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(Not chronological)

*filed,
papers destroyed or
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32. Memo to DCI thru DD/I from Dr. Scoville, dated 10 Jan 62, subj: Missile and Space Intelligence Management. -
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36. Memo to [] from [] dated 26 Feb 62,
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[] *Destroyed 25 Jan 65*

37. Memo to Chairman of Reorganization Committee from L. K. White, dated 1 March 62, subj: Organization of Support to the Clandestine Services.

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39. Memo to L. B. Kirkpatrick from Col. White, dtd 15 Jan 62, subj: Budgetary Procedure and Accounting Controls, plus attachment of original copy of memo to L. B. Kirkpatrick from E. Saunders, dtd 13 Jan 62, subj: Budgetary Procedure and Accounting Controls.

40. Memo to L. B. Kirkpatrick from [] dtd 14 Feb 62, subj: Agency Planning Policy & Financial Review, plus attachments (a) Policy Review Committee, and (b) Budget and Financial Advisory Committee.

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- U. Security -- Memo for the Record from D/Security, dtd 12 March 62, subj: Proposed Plan for "Special Security Control Center". *Ret'd to Security - 25 June 1965*

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- V. [] e: Establishment of Working Group. *25 June 1965*
re: Mr. Bissell as DD/P.
re: Creation of DD/R & appt. of Dr. Scoville.
re: IG as separate component, OGC to O/DCI.
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re: appointment of Bross as Comptroller.
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43. Memo for L. B. Kirkpatrick from [] dated 2 March 62; subj: Administration of the Foreign Service.

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Destroyed 25 June 1965 -

44. Memo to L. B. Kirkpatrick from Roger Hilsman, State Dept., dated 16 February 62, subj: INR Proposal for Cold War Survey, plus attachment copy of memo to USIB from Dept. of State, dated 25 July 61, subj: Early Warning of "Cold War" Crisis Situations.

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- Z. SAC -- Memo for the Record from L. B. Kirkpatrick, dated 30 January 62, subj: Briefing at SAC, Tuesday, January 23.

Working Group Briefing Notes.

A

STATEMENT OF DCI TO USIB ON ESTABLISHMENT OF WORKING GROUP

With the approval of the President I have established a group to work with me in studying the role of the DCI, his relationship to the intelligence community, the organization of the intelligence community, relations of the CIA to other departments and agencies, and the organization and activities of CIA. This group will devote its time to studying these problems and then reviewing them with me and the people concerned in order that we can arrive at the proper decisions on what, if any, changes should be made.

I asked the Inspector General of CIA, Mr. Lyman B. Kirkpatrick, Jr., to divest himself of his responsibilities as Inspector General for approximately a 90-day period in order to work full-time on this project, reporting directly to me. To assist him, I have been fortunate in obtaining the assistance of General Cortlandt Schuyler, USA Ret., who is well known to all of you, to work with me on this task. Governor Rockefeller has graciously given General Schuyler leave for a few days each week from his tasks with the New York State Government. Mr. J. Patrick Coyne, Executive Secretary of the President's Foreign Intelligence Advisory Board, has been made available to work on this matter on a part-time basis.

This group will wish to discuss matters with representatives of the various departments and agencies. Further, if any of you have any suggestions which you would like to make to them or items which you would

care to call to their attention that would serve to improve the over-all intelligence effort, I wish you would get in touch with Mr. Kirkpatrick. I would appreciate your giving them your full cooperation.

MEMORANDUM FOR:

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The IG's office has asked that this
paper be held strictly to Mr. McCone,
to you, and to me.

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11/13/61

(DATE)

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

(47)

7 November 1961

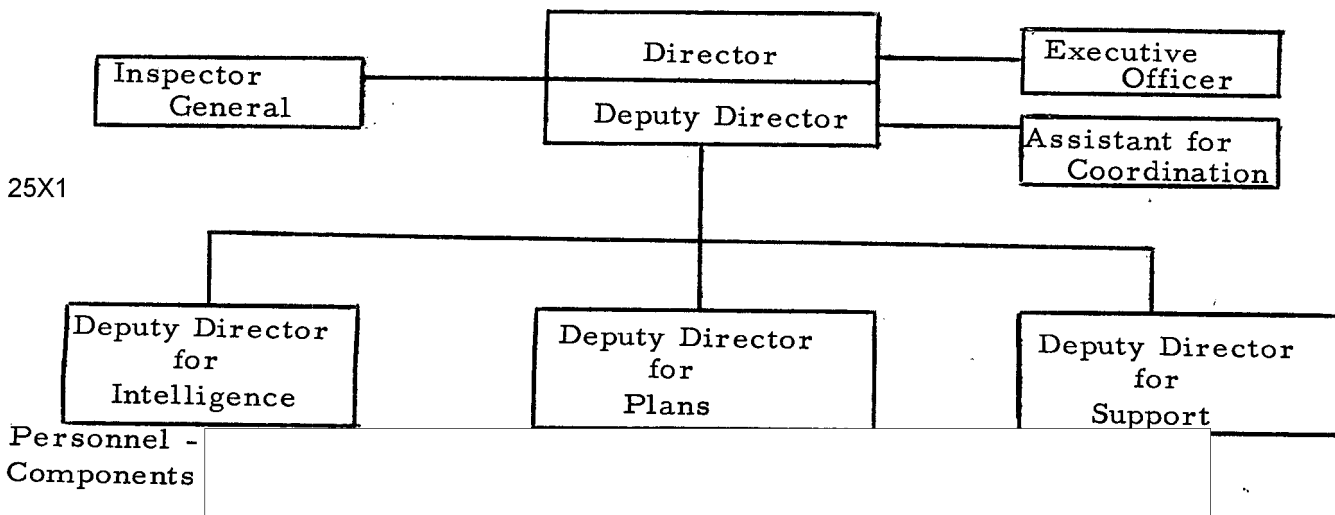
EYES ONLY

Memorandum For Mr. McCone

Subject: Organization of CIA

1. This memorandum is on the subject which we discussed October 27 regarding the relative emphasis placed by the clandestine services on covert action versus espionage and counterespionage. You will recall that I suggested that the overemphasis on covert action, or lack of emphasis on clandestine intelligence, whichever it may be, could be corrected by executive action rather than an organizational change such as placing the responsibility for covert action in a separate component such as we once had. The purpose of this memorandum is to recommend to you an organizational realignment by which the appropriate executive direction can be established to achieve the proper emphasis on clandestine intelligence and on covert action. Because this subject bears directly on the entire organization of the Agency, I have presumed to present a plan to reorganize the Agency to achieve objectives which I consider vital to good management.

2. The present organization of CIA divides the Agency into three Deputies areas with each Deputy reporting directly to the Director. This illustration shows the organization indicating the number of major units under each Deputy and the percentage of employees in the Deputies areas assigned to each.



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This organization, in my opinion, has the following major deficiencies:

a. It has reduced the span of the command of the DCI to too narrow a base -- actually three units inasmuch as the Inspector General, Executive Officer and Coordinator are staff officers.

b. It has decentralized the organization and delegated authority to a dangerous degree with the resultant loss of control by the Director.

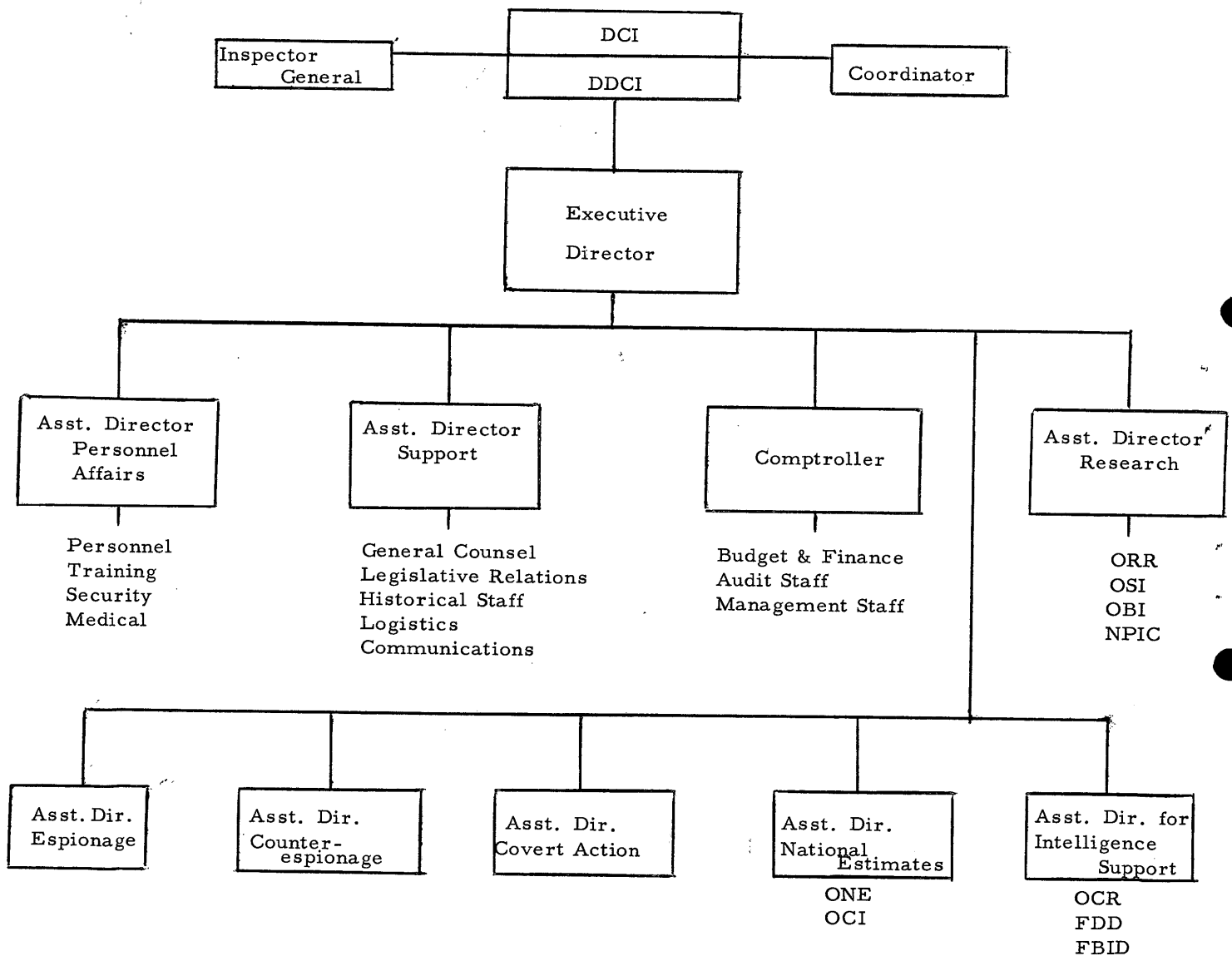
c. It has resulted in the creation of what are practically three independent organizations within CIA, which while bound together by a common set of rules and regulations, nevertheless follow differing policies on such fundamental matters as promotions, overtime, housing and entertainment allowances, publications, etc.

d. It has resulted in internal staffs in each Deputy's area many of which are duplicative and excessive echelons. It has also resulted in an excessive number of support personnel throughout the Agency.

e. It has resulted in the creation of loyalties to individual components and Directorates rather than to the Agency. Our present Career Service system is administered on the basis of a series of associated career services and not as a CIA service.

3. The CIA three-deputy system possibly could be made effective. As you know, the President's Board of Consultants on two occasions recommended the creation of an Executive Director or Chief of Staff in the Agency. These recommendations were directed at freeing the DCI and DDCI for greater effort in the field of inter-agency coordination, and also at improving management in the Agency. You are familiar with the work of such an office which would be comparable to the General Manager in the AEC. Such an officer could contribute greatly to the management of CIA either under the three-deputy system or the organization I prepose below.

4. The suggested organization of the Agency would abolish the present three-deputy system and in its place establish nine assistant directorates each reporting directly to the Director. As arranged on the chart below, this organization would in effect have three Assistant Directors over the components now assigned to each of the Deputy Directors.



a. The Assistant Director for Personnel Affairs would take over the responsibility for the present Personnel, Training, Security and Medical Offices. This would raise the level of the management of personnel affairs in the Agency and would group in one organization all of those offices directly concerned with personnel matters. It would allow a single voice to speak for personnel matters, something that is not true in the present organization. This Assistant Director should be given considerable authority over all personnel actions.

b. The Assistant Director for Support would be concerned primarily with the management of the Logistics and Communications Offices. In addition, this Assistant Director would have the General Counsel, Legislative Relations and the Historical Staff. While it could be argued that the General Counsel should be put on a higher echelon, the simple facts are that the General Counsel of this Agency has no activities comparable to those of the general counsels of other departments and agencies.

c. Comptroller. This individual would be the Comptroller in the true sense of the word and would have the financial responsibilities of the Agency under his jurisdiction just as the comptroller of a major corporation would have. The office in the Agency which today is called Comptroller is misnamed. This is simply a budget and finance office and has none of the traditional authorities associated with a comptroller. Under the new organization, the Comptroller would have the present office known as Comptroller which should be renamed Budget and Finance, the Audit Staff and a new and revitalized Management Staff.

d. The fourth major component would be the Assistant Director for Research who would have under him the Office of Research and Reports, the Office of Scientific Intelligence, the Office of Basic Intelligence and the National Photographic Intelligence Center. All of these are research organizations and have considerable in common.

e. The Assistant Director for National Estimates would have under him the Office of National Estimates and the Office of Current Intelligence as presently constituted. These offices should be merged as presently the Office of Current Intelligence is engaged in making spot estimates and should be under the direct control of the Assistant Director for National Estimates. It is possible that such a merger could effect manpower savings.

f. Assistant Director for Intelligence Support would encompass the present Office of Central Reference, Foreign Documents Division and Foreign Broadcast Information Division. This results in the elimination of the present Office of Operations which would lose its third division -- the Contact Division, which should become the Domestic Division in what is presently known as the Clandestine Services.

g. In place of the present DD/P, three Assistant Directors would be created. One each for Espionage, Counterespionage and Covert Action. The Assistant Director for Espionage would have his immediate staff, the present Foreign Intelligence Staff

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The Assistant Director for Counterespionage would have in his immediate staff the present Counter Intelligence Staff. The Assistant Director for Covert Action would have the current Covert Action Staff in his immediate office. These three Assistant Directors would have under them the present area divisions of the DD/P. The allocation of relative responsibilities to the area divisions would be done by these three Assistant Directors working together and under the direct guidance of the DCI and the Executive Director.

h. Above all of the Assistant Directors and in the chain of command to the Director would be an Executive Director whose primary responsibility would be the internal management of the Agency on behalf of the Director.

5. The proposed organization, in my opinion, has several major advantages over the present one to commend it. By creating three Assistant Directors over the Clandestine Services a better system of checks and balances is established to insure the proper emphasis of espionage, counter-espionage and covert action. This will also provide a more objective measurement of covert action by having an Assistant Director for Espionage who will not be directly involved in mounting operations in the covert action field and who thus would be more likely to issue warnings when he was concerned that the intelligence did not indicate the desirability of a proposed action. But in addition to this check and balance, I would also propose that an examination be made for more realistic appraisal of clandestine intelligence possibly under the Assistant Director for National Estimates.

6. The above has been presented for your consideration. If you wish more detail, additional or different proposals, I will be pleased to prepare them.

