18:

Reports to Congress by Agencies Owning Overseas Excess Property.

Comment:

There are security problems which would preclude full implementation in a published report. However classified reports could be provided to appropriate Committees and/or Members of Congress.

Recommendation No. 19:

President and Congress Take Action Regarding Utilization of Excess Property in Foreign Aid.

Comment:

Agree with principle. Principle being implemented.

Recommendation Nos. 20 through 23:

Not applicable to CIA.

6. Re printing.

Recommendation Nos. 1 through 22:

Not applicable to CIA.

7. Re depot utilization - in warehousing and storage.

Compliance in published reports with the few applicable recommendations would present security problems. Reporting on a classified basis could be accomplished.

8. Re research and development.

Not applicable to CIA.

9. Re water resources and power.

Not applicable to CIA.

10. Re budget and accounting.

Recommendation No. 1:

Representatives of the Bureau of the Budget be Placed Within CIA.

Comment:

The Bureau of the Budget now has working closely with CIA some of its own specially cleared personnel who have access to pertinent CIA materials in the U.S. and overseas. This arrangement appears to be satisfactory to the Bureau of the Budget which has not asked to have its personnel actually employed within CIA.

Recommendation No. 2:

Report to the Bureau of the Budget on Agency Operations for Inclusion in Annual Report to the President.

Comment:

Unclassified reporting of this nature would present very serious security problems. CIA now reports directly to the President on a classified basis.

Recommendation Nos. 3, 6, 7, and 14:

Cost and Accrued Expenditure Budgeting.

Comment:

CIA has constructed a program responsive to these recommendations and has submitted a progress report to the Bureau of the Budget.

Recommendation Nos. 4 and 5:

Adoption of Program Budgeting.

Comment:

Complied with by CIA.

Recommendation No. 11:

Establishment of Position of Comptroller Responsible for Agency Accounting and Budgeting.

Comment:

Complied with by CIA.

Recommendation No. 12:

Bureau of the Budget be Responsible in Part for Selection of Agency Comptroller and for Building a Competent Accounting Organization.

Comment:

While this presents certain security difficulties, they do not appear to be insoluble. However we believe the Bureau of the Budget is entirely satisfied with the CIA Comptroller and Accounting Organization by virtue of the Bureau-CIA close working relationship and the Bureau's resultant knowledge.

Recommendation No. 13:

Financing all Operating Units from a Single Allotment Account for Each Appropriation.

Comment:

Now in process of implementation.

Recommendation No. 16:

Installation of Monetary Property Accounting as Part of Accounting System.

Comment:

Policy adopted by CIA and will be implemented.

Recommendation Nos. 17 and 18:

Settlement of Obligations of Prior Fiscal Years.

Comment:

Complied with under P. L. 798.

Recommendation No. 19:

Granting Authority to Comptroller General to Relieve Accountable Officers of Financial Liability.

Comment:

Agree with the principle.

Recommendation Nos. 8, 9, 10, 15, 20, 21, 22, 23, 24, and 25:

Not applicable to CIA.

11. Re real property management.

Recommendation Nos. 1 and 2:

Not applicable to CIA.

Recommendation No. 3:

Establishment of Federal Standards Governing Real Property Management.



Comment:

Agree with recommendation, except part (C) involving inspection. Unless handled on a classified basis this would give rise to serious security problems.

Recommendation No. 4:

Not applicable to CIA.

Recommendation No. 5:

President Direct General Services Administrator to Establish a System for Agency Reporting on Real Property.

Comment:

Agree with parts (a) 2 and 3 and (C). Other parts give rise to security considerations which would necessitate highly classified handling.

Recommendation No. 6:

Not applicable to CIA.

Recommendation No. 7:

Funds for Operation and Maintenance of Public Building be Appropriated to General Services Administration.

Comment:

This would create for CIA very decided physical and personnel security problems.

Recommendation Nos. 8 through 10:

Not applicable.

12. Part II on paper work (reports required from the public).

Not applicable to CIA.

13. Re lending agencies.

Not applicable to CIA.

14. Re medical services.

Recommendation No. 1:

The President Appoint Federal Advisory Council of Health which will Depend Upon Other Agencies for Information to Review Federal Health Programs.

Comment:

Agree. Such a Council will improve coordination and eliminate duplication. However, security consideration might prevent active CIA participation.

Recommendation Nos. 2 through 15:

Not applicable to CIA.

Recommendation No. 16 a:

Not applicable to CIA.

Recommendation No. 16 b.

Civilian Federal Government Employees Receive Care in Non-Federal Hospitals at Expense of Department of Labor.

Comment:

Agree. CIA will benefit by a system of federal hospitals to which non-federal hospitals are an adjunct.

Recommendation Nos. 17 through 19:

Not applicable to CIA.

Recommendation No. 20:

The Executive Branch Develop a Voluntary Contributory Program of Medical Care and Hospital Insurance for all Civilian Employees.

Comment:

Agree with this concept. Such a program should include family coverage as well.

Recommendation Nos. 21 through 25:

Not applicable to CIA.

Recommendation No. 26:

The Federal Government, In Planning Assignment of Responsibilities During and After an Attack on the United States also Consider Delegation of Authority for Medical Care.

Comment:

For security reasons, CIA must maintain its own medical program and staff. However, advance emergency and wartime mobilization plans have been developed and CIA has developed plans for the integration of its medical personnel with Defense Department.

Recommendation No. 27:

The Proposed Federal Advisory Council of Health Examine Means of Establishing Cooperative Planning Among Federal Agencies Provided Psychiatric Care.

Comment:

Agreed and complied with. CIA makes extensive use of psychiatric personnel detailed from Public Health Service. The Agency enters into cooperative planning of psychiatric care with other Agencies to the extent permitted by security considerations. CIA provides extensive training for psychiatrists.

Recommendation No. 28:

The President's Advisor on Personnel Review Personnel Systems of Federal Agencies Using Health Personnel in Order to Make Them More Uniform.

Comment:

Any review of CIA personnel systems would of necessity require handling on a classified basis. However, this Agency makes extensive use of cross-assignment of medical personnel from Defense Department and Public Health Service.

Recommendation No. 29:

**If Federal Advisory Council of Health is not Created, the President  
Assign Proposed Functions to Other Agencies.**

Comment:

**Not applicable to CIA.**

ANNEX B

ANNEX B

HOOVER COMMISSION REPORT ON INTELLIGENCE  
ACTIVITIES

THE CREATION OF COMMITTEES TO CONCERN THEMSELVES  
WITH FOREIGN INTELLIGENCE ACTIVITIES

The only specific recommendation made by the Hoover Commission in its report on intelligence activities was as follows:

Recommendation.

(a) That the President appoint a committee of experienced private citizens, who shall have the responsibility to examine and report to him periodically on the work of Government foreign intelligence activities. This committee should also give such information to the public as the President may direct. The committee should function on a part-time and per diem basis.

(b) That the Congress consider creating a Joint Congressional Committee on Foreign Intelligence, similar to the Joint Committee on Atomic Energy. In such case, the two committees, one presidential and the other congressional, could collaborate on matters of special importance to the national security.

In making this recommendation, the Commission departed from the recommendation of its Task Force on intelligence activities, chaired by General Mark Clark. The Clark Task Force had recommended the creation of a permanent "watchdog" commission, to consist of members of both houses of the Congress, together with a group of eminent citizens to be appointed by the President. The proposed commission would make periodic surveys of all aspects of government foreign intelligence operations and report, under adequate security safeguards, its findings and recommendations to the Congress and to the President.

Comment.

On 13 January 1956, the President appointed a permanent Board of Consultants on Foreign Intelligence Activities, consisting of eight distinguished citizens under the chairmanship of Dr. James R. Killian, Jr., President of the Massachusetts Institute of Technology. The Board of Consultants has been requested by the President to make continuing studies

into all aspects of foreign intelligence activities of the Government, and to report to him at regular intervals. The Board has been actively engaged in its task and has made a number of specific reports and recommendations to the President.

A number of resolutions have been introduced in the Senate and in the House which provided for the creation of a Joint Congressional Committee on Foreign Intelligence activities. One of these, Senate Concurrent Resolution 2, came before the Senate during the 2nd Session of the 84th Congress, and was defeated. Under existing arrangements, the Central Intelligence Agency is responsible to the Senate and House Armed Services Committees on substantive legislative matters, and to the Senate and House Appropriations Committees on money matters. Subcommittees of each of these Committees have been created to deal with CIA matters.

25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8





THE WHITE HOUSE

WASHINGTON

THE ASSISTANT TO THE PRESIDENT

March 2, 1956

MEMORANDUM FOR

THE HONORABLE ALLEN W. DULLES

Subject: Report of the Hoover Commission Task Force on  
Intelligence Activities (Main Report)

Enclosed is one copy of Chapter IV of the main report on the subject  
and one copy of the Defense Department comments thereon.

Although Chapter IV of the subject report is concerned primarily with  
the Department of Defense, it is noted that certain of the recommenda-  
tions of that Chapter, of which the following are noted, also relate to  
matters of interest or concern to the Central Intelligence Agency:

<u>Recommendation No.</u>	<u>Page No.</u>
3	137
4	137
1	179
1	204
3	204
1	205
2	205
3	205

It is requested that you examine the above-listed recommendations  
along the lines of your earlier review of other segments of the Report  
(as outlined in my memorandum to you dated June 13, 1955) and that  
you furnish your views thereon at your earliest convenience.

The enclosed material should be returned to this office at the time you  
furnish your views thereon.

SA

MEMORANDUM FOR: MR. JOLLES

After you have noted I will send this to  
Kirk.



3 March 56  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8



TS #143501  
copy #5

16 April 1956

Honorable Arthur S. Flemming  
Director, Office of Defense Mobilization  
Washington 25, D. C.

Dear Mr. Flemming:

Enclosed are our comments on the "Special Recommendation" contained in Appendix I, Part 2, of the report of the Hoover Commission Task Force on Intelligence Activities as requested in your letter of 28 March 1956.

Sincerely,

SIGNED

Allen W. Dulles  
Director

Incl.

O/IG/LBKirkpatrick:rm  
Distribution

Orig & 1 - addressee  
2 - signing official (w/cc base)  
2 - IG ✓ (w/orig. base)  
1 - D/Commo

TS #143501  
copy #5

SPECIAL RECOMMENDATION (Page 41, Appendix I, Part 2, Report of Survey of Communications and Electronics by Terence J. Tully, Brig. General, U. S. Army, Retired. Prepared for Commission on Organization of the Executive Branch of the Government by the Task Force on Intelligence Activities.)

"That the President set up a special commission composed of technically qualified civil and military communications and electronics representatives, to survey and produce recommendations as to ways and means to insure the more effective utilization of all communications and electronics resources of the United States in the national interests in case of war or national emergency."