Lyman B. Kirkpatrick
Inspector General

22 January 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion by the Working Group with Mr. McCone,
Tuesday evening, 16 January 1962

1. We advised the DCI that these were some of the tentative conclusions which we had reached, but that we had not quite concluded our work on the DD/I and thought it important to see some other agencies before we definitely made recommendations particularly on the subject of estimates and current intelligence. (The following is the approximate order in which we presented these conclusions to the DCI.)

a. We are seriously concerned about the caliber of personnel in key positions in the DD/I and the obvious lack of leadership in key spots. General Schuyler emphasized that he was "shocked" at finding how little impact the DD/I made on his offices, stressing the fact that this was not in any way a reflection on Mr. Amory personally. He noted that each of the offices seemed to be particularly a self-contained entity.

b. We said we felt quite strongly that the Board of Estimates should be strengthened and that it needed a strong economist, a good scientist, better military men and perhaps individuals from business.

c. We said that until we looked at the whole organization we would hesitate to move ONE or any other part of the DD/I's office to the DCI.

d. We urged a better system for controlling the production of national estimates particularly as to scheduling and limiting the number. We said that we felt the effort of the Board of Estimates had been dissipated. We noted that the weekly Cold War Crisis Survey was probably a good vehicle for doing some of the work that was currently being done with memoranda and with SNIE's.

e. We stated that we were seriously concerned about raw intelligence going to the White House. This evoked a rather lengthy discussion on where intelligence originated that currently goes to the

White House and on how we could effectively channelize this in order to give the DCI control.

f. We urged that the White House briefing officer be in the DCI's office and that the DCI should be kept informed of everything going to the White House, everything said in briefings, and every question raised by the White House on which CIA was asked to reply.

g. We expressed grave concern as to whether the Watch Committee and NIC could do the job that it was expected to do. We said we had not yet finished our look at this but thought that some very important measures should be taken.

h. We expressed some reservation about the [redacted] with General Schuyler and myself saying it had beneficial public relations aspects but probably not much in the way of substance. Mr. Coyne was very negative, feeling that people who were not entitled to receive intelligence would obtain it in this fashion.

i. We said that we thought there should be separated out from the DD/I all activities that are not intelligence correlation or evaluation.

1. We urged that senior Agency officials stay out of the policy making field. The DCI asked what we had in mind and I explained that we had particularly in mind the Tuesday luncheon meeting attended by

Amory and Bissell and noted the tendency for them to volunteer policy information. The DCI was apparently unaware of this meeting but made the comment that it might be valuable for them to attend provided they kept their mouths shut.

m. We urged the DCI to have a regular weekly meeting with the President to keep him informed of Agency activities.

n. We urged a regular briefing at each NSC meeting noting that this had been dropped after Cuba but stressing that it was important for the policy makers to hear from the DCI.

o. In conclusion we said that we were gravely concerned about the extent to which the DCI could turn over the running of the Agency to a deputy. We felt that this had inherently so many problems that any delegation of authority would have to proceed most cautiously. The DCI said he agreed and that this was one of the matters which he hoped we would study most carefully.

2. The DCI then asked when we planned to get to the DD/S area, and I told him it would be last. He said he was very dissatisfied with what he had seen of the DD/S area. He particularly was unhappy about Personnel to whom he had referred about a dozen people, none of whom were acceptable. We discussed the DD/S area briefly and I noted that I thought Personnel was poor; that there was a wholesale housecleaning necessary, and that we had a great deal of duplicative support.

Lyman B. Kirkpatrick

LBK/jrc

Orig - LBK Notebook
1 - CVRS Notebook
1 - JPC Notebook

MEMORANDUM FOR: Director of Central Intelligence

For information.

LB Kirkpatrick

28 Feb 62

(DATE)

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

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26 February 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Bureau of the Budget on Agency Reorganization Plans, Friday, 23 February 1962, 11 a.m. -- 12:30 p.m.

1. At the DCI's instructions I called Robert Macy to advise him that Mr. McCone had mentioned some of the reorganization plans to Mr. David Bell and had asked me to brief him on them. Mr. Macy advised that he had already left BOB for AID and suggested that I call and brief Irving Lewis. The briefing was set up for Friday, the 23rd. In addition to Mr. Lewis, who is Acting Chief of the International Division, Mr. Kenneth Hansen, Assistant to the Director of the Budget, was present as well as Frank Ecker and Don Swan from the International Division. Mr. Coyne sat in on the briefing and on a few occasions made some comments.

2. In the approximately one and one-half hours that I was there, I went from the top of the organization through all of the presently contemplated changes which have been discussed with the DCI and commented briefly on each and the reasons why we believe the changes to be in order. In summary these included in the DD/I area the possible combination of ONE and OCI into one office; the breaking up of OO to use the Contact Division as a nucleus for a Domestic Division in the DD/P with the Foreign Documents Division and the Foreign Broadcast Division remaining in the DD/I area. In the DD/P I mentioned that we proposed the combination of the staffs into a central staff system of rather decreased strength under the present numbers; the creation of a paramilitary office; [redacted] the dropping of the third man in the DD/P front office; and the possible combination of some of the area divisions. I advised of the establishment of a Deputy Director for Research and Development who would take over portions of the DPD and TSD units from the DD/P plus other R&D activities as yet not firmly decided upon. I noted that the [redacted]

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[redacted] in the DD/P and that perhaps some TSD elements would remain in the DD/P although I likened their operation support work and its introduction into the DD/P to aircraft delivery in which company test pilots take the vehicles to the users and train the user pilots. In the

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DD/S area I noted that the Comptroller would become independent and report directly to the DCI; the Audit Staff would become part of the Inspector General Staff, although maintaining a separate and independent function in the audit and management analysis field; that the General Counsel would become an independent staff; and that we were still studying very carefully the whole interrelationship between the support offices and the support elements in the DD/P inasmuch as we thought a better organization could result in some considerable manpower savings. Finally, I mentioned the Coordination role and the fact that we thought the present system, which was in effect an inter-agency committee, was not effective and that what we needed was a small group of top professionals who could identify the coordination areas, could get the heads of the components together and urge them to coordinate, would keep the DCI apprised and when needed would get the DCI to take the action to achieve the required coordination.

3. The representatives of BOB were particularly interested in where the "evaluation functions" would reside and were advised that this would be in the Inspector General--Audit Staff, as part of the Comptroller function, in the DD/P's immediate office and in his senior staff system, and that we had not yet gotten to but were thinking about a senior planning and policy staff reporting to the Director. There was also interest in the Automatic Data Processing Staff and where this would fit into the Agency as well as the fact that the Agency should move into this field aggressively and straighten out its own house before the other agencies created their own systems which might be incompatible with ours. There was also discussion as to whether these changes would result in a decrease in the number of personnel and also whether there would be a weeding out of some high level personnel who are no longer as effective as they should be, and what could be done about more senior CIA officers being transferred to agencies like State and AID. Kenneth Hansen was particularly outspoken on this subject and mentioned that he had put forward the name of [redacted] on at least three occasions for ambassadorial posts. I noted that CIA was not in a very good position to tell other agencies that we had good men who could perform top jobs, and that if BOB felt strongly on this subject they should take the initiative.

4. It was my general impression that the BOB representatives looked favorably upon our plans and felt that we were making some very definite moves for improvement.

cc: DCI
DD/S
Comptroller

[redacted]
Lyman B. Kirkpatrick

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C.5. LBK

February 14, 1962

MEMORANDUM FOR: Mr. Kirkpatrick



STAT

(a) Copy of our present organization chart in reasonable size, and including thereon the names of all Division and Section Chiefs, and the employees in the home office and foreign, in each Division or Section.

(b) Copy of the revised chart which we discussed the other evening, modified to incorporate subsequent developments.

(c) Separate record in the form already in existence of 20 or 25 key executives.

John A. McCone
Director

cc: General Schuyler
Mr. Coyne

MEMORANDUM FOR: DDCI

Attached are the DCI's and your copies of a memorandum on allocation of responsibilities between the DCI, DDCI and the Executive Director. I am sure the DCI will want your views on this, which you may prefer to give orally rather than forwarding the attached.

LBKirkpatrick

26 March 1962
(DATE)

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

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C. 6.

22 March 1962

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT : Allocation of Responsibilities in DCI's
Office

1. Attached are three listings in which I have attempted to lay down the division of labor in the DCI's office between the DCI, the DDCI and his Executive Director. In preparing these I have endeavored to insure that the DDCI would be in a position to back-stop the DCI on those matters of national or interdepartmental concern, and that the Executive Director would be in a position to back-stop the DDCI in his role as chief executive and general manager of the CIA. Further, I have attempted to insure that there be a clear delineation of responsibility so that officers in the Agency will be able to approach one of the top officers of the Agency in order to obtain a decision. The purpose of this memorandum is to spell out the reasoning behind certain of these items which were not already established in the DCI's office.

2. The Agency Financial Policy Committee will be spelled out in the notice under preparation on the responsibilities of the Comptroller. As indicated by the DCI this will become a primary management tool for governing the Agency's financial activities.

3. The professional personnel of the Agency constitutes its single, most valuable asset. Yet one of the areas in which the Agency has been weakest over the years has been in the field of personnel management. As noted later in this memorandum our present personnel policy is implemented in many fashions. Today the Agency has a Super Grade Board, chaired by the DDCI, a Career Council chaired by the Director of Personnel and supposedly a Career Development Board, although the latter has never functioned. In order to establish a single personnel policy and see that it is implemented, I believe most strongly there should an Agency personnel board chaired by the DDCI combining all of the functions of the above and seeing that the proper policy is created and executed. In our

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peculiar system, with four deputies directing activities in broadly diverse fields, a director of personnel under one of the deputies cannot perform much more than processing activities. Consequently, personnel management needs top level attention.

4. Senior assignments throughout the Agency are generally approved by the DDCI or DCI.

5. The Agency produces approximately 191 serial publications. Up to the present the Inspector General has been chairing the Agency Publications Board with responsibilities to insure that no unnecessary publications are issued, that they adhere to correct format, and that they are properly coordinated. This should be brought up to the DCI's office.

6. There is important need for an operational review board to meet regularly, I would suggest weekly, at which a systematized presentation on current activities in sensitive fields should be made for the information of the DDCI. This is not done today and the DCI and DDCI are kept informed only by informal briefings and notations from the DD/P.

7. Other items listed under the Executive Director such as review of Agency regulations, middle management assignments, external contracts and travel plans are all in the area of housekeeping. The periodic review of security problems is a continuation of an activity conducted previously by the DDCI and the Inspector General jointly who met with the heads of the Security office at least semi-annually and reviewed all border-line security cases. I strongly believe this should be continued as we have several rather important matters in this field.

8. Finally, the daily staff meetings of the Executive Director with the Assistants to the DCI and DDCI and the Chief of the Secretariat are vital in keeping the proper flow of papers in the DCI's office and properly coordinating its activities in order not to place an undue burden on the Agency.

9. In addition to all of the above, there are some areas where I don't believe office chiefs, or even line deputies, will be able to solve problems of considerable consequence to CIA -- and in many

instances to the intelligence community. These are problems which are generally of Agency-wide or even government-wide interest, on which strong and often directly opposite views are held, both internally and externally, and which have been allowed to drift along unsolved for years while the differing views became more and more solidly entrenched and developed supporting constituencies. In all of these areas I submit that the CIA should have taken aggressive and firm leadership. Examples are:

Requirements: In simplest terms, a requirement is a demand for collection of information on a specific subject. The Joint Study Group report highlighted the fact that requirements are uncoordinated (even in CIA 40 per cent of them short-circuit the established system), and that the many volumes of requirements represent great expenditures in manpower for limited returns. If we ran Agency procurement of supplies and equipment the same way, we would be bankrupt in 30 days. Strong leadership from the DD/I's office is needed.

Automation: In the Agency we have three differing programs for automation in the three areas. There are many more in other agencies, some incompatible with CIA's. The Automatic Data Processing Staff is a catalyst, but has to negotiate, rather than direct. Direction is needed from the DCI's office.

Personnel: There are basically three different sets of personnel policies in the Agency, e.g., OCI pays overtime to professionals to grade GS-15; DD/P pays no overtime to professionals and expects them to work even longer hours than those in OCI; DD/I and DD/S assign good officers to all-Agency activities such as the Office of Training and the IG Staff, while the DD/P tries to send weak ones or cast-offs; there are variations in nearly every phase of personnel management. The Director of Personnel is merely a support officer. Personnel management needs the strongest guidance from the DCI's office.

Training: CIA's success or failure will depend on the professionalism of its people. The Doolittle Study Group in 1955 recommended CIA have 10 per cent of its people at all times taking training courses. CIA issued a regulation saying that 5 per cent would be in training courses. The result was a large cadre of professional trainees -- people the units didn't want. The best training effort we have is

our JOT Program (Junior Officer Training) which has been publicly stated to be one of the best in the United States and classed with Procter & Gamble's (one of the best in industry). This succeeds because it is required. The DCI's office must see that it is required up through the ranks.

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Travel: A lot of travel is necessary in this business. CIA does too much -- [redacted] We overburden our field stations with unnecessary visitors. There should be centralized control in the DCI's office.

10. I would appreciate any guidance you can give me on these subjects.

Lyman B. Kirkpatrick

Attachments

LBK/jrc

Orig & 1 - Addressee (w/att.)
1 - DDCI (w/att.)
1 - chrono
1 - subject

A. Director of Central Intelligence

1. President's principal intelligence officer.
2. Responsible for coordination and effective guidance of the intelligence community.
3. Responsible for policy guidance to the Central Intelligence Agency.
4. Advisor to NSC.
5. Chairman of USIB.
6. Member of Special Group.
7. Member of Counter Insurgency Group.
8. Member of NSC Standing Group.
9. Represents Agency with Chairmen of Congressional Committees.
10. Receives daily intelligence briefing.

B. Deputy Director of Central Intelligence

1. Acts as DCI in the latter's absence.
- *2. Responsible for general management of the Central Intelligence Agency.
3. Coordinates and directs the production of intelligence.
4. Chairs the Watch Committee.
5. Insures inter-agency coordination.
6. CIA member of USIB.
7. Assists DCI in preparation of intelligence briefings.
8. Supports DCI in preparation of national estimates and in production of national current intelligence.
9. Ex officio member of Agency Financial Policy Committee.
10. Chairman, Agency Personnel Board.
11. Reviews and approves subject to DCI concurrence Agency Senior Assignments.
12. Reviews Inspector General-Audit reports.
13. Chairman, Agency Publications Board.
14. Arranges periodic staff meetings of senior officers.
15. Attends DCI's daily intelligence briefing.
16. Chairman, Operational Review Board.

*In this capacity personally approves all Agency activities or projects which must be approved by or coordinated with other departments, those activities which affect U. S. relations with other countries, and any activities which might require advice to Committees of the Congress or the White House.

C. Executive Director

- *1. Acts for DDCI in latter's absence.
2. Ex officio member Agency Financial Policy Committee.
3. Ex officio member Agency Personnel Board.
4. Ex officio member Agency Publications Board.
5. Reviews and approves for DDCI Agency regulations.
6. Reviews and approves for DDCI Agency middle management assignments.
7. Reviews and approves for DDCI external contracts.
8. Approves for DDCI Agency travel plans.
9. Conducts periodic review of security problems on behalf of DDCI and DCI.
10. Reviews Congressional matters with Legislative Counsel.
11. Conducts daily staff meetings with Chief of Secretariat and Assistants to the DCI and DDCI.
12. Serves as focal point for liaison with President's Foreign Intelligence Advisory Board.
13. Ex officio member, Operational Review Board.

*Except as member of USIB, which DD/I will assume.

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E.7.

OPERATION OF THE OFFICE OF THE DCI:

- (1) The control point within the DCI's immediate office is the Executive Officer, O/DCI. The Executive Officer performs the duties devolving upon a staff executive. He is responsible for coordinating all staff actions and assuring that all correspondence, memoranda and documents originating in the various components of the Agency and requiring DCI action are properly staffed, coordinated and concurred in by the appropriate responsible officials. He attends the Director's regular morning staff meetings with the Deputy Directors, and performs such other functions and duties as the Director may direct. He directs the activities of the Executive Secretariat, the Cable Secretariat, the Historical Staff, and the O/DCI Security Staff.
- (2) Within the Executive Secretariat supervised by the Executive Officer are three assistants to the Director, one of whom is primarily assigned to supporting and assisting the D/DCI; an Administrative Officer who is responsible for administrative support to the O/DCI, encompassing personnel, budget and finance, and logistical matters; and the Executive Registry. The Executive Registry receives, controls, distributes, maintains files, and makes appropriate disposition as directed of all correspondence and intelligence, operational and/or administrative documents flowing through the O/DCI.
- (3) The Cable Secretariat, operating under the direction of the Executive Officer, is charged with coordinating policies governing the preparation, release, and distribution of CIA cables and is charged with the review, processing (exclusive of the encrypting, decrypting, and transmitting processes), distribution, and delivery within CIA headquarters of all classified incoming and outgoing CIA cables; ensuring that the originating office has secured the personal approval of the Director on all outgoing cables involving questions of national policy; and ensuring that all intelligence items contained in cables are transmitted to the Office of the Deputy Director (Intelligence). The Cable Secretary is also charged with the responsibility for the control and dissemination within the Agency of non-CIA produced cables and telegrams.
- (4) The Historical Staff, under the immediate supervision of an Assistant to the Director, serves as a focal point for the DCI and the Agency in all contacts with representatives of the press and public relations matters in general. It provides the Director with items of general and intelligence information from the daily press and other media, prepares a daily clipping book containing press items of particular interest for the Director, provides reviews of current literature pertaining to the field of intelligence and ~~related~~ activities, and is engaged in writing the history of the CIA from its inception.