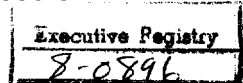
COMMENT

This is not a matter of primary concern to the Central Intelligence Agency. It is more directly that of the Federal Communications Commission and the Department of Defense.

However, insofar as it affects the CIA, it is our belief that the present practice of having ad hoc investigations of particular problems is more desirable than the establishment of a commission to provide continuous review. Additional echelons and high level reviewing committees should be established only when a definite need exists and then to solve specific problems or deficiencies. It is possible that the creation of an additional communications group would further complicate an already complex problem, and would duplicate and conflict with the responsibilities and activities of the Telecommunications Planning Committee, JCRC, and other working groups.

Encl. to  
1243501,  
14th 5

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF DEFENSE MOBILIZATION  
WASHINGTON 25, D. C.



OFFICE OF THE DIRECTOR

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


MAR 28 1956

Dear Mr. Dulles:

I have recently received from The White House a request that I obtain the views of your agency with respect to the "Special Recommendation" contained in Appendix I, Part 2, of the Report of the Hoover Commission Task Force on Intelligence Activities. I assume that a copy of the Hoover Commission's Report is readily available to your organization for reference.

In accordance with this request, therefore, I shall appreciate receiving your views on this Special Recommendation by April 16, 1956.

Sincerely yours,



Arthur S. Flemming  
Director



25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Next 1 Page(s) In Document Exempt

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8



13 August 1955

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: Report of the Hoover Commission Task Force on Intelligence Activities**

1. In accordance with the memoranda of 13 June 1955 from the Assistant to the President, herewith are the comments on the recommendations of the Hoover Commission Task Force on Intelligence Activities insofar as they relate to the Central Intelligence Agency.

2. Inasmuch as many of the Hoover Commission Task Force recommendations are on matters on which the Doelittle Study Group also made recommendations, a chart is attached as an annex giving a cross reference of the recommendations of these two committees and indicating the action which CIA has taken or proposes to take.

3. For convenience of reference, the recommendations have been broken down by major areas concerned as indicated by the attached tabs. Inasmuch as the Hoover Commission Task Force report did not present the recommendations on a numbered basis, and in view of the fact that many subjects were treated in several different parts of the report, we have indicated after each recommendation those pages in the report on which the subject is discussed.

4. A separate memorandum deals with USCIB and USCIB matters.

Signed

Allen W. Dulles  
Director

O/IG/LEKirkpatrick:ck

Distribution:

Orig & 1 - Addressee

2 - Signing Official ✓

~~TOP SECRET~~

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

INDEX

- I. WITH RESPECT TO CIA ORGANIZATION AND ADMINISTRATION (pages 1 - 7).
- II. WITH RESPECT TO PERSONNEL (pages 8 - 11).
- III. WITH RESPECT TO CIA AUTHORITY, POLICY, COORDINATION AND OPERATIONS (pages 12 - 19).
- IV. WITH RESPECT TO CIA SECURITY (pages 20 - 22).
- V. WITH RESPECT TO FISCAL AND BUDGETARY PROCEDURES (pages 23 & 24).
- VI. WITH RESPECT TO INTELLIGENCE PRODUCTION AND COORDINATION (pages 25 - 36).
- VII. WITH RESPECT TO "WATCH-DOG" GROUPS (page 37).
- VIII. GENERAL (page 38).

~~TOP SECRET~~  
Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

142708  
cy # 4

WITH RESPECT TO CIA ORGANIZATION AND ADMINISTRATION

RECOMMENDATION: That the Covert Intelligence and "cold war" functions of the Deputy Director (Plans) be assigned to separate Deputy Directors whose areas of responsibility shall be administratively and logistically self-supporting. (Recommendation No. 1 of Public Report; pages 33, 34, 50, 68 and 72 of the Top Secret Report; pages 13, 39, 56 and 58 of Appendix II.)

CIA COMMENT: This recommendation is, in actuality, two separate recommendations which are not necessarily interdependent:

1. The separation of intelligence from cold war functions.
2. The self-containment of administrative and logistical support.

With respect to the first of these two items, it should be noted that such separate organizations were existent in CIA until 1952. At that time, under a reorganization plan formulated by General Walter Bedell Smith, the two organizations were merged under a single Deputy Director but maintained separate Staff elements to cover each of the separate functional responsibilities. The experience of CIA during the period of separate operation prior to 1952 proved the operational disadvantages of attempting to conduct, on a secure and efficient basis, two world-wide clandestine organizations, each compartmented from the other.

We do not feel the separation of support responsibility from the Clandestine Services impairs the principle of security compartmentation, since the number of people who "need to know" the information will be essentially the same however organized. Organization of separate supporting elements for each of the Clandestine Services would be both a costly duplication and one which would not bring about as effective support.

RECOMMENDATION: That the part of Agency Directive of 15 July 1952 appointing area division chiefs as executives of the Director of Central Intelligence and providing for direct dealing with him and Senior Representatives be rescinded. (Pages 11, 56, and 58 of Appendix II.)

CIA COMMENT: This directive has been reviewed and rescinded.

RECOMMENDATION: That "cold war" operating deputy director be designated as the CIA representative on OCB to free the Director of Central Intelligence for Agency intelligence functions. (pages 34, 70 and 73 of the Top Secret Report.)

CIA COMMENT: The Director serves as the Central Intelligence Agency representative on the OCB by virtue of specific Presidential directive. Instructions issued under this directive enjoin the DCI to participate personally at OCB meetings to the greatest extent possible. In view of the function of the OCB, the level of representation from other departments and agencies, and the range of CIA interests in OCB matters, this is a proper requirement. This participation is not unduly burdensome on the Director, since he has a special assistant who devotes his full time to this activity.

In addition, the Deputy Director (Plans) is closely associated with such OCB activity in that CIA members of OCB working groups are drawn from Clandestine Services personnel. The Deputy Director for Plans relieves the Director of one substantial demand on his time, in this connection, by serving as the Agency representative on the Plans Coordination Group of the OCB.



RECOMMENDATION: With respect to Agency as a whole: That remainder of Agency be reorganized with Director of Central Intelligence, Deputy Director of Central Intelligence, an Executive Director, a general secretariat, necessary staff sections and offices of administrative and logistic services and an operating Deputy Director (Intelligence) with seven offices thereunder as follows: Office of Basic Intelligence (now Basic Intelligence Division, Office of Research and Reports); Office of Reference & Liaison (now Office of Collection and Dissemination); Office of Collection (now Office of Operations); Office of Scientific Research (now Office of Scientific Intelligence); Office of Economic and Geographic Research (now Office of Research and Reports); Office of Current Intelligence (OCI); and Office of National Estimates (ONE). (Pages 35, 36, 42, 46, 49, 50, 59, 70 and 73 of Top Secret Report.)

CIA COMMENT: We concur with the creation of an Office of Basic Intelligence. This has been accomplished by the elevation of the appropriate division of the Office of Research and Reports to Office status.

The balance of this recommendation consists of suggesting that four of the six names of offices under the Deputy Director (Intelligence) be changed. We believe that a better name for the Office of Collection and Dissemination would be the Office of Central Reference, and will make that change shortly. We do not concur that the Office of Reference & Liaison is appropriate because this Office conducts little liaison. We see little to be accomplished in the other name changes. We would point out that changing the name of a major component in a government agency is costly and results in considerable confusion and waste over a period of some time. Inasmuch as these offices have been so named for several years, we do not believe the name changes worth-while.

RECOMMENDATION: That CIA re-establish the Office of Executive Director.  
(Pages 31, 32, 69 and 73 of Top Secret Report.)

CIA COMMENT: Under the present organization the Director and the Deputy Director have, in effect, three Executive Directors in the Deputy Directors for Plans, Intelligence and Support. To interpose another command echelon would not necessarily relieve the Director of any work load and might merely interpose a further echelon between the operating staffs and final action. Any failure now to delegate is not due to the lack of an organizational mechanism, but rather is due to the inherently delicate nature of CIA's problems which demand active participation by the Director. Further study is, however, being given to this suggestion.

RECOMMENDATION: That a comprehensive internal management survey of the Agency be conducted by CIA following recommended reorganization. (Pages 50 and 73 of Top Secret Report.)

CIA COMMENT: We presently have three concurrent programs in effect. The Inspector General, <sup>conducts</sup> during the past two years, has been conducting a component by component survey of CIA, paying particular attention to management problems. The Deputy Director (Plans) has a staff complement specializing in inspection and review of clandestine operations. Lastly, a Management Staff under the Deputy Director (Support) <sup>concerns</sup> has recently been revitalized and is now concerning itself with the corrective phases of management and administrative systems. Further, we are considering the pros and cons of bringing in a cleared group of management engineers to advise us on organization. Here it should be noted that an intelligence agency, for security and other reasons, cannot be organized on the lines of a commercial undertaking, and few management engineers have the background for giving competent advice in the intelligence field.

RECOMMENDATION: That Congress be requested to appropriate funds to construct adequate CIA housing facilities in or near Washington. (Recommendation No. 7 of Public Report, pages 52, 53, 54, 71 and 74 of the Top Secret Report.)

CIA COMMENT: This has been done. (The recent session of) Congress appropriated (sufficient) funds for (planning) a building and site acquisition. (The next session will be requested to appropriate the amount necessary for construction. The Congress has already passed the necessary authorization.)

- 1 -

WITH RESPECT TO PERSONNEL

RECOMMENDATION: That status of three major operating Deputy Directors be changed from CS (CS-18) to Public Law Presidential appointee at \$16,000 per annum. (Pages 34, 35, 66, 69, and 72 of the Top Secret Report.)

CIA COMMENT: We concur in the recommendation that the pay scales of the senior officials of the Agency be increased. The recommendation that the status of the operating deputies be changed to Public Law Presidential appointees is questioned. Certain of the deputies carry on operations of a highly classified nature. It would be unwise in each case to seek Senate approval, particularly where an individual's background and competence in clandestine operations would have to be reviewed. We have received no indication of any Senatorial desire to review CIA appointments other than the Director and Deputy Director of Central Intelligence.

RECOMMENDATION: That the Executive Pay Bill of 1949 be amended to increase the annual salary of the Director of Central Intelligence to the equivalent of the pay of the Deputy Secretary of Defense (now \$20,000); to bring the compensation of the Deputy Director of Central Intelligence up to \$17,500, the same as that of most Under Secretaries of the Executive Branch; and to provide operating directors of areas of responsibility in Intelligence with proportionate salaries. (Recommendation No. 3 of Public Report; pages 66 and 75 of the Top Secret Report.)