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- (5) The Security Staff affords physical protection to the DCI and to classified documents he is carrying to and from various meetings in Government buildings or elsewhere, between his office and residence, and at his residence. The staff maintains up-to-date records on all known cranks and mentally disturbed persons who write to or seek personal appointments with the DCI at the office or residence and personally interviews such persons as the occasion requires. It provides technical support and transcription services in all instances wherein the DCI, D/DCI or IG desire to record conversations or conferences. The staff maintains liaison with the local police forces in the Metropolitan area and with the National Park Police, and supplies such other support in making or assisting in travel arrangements, hotel reservations and services of a general "aide" nature as the DCI or Executive Officer may direct.

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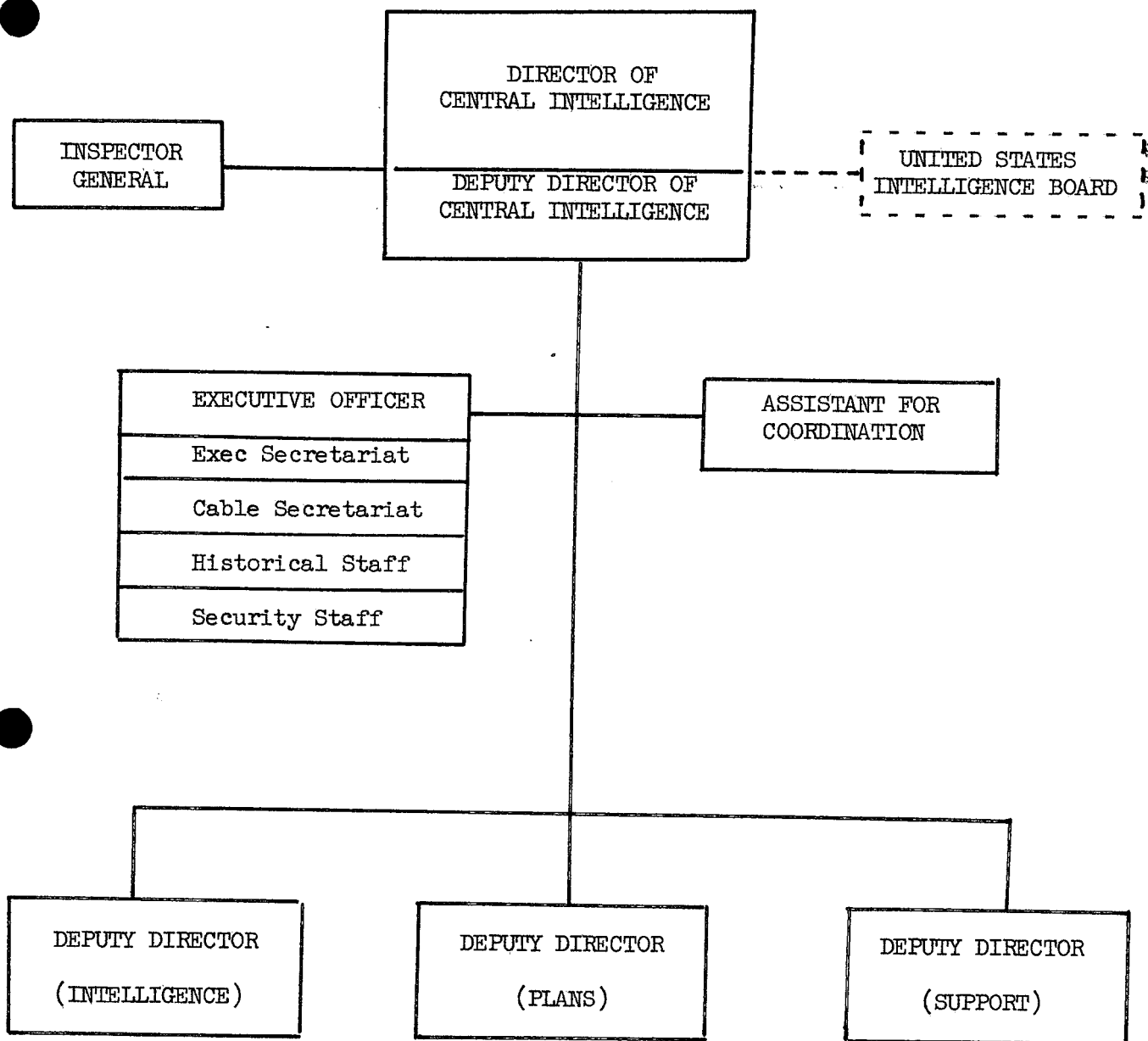
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STAFFING COMPLEMENT - OFFICE OF THE DIRECTOR

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Immediate Offices of DCI and D/DCI.....	
Executive Registry.....	
Cable Secretariat.....	
Historical Staff.....	
Security Staff.....	
TOTAL.....	

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DCI's Office

- a. There should be created a Committee to be chaired by the ^{DDCI} [Deputy Director: Management] consisting of the four Deputies and the Comptroller to review periodically and report to the DCI on major projects and operations of the Agency.
- b. There should be created a Financial Management Committee under the chairmanship of the Deputy Director: Management and consisting of the Comptroller, the four Deputies or their assistants. This committee should review and make recommendations on the allocation of Agency reserves, and Agency budgetary and accounting procedures.
- c. The Automatic Data Processing Staff might function in three locations: under the DD/R & D, under the DD/S as at present, or under the DCI's immediate office. We have not been able to reach full agreement as to which of these locations would be preferable.

B.9,

Offices Reporting to the DCI

a. The Comptroller's office should be brought out from under the DD/S, report directly to the DCI's office, and receive full authority to control the flow of all funds in the Agency. Assign to the Comptroller responsibility for total fiscal control of the Agency. New leadership is needed in the present office in order to exercise the Comptroller functions as you envisage them.

b. Assign to an appropriate element of the Office of the DCI all functions involving policy support of the DCI in the SIGINT (COMINT, ELINT, RADINT, etc.) field.

c. Combine the Audit Staff with the staff of the Inspector General and direct the merged staff to report to the DCI's office.

d. General Counsel should also report directly to the DCI's office. The Legislative Counsel should be a part of the General Counsel and report directly to the General Counsel.

February 14, 1962

MEMORANDUM FOR: Mr. Kirkpatrick

On February 15, at a DD/P Staff Meeting, Mr. Bissell is going to announce his resignation, [redacted]

[redacted] and immediately thereafter I will announce the appointment of Mr. Helms as DD/P.

Concurrently, the scope of DD/P is to be modified in accordance with our recent discussions by the elimination from the cognizance of DD/P certain areas requiring scientific skills, as particularly NRO and Special Projects.

However, there should be prepared memoranda covering (a) the appointment of Mr. Helms as DD/P; (b) establishment of DD/R (Research) and the assignment to it of NRO and Special Projects; (c) the appointment of Dr. Scoville as Acting DD/R; [redacted]

With respect to the location of TSD, study should be made as to whether this could be appropriately placed under DD/R, with suitable administrative arrangements with the Division Chiefs so that their needs will be fully met from the standpoint of both research and development and application. This is a classical argument we meet both in government and in industry and is answered in various ways. It has been my personal experience that an operation such as TSD can function under a research director and properly serve all operating divisions. Nevertheless this question must be fully explored.

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carefully before moves are made to implement the plan. However, there is no urgency in this matter.

With respect to the actual transfer of responsibilities from Bissell to Helms, this will take place as of close of business on Friday, February 16.

John A. McCone
Director

cc: General Schuyler
Mr. Coyne

E.13

16 February 1962

MEMORANDUM FOR: Deputy Director (Plans)
Deputy Director (Intelligence)
Deputy Director (Support)
Inspector General

1. To effect the orderly transfer of activities of the Development Projects Division (Deputy Director/Plans), Mr. Richard M. Bissell is appointed Acting Chief of that Division for the period 17 February 1962 through 28 February 1962. During this period Mr. Bissell will continue to exercise the delegation of authority over funds granted to DD/P for the DPD projects.

2. During this temporary assignment, Mr. Bissell will draft for my consideration a proposed order which will assign to Deputy Director (Plans):

a. Those elements of the Development Projects Division to remain with the Deputy Director (Plans), and

b. Those elements of Development Projects Division which will be transferred to the Deputy Director (Research and Development).

SIGNED

John A. McCone
Director

cc: Dr. Scoville

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L.

Summary of Comments on the DD/I Area

Our views as previously expressed to the DCI at the meeting at his house (see attached summary) are still basically the same. In addition we would make the following comments and recommendations.

- a. Merger ONE and OCI into one office to handle national estimates and current intelligence.
- b. Strengthen the Board of National Estimates by the addition of personnel with requisite backgrounds in the economic, scientific and foreign service fields.
- c. Establish procedures through USIB to better regulate the screening of requests for national and special estimates.
- d. Designate DD/I as the focal point for clearance of all Agency originated intelligence that is sent to the White House.
- e. Reject the proposal that OSI be transferred to the DDR&D.
- f. Dissolve the Office of Operations. Transfer the Contact Division to the DD/P. Assign FDD to OCR. And for the present assign FBID as an independent unit reporting to the DD/I.
- g. Restrict DD/I's Comint and Elint functions to that of consumer, transferring the policy support functions to the Office of the DCI and the security functions to the Security office.

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P. 24,

9 January 1962

MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick

SUBJECT: The Relationship of O/NE to the DCI

1. On the question of transferring O/NE from the DDI to Mr. McCone's office: as you know, the NIE's are "submitted by the Director of Central Intelligence" as part of his statutory function to produce national intelligence. They represent a community-wide effort in every stage of their production. O/NE is the Director's agent in preparing and coordinating these papers for the Director's approval, with the concurrence (or dissent) of other members of USIB. Thus National Intelligence Estimates have always been prepared for the Director in his capacity as coordinator of the entire community's intelligence efforts, rather than in his capacity as head of CIA. This distinction has made little practical difference in the past, but if Mr. McCone should organize things so that he personally is concentrating primarily on his function as coordinator, there is no logical function for O/NE unless it is attached directly to him.

2. In the last analysis, of course, the question should be resolved on the basis of Mr. McCone's own conception of how he wishes to use the Board and staff of O/NE. It is worth noting that, while the production of NIEs and SNIEs is the principal business of O/NE, the Director has in the past requested O/NE to deliver considered judgments to him on a host of important substantive problems. This has largely been done through the vehicle of the Board's Memoranda to the Director (105 were forwarded during 1961). If Mr. McCone feels that O/NE should continue to be the Director's senior substantive staff, we would, of course, welcome any arrangement that would result in a closer organizational relationship to the office of the Director.

3. As a practical matter, you realize that O/NE has operated with a comparatively small staff and has relied extensively for support on other elements of the intelligence community, both inside and outside CIA. Of these, the most important are OCI and ORR. We would like to be sure that these relationships continue in future and urge that O/NE, wherever it may be placed on the organization chart, should be kept in close physical proximity to the rest of CIA, with whose components we should continue to work closely in preparing material for Mr. McCone.



ABBOT SMITH
Acting Chairman,
Board of National Estimates

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CHESTER L. COOPER
Acting Assistant Director
National Estimates

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P. 25

29 January 1962

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MEMORANDUM TO MR. KIRKPATRICK'S COMMITTEE

SUBJECT: ONE and the Preparation of Military Estimates

1. For ten years or more ONE has drafted the text and presided at the coordination of National Intelligence Estimates respecting the military strengths and capabilities of the Sino-Soviet Bloc. The drafts are prepared on the basis of written contributions from the Army, Navy, and Air Force, from certain committees of USIB (GMAIC, JAEIC, and SIC), and from the economists in ORR. A great deal of assistance also comes from OSI and OCI. During recent years the work of ORR has become increasingly important, especially in connection with Soviet aircraft production and Soviet ballistic missiles. In addition, the substantive contribution of ONE itself has been considerable, particularly in connection with Soviet strategy and Soviet military programs.

2. With the establishment of the Defense Intelligence Agency a question arises as to how far this system should continue. We understand that written contributions from the military will

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henceforth come from DIA. Should not the coordination of military estimates now be left to DIA? There is no question, of course, that the vast bulk of military analysis and estimating will remain in the hands of the military; detailed Order of Battle, analysis of weapons and weapons systems, campaign and logistical studies, and the like are almost purely military problems. We believe, however, that for the small but extremely important portion of military intelligence which appears in National Intelligence Estimates the process ought to stay pretty much as it is now, ^(with the coordination in the hands of ONE.) The reasons for this belief are set forth below.

The Board of National Estimates

3. That the Army, Navy, and Air Force tend to approach the most important estimates with conflicting views and interests hardly requires demonstration. This conflict is frequently denounced as bad and wasteful, but it is by no means always so. In such a matter as the number and deployment of Soviet ICBM's, for instance, it is worth while to have two or three more or less independent analyses in progress. It is even valuable to have two or three groups approach the problem each with a lively desire to prove some preconceived hypothesis. We do not say that the services always approach estimates in this fashion, nor do we mean to charge any lack of good faith. We do know, from experience, that the estimates have profited from a vigorous conflict of views, backed up by adequate research and analysis.

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4. The Board of National Estimates has long sat as a kind of umpire and overseer of these disputes. After listening to the evidence and argument, it has recommended to the Director of Central Intelligence what it thought his position should be. It possesses three main qualifications for this job: (1) a considerable degree of experience and expertise among its members; (2) the services of a highly competent staff in ONE and elsewhere in CIA; and (3) no vested interest in any particular answer to the problems presented. The latter in particular would be difficult to achieve in any ^{purely} military organization dealing with the problems arising in military estimates.

Political and Economic Aspects of Military Estimates

5. Estimates of Bloc military strengths and capabilities, and of Bloc military and strategic policies, do not rest exclusively upon military evidence. They are based also upon a great deal of economic analysis of production capabilities in the Bloc, of budgets, of the cost of alternative weapons programs, and in general of the allocation of resources within the Bloc economies. They rest also on political and ideological analysis; Soviet military programs and military strategy are inextricably linked with Soviet politics and Communist doctrine. No military estimate of importance

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is made without a blending of these various aspects, and the basic work on these is done almost entirely in the State Department and in CIA itself.

Personnel

6. ONE, ORR and the other offices of CIA have over the years built up what we consider to be an extremely competent body of personnel to deal with military estimates at the national level. Through training and long service these people have developed great experience and skill, not only in analysis of the problems involved, but in writing, negotiating, and coordinating the final product. Insofar as the DIA, or any other agency, is staffed by officers on comparatively short-time assignments it will be at a considerable disadvantage in producing national estimates.

Military Estimates as National Intelligence

7. Finally, the military estimates with which we are concerned are designated national intelligence, and as such are submitted by the Director of Central Intelligence. For various reasons, including those stated in paragraph 5 above, they probably ought to remain in this category, and not become "departmental intelligence" pertaining only to the concerns of the

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Department of Defense. As long as they remain national intelligence, it would appear essential that the Director, in submitting them, should have under his direct control a competent staff to advise him as to what his position should be, and indeed to prepare and coordinate the estimate for his submission. As already pointed out, ONE has long performed this function, with the assistance of other elements of CIA, and we think it should continue to do so.

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SHERMAN KENT
Assistant Director
National Estimates

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P. 26.

8 February 1962

MEMORANDUM FOR MR. KIRKPATRICK

SUBJECT: Responding to your Query on Merging OCI and ONE

1. At your suggestion, there is set forth below some ideas on merging OCI and ONE. Since [] and I have only a vague understanding of your requirements and have had but a few hours to discuss our ideas, the following proposals should be regarded as preliminary. We have assumed in our discussion that the new office would remain under the DDI and that a primary object in such a reorganization would be to economize on personnel.