CIA COMMENT: Salary adjustments (to increase the annual salary of the Director of Central Intelligence to the equivalent of the pay of the Deputy Secretary of Defense and that of the Deputy Director of Central Intelligence to that of most Under Secretaries have been discussed with the Bureau of the Budget, and) were included in the Executive Pay Bill (recently considered by the Congress.)

RECOMMENDATION: That CIA Act of 1949 be amended to authorize employment of "any" (15 now authorized) retired officers or warrant officers of the armed services; and to authorize CIA personnel dependent medical benefits and leave accumulations equivalent to Foreign Service members. (Recommendations 3 and 4 of the Public Report; pages 61, 65, 66 and 74 of the Top Secret Report.)

CIA COMMENT: The Agency would welcome a liberalization of Section 6(f) (2) of the Central Intelligence Agency Act of 1949 (Public Law 110, 81st Congress, as amended) which authorizes it, notwithstanding any other legislation, to employ and pay 15 retired commissioned or warrant officers of the armed services. An increase of the total authorized to a new total of between 25 and 50 would allow greater flexibility in our personnel program. It should be pointed out, however, that the present restriction is mitigated, inasmuch as it pertains only to officers retired for longevity. The Agency has some former officers of the regular services retired for physical or combat disability, some serving as senior officials.

CIA has made considerable strides in the past three years in establishing a career service program. Extensive use of retired commissioned officers who, in view of age and experience, would only be willing to consider relatively senior assignments must be tempered by a consideration of the possible adverse effects on the morale of regular career employees.

We concur in granting Foreign Service benefits for dependents, medical assistance and leave accumulations to CIA personnel. It is believed that proposed legislation on the awarding of career service benefits to Federal employees stationed abroad will authorize the granting of these privileges.



RECOMMENDATION: That the program for training of specialists in covert intelligence collection and for the development of linguists be intensified. (Recommendation No. 9 of the Public Report; pages 45, 57 and 59 of Appendix II.)

CIA COMMENT: We concur in the necessity for the training of specialists in covert intelligence and the development of linguists. The Doolittle Study Group made identical recommendations and the Agency has given this matter intensive study. Five new covert training courses have been created during the last year. A mandatory quota of five per cent of all Clandestine Service personnel are in training at all times.

Our capabilities in language training have steadily expanded. In addition to a great variety of part-time programs, we have available approximately one hundred full-time intensive courses in nearly forty languages, and thirty to forty integrated area-language programs. Approximately eight per cent of the personnel in the intelligence producing offices are receiving pertinent training at all times. A program of incentive awards <sup>has been</sup> *is* <sup>adopted</sup> being considered) to stimulate interest in acquiring and maintaining proficiency, particularly in languages of those countries of major intelligence interest.

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

WITH RESPECT TO CIA AUTHORITY, POLICY, COORDINATION AND OPERATIONS

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

RECOMMENDATION: That the proposed annual Psychological Warfare budget and allocations be submitted for NSC approval and subsequent changes presented by Director of Central Intelligence to the Planning Coordination Group of the OCB. (Page 58 of Appendix II.)

CIA COMMENT: This recommendation is not consistent with the character and functioning of the NSC as it has been established. The NSC is an organ for the formulation of basic general policy and it does not have the time and staff which would be required if it were to consider details of budget and funds allocation. In development of its Psychological Warfare budgets, this Agency is careful to conform to policy established by the NSC, and to request NSC authorization for any proposed action which is not covered by existing policy. In addition, it is the current practice of the Director of Central Intelligence to keep the NSC closely informed concerning Psychological Warfare programs.

( In the current U. S. Governmental organization, the Planning Coordination Group of the OCB is the presently designated element for consideration of the more specific features of Psychological Warfare programs and budgets. Mr. Nelson Rockefeller, Advisor to the President on Psychological Warfare strategy, has under review the roles played by OCB and its Planning Coordination Group on matters pertaining to the review of "cold war" operations. )

RECOMMENDATION: That the NEC interpret provisions of paragraph 4b, NEC-5412/1 as it affects the several members of the intelligence community. (Pages 55, 57 and 59 of Appendix II.)

CIA COMMENT: Paragraph 4b of NEC 5412/1 reads, "Informing through appropriate channels on a need-to-know basis, agencies of the U. S. Government, both at home and abroad, including diplomatic and military representatives, of such operations as will affect them."

The CIA has been scrupulously careful to keep other Government agencies appropriately informed of its activities insofar as they may be concerned therewith. This obligation has involved a difficult balance between the proper range of interest of another agency and the restrictive principle of "need-to-know". We are aware, from time to time, that individual judgments in individual cases may have failed to find the proper balance of these considerations. We are trying constantly to remedy and prevent these instances, but we do not see how further generalized interpretation of this provision by the NEC could give substantial help in this problem. It is essentially a case by case issue. It should be noted that as standard procedure we provide individual briefings for ambassadors and other Department of State personnel, the Department of Defense commanders, chiefs of military missions, attaches and other important staff officers.

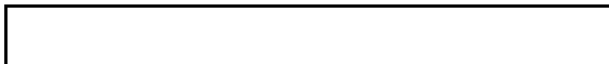
ILLEGIB

RECOMMENDATION: That all National Security Council, Intelligence Advisory Committee and Director of Central Intelligence directives be reviewed by the Intelligence Advisory Committee to establish clearer areas of responsibility and to facilitate allocation of tasks commensurate with capabilities and responsibilities. (Pages 24, 25, 68 and 74 of the Top Secret Report.)

CIA COMMENT: The approval of National Security Council, Intelligence Advisory Committee and Director of Central Intelligence directives is preceded by extensive staff work in which all Intelligence Advisory Committee member agencies concerned actively participate.

It is possible that the negotiated character of these directives, and the fact that DCI is a coordinator only, and not a commander, of National intelligence, may reduce the forcefulness and clarity of the product. We do not believe, however, that there is any severely hampering deficiency in this respect.

The Director of Central Intelligence will recommend the establishment of a subcommittee of the Intelligence Advisory Committee to review the language and substance of all National Security Council, Intelligence Advisory Committee and Director of Central Intelligence directives and present recommendations, as necessary, to clarify areas of responsibility or reallocate tasks based on the capabilities and responsibilities of member agencies. Particular attention will be paid to those directives issued prior to 1950. )



ILLEGIB

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

WITH RESPECT TO CIA SECURITY

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

142708

8 4

25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

RECOMMENDATION: That Scientific Estimates Committee be abolished and there be established under the Intelligence Advisory Committee a Scientific Intelligence Committee with appropriate subcommittees to insure community-wide coordination. (Pages 42, 70, and 74 of the Top Secret Report.)

CIA COMMENT: We are in general agreement with this recommendation and are currently trying to strengthen the Joint Atomic Energy Intelligence Committee and the Guided Missiles Intelligence Committee, both of which must work in close conjunction with any Scientific Intelligence Committee. These matters are under active consideration in the Intelligence Advisory Committee.



RECOMMENDATION: That espionage and counterespionage program be intensified.  
(Pages 38, 57, and 58 of Appendix II.)

CIA COMMENT: We not only concur in this but are assiduously pursuing such a course. (Within recent months) we have established a Counter-Intelligence Staff for the purpose of giving greater organizational emphasis to the counter-espionage part of the program, thus in effect placing espionage and counter-espionage on a par with each other and stimulating a more intensified effort throughout the entire Clandestine Services mechanism.

25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Next 1 Page(s) In Document Exempt

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

RECOMMENDATION: That effectiveness of CIA security program be re-evaluated to establish a system assuring security rechecks on a minimum five-year basis. (Recommendation No. 5 of Public Report; pages 62, 72, and 74 of the Top Secret Report.)

CIA COMMENT: As of 26 March 1955, all security files are checked each five years to insure that a review has been made within that period. However, it should be noted that this Agency's security program, in addition to the five-year check, includes a continuing review of the security of its employees. Re-review of employee files by the Security Office is automatic with any personnel action on Agency Staff employees, such as transfer, promotion, or appointment to special activities. Additionally, technical interrogations are given to overseas personnel upon departure to or return from permanent posts.

When a file review, a technical interrogation, or substantive allegation against an individual show any indication of the need for further action, field re-investigation is immediately initiated. We believe that the above procedures constitute adequate protection. An arbitrary policy requiring full re-investigation, as distinct from a name check, of every employee on a five-year basis would require double or triple our security establishment

RECOMMENDATION: That intelligence employees be removed from employment pending final determination of cases when sufficient doubt raised during the conduct of an investigation. Findings and disposition of those cases reported as still in process at conclusion of survey should be reported to the President. (Pages 280, 281, and 283 of the Top Secret Report.)

CIA COMMENT: This Agency has adhered carefully to the provisions of Executive Order No. 10450 which provides for the suspension, with or without pay, of Federal employees when a reasonable doubt exists as to their security status.

Agency handling of employees under investigation because of substantive allegations concerning their loyalty or security qualifications for employment in sensitive positions is dictated by the provisions of Executive Order 10450. Such employees are placed on a leave status, with pay if the allegations are eventually refuted, without pay if the allegations are sustained and the employee is terminated. Normal reporting procedures, as established in Executive Order 10450, are followed in these cases, and information is furnished to the Civil Service Commission or the Federal Bureau of Investigation, Department of Justice, as appropriate. Therefore, the status of such cases is available to the President through the executive agencies he has designated.

RECOMMENDATION: That all agencies recheck security status of intelligence employees at periodic intervals not to exceed five years. (Page 283 of the Top Secret Report.)

CIA COMMENT: This is being done by CIA. (See page 20.)

WITH RESPECT TO FISCAL AND BUDGETARY PROCEDURES

RECOMMENDATION: That submission of budgets to the CIA Project Review Committee by the area division chiefs be discontinued and budget for each covert component be prepared under supervision of its chief and submitted for the component to the Project Review Committee. (Pages 47, 57, and 59 of Appendix II.)

CIA COMMENT: This recommendation is based on a separation of Agency "cold war" and "covert intelligence" functions with which this Agency does not concur. However, in relation to the existing organization, the Clandestine Services planning and programing system (now being put into operation) is designed to assure that the preliminary program and budget recommendations of the Area Divisions will be fully reviewed by the Deputy Director (Plans) and his staff and submitted by the DD/P as an integrated Clandestine Services program.

RECOMMENDATION: That the number of auditors of the regular CIA Audit Staff be increased materially. (Pages 52, 57, and 59 of Appendix II.)

CIA COMMENT: We concur. This also was recommended and approved as a result of an internal organizational survey (several months ago and is being implemented as rapidly as practicable.)



WITH RESPECT TO INTELLIGENCE PRODUCTION AND COORDINATION

10/2/70  
24

RECOMMENDATION: That CIA devote special attention to the production of atomic energy intelligence. (Pages 208, 216, and 220 of the Top Secret Report.)