2. I have taken seriously your admonishment about "not fighting the problem" and will not discuss the merits of such a merger in this memorandum. I wish, however, to reserve radio and TV time to state my views on this aspect of the question before anything definite is decided. In any case, since Sherman is away until 12 February, I certainly would not want to imply by anything that follows that such a merger has even the tacit approval of the AD/NE. Also since I have not had an opportunity to discuss the question with Ting Sheldon, the same reservations presumably apply to OCI.

3. ONE, as you know, is comprised of a Board and a staff. [] I assume that you had in mind primarily a merger of the ONE staff with OCI, and our concept of a combined operation is based on this assumption. However, before we get into the question of how we would deal with the ONE staff, let us first consider the Board. Five theoretical possibilities are open in connection with the Board: (a) it could be abolished; (b) it could report to the DCI in his role as the coordinator of the intelligence community; (c) it could report to the DDCI in his role as operating head of the agency; (d) it could report to the DDI; or (e) it could serve the AD of the combined office. On the assumption that the BNE is not to be abolished, there appear to be no outstanding

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advantages to having the BNE report to either the DDCI or the DDI; rather it should be attached to either the DCI in his role as coordinator or to the AD of the new office in order to have close contact with the estimates process.

4. There are three theoretical ways in which the ONE staff could be merged with OCI:

A. Under the AD of the new office there would be a DAD for Current Intelligence primarily responsible for the current intelligence staff pretty much as it is now organized; there would be a DAD for Estimates in charge of an estimates staff (more or less along the present lines) and would administer the production of NIEs. This arrangement would result in the least disturbance of the present organizational structures of ONE and OCI.

[REDACTED]

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B. The combined office could be organized pretty much along the present lines of OCI except that each area division would consist of a branch concentrating on estimates and one on current intelligence. Because of the heavy additional burden the estimative load would place on the AD and DAD of this office, it might be useful to have a special assistant to the AD or DAD who would monitor the estimates activity. This arrangement would still preserve some aspects of the present separation of estimates and current intelligence, but would result in a closer relationship between the area analysts in both fields.

[REDACTED]

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C. The present organization of OCI could be maintained with the ONE staff members melded into the OCI organization; there would be no formal distinction between current intelligence and estimative responsibilities.

[REDACTED]

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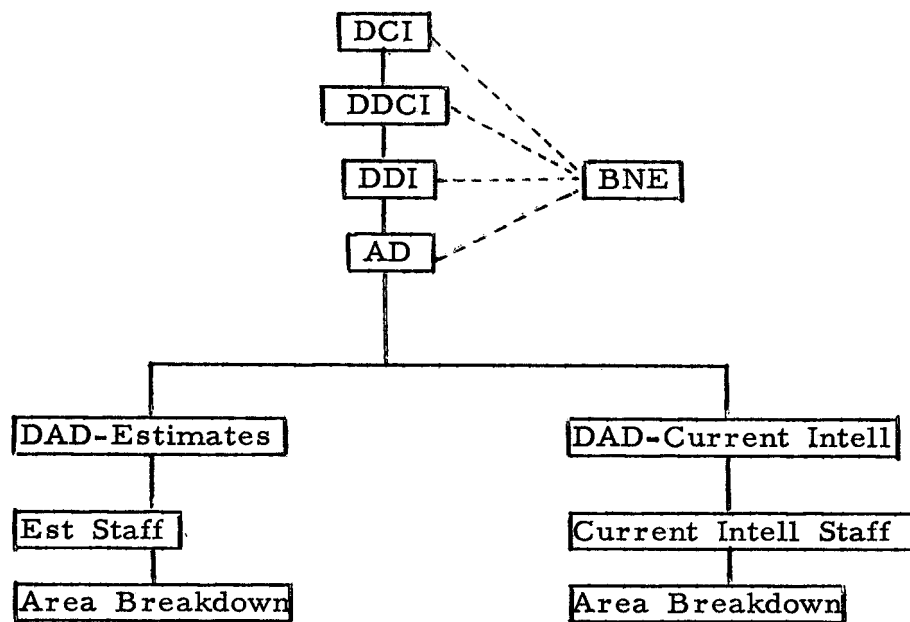
[REDACTED] It might be necessary in this case, as in the one above to have a Special Assistant for Estimates. (See Chart No. 3)

4. Each of the three organizational arrangements suggested above have advantages and disadvantages -- most of them obvious to you. If there is anything to the theory that NIEs can best be written in a somewhat different setting and by people having talents not necessarily transferrable to current intelligence production (and vice versa), the first arrangement would seem the most desirable.

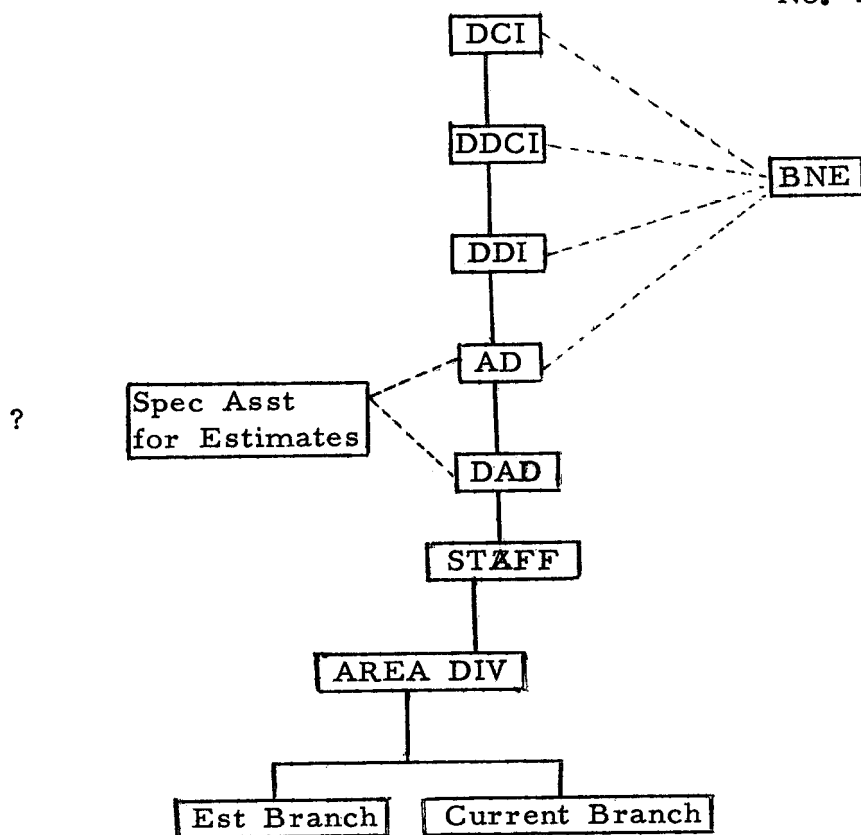

CHESTER L. COOPER
Acting Assistant Director
National Estimates

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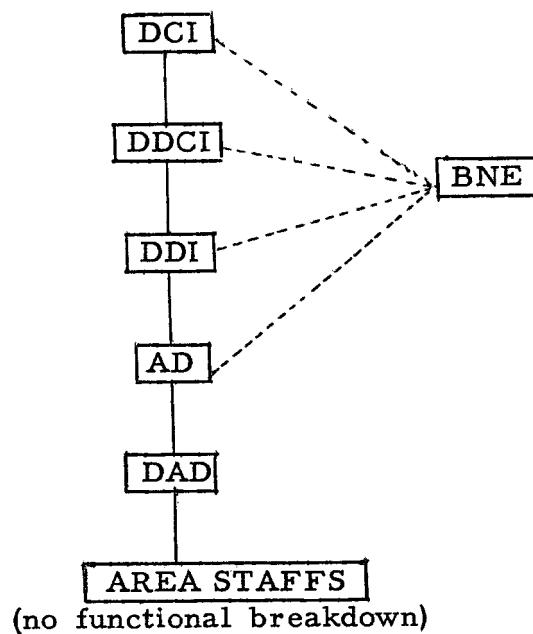
No. 1



No. 2



No. 3



P. 27.

9 March 1962

MEMORANDUM FOR MR. KIRKPATRICK

SUBJECT: Exchange of Personnel Between O/CI and O/NE

1. In connection with our discussion of the other day and your remark about the percent of O/NE bodies recruited from O/CI and now on board, I thought you might be interested in a brief summary of the exchange of personnel that has taken place between the two offices during the past several years.

2. Of our present staff of [] came to us from O/CI. One of these has been in O/NE since 1956, 2 since 1957, 1 since 1958, 2 since 1959, and the rest have joined us during the past 18 months.

3. The flow of personnel between O/CI and O/NE has not been one-way. Thus, [] staff members (Cline, [] - a rather impressive array of talent) transferred from O/NE to O/CI. In addition, 2 O/NE research assistants went to O/CI in professional capacities.

4. I should also hope that O/NE has provided key personnel to other parts of the Agency and the government in general. To cite a few of the more outstanding examples: Borel left us for O/CR, [] for USIB, [] for State, [] for the White House, Bundy for the Defense Department and [] for the staff of the Senate Foreign Relations Committee.

[]
SHERMAN KENT
Assistant Director
National Estimates

4 Feb 62
27 January 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Special Organization for Scientific and Technical Intelligence

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Your message through [] reached us in Albany yesterday and we debarked to General Schuyler's residence and spent from 10 to 12 p.m. studying the subjects which were mentioned. The following is a statement which was drafted at that time.

1. We favor establishment of a Special Assistant at a high level in the Agency (but not necessarily at the Deputy level) to direct, control and monitor the major Research and Development aspects of Scientific and Technical efforts of the Agency in the intelligence field. When such Research and Development efforts result in workable systems for collection, we would favor their being turned over to operational elements for control and use.

2. Under such an official we would place such matters as:

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b. The Agency's Elint and related activities.

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d. Research and Development support of activities in various other sophisticated intelligence equipment areas (e.g., NPIC).

3. We believe that a maximum effort should be made to bring to bear on our intelligence problems the scientific and technical talents which exist outside of the government. Accordingly we endorse the concept of establishing an outside organization to accomplish this purpose. However, before proceeding we should:


a. Clarify the specific areas requiring exploration.

b. Report further on the several Agency-sponsored organizations and projects of this type already in existence.

c. Avoid Agency involvement where the same objective could better be achieved by military or other agencies. We feel that considerable additional study is required before any action is taken leading to the establishment of such an outside organization.

We have deliberately not placed anything on the record concerning personalities, but inasmuch as we were asked to also consider this, I will be glad to discuss it with you orally at your convenience.

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Lyman B. Kirkpatrick

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P. 30

061

19 March 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : The Proper Location of OSI

REFERENCE : Memorandum from DDR to DCI, undated; subject, "Activities of DDR"

1. As I have advised you orally, I am strongly of the opinion that it would be undesirable and against the best interests of the Agency to move OSI from the DDI area to the DDR. This memorandum sets forth principal reasons why I have reached this conclusion.

2. First, as to the purpose of establishing the DDR, it is my understanding from you that the principal goal was to split the Agency's collection effort into two arms, the classical and the scientific or technical, experience having shown that the two tasks were essentially too big for one individual to administer. I believe this should still be the primary objective and consider that the direction of all advanced methods of intelligence data collection is a sufficiently demanding task to occupy fully the DDR and his staff. The fact that more than one-third of the Agency's budgeted resources are

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allocated to this work would tend to support this view.

3. The second point I would make might be called the essential integrity of intelligence production. Ever since it was established CIA has focused in one place, initially in the Office of Research and Estimates and since 1952 the Deputy Directorate for Intelligence, responsibility for the research analysis and production of intelligence conclusions for which the Agency is responsible. It would seem to be clear beyond argument that the assessment of a country's capabilities and possible courses of action must include scientific and technical factors along with military, economic, and political ones. Moreover, this integration must take place at all levels of analysis and production and for all finished products whether National Intelligence Surveys, current intelligence publications or National Intelligence Estimates. Separation of responsibility along the extremely obscure line that separates Research and Development data from production and deployment data would seem to have no positive advantages and many obvious disadvantages including the necessity of bringing relatively trivial disputes as to methods and analytical conclusions to the Director's office for resolution. Fusion of disciplines rather than their separate compartmentation is a necessary pre-condition to balanced rounded

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intelligence. It may be worth mentioning in passing that most universities maintain a single faculty of "Arts and Sciences" as one basic managerial unit.

4. The third issue to be considered is the maximum utilization of the scientific talent available in the Agency. I agree that scientists should be offered the opportunity of a varied career including assignments both in intelligence research and in experimental and developmental work. This can be accomplished by setting up a career designation of "scientist" to cover those working both in DER and OSI, and I would not object to such a career service board being chaired by the DER. What must be kept firmly in mind is that when working in OSI on producing intelligence appraising other nations' scientific capabilities, the scientists are first and foremost intelligence officers utilizing their scientific background to assist them in a process of reasoning that is no different from that engaged in by the political scientists or economists. To insist that the intelligence producing scientists or scientific intelligence officers be lumped in with the research and development people makes no more sense to me than placing the economists of OHR under the Comptroller for the reason that both are concerned with statistics.

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5. Though the person selected to direct OSI has carefully and astutely avoided taking sides on this issue, I am convinced he will be in a better position to represent the Agency on questions of scientific intelligence on foreign countries' capabilities if he is not under the shadow of a senior Agency official engaged in developing and promoting particular collection systems.

6. Though this issue is not one to be settled by counting noses, it is worthy of note that the Kirkpatrick-Schuyler-Coyne Committee has studied the matter intensively and has concluded that OSI should remain where it is. Moreover, my associates who share a portion of my responsibility for the integration of finished 25X1 intelligence such as Dr. Kent for National Estimates, Mr. Sheldon for Current Intelligence, and [] for National Intelligence Surveys agree that it would be undesirable to break up the presently existing and long established close association between their offices and OSI.

7. In sum, though whatever decision you arrive at will be made to work, it is my belief that logical analysis of what our enterprise is all about and application of the principle of focusing responsibility for cognate and closely interrelated operations clearly lead to the conclusion that the best interests of the Agency would be served by leaving OSI where it is.

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ROBERT AMORY, JR.
Deputy Director (Intelligence)

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R.32

10 JAN 1962

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy Director/Intelligence
SUBJECT: Missile and Space Intelligence Management

1. When we discussed OSI activities with you in late October, you asked that a study be made to determine if an organizational structure comparable to the JAEIC set-up could bring about required improvements in the missile and space intelligence field. As a result of our examination of this problem, we recommend that:

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a. A Missile and Space Technical Intelligence Center (MISTIC) be established, with its Director in the Defense Intelligence Agency, to manage the technical collection and analyses, except as limited by NSCID-6 and NSCID-8, of data on foreign missile and space tests. (COMINT and ELINT functions assigned to NSA under NSCID-6 and photo interpretation functions assigned to NPIC under NSCID-8 should not be transferred to MISTIC.)

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SUBJECT: Missile and Space Intelligence Management

b. The authority and scope of operations of CMAIC be broadened and strengthened to be comparable to that of JAEIC so that CMAIC will establish requirements for collection, be first served with the collection product, and command the research support required to fulfill its mission.

c. The chairmanship of the enhanced CMAIC be assigned to an official of the CIA who shall have transferred to his administrative control all elements of CIA concerned with the research and production of missile and space intelligence.

2. Since these recommendations are interdependent and mutually supporting, it is essential that they be adopted in toto and not partially.

DISCUSSION

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SUBJECT: Missile and Space Intelligence Management

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6. Our first recommendation, therefore, is that a Missile and Space Technical Intelligence Center be established within the

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SUBJECT: Missile and Space Intelligence Management

Defense Intelligence Agency. If this placement of responsibility were not acceptable, an alternate course, though less attractive, would be to [redacted] in order to encompass both fields.

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7. Recommendation 1.b. The nuclear intelligence operation has run smoothly because broad community responsibility for the coordination and the synthesis of intelligence research was vested in JAEIC. [redacted]

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[redacted] On the other hand, CMAIC operations have been somewhat limited by the reluctance of the member agencies to recognize its primacy. Thus, it has not been able to exercise effective guidance and direction toward the collection mechanisms which were supposed to serve it. Hence, our recommendation is that CMAIC operations be strengthened so that it will function in relation to MISTIC [redacted]

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[redacted] 8. Recommendation 1.c. The chairmanship of JAEIC has always been held within CIA and this has provided the DCI with a direct command link for exercising his coordinating responsibility

SECRET

SUBJECT: Missile and Space Intelligence Management

in this key national intelligence field. Further, as a result, the committee has always had a competent intelligence research group to provide staff support under the direct authority of the chairman. OMAIC, on the other hand, has had to depend for its research support on the willingness of its member agencies to provide these services.