CIA COMMENT: CIA and the intelligence community have long ago agreed that the highest priority be accorded the following objectives (underscoring supplied):

"Soviet development, production, disposition, and employment of weapons and other components of weapons systems requisite for nuclear attack on the United States and/or key U. S. overseas installations or for defense of the Soviet Bloc against air attack. Particular reference is made to the development, production, and employment of: (1) nuclear weapons; (2) delivery systems, including aircraft, guided missiles, and related base facilities; and (3) the components of the Soviet air defense systems.

"Soviet capabilities, plans and intentions for the clandestine delivery of nuclear, biological, or chemical weapons."

Continuous attention at the highest level is directed to seeing that this program is energetically implemented.

RECOMMENDATION: That the Atomic Energy Commission's intelligence responsibility be defined by NSC directive. (Pages 42, 219, and 220 of the Top Secret Report.)

CIA COMMENT: The intelligence responsibilities of the Atomic Energy Commission (are now under discussion between the CIA and Atomic Energy Commission. At the appropriate time an NSC directive will be proposed.)

ILLEGIB

RECOMMENDATION: That the Atomic Energy Commission define responsibilities and functions of its Division of Intelligence. (Pages 210-212 and 220 of the Top Secret Report.)

CIA COMMENT: See comments on previous recommendation, page 26.

RECOMMENDATION: That steps be taken to introduce highly selective methods of choosing members of the coordinating committee on atomic energy intelligence, not only to get the benefit of service by the most competent individuals, but also to assure long tenure in this important assignment. (Recommendation No. 8 of Public Report; pages 207-209, 213-215, 218, and 220 of the Top Secret Report.)

CIA COMMENT: The CIA has always pressed for the assignment of the best qualified personnel to the Joint Atomic Energy Intelligence Committee. The record of the Committee in the matter of continuity and length of tenure appears very favorable, as shown by the following tabulation.

	<u>REPRESENTATIVES</u>	<u>TENURE IN YEARS</u>
CIA	3	1, 3, 4 (incumbent)
ARMY	2	4, 1 "
NAVY	1	3 "
AIR FORCE	2	5, 2 "
STATE	2	7, 1 "
FBI	1	2 "

RECOMMENDATION: That the atomic energy portion of National Intelligence Estimates be reviewed to emphasize development of increased capabilities to obtain intelligence on Soviet wartime use and that the National Intelligence Estimates reflect full extent of available knowledge. (Pages 217-220 of the Top Secret Report.)

CIA COMMENT: The CIA Board of Estimates is already doing this. Further, the Board is not only going into the Soviet wartime use of atomic energy, but is working on peace-time application. It goes without saying that every effort is made to have the National Estimates reflect the full extent of available knowledge.

RECOMMENDATION: That intelligence community recognize the Soviet Union as a primary target and take concerted action to break this vital intelligence block. (Pages 33-35, 49, 68, 247, 248, and 254 of the Top Secret Report.)

CIA COMMENT: CIA and the entire intelligence community has invariably accorded the Soviet Union the highest priority as a target of intelligence. This is reflected in the Priority List of Critical National Intelligence Objectives issued 28 September 1950, revised 12 June 1952, 4 August 1953, and 14 December 1954. Appropriately, Communist China has been accorded comparable status with respect to its capability to initiate hostile actions against the Free World. The means of obtaining and the production of intelligence on the Soviet/Sino Bloc is a problem always under continuous scrutiny, and is now limited mainly by the factor of human ingenuity.

RECOMMENDATION: That the Intelligence Advisory Committee act to develop new intelligence collection/production techniques and insure exchange of resulting information. (Pages 236-238, 240 and 244 of the Top Secret Report.)

CIA COMMENT: Compliance with this recommendation will be accomplished in conjunction with the Intelligence Advisory Committee action outlined on page 30.



RECOMMENDATION: That positive measures be taken to increase quantity and improve quality of intelligence, with emphasis on the target area, to include revision of existing directives assigning collection/production responsibilities. (Pages 236-238, 240 and 244 of the Top Secret Report.)

CIA COMMENT: This has already been covered in the comments on recommendations continued on pages 14, 30 and 31.

RECOMMENDATION: That the Department of State's programs for expansion and integration of the Foreign Service and acceleration of language and area training be pursued vigorously. (Page 254 of the Top Secret Report.)

CIA COMMENT: Any effort by another Department to accelerate language and area training would be of assistance to the intelligence community.

RECOMMENDATION: That an agreed glossary of intelligence terms be produced and reviewed periodically. (Pages 227, 228, and 244 of the Top Secret Report.)

CIA COMMENT: CIA has compiled a glossary of intelligence terms. Action will be taken through the Intelligence Advisory Committee to secure acceptance of such a glossary as the authoritative dictionary of intelligence nomenclature.

RECOMMENDATION: That the Intelligence Advisory Committee consider the adoption of a single library index system based on CIA's Intelligence Subject Code now in use. (Pages 303, 304, and 305 of the Top Secret Report.)

CIA COMMENT: We concur. The adoption by the entire intelligence community of an index system based on CIA's Intelligence Subject Code has been promoted vigorously over the past few years. (It has been adopted by the Air Force and G-2, and a special subcommittee of the Intelligence Advisory Committee is currently studying the means to establish this system on a community-wide basis. This subcommittee is expected to report to the Intelligence Advisory Committee within the next few weeks.)

RECOMMENDATION: That senior military commanders in the field be given greater flexibility in their use of information on a "need-to-know" or "eyes only" basis, with due regard to protection of the source. (Pages 307-309 of the Top Secret Report.)

CIA COMMENT: We are not aware of any complaints on restrictions on use of information supplied. It is true that on occasion material produced from highly sensitive sources or delicate operations must be handled with utmost care, but the CIA is fully cognizant of the obligation and responsibility to get information to that senior officer responsible for action and policy.

WITH RESPECT TO "WATCH-DOG" GROUPS

**TOP SECRET**

462108  
# 12

~~TOP SECRET~~

RECOMMENDATION: (by the Hoover Commission)

a. That the President appoint a committee of experienced private citizens, who shall have the responsibility to examine and report to him periodically on the work of Government foreign intelligence activities. This committee should also give such information to the public as the President may direct. The committee should function on a part time and per diem basis.

b. That the Congress consider creating a Joint Congressional Committee on Foreign Intelligence, similar to the Joint Committee on Atomic Energy. In such case, the two committees, one Presidential and the other Congressional, could collaborate on matters of special importance to the National security. (Sole specific recommendation of the Hoover Commission, pages 1-2 of the Public Report.)

RECOMMENDATION: (by the Clark Task Force) That a small, permanent, bipartisan commission, composed of members of both Houses of the Congress and other public-spirited citizens commanding the utmost national respect and confidence, be established by act of Congress to make periodic surveys of the organization, functions, policies, and results of the Government agencies handling foreign intelligence operations; and to report, under adequate security safeguards, its findings and recommendations to the Congress, and to the President, annually and at such other times as may be necessary or advisable. The proposed "watch-dog" commission should be empowered by law to demand and receive any information it needs for its own use. It should be patterned after the Commission on Organization of the Executive Branch of the Government (Hoover Commission). Appointments by the President of persons from private life to the proposed Commission should be made from a select list of distinguished individuals of unquestioned loyalty, integrity, and ability, with records of unselfish service to the Nation. (Recommendation No. 2 of Public Report, pages 312-317 of the Top Secret Report.)

CIA COMMENT: (We concur in recommendation (a) of the Hoover Commission, and, at the appropriate time, will make certain suggestions to the President with regard to the composition of such a civilian committee.

We further concur in the conclusions of the Hoover Commission insofar as it might pertain to this Agency that "while mixed Congressional

ILLEGIB

(page 37 continued)

and Citizens Committees for temporary service are useful and helpful to undertake specific problems and to investigate and make recommendations, such Committees, if permanent, present difficulties."

With respect to recommendation (b) of the Hoover Commission concerning a Congressional Watch Dog Committee, we would point out that the CIA at the present time reports to the Armed Services Committees of the Senate and House on legislative and other related matters of interest to the Congress, and to the Senate and House Appropriations Committee in regard to our annual budget and other matters affecting appropriations. All of these respective committees have taken an active interest in the affairs of the Agency and, insofar as our work is concerned, we do not consider that a Joint Committee would add any essential helpful element. If the President and the Congress consider that a Joint Congressional Watch Dog Committee is desirable, we would be able to live with it provided such a Committee and its staff afforded the same high degree of security which we have found in the past in our dealings with the Armed Services and Appropriations Committees. )

TOP SECRET



**GENERAL**

~~TOP SECRET~~  
~~TOP SECRET~~

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

# GENERAL

In the foregoing we have dealt with specific recommendations in the Hoover Commission and Clark Task Force reports. In the latter report there are, in addition, certain very general statements about the Agency--some favorable, others critical. Certain of the criticisms deserve brief attention. Many of the criticisms we feel are due to the fact that most of the members of the Task Force spent little time in actual survey of the Agency operations and were, therefore, forced to rely largely upon reports furnished them by their staff who for the most part had had little or no past experience in the intelligence field.

The Task Force stressed the need for greater concentration on the collection of intelligence from our primary target, Russia, her Satellites and Communist China; expressed concern over the lack of adequate intelligence data from behind the Iron Curtain; and advocated greater aggressiveness in this field, including an internal reorganization of the CIA.

These comments appeared in the public report of the Task Force and have been repeated and headlined in the press from coast to coast.

It is my understanding that it was not the desire of the White House that the Task Force or its staff should concern itself with our sensitive operations affecting the Communist Bloc. They did not press us for this information and it was not made available to them. However, any suggestion that intelligence in this field has not been and is not our prime objective is contrary to fact.

During the past few years we have initiated a series of aggressive and highly sensitive operations to obtain intelligence on the Communist Bloc and these operations are now bringing results. We have felt, however, that it

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8  
was far better to accept criticism than to risk disclosure of highly sensitive

~~TOP SECRET~~

- 38 -

~~TOP SECRET~~

142708 244

~~SECRET~~

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

(page 38 continued)

operations. Of course we, ourselves, are not satisfied with the intelligence gained about the Communist Bloc and an increase in the volume and accuracy of such intelligence is our primary concern.

~~SECRET~~

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

142708

MEMORANDUM FOR.

Attached is forwarded per yr request.

Please return as soon as it has served its  
purpose, as it is our only copy.

~~A~~

LBKirkpatrick

Memo Mr Kirkpatrick

24 Oct

Returned with thanks.

23 Oct 1956  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

25X1

25X1

25X1

25X1

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8

Approved For Release 2003/04/25 : CIA-RDP86B00269R000100060006-8