9. Within CIA, responsibility for nuclear intelligence is assigned solely to the AD/SI. In missile intelligence, however, responsibility is divided between AD/SI and AD/RE. Thus, in order to streamline the mechanism and make it comparable to the nuclear situation, we are recommending that the CIA intelligence research and production responsibility in missile and space be centralized as they are in the nuclear field. Because of the technical nature of the problems involved in missile intelligence, we believe that this responsibility logically falls in OSI.

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HERBERT SCOVILLE, JR.,
Assistant Director
Scientific Intelligence

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R. 33.

17 January 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Missile and Space Intelligence Management

REFERENCE : Memorandum Same Subject From Dr. Scoville
To You (Attached) *add 10 Jan 62 (R. 32)*


1. I concur in the intra-agency proposals put forward by Dr. Scoville, but I do not believe they will, by any means, provide a cure-all for our problems in the missile information collection field. We must bear in mind that the collection activities related to missiles are far more heterogeneous than those focused on atomic tests and many more separate commands et cetera are involved in the former than in the latter case.

2. I emphatically disagree with the second clause of paragraph 1c which would transfer all intelligence on missile research and production to a single control within CIA. I do not propose to argue the point here fully, but merely wish to record my strong view that unless there is a complete reorganization of the ISI elements of the Agency, it would be ill-advised to put the technical R and D aspects of missile intelligence now in OSI under CIA management and equally ill-advised to do the converse. Now that we are all in the same building, an easy interchange of material, ideas and semi-finished research is convenient. We should, as a practical proposition, be able to achieve all the real benefits of consolidation without disrupting the fundamental allocation of responsibility that now prevails.

3. Dr. Scoville says in his paragraph 2 that all his recommendations are interdependent and should, therefore, be adopted in total or not at all. He has stated to me that this statement does not apply to the intra-agency proposal he made and what he is talking about is the necessity for both strengthening the Guided Missile Committee and giving it authority over all aspects of missile intelligence throughout the community.

4. This problem has been brought to the attention of the Kirkpatrick Task Force and should, I believe, be considered by them and discussed between them, Dr. Scoville and myself as their deliberations proceed.

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ROBERT A. ASPI, JR.
Deputy Director (Intelligence)

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R. 35,

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Activities of DD/R

1. The DD/R has been established with the objective of consolidating in a single Agency organization the major activities involving science and technology. These S&T activities which should be considered for inclusion in the DD/R include three general types of work:

- a. Research and development on technical collection and data reduction systems;
- b. The production of intelligence on scientific and technical capabilities of other countries; and
- c. The conduct of all operations using technical collection methods and of S&T operations using classical agent techniques.

NOTE: Since the DD/P has the responsibility for the conduct of clandestine operations, and since the tradecraft of classical intelligence collection is highly specialized and available only in the DD/P, it is clear that the DD/R should not have the final responsibility for S&T clandestine operations. However, such operations have a major technological input. Conversely, it is extremely important that all Agency R&D be sensitive to operational needs and limitations; therefore, one of the most important problems in developing an organization for the DD/R is a delineation of the responsibilities between the DD/R and the DD/P which will ensure the closest integration of the activities of the two organizations.

2. In reviewing the various Agency activities which might be considered for incorporation in the DD/R, the following organizations have been considered and their relationship to the DD/R is discussed below.

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a. Development Projects Division - DD/P (DPD). The special projects activities of DPD should be incorporated in the DD/R, but the air support operations should be split off and assigned to the DD/P. The responsibility of the DD/R for the special projects activities should, because of the specialized nature of the activities, extend all the way from the initial research through procurement and such operations as may be deemed desirable for the Agency to conduct, using the DD/P only for such liaison and supporting activities as may be necessary at overseas stations. Past experience with the U-2 and other developments has shown the tremendous gains which come from this integrated effort on such highly sophisticated projects. Since it is undesirable to have two Agency air operations centers, it is believed that a single center should be established to serve both the DD/P and the DD/R needs, probably under DD/R control. The detailed assignment of the present DPD functions was prepared by Mr. Bissell, is agreed to by the DD/R and DD/P and is appended as Annex A.

b. Technical Services Division - DD/P (TSD). With the exception of certain special projects, TSD conducts the majority of the DD/P research and development on technical collection systems. In addition, at the present time TSD is responsible for the procurement, supply, installation and maintenance of such equipment. These generally fall into two categories:

(1) R&D not in direct support of the DD/P which involves a modest amount of manpower, but a large part of the TSD research budget. This effort is in the development of systems designed to collect scientific intelligence.

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Such projects involve very little interaction with the operational elements of DD/P. It is believed that this type of activity of TSD should be transferred in toto to the DD/R with the DD/P having only a minimum responsibility for station support in the field.

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line between the responsibilities of the DD/R and the DD/P can be drawn at a number of different stages in the cycle, but the following is proposed as appearing the best method of achieving the objectives listed above and at the same time properly observes the basic responsibilities of the DD/R and DD/P.

(a) The DD/R should have the prime responsibility for the research and development through the laboratory testing stage, but, even in these phases, the operational elements should provide requirements and indicate operational constraints. They should also initiate operational planning at an early time in the R&D cycle so as to be in a position to take fullest advantage of the developments underway.

(b) The DD/P should have prime responsibility for operational simulation testing, procurement, production, supply, training, field maintenance and operation of the equipment. In these areas, DD/R will provide technical assistance. In order to carry out its responsibility in this area, it is believed desirable for the DD/P to establish a technical services unit for both overseas and Headquarters activities, the manning of which might be carried out by an over-all Agency scientific and technological career service (see paragraph 3).

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d. Office of Scientific Intelligence - DD/I (OSI). The primary responsibility of OSI is the production of intelligence

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it has performed a major function in providing assistance to both technical and classical collection activities in the form of requirements, guidance and scientific support. Experience of the past several years has shown the importance of a close working relationship between the consumer and the collector if one is to improve the quality of our intelligence in the critical technological areas. Furthermore, OSI has available both internally and externally through its contractor-consultant relationships a scientific manpower pool which should be extremely valuable in the critical formative stages of the DD/R. Therefore, although the logic of the normal CIA structure involving production elements and collection elements in separate components might place OSI in the DD/I, it is believed that, at least initially, OSI should be placed in the DD/R in much the same way that the scientific elements of Development Projects Division and Technical Services Division are placed in the DD/R rather than in the DD/P. If this transfer is made, it is essential, however, that OSI continue to place its major effort in support of the DD/I needs for scientific intelligence for national estimates, current intelligence and more extensive research products.

e. National Photographic Intelligence Center - DD/I (NPIC). The NPIC carries out research and development related to the exploitation of photographic materials obtained primarily as a result of various DPD or related military service projects. Much of this work is of an engineering nature directly associated with the procurement of specific items of equipment for processing the collected material. Such developmental work should not be separated from the NPIC itself. Other R&D, however, is aimed at developing solutions to longer range photo interpretation problems and not necessarily directly associated with the specific operations underway. It is possible that this more basic research should eventually be transferred to the DD/R, but no recommendation on this will be made until a later date. In any case, it is essential that very close working relations be maintained between NPIC and DD/R, particularly with the special projects activities

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in order to ensure that the exploitation capability is compatible with the collection systems becoming available.

f. Automatic Data Processing Staff - DD/S (ADPS). The ADPS is responsible for staff support to the various Agency programs utilizing automatic data processing systems. Both the DD/P and the DD/S have or will have in procurement systems which are beyond the R&D stage and should not incur any responsibility of the DD/R. The primary problem in the Agency at the moment is how to apply already existing computer equipment. It is, therefore, recommended that this activity not be assigned to the DD/R; however, it is conceivable that in the future it will be necessary for the DD/R to undertake R&D of a new computer technique to satisfy a specific need.

g. DD/P Scientific and Technical Collection. The DD/P has a major responsibility for the collection of S&T intelligence by means other than technical methods. At the present time

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... (see paragraph 3 below). The DD/R, through its OSI component, must also work very closely with the DD/P in providing requirements, technical guidance and assistance to these operations.

h. Other Agency Research Components. Other Agency components may have small R&D programs to suit their specific needs. These activities will be studied to determine whether

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they involve overlapping or could profit by consolidation in the present over-all Agency research program under the DD/R.

3. Career Management of S&T Personnel

a. The Agency needs qualified S&T personnel in many of its components and these personnel serve in a variety of ways, including scientific intelligence production, research, applied engineering, research and development, and scientific intelligence collection operations. The bulk of these personnel are presently used in Office of Scientific Intelligence, Technical Services Division, Development Projects Division, Office of Communications, and as S&T case officers for the various area divisions and staffs of DD/P.

b. To achieve the most effective results in this short-supply, highly competitive field, it is recommended that some provision be established to effect an integrated program that would include initial selection, recruitment, placement, training and continued development from a career standpoint. The objectives of such a program should be getting the right talents, knowledges and aptitudes brought into the Agency, and subsequently to get these qualities effectively developed and placed according to the needs of the organization.

c. Perhaps the best approach would come from placing such a program in the hands of the largest S&T component such as the new DD/R, letting all S&T personnel be assigned to this career service. This central body would perform all of the functions of personnel management, and staff, as requested, the S&T needs of other Agency elements not contained within the DD/R. This would have the advantage of command authority to approach every step from recruitment to career development, thus making it possible to gain efficiencies in the recruitment and training processes and the maximum opportunity for developing rounded capabilities of the maximum number of people, including getting the "right man for the right job." By so placing responsibility, expertise in all of these management aspects could be developed to a degree higher than in any one of several smaller components.

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d. To supplement its internal scientific capabilities, it is proposed that the Agency develop an outside contract of the [redacted] type. Such a contract can be of major assistance in developing greater Agency capabilities in both the collection and analysis fields. The Office of Scientific Intelligence is [redacted]

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This type of assistance is particularly useful on a special project basis where one desires to obtain highly qualified scientific attention to a specific problem. It is not believed, however, that this technique is a good substitute for the development of a strong in-house technical capability. The use of such a contract just to circumvent Civil Service regulations would, in the long run, drive out of the Agency its most qualified people and reduce rather than improve its present high standards.

e. Since the recruitment of scientific manpower to fill the wide variety of Agency needs is critical and urgent, it is recommended that as an initial step attempts be made to obtain on a temporary consultant basis an individual experienced in the recruitment of scientific personnel. This individual, whom we might borrow from either industry or some large university, should survey the Agency needs for such individuals and develop a recruitment program designed to satisfy these needs. It is hoped that during the period this program is being developed that someone could be recruited to run this program on a continuing basis and that the necessary supporting organization both in the field and at Headquarters can be developed. While it is recognized that successful recruiting is dependent on the individual efforts of many persons, it is not believed that the present rather haphazard system is satisfactory to achieve the high quality manpower which this Agency must have.

4. In summary, it is recommended that you approve in general the following actions. The details of the various transfers can then be discussed with the heads of the components involved. The cases in which resolution cannot be achieved between the DD/R and the other components will be referred to you for resolution.

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Recommendations:

a. The Special Projects components of Development Projects Division be formally transferred to the DD/R as of 1 March.

b. Discussions be held with DD/P and Chief, Technical Services Division relative to:

(1) The transfer of the R&D and laboratory testing components of TSD to the DD/R;

(2) The establishment of a technical services organization within the DD/P using the remainder of TSD as a nucleus to carry out the operational testing, procurement and field maintenance of technical devices to assist clandestine operations; and

(3) The development of a working agreement between DD/P and DD/R on their various responsibilities for technical collection along the lines discussed in paragraph 2. b. (2).

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d. The Office of Scientific Intelligence be transferred to the DD/R.

e. A scientific and technical career service under the chairmanship of the DD/R be established to satisfy Agency-wide needs.

f. An expert consultant on S&T recruitment be immediately procured.

HERBERT SCOVILLE, JR.
Deputy Director
(Research)

Attachment: Annex A

Recommendations in para. 4 APPROVED:

Director of Central Intelligence

Date

DD/S 62-0792

1 March 1962

MEMORANDUM FOR: Chairman
Reorganization Committee

SUBJECT : Organization of Support to the Clandestine Services

1. In the early stages of development of the Clandestine Services following World War II and prior to the Korean emergency, virtually no trained Support Officers, with the exception of some Finance Officers at a few of the larger stations, were stationed physically with the Clandestine Services either at headquarters or abroad. Support functions were usually performed by Case Officers untrained for support responsibilities; obligation records were not properly maintained, supply accounting was minimal, and personnel were promoted according to the grade of position occupied without competition. As the Agency matured and grew, it became necessary to introduce obligation records, to improve accounting for both money and property, to provide central procurement of supplies and equipment, to establish more formal control over the hiring and promotion of personnel, etc., and to develop a number of other management devices and systems.

2. Until sometime after the Korean War new employees required to perform support functions in the Clandestine Services were usually assigned immediately to the Clandestine Services both at headquarters and abroad with little or no training or orientation by Central Support Components in Agency policy, regulations, and procedures. The requirements generated by the Korean emergency left us little choice. The result, however, was less than satisfactory to the management of the Clandestine Services and the Agency. During this same period the Central Support Offices were expanding in order to cope with their responsibilities; the employees hired by these components were also to be relatively ineffective until they received both formal and on-the-job training and orientation in the unique requirements of the Clandestine Services. Throughout this period we were searching for a formula which would provide timely and adequate support to the Clandestine Services with due recognition for security and compartmentation and at the same time best and most economically serve the Agency as a whole. There were those who felt strongly that nothing short of a complete Support Organization within the Clandestine Services with no outside supervision would be satisfactory. At the other extreme were those just as confident that a Central Support Organization could do the job.

3. The system which we have today grew out of certain basic decisions made in December of 1951. Significant excerpts from the minutes of a 10 December 1951 meeting at which these decisions were made follow:

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"2.a. The DD/A is in charge of and directly responsible to the DCI for all administrative support for the Agency.

"b. Present administrative support facilities will not be duplicated at any level for the purpose of providing to the DD/P, or Offices under his supervision, separate, independent or semi-independent administrative support facilities."

"3. It shall be the responsibility of the DD/A to determine whether the administrative support facilities can adequately support a proposed program or project, and when necessary the DD/P or his representative shall, in consultation with the DD/A or his representative, modify the proposed program to the extent necessary to insure that the program can be adequately supported.

"4. Subject to whatever conditions or limitations the DCI may see fit to impose upon a given project or program under the DD/P, the DD/P shall have responsibility for its successful implementation and freedom to develop the program according to his own judgment, insuring, of course, that it is developed in a manner which can be administratively supported according to the agreed upon administrative support plan. However, the DCI (through the DD/A) reserves the right to inspect and audit all programs to insure that they are implemented properly and in accordance with approved directives."

4. While we might express these principles in slightly different terms today, I believe that they have stood the ten-year test reasonably well. Adhering to them, we have come to recognize in practice that:

a. Those services which can be performed most efficiently and economically by the Central Support Components without jeopardizing security should be and are so performed; (The Development Projects Division may be an exception. It does have certain self-contained Support Components which parallel in part the Central Support Organization.)

b. The DD/S and the Heads of the various Support Components have staff responsibility for support at all levels and locations of the Agency;

c. The Central Support Components are responsible for hiring, training, and supplying Support Specialists to all components at all levels at headquarters and in the field. This is most important;

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d. The DD/P Area Division or comparable Staff Chief is the Executive Agent for all CIA activities in his area and, therefore, within this area has over-all line responsibility for all activities, including support. In order to discharge this responsibility it is essential that he have some specialized support competence in his organization and under his command in order to ensure adequate and timely support from the Central Support Components in a manner which will still serve the "need-to-know" principle. (This is not unlike a military Field Commander who has on his Staff certain specialists such as a Finance Officer, Signal Officer, Ordnance Officer, etc., while at the same time drawing a large measure of his support from other Service units not a part of his command.)

5. I believe that our present system of support to the Clandestine Services, which we have continued to improve through the past ten years, is now working satisfactorily and that there is no reason to make radical changes at this time; specifically, I believe that it would be most unwise to charge the Central Support Components with functions now recognized as an inherent part of the command responsibility of the Agency's Executive Agent in the Clandestine Services, i.e., the Division Chief. Finance, Personnel, Logistics and other Support representatives within Area Divisions of the Clandestine Services--by virtue of their proximity to and specific knowledge of an Area Division's projects, overseas stations and particular administrative problems--lend a special assistance which would be difficult to duplicate by Central Support Components. The workload of the Central Support Components has increased tremendously during the past several years without a corresponding increase in personnel. They could not assume these additional duties without an increase. Further, I believe that the principles of good security, compartmentation, and need-to-know would not be as well served as they are now.

6. It is my belief that, due to cover and ceiling limitations, Field Station Chiefs are inclined to reduce Support Staffs to the bare minimum in order to accommodate the maximum number of Operations and Intelligence Officers within their over-all complement, and that there is virtually no possibility of duplication. To me, therefore, the problem resolves itself into a question of whether there is unnecessary duplication between the Support Components and the Clandestine Services at headquarters. Here the chances for duplication in support functions, except Personnel, Finance, and Logistics, are also very slight. I have been advised that as of

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about some reduction, I do not believe that it would be very substantial.

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7. In summary, I believe that the present organization, system, and procedures for support to the Clandestine Services are sound and are working satisfactorily, and I see no reason for change at this time. DD/S in consultation with DD/P should, of course, continue to make every effort to improve the system and its procedures so as to maintain the total number of personnel engaged in support functions at a minimum.

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L. K. White
Deputy Director
(Support)

cc: DD/P
SSA-DD/S

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S. 38.

Deputy Director/Support

We were generally quite favorably impressed with the caliber of the office chiefs of the DD/S area and with the organization and work of these offices. We have recommended elsewhere that the Office of the Comptroller, the General Counsel, and the Audit Staff be transferred out of the DD/S area.

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T. 39.

15 January 1962

MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick, Jr.

SUBJECT : Budgetary Procedure and Accounting Controls

REFERENCE : Memo dtd 13 Jan 62 to L.B. Kirkpatrick via DD/S fr
Compt, same subject

Kirk:

Pursuant to your request I am forwarding the attached memorandum from Ed Saunders on "budgetary procedure and accounting controls." I think that it can be summarized as follows:

- (1) The Comptroller does not participate in the preparation of the DD/P budget prior to its submission to the Bureau of the Budget.
- (2) PRC consideration of country programs and other projects is rather perfunctory.
- (3) A substantial part of the DD/P budget, particularly DPD, is not considered by the Project Review Committee.
- (4) In many instances DD/P requests for releases from the Reserve are not coordinated with the Comptroller prior to approval by the Director.
- (5) DD/P liaison with the Bureau of the Budget, and sometimes other agencies, is carried on rather extensively without coordination with the Comptroller.
- (6) In some cases (Project is a good example) the Director has, for security reasons, made the Area Division Chiefs responsible for certifying to the expenditure of funds, and in such cases it is not uncommon to find that expenditures are not properly documented or supported.

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(7) With the exception of cases in which the Comptroller has been excluded from full participation, such as [] our controls, account- 25X1
ings and audits are good. Our problems in connection with audit are primarily in the field of proprietary projects. We have had considerable difficulty in the past, but at the moment we know of only one project [] not being 25X1
audited on schedule. I reported to the Director on this in July of last year and believe that we are about to obtain full agreement to start an audit of this Project in the very near future.

[]

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L. K. White

1 Att:

Referenced memorandum

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13 JAN 1962

MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick

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THROUGH : Deputy Director (Support) [redacted]

15 Jan 62

SUBJECT : Budgetary Procedure and Accounting Controls

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1. It is my understanding that Mr. McCone gained an erroneous impression that approximately [redacted] of the Agency's funds are not under good accounting control. This impression presumably was obtained from my briefing on the activities of the Comptroller's Office, particularly that part of the briefing which involved an explanation of the budgetary procedure. It was pointed out that the Office of the Comptroller does not make a detailed review of the estimates submitted by the Deputy Director (Plans) nor are any hearings held by the Comptroller with components of the Plans Area prior to submission of the estimates to the Bureau of the Budget. It was stated that the estimates of the Plans Area are included as presented by DD/P. In contrast, Mr. McCone was informed that a detailed review is made of the estimates submitted by the Deputy Director (Intelligence) and the Deputy Director (Support) and that hearings are also held by the Comptroller with the Intelligence and Support operating components where additional justification and explanations are given in support of the estimates. Also, during the briefing, it was pointed out that approximately [redacted] of the Agency funds were expended under the certification of the DCI and, coincidentally, the estimates for the Plans Area on the budget chart were in the neighborhood of [redacted] of the totals shown. The total for the Plans Area, however, provides for both [redacted] [redacted]. Another factor which may have contributed to a misunderstanding was the statement that the PRC only makes cursory review of the over-all totals of the Agency's budget prior to approval by the Director.

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2. Due to the fact that the briefing was terminated prior to completion, we did not get to discussing disbursing activities and accounting controls in any detail.

3. The following information on the Agency's budgetary and accounting controls is submitted in accordance with your request. In addition, I am including my comments on certain items.

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4. BUDGET REVIEW

a. In late Spring of each calendar year, the Comptroller's Office receives Operating Budget Estimates for the succeeding fiscal year and Preliminary Estimates for the following budget year from all elements of the Agency. The estimates are reviewed in considerable detail and hearings are held on all activities in the Support and Intelligence Areas. The Plans Area estimates are not similarly reviewed.

b. In the Plans Area an internal programming cycle is carried out in which the Comptroller's Office does not participate. *SHOULD* This programming exercise culminates in the submission of Operational Programs of each Area Division of DD/P to the Projects Review Committee. Summary information is made available to the Comptroller whose comments are submitted to the PRC. These comments call attention to over-all trends and related general questions. The items contained in the programs are listed in over-all amounts and do not contain much information as to how the amounts were determined. The discussion in PRC is usually limited to general policies and, on occasion, individual projects are reviewed as to operational value. The program of the Development Projects Division is prepared and submitted to the Director for approval by the Deputy Director (Plans). Programs for the staff offices of the Plans Area are approved by the Deputy Director (Plans).

c. The estimates contained in the Operational Programs are used by the elements of the Plans Area in preparing their Operating Budget and Preliminary Estimates. These estimates, when received by the Office of the Comptroller, are combined with the estimates of the Support and Intelligence Areas into a series of three over-all Agency papers prepared for the review of and approval by the PRC and the Director. These three papers are: (1) Operating Budget for the succeeding fiscal year, (2) Preliminary Estimates for the following budget year, and (3) Personnel Estimates for the two fiscal years. The review by PRC and the Director establishes the over-all funds and personnel estimates limitations at the Deputy Directors' level. Based on the decision made by the Director, the offices prepare detailed estimates. The Agency's budget is then prepared by the Office of the Comptroller and submitted to the Bureau of the Budget.

d. During the review of the Agency Estimates by the Bureau of the Budget, hearings are held on the Plans Area. The Comptroller's Office assists in defending the estimates to the best of its ability without having the benefit of a detailed review and hearing prior to meeting with the Bureau of the Budget.

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e. It is the opinion of the Comptroller that the budget estimates of the Plans Area should be subject to the same review as other budget estimates of the Agency with the provision that the review of certain sensitive operations will be limited to specifically cleared officials in the Office of the Comptroller. This is not to suggest that the Comptroller be placed in the position of making operational determinations.

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f. Further, it is the opinion of the Comptroller, that PRC should devote more time in reviewing and providing program guidance affecting budget and financial requirements of the Agency. I recommend this approach because I realize that top officials of the Agency do not have time to make a detailed budget review. It would be more appropriate for a committee headed by the Comptroller to make the more detailed review after the Budget Division has completed its study and compiled estimates.

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7. LIAISON WITH OTHER GOVERNMENT AGENCIES

a. As I have been discussing problem areas in the budgetary and financial field, I think it would be appropriate to discuss the area of liaison with other Government Agencies. According to Agency Regulations, the Comptroller has the responsibility for controlling all liaison and contacts with the Bureau of the Budget. It is not uncommon for the Bureau's Examiners to contact Agency officials and to address mail to

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them although the first correspondence originated in the Office of the Comptroller. At times, the Comptroller has been informed by Bureau Examiners of contacts made by Agency officials and decisions reached relative to budgetary and financial matters.

b. The Comptroller also has the responsibility of supervising all liaison with other Agencies in connection with budget and finance matters. It is not at all uncommon to receive a call, particularly from the Department of Defense, advising that the Department has funds available for transfer for a given project or purpose and the Comptroller has no knowledge of the activity or the transfer of any funds.

c. Liaison in the budget and financial field, if not fully coordinated and controlled, can lead to the making of conflicting statements, confusion and embarrassment to the Agency which may have a profound effect in obtaining the required funds for Agency operations.

d. A notice or memorandum should be published emphasizing the responsibility of the Comptroller in this field.

8. ACCOUNTING AND CONTROL OF AGENCY FUNDS

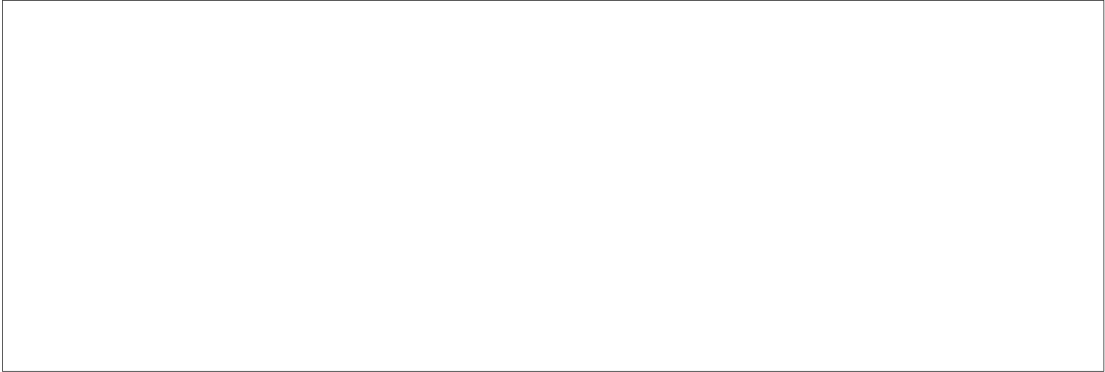
All funds available to the Agency are accounted for and controlled in substantial conformance with principles prescribed by the General Accounting Office. Such funds are identified as vouchered or confidential, depending on the purpose for which used, as explained below:

a. Vouchered Funds

Funds used for the payment of all claims which because of their nature can be overtly identified with the Agency are classified as vouchered funds. Such transactions are completely supported by documentation conforming to the requirements of the General Accounting Office. All vouchered fund transactions are individually approved by authorized approving officers of the component responsible therefor, audited for correctness before payment, and certified by authorized certifying officers prior to being recorded as expenditures of appropriated funds, and they are subject to final audit by the General Accounting Office. These transactions do not require certification by the Director.

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d. In summary, all Agency financial transactions are accounted for either consistently with requirements applicable to normal Government Agencies or under comprehensive procedures established within the Agency for control of confidential funds transactions. Thus, accounting techniques are provided for the financial control of all activities regardless of sensitivity.

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10. SURVEYS OF ACCOUNTING AND FUND CONTROLS

a. In 1954, [redacted] of the Special Study Group reviewed the Agent Cashier procedures and rendered the following report:

"In my opinion the procedures which are now being used are adequate for the handling and safekeeping of agent cashier funds."

b. The Inspector General made a study in 1957 and rendered a report to the Director dated 2 October 1957 on the cash controls of this Office. In his conclusions the IG stated that "the physical handling of cash within the Agency is on a sound basis and except for human error and occasional lapses of supervisory judgment represents no cause for concern."

c. The controls of cash that were reviewed in those surveys have been maintained and improved.

d. Also, in the IG study of 1957, a review was made of the over-all control of Agency expenditures. The conclusions contained in that study were that eighty-four per cent of Agency expenditures in Fiscal Year 1956 were "supported by sound financial records and accounts, consistent with the best accepted standards of public accounting" and that only sixteen per cent of Agency expenditures are not as completely supported. The report states that for this relatively small percentage "the Agency is uniquely dependent upon the character and integrity of operating personnel to insure that funds are, in fact, expended for the purposes intended." Since this report, the ratio has been improved to the point that the Agency's expenditures for Fiscal Year 1961 in the first category have increased from eighty-four per cent to ninety-one percent and the second category has been reduced from sixteen per cent to only nine per cent.

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[redacted]
E. R. SAUNDERS
Comptroller

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MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick
Chairman, Working Group

SUBJECT : Agency Planning Policy and Financial Review

1. Because of the number of persons involved in the various inter-related actions and decisions leading to Agency policy and budget preparation, coordination at the Agency level is a problem. It is the opinion of this Office that the areas of coverage and the tasks to perform are too large and complex for assignment to the Project Review Committee as it is presently constituted. It is recommended, therefore, that the Project Review Committee be relieved of its financial and detailed project review functions and be reconstituted as a "Policy Review Committee". All of the present financial and project review functions together with additional ones should be assigned to a new group, the "Budget and Financial Advisory Committee".

2. Briefly, these two committees would perform the following functions:

a. Policy Review Committee

(1) A continuing review, appraisal, and evaluation of Agency performance.

(2) Review issuances from the President, the National Security Council, the Bureau of the Budget, and other Government agencies for possible effect on CIA.

(3) Review and evaluate policy recommendations from the Deputy Directors for Plans, Intelligence, and Support and the Inspector General.

(4) Prepare Agency policy recommendations for the approval of the Director.

(5) Prepare recommended Planning Guides covering Agency objectives, policy, and assumptions. When approved by the Director, the Guides would serve as the basis for the development of programs, projects, and activities and related budgets.

- 2 -

b. Budget and Financial Advisory Committee

(1) Reviews all:

- (a) Preliminary budget estimates.
- (b) Operating budgets.
- (c) Proposals for releases from the Reserve for Contingencies.
- (d) Proposals for major shifts of funds during the operating year.
- (e) Project proposals requiring the approval of the Director.
- (f) Any other financial matter that requires the approval of the Director.

(2) Hold hearings as required.

(3) Prepare reports and recommendations to the Director concerning budgets and other financial matters.

(4) Conduct any financial study (review, analysis, evaluation, and recommendation) that the Director may require.

Unresolved questions concerning Agency program objectives and policy applications that will be raised during the "Budget and Financial Advisory Committee" meetings should be referred to and resolved by the "Policy Review Committee".

3. Drafts setting forth the proposed Committees' functions, composition, and procedure in more detail are attached. Although these drafts reflect the present organizational structure of the Agency, they can easily be modified to any changes that may occur.

[Redacted]
[Redacted]
Acting Comptroller

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Attachments

Tab "A" - Policy Review Committee

Tab "B" - Budget and Financial Advisory Committee

POLICY REVIEW COMMITTEE

Each Government agency is faced with making decisions that are of major importance from program or activity, economic, and political points of view. The first step in the conduct of activities is the determination of policy objectives. The process culminates in the allocation of national resources to carry out approved programs and projects. The responsibility for the development of policy objectives for the Agency is assigned to the Policy Review Committee.

Membership

The Policy Review Committee is composed of the Deputy Director of Central Intelligence as Chairman; the Deputy Directors for Plans, Intelligence, and Support and the Inspector General as voting members; and the General Counsel and the Comptroller as advisory members. The Committee can designate additional advisory members as required. The Committee appoints an Agency Officer as Secretary.

Functions

The Policy Review Committee performs a continuing appraisal and evaluation of Agency programs and activities in the light of resources available and the broad national security policies and objectives proposed by the National Security Council and approved by the President. The Committee recommends to the Director Planning Guide papers covering objectives, policy, and assumptions.

Procedure

The Committee prepares at least two Planning Guides each fiscal year. The main purpose of the first guide issued by 1 December, is to provide objectives,

- 2 -

policy, and assumption guidance for use in preparing Agency programs and preliminary budget requirements for the fiscal year beginning approximately eighteen months hence and for long-range forecasts for successive fiscal years. The second guide is issued by 1 April to provide guidance for the preparation of Operating Budgets for the fiscal year beginning three months hence and to revise the preliminary estimates guide to the extent necessary. Amendments to Planning Guides are issued as required to provide for changes in Agency objectives and policy dictated by changes in national objectives and policy.

Issuances from the President, the National Security Council, the Bureau of the Budget, other Government agencies, and recommendations from the Deputy Directors for Plans, Intelligence, and Support and the Inspector General form the basis for considerations of the Policy Review Committee. Meetings are called by the Chairman. Materials for consideration should be in the hands of members at least five (5) work days before scheduled meetings. Urgent cases requiring an emergency meeting can be provided for in a shorter period.

Although no transcript is made of meetings, the Secretary summarizes the proceedings and prepares drafts of Planning Guide papers. Final papers recommended to the Director are signed by the Chairman on behalf of the Committee. Dissenter(s) from the recommended paper prepare and sign any minority reports.

Planning Guide Authority

Approved Planning Guides are issued to the Deputy Directors of major components and form the basis for all Agency activities and the development of financial requirements. The Deputy Directors develop additional detailed objectives, policies, and assumptions that may be required to assist the offices under their jurisdiction.

BUDGET AND FINANCIAL ADVISORY COMMITTEE

Because of the number of persons involved in preparing and executing a budget, and the various interrelated actions and decisions, coordination at the Agency level becomes a problem. A high level committee is required to review and evaluate budget requests and other financial matters and to make recommendations to the Director. This committee serves in an advisory capacity and does not take final action. Thus, its review can be impartial and objective and its recommendations can be directed toward securing decisions that reflect the most effective, efficient, and economical use of Agency resources.

Membership

The Budget and Financial Advisory Committee is chaired by the Comptroller. The Comptroller is responsible for advising on the financial implications of all program proposals. The Comptroller also provides for the administrative and technical needs of the Advisory Committee. These needs are such as arranging for hearings; providing agenda, secretarial, and technical assistance; and the preparation of reports and recommendations to the Director. Members of the Committee are high level Operating Officials representing the major programs of the Agency. Membership, other than the Chairman, is not fixed by position but remains flexible to provide for shifts in program emphasis. The Committee is not too large so as to make the conduct of meetings unwieldy, nor is it too small so as to prevent adequate coverage. Under the present Agency organizational structure, the best approach to membership is to have the Deputy Directors of the three major components nominate a high level representative and the Deputy Director of the Agency nominate one to represent general Agency management and program in the Director's area. All nominations must be approved by the Director.

- 2 -

Functions

The Budget and Financial Advisory Committee performs the following functions:

- a. Reviews all:
 - (1) Preliminary budget estimates.
 - (2) Operating budgets.
 - (3) Proposals for releases from the Reserve for Contingencies.
 - (4) Proposals for major shifts of funds during the operating year.
 - (5) Project proposals requiring the approval of the Director.
 - (6) Any other financial matter that requires the approval of the Director.
- b. Holds hearings as required.
- c. Submits reports and recommendations to the Director.
- d. Makes any other financial study (review, analysis, evaluation, and recommendation) as the Director may require.

Procedure

Committee meetings are arranged by the Comptroller. All material necessary for a meeting should be in the hands of Committee members at least five (5) work days before scheduled meetings. Urgent cases requiring an emergency meeting can be provided for in a shorter period.

Materials for Committee meetings are determined by the requirements of the Committee members. In general, analyses prepared by the Budget Division, Office of the Comptroller, form the basis for discussion. The Committee can call on any Office for any technical assistance deemed necessary.

Meetings are informal. Although no transcript is made of meetings and hearings, the Comptroller provides a secretary to the Committee to summarize proceedings and to prepare the required reports.

- 3 -

The reports and recommendations reflect the majority opinion; minority opinions can be submitted but are the responsibility of the minority. All reports and recommendations must be submitted in writing and signed by the Chairman on behalf of the majority; minority opinions are signed by the dissenter(s).

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USIB-M-193
5 January 1962

UNITED STATES INTELLIGENCE BOARD

Minutes of
One-hundred-ninety-third Meeting
United States Intelligence Board
USIB Conference Room
Central Intelligence Agency, at 1030 hours, 5 January 1962

Director of Central Intelligence
John A. McCone
Presiding

MEMBERS PRESENT

Mr. Robert Amory, Jr., acting for Deputy Director of Central Intelligence
Mr. Roger Hilsman, Director of Intelligence and Research, Department of State

[redacted] acting for Director, Defense Intelligence Agency 25X1

Major General Alva R. Fitch, Assistant Chief of Staff for Intelligence,
Department of the Army

Rear Admiral Vernon L. Lowrance, Assistant Chief of Naval Operations
(Intelligence), Department of the Navy

Major General Robert A. Breitweiser, Assistant Chief of Staff, Intelligence,
United States Air Force

[redacted] acting for Director, National Security Agency 25X1

Major General Richard Collins, Director for Intelligence, Joint Staff

Mr. Harry S. Traynor, Atomic Energy Commission representative to USIB

Mr. Alan Belmont, acting for Federal Bureau of Investigation representative
to USIB

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USIB-M-193
5 January 1962

1. Approval of Minutes
28 December Meeting
(USIB-M-192, including Annex
distributed through special
channels)

Approved as circulated, including the Special Annex.

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2. Initiation of Estimate

which had been requested by the State Department. The Board concurred in the initiation of this estimate.

3. Situation Review

- a. Watch Committee Report
No. 596

Noted.

- b. Watch Committee Report
No. 595

Noted.

- c. Weekly Survey of Cold War
Crisis Situations (No. 1-62)

Approved as amended.

4. Statement on Establishment
of Working Group

Mr. McCone noted that in order to carry out the mandate of the President with respect to the questions of organization of the intelligence community and the CIA he had established a small group to work with him in studying these problems.

- 2 -

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USIB-M-193
5 January 1962

He had relieved the Inspector General of CIA, Mr. Lyman B. Kirkpatrick, Jr., of his responsibilities as Inspector General for approximately a 90-day period in order to work full time on this project. To assist Mr. Kirkpatrick, he had been fortunate in obtaining the assistance of General Cortlandt Schuyler, USA, Ret., and Mr. J. Patrick Coyne, Executive Secretary of the President's Foreign Intelligence Advisory Board. Mr. McCone noted that, in the course of their study of these problems, this group may wish to discuss pertinent matters with representatives of the various Board departments and agencies.

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- 3 -

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USIB-M-193
5 January 1962

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7. Release of NIE 29.3-61
The Outlook for Cyprus
(Memorandum for USIB, 3 January)

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9. Collection of Intelligence
on Albania

Mr. Hilsman referred to messages which had been sent by the Department of State to various diplomatic posts abroad, emphasizing the need for additional information on Albania, and to other steps taken to increase intelligence coverage of that country. However, he indicated his continuing concern with this problem, despite some improvement in the U.S. intelligence collection capability with respect to that area. After

*This Post-Mortem, as approved by the Board, will be circulated as
USIB-D-15.2/79, Final, 5 January 1962.

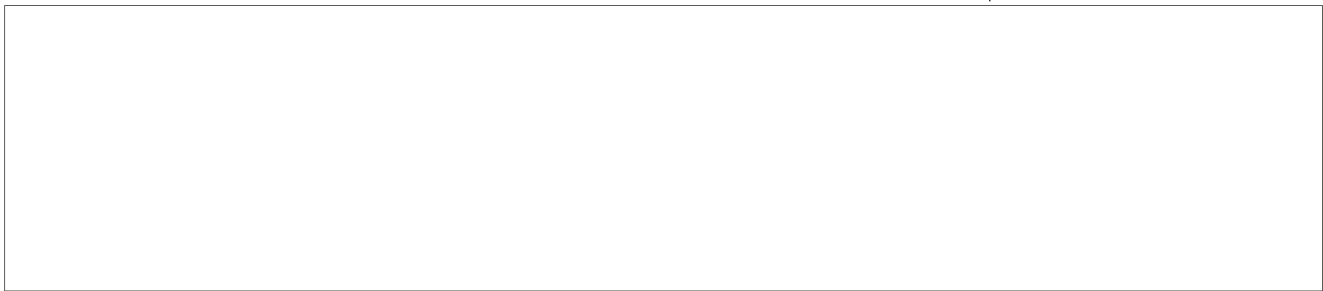
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SECRET

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USIB-M-193
5 January 1962

a general discussion the members concurred in the view that the relevant Board agencies should check further into the present status of, and attempt to augment their respective intelligence collection efforts on, Albania, as appropriate.



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Adjournment: 1150



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Executive Secretary

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CONFIDENTIAL

ORGANIZATION

5 December 1961

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1. I am establishing a small working group to study the organizational structure of the Agency, the scope of its activities, the inter-relationship of the Agency and the intelligence community, and various aspects of the organization of the intelligence community as a whole. I have asked the Inspector General, Mr. Lyman B. Kirkpatrick, Jr., to chair this working group.


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2. For the duration of this working group, [redacted]
[redacted] is named Acting Inspector General.

3. Mr. Kirkpatrick will continue to give guidance and general supervision to the Legislative Counsel on my behalf.

4. Mr. Kirkpatrick will continue to have the responsibility for monitoring all liaison with the President's Foreign Intelligence Advisory Board.


JOHN A. McCONE
Director of Central Intelligence

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CONFIDENTIAL

C O N F I D E N T I A L

ORGANIZATION

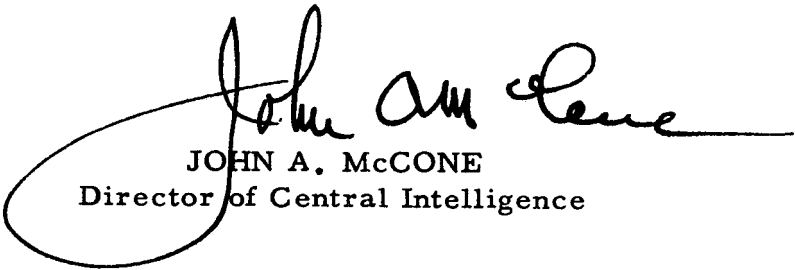
14 February 1962

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1. Effective 17 February 1962, Mr. Richard Helms is appointed Deputy Director (Plans) vice Mr. Richard Bissell who has submitted his resignation.

2. The organization of the DD/P is currently being studied and certain changes are contemplated. There will be created a Deputy Director for Research and Development and certain of the Research and Development functions now administered by the Deputy Director (Plans) will be transferred to that Deputy.

3. Additional announcements will be made in the near future.


JOHN A. McCONE
Director of Central Intelligence

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S E C R E T

ORGANIZATION

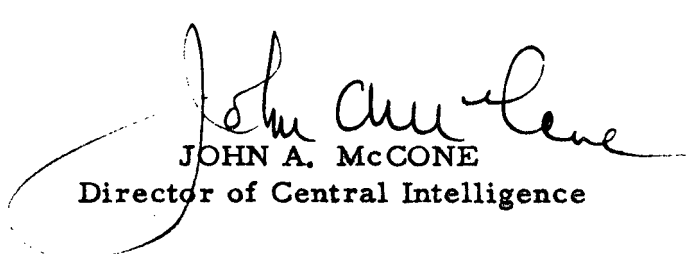
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16 February 1962

1. There is established effective 19 February 1962 the Office of Deputy Director for Research. Certain of the activities of the Development Projects Division, DD/P, will also be transferred to DD/R. In the interest of strengthening the Agency's technical and scientific capabilities by centralizing such effort in one division, other activities in Research and Development will be placed under DD/R as appropriate.

2. Effective 19 February 1962, Dr. Herbert Scoville, Jr., is appointed Deputy Director (Research).

3. Dr. Scoville will continue to act as Assistant Director for Scientific Intelligence.


JOHN A. McCONE
Director of Central Intelligence

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This Notice Expires 1 July 1962

ORGANIZATION

20 March 1962

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ANNOUNCEMENT OF ORGANIZATIONAL CHANGES

The following Organizational changes are effective 1 April 1962.

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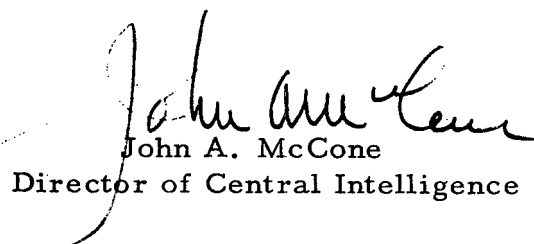
1. The Deputy Director (Support) is relieved of the responsibilities prescribed in [] for directing and coordinating the activities of the General Counsel, the Audit Staff, and the Comptroller.

2. The Inspector General is established as a separate component reporting to the Office of the Director. He will assume responsibility for coordinating and directing the activities of the Audit Staff and is relieved of his responsibility for providing general guidance and supervision to the Legislative Counsel.

3. The General Counsel will report to the Office of the Director and will assume responsibility for general guidance and supervision of the Legislative Counsel.

4. The Comptroller will report to the Office of the Director.

5. For purposes of this notice and related organizational matters, the Office of the Director includes the Office of the Deputy Director of Central Intelligence and other executive responsibilities assigned to that office.


John A. McCone
Director of Central Intelligence

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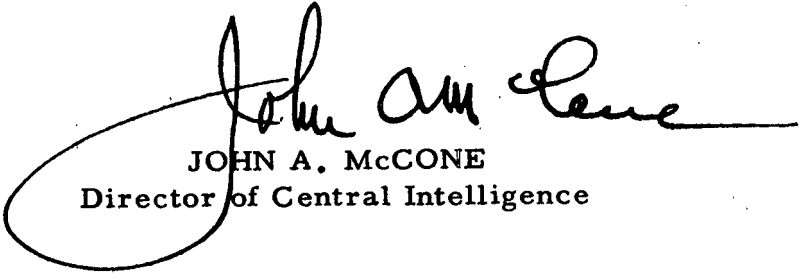
2 April 1962

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DELEGATION OF AUTHORITY

I hereby delegate to the Deputy Director of Central Intelligence all authorities vested in me by law or by virtue of my position as Director of Central Intelligence and head of the Central Intelligence Agency, including, but not limited to, the certification authority set forth in section 8(b) of the Central Intelligence Agency Act of 1949, as amended, except for any authorities the delegation of which is prohibited by law.

All other delegations of authority currently in force remain valid to the extent they are not inconsistent with this delegation.


JOHN A. McCONE
Director of Central Intelligence

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This Notice Expires 1 July 1962

PERSONNEL

20 March 1962

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ANNOUNCEMENT OF ASSIGNMENT TO KEY POSITION

OFFICE OF THE COMPTROLLER

1. Last Fall Mr. Edward R. Saunders, Comptroller, made plans to retire from the Federal Service sometime during 1962. In early February he was involved in an automobile accident and suffered serious injuries from which he is still recovering. Inasmuch as the date on which he might be well enough to return to full duty status is uncertain, he has applied for retirement to be effective at an indefinite future date but not later than the expiration of his accrued sick leave.

2. Effective 1 April 1962, Mr. Saunders is relieved of his responsibilities and Mr. John A. Bross is appointed Comptroller.

3. In making this appointment you are advised that the responsibilities of the Comptroller are to be substantially expanded, details of which will be published later.


John A. McCone
Director of Central Intelligence

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(This notice is NOT to be filed in Agency
manuals. Please destroy after reading.)

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LOR


PERSONNEL

3 April 1962

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ANNOUNCEMENT OF ASSIGNMENT TO KEY POSITION
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Having been duly appointed and sworn, Lieutenant General Marshall
Sylvester Carter, USA, assumed his duties as Deputy Director of
Central Intelligence effective this date.


JOHN A. McCONE
Director of Central Intelligence

DISTRIBUTION: AB

W. 41,
144

20 February 1962

MEMORANDUM FOR THE RECORD

1. The Director had lunch on 20 February 1962 with Messrs. David Bell and Elmer Staats, Director and Deputy Director of the Bureau of the Budget respectively, during which a lengthy discussion was held on the proposed organizational changes to be made in the Central Intelligence Agency. Both Messrs. Bell and Staats expressed enthusiastic satisfaction with the changes to be made.

2. The Director advised that the selection of the Deputy at the moment is unresolved.

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Executive Officer

LBA

W. 42

February 14, 1962

MEMORANDUM FOR: Mr. Kirkpatrick

I have advised Mr. Bell, Director of the Budget, that we were rapidly crystalizing views on organization, and asked if he wished to comment. He expressed great interest, but did not express a desire to indicate approval before changes are made.

I therefore plan to meet with him after my return from Europe (if I go). However, I did state as an interim measure that you and/or Mr. Coyne discuss plans briefly with Mr. Macy, or his successor. This I would hope could be done this week.

John A. McCone
Director

cc: General Schuyler
Mr. Coyne

Done.

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DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH
WASHINGTON

FEB 16 1962

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MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick
Office of the Director
Central Intelligence Agency

SUBJECT: INR Proposal for Cold War Survey

I promised to send you a copy of our original proposal made last summer to handle the cold war survey problem. This proposal, which I raised at the USIB meeting on July 25, 1961, is attached. In essence, it suggests that the CIB mechanism, with some modification, would be the best way to handle "cold war" items.

Our proposal opposed the idea for meeting the requirement for early warning of cold war crisis situations by setting up a new mechanism. Our view did not prevail and, as you know, CIA/ONE acquired responsibility for production of the "Weekly Survey of Cold War Crisis Situations".

We still believe that our proposal has much to be said for it. We still feel that a special mechanism to keep an eye on critical situations is unnecessary and that the CIB procedure with some necessary modifications could more effectively accomplish the same thing. We still believe, as we did last summer, that this proposition is true only if the CIB mechanism is modified to provide both for a wider range of speculation by the USIB member agency responsible for the type of information in question and for an uninhibited opportunity for dissent by the other USIB agencies. Given these adjustments, the CIB mechanism is more likely to provide meaningful early warning of critical changes in situations. In this connection the desirability of improved communications between the widely dispersed intelligence agencies remains self-evident.


Roger Hillsman

Enclosure:
As noted.

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July 25, 1961
LIMITED DISTRIBUTION

DEPARTMENT OF STATE

MEMORANDUM FOR THE UNITED STATES INTELLIGENCE BOARD

SUBJECT: Early Warning of "Cold War" Crisis Situations

The Department of State believes that a committee mechanism in the usual sense would be inappropriate for meeting the requirement for early warning of cold war crisis situations set forth in Mr. McGeorge Bundy's memorandum of July 24 for the Director of Central Intelligence (USIB-D-28-4/1). The requirement would best be met, in the Department's opinion, through a mechanism which would bring the existing resources of the Intelligence Community to bear directly, and not through a committee, on the problem.

In this the Department is guided by the following considerations:

1. At any given moment there may be several situations in the world of a critical nature or of a nature which makes their development into critical situations on short notice possible;
2. In recognizing such situations and assessing their significance a wide range of specialized knowledge is often necessary;
3. To some degree early warning of the type required of necessity involves speculative opinion and an effort to develop a unanimous community view would tend to inhibit such speculation.

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The Department believes that an answer to the problem posed might lie in:

1. Speeding up the flow of current intelligence items of community or national interest among USIB member agencies and from USIB member agencies to the White House; and

2. Changing the mechanism of the Central Intelligence Bulletin (CIB) to provide for (a) a wider range of speculation by the USIB member agency responsible for the type of information in question and (b) an uninhibited opportunity for dissent, if desired, by other USIB agencies.

Specifically, the Department suggests that the Intelligence Board consider establishing a secure teletype circuit among USIB member agencies to be used exclusively for current intelligence reporting and Watch Committee business. The White House and the National Indications Center (NIC) would also be on this circuit. The USIB agencies would put onto this circuit any current intelligence items lying within the field of their responsibility or competence which they believed would be of interest to others. This process would furnish a timely written record of such items and would permit distribution to interested officials within the recipient agencies. The circuit would also furnish a forum for further discussion and dissent.

The Department further suggests that the present CIB procedure be modified to make it a vehicle for the views of the responsible agencies

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-3-

with opportunities for dissent and contrary interpretation by other agencies. Toward the end of the day a panel of this new "CIB" -- perhaps renamed the "National Intelligence Bulletin" -- would meet under Central Intelligence Agency chairmanship to select the items that had been on the round robin current intelligence circuit and to resolve differences of view if possible. The USIB agency having primary responsibility for the type of information in question, however, should have the last word on the drafting of the basic items to go into the Bulletin while other agencies would be able to express in their own language dissent or differing interpretations of the item in question if they so desired.

The secure teletype circuit described above could also be used to disseminate the conclusions of an emergency Watch Committee session and, when appropriate, to formulate such conclusions without a formal session of the Watch Committee.

A system of message indicators should be worked out to identify items of critical significance. This system could be used both for messages on the current intelligence circuit and for items included in the Bulletin.

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30 January 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing at SAC, Tuesday, January 23

1. The general review of SAC's intelligence effort raised only a few problems for further study. First, there seemed to be some conflicting views between what we heard at NPIC and what we heard at SAC. For example, NPIC had stated that there were definitely confirmed SA 3 sites in the Baltic area and that SAC had agreed to this. SAC classed these as "suspect". Further, Lundahl claimed that he had the best equipment while SAC claimed they had better equipment which Lundahl did not have.

2. The principal area for improvement seems to lie in the field of estimates. As a result of a lengthy discussion on this subject, it is my view that ONE is too wed to certain indicators; e.g., rail lines, SAM sites, etc. The Germans in World War II started the V-2 with a complicated launch system and ended with a very simple truck launch system. Further, since the U-2, and with probable knowledge of our satellite program, it would appear logical for the Russians to try and make their launch sites innocuous. Further, there is too great a dependence on photography. Great efforts -- and risks should be expended to get more collateral. The espionage effort should be greatly accelerated and more emphasis should be put on trying to read all Comint. Finally, SAC's views should be solicited on estimates in their field of interest prior to DIA completing their draft of the estimate.

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Lyman B. Kirkpatrick

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Briefing Notes for Thursday, 1 February

1. The first briefing is by [redacted] Chief of the Audit Staff. He is appearing at this time because he is leaving next week on a three week trip and we would not get him until after we had been completely through the Agency. The Audit Staff is under the Deputy Director for Support and is responsible for auditing Agency expenditures and submitting copies of the audit report to the DD/S and the IG as well as the unit audited. [redacted]

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2. The second briefing is by Roger Hilsman, Assistant to the Secretary of State for Research and Intelligence. We previously heard from Hilsman's deputy, Thomas Hughes. Hilsman has some definite views on certain intelligence matters such as the preparation of estimates, the handling of current intelligence and control over clandestine intelligence and covert action. Hilsman was formerly with the Library of Congress, once wrote a book on intelligence, and during the war served with the OSS 101 Detachment which operated behind Japanese lines in Burma. I suggest that the bulk of our time be devoted to his views on national estimates, and if there is any time left over, we discuss the role of the intelligence staff in the Department of State.

3. Sherman Kent, Assistant Director for National Estimates of CIA, is scheduled for 2:00 and may consume all afternoon. He has been in the hospital and so we have not had a chance to talk to him until now and he will be leaving for Florida at the end of the week. Kent has been with the Board of Estimates practically since its founding, is a former Yale professor of history who spent a year on the faculty of the National War College during which time he wrote the book "Strategic Intelligence". More than any one other single individual he is responsible for the estimate process as it has presently evolved. He is an ardent supporter of the estimates being those of the DCI with others dissenting. I would suggest that we cover particularly the following:

a. The feasibility of the military and/or State drafting the basic estimate when it lies within their particular field of competence.

b. The quality of the contributions by the various departments including the offices of CIA.

c. The system whereby JAEIC drafts the basic Atomic Energy estimates and differs from the method by which all other estimates are prepared.

d. Why so little of the original contributions ever appear in the final versions.

e. The quality of the personnel on the Board of Estimates.

f. The advantage of having retired military vs. active military on the Board of Estimates.

g. The desirability of having a Foreign Service officer on the Board.

h. The preciseness of language of estimates.

i. Whether the Board of Estimates should be directly under the DCI.

j. Whether the current intelligence function should be tied in more closely or made a part of the estimating function.



Lyman B. Kirkpatrick

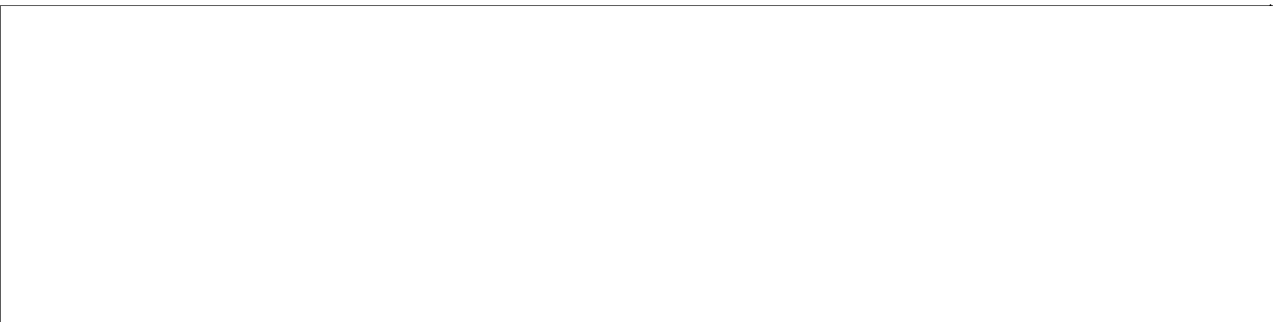
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Briefing Notes for Friday, 2 February

1. Mr. Richard Helms is the Chief of Operations of the DD/P and as such should be the No. 2 man in the Clandestine Services. However, in recent years there has been confusion created by the fact that an "Assistant DD/P for Covert Operations" was named and his responsibilities never clearly defined. Helms is the most experienced senior officer in the Clandestine Services at present -- his work in clandestine intelligence operations dates back to OSS days. His only previous working experience before that was as a foreign correspondent for the United Press in Germany. I believe that I know his work capabilities quite well as he was my deputy when I was Asst. Director for Special Operations in 1951 and 1952 and that office ran all espionage and counter espionage operations. In my opinion he deserves great credit for holding the Clandestine Services together during a long period in which the two DD/Ps were poor managers. The more that we can draw him out on some of the problems in the Clandestine Services, the better picture we will get of the organization's capabilities.

2. Mr. Lloyd George (no relation to the British Prime Minister) is Chief of the Foreign Intelligence Staff of the DD/P. His experience also dates back to OSS. He has served primarily in the Far East including during World War II and also Chief of the Far Eastern Division of OSO. His Foreign Intelligence Staff is charged with developing doctrine and guiding espionage and counter espionage operations. He is a careful, cautious, experienced officer.

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Notes on Working Group Activities -- 28 February - 2 March 1962

1. Inasmuch as I will have to be absent from approximately 11 a.m. Wednesday until noon Thursday in order to go to Princeton to participate in a panel on careers, I am noting some suggestions for discussion on the briefings for this week.

2. We open with Mr. Sheldon who wants to discuss with us the merger of ONE and OCI which he favors, as well as where all of the Comint and Elint activities in the Agency should be centralized. Our second meeting is with Messrs. Bissell, Cunningham, Helms and Scoville and is at the Director's specific request and concerns whether DDR&D should operate as well as develop. You will recall that we have made some rather specific comments in this regard to Mr. McCone.

3. At 11:30 we meet with Tracy Barnes to go into greater detail [redacted] Mr. McCone asked that we examine in some depth Barnes' proposals and this will afford that opportunity.

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4. Inasmuch as Dr. Scoville will be away Thursday and Friday, he is scheduled for two hours starting at one o'clock for a wrap up discussion of what should go under the Deputy for Research and Development. I understand that there has been some further discussion about putting OSI and NPIC under the DDR&D and I strongly recommend that we hold the line toward leaving these two offices under the DD/I.

5. The last session of the day starts at three o'clock with [redacted] on War Plans. You will recall that we saw him very briefly in company with [redacted] This time he is returning with his deputy, [redacted] and will describe in detail how the Agency makes its war plans and how these are meshed with the requirements of the JCS. I believe that it is particularly important to probe with [redacted] both how practical are the JCS requirements and how realistic are the CIA replies.

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6. On Thursday, 1 March, the opening session for one hour is with Col. Stanley Grogan, whose official title is Special Assistant to the DCI, but who actually is the public relations officer of the Agency. I am in considerable disagreement with the way the Agency's public relations is presently being conducted. We are at this time providing background briefings by our area experts to certain newspapermen on various foreign areas and foreign subjects. I think it is wrong for CIA to do this and that if it is done, it should be done by the Department

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of State. Further, there are far too many newspapermen still seeing senior CIA executives. CIA senior executives in my opinion should have a passion for anonymity. Further, I believe you would find it interesting to examine the genesis of the [] book, with particular relation to the fact that he was provided with a folder of clippings by CIA and had access to Mr. Dulles and perhaps other CIA officials. I believe you both know that the President's Board and the White House are very much opposed to publicity on the CIA.

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7. The second session of the morning is with [] who at present holds the title Executive Officer of the Agency, but who in effect runs the secretariat of the DCI's office. Over the last several

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[] Executive Registry which is supposed to handle all of the material for the DCI's office. I wish you would examine this organization of the DCI's office most carefully because I have been so close to it for so many years that I may be overly prejudiced about what I feel is a very inefficient organization and operation. It is not at all unusual for my office to get five or six calls about one appointment or trying to trace carbon copies of one letter, or trying to find some paper which should be filed in the Executive Registry. The Executive Registry has never been used properly and in fact General Cabell's office used to make a joke of the fact that they refused to use it. I neglected to mention at the start that in addition to the above there is the DCI's personal security staff which goes well beyond security functions and gets into all types of administrative arrangements and in my mind only serves to duplicate and confuse the above issue. Several years ago the deputies and myself on the Super Grade Board felt so strongly about this that we refused to go along with the promotion of one of [] assistants until it was simply made an issue that Mr. Dulles wanted it and therefore the promotion was given. It was our opinion that it was not deserved and that the DCI's office places a very great burden on the rest of the Agency due to its inefficiency. I would suggest examining particularly the allocation of responsibilities, the methods of handling correspondence, the methods of handling memoranda and documents internally, and the general knowledgeability about what goes on in the Agency.

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8. At 12 o'clock [] of the DD/P, is coming to lunch and talk about the work of his staff. It is my understanding that his staff has recently

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[REDACTED]

9. At 1:30 Emmett Echols, Director of Personnel, [REDACTED]
[REDACTED] SSA/DDS, [REDACTED] and [REDACTED]
[REDACTED] are coming to continue
their discussion of the support mechanism in the clandestine services.

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10. From 2:30 to 4:00 Col. White will meet with us for a wrap
up of the DD/S.

11. From 4 to 5:00 [REDACTED] Acting Director of
Training, will go over some matters in the training area that we have
not previously covered, in particular the work of the Assessment and
Evaluation Staff.

25X1

12. On Friday, 2 March, we open with a session with Lawrence
Houston, the General Counsel. This is followed by our second ses-
sion with Angleton, Chief of CI Staff, to discuss counter espionage,
and finally our wrap up session with Dick Helms on the DD/P. I
suggest that we then devote the last part of Friday to formulating
our conclusions and recommendations on CIA for Mr. McCone and
if possible meeting with him on this subject. Then, except for some
odds and ends we will have completed with the Agency and will be ready
to move into the intelligence community.

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A. Director of Central Intelligence

1. President's personal representative on intelligence.
2. Member of NSC.
3. Briefs President and NSC.
4. Chairman of USIB.
5. Member of Special Group.
6. Member of Counter Insurgency Group.
7. Member of NSC Planning Board.
8. Briefs Congressional Committees.

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B. Deputy Director of Central Intelligence

1. Acts as DCI in the latter's absence.
2. Coordinates and directs the production of intelligence.
3. Chairs the Watch Committee.
4. Insures inter-agency coordination.
5. CIA member of USIB.
6. Assists DCI in preparation of intelligence briefings.
7. Supports DCI in preparation of national estimates and in production of national current intelligence.

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C. Deputy Director: Management

1. Acts for DDCI in latter's absence.
2. Chairs Agency Financial Policy Committee.
3. Chairs Agency Career Council.
4. Chairs Agency Supergrade Board.
5. Chairs Agency Publications Board.
6. Reviews and approves Agency regulations.
7. Reviews and approves senior Agency assignments.
8. Reviews and approves external contracts.
9. Approves Agency travel plans.
10. Reviews audit and Inspector General reports.
11. Conducts periodic review of security problems.

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This was prepared by John A. McCone (DCI)
(probably about December 1961) and was given to
Mr. Lyman Kirkpatrick (Chairman of the Kirkpatrick-
Schuyler-Coyne Working Group) and represents his
ideas on the organization of CIA.

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