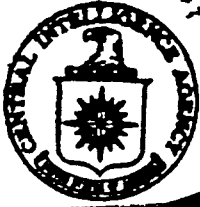


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NLE MR Case No. 94-388

Document No. 1



**CENTRAL INTELLIGENCE AGENCY**

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

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9 JAN 1961

MEMORANDUM FOR: Mr. Gordon Gray  
Special Assistant to the President

SUBJECT: Sixth Report to the President by the  
President's Board of Consultants on  
Foreign Intelligence Activities dated  
May 24, 1960 (Recommendation on  
"Organization and Management of CIA's  
Clandestine Services")

REFERENCE: Memorandum for Director of Central  
Intelligence, same subject, from Mr.  
Gordon Gray, dated December 16, 1960

1. In compliance with your request I submit the following self-contained compilation of my previous reports on the various steps which have been taken in response to the two recommendations made by the Board on October 30, 1958 and May 24, 1960. As you requested, the following compilation is so arranged as to identify those actions which were taken or considered in connection with the Third Report of the Board as distinguished from actions which were taken or considered in connection with the Sixth Report of the Board.

2. The Third Report to the President by the President's Board of Consultants on Foreign Intelligence Activities, dated October 30, 1958 and presented to the President on December 16, 1958 contained the following recommendation:

"The present mission of the Plans Group of the CIA be reviewed with consideration given to relieving that Group

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of, and placing elsewhere in the Agency, the responsibilities (1) for the review of (i. e., reporting on and evaluating) the Political, Psychological and Para-Military operations of the Agency, and (2) for the formulation of the intelligence estimates and recommendations upon which the plans for such operations are based."

3. The text of the report of December 16, 1958 to the President explained some of the reasoning of the Board resulting in this recommendation. This report referred to "some of the virtually autonomous functions assigned to this Group", and states, "From evidence we have seen, it is our feeling that within this frame of reference, the Plans Group (for the Agency) may be incapable of making objective appraisals of its own intelligence information as well as of its own operations when it is involved in Cold War activities which are the subjects of its own reports. We are concerned about the implications of this not only because of possible impacts on the programs of the Agency but, more importantly, because of the influences which may be brought to bear on foreign policy determinations which, in large measure, may be based upon Agency reporting."

4. The Board of Consultants may have felt that there was a greater degree of autonomy or independence possessed by the Deputy Director for Plans (Plans Group) than actually existed. Final responsibility and authority for all activities of the Clandestine Services rest with me as Director of the Central Intelligence Agency. It is a fact that the DD/P may take action on behalf of the Director, but in the case of operations under NSC 5412 only after the necessary policy guidance has been obtained from the 5412 Committee.

5. It is particularly important to note that before CIA Cold War (5412) activities are initiated all available intelligence, including National Intelligence Estimates, which are produced by the Intelligence Community, is taken into account. Further, while it is true that in covert operations a major source of information on the accomplishments of the project may be clandestine, we analyze all available information from all sources to guard against subjectivity or self-serving reports.

6. The present Deputy Director (Plans) assumed his position on January 1, 1959, shortly after the Third Report was submitted to the President. He at once undertook a complete review of the mission and organization of the Clandestine Services. In concert with this the

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Inspector General of the Agency was engaged in reviewing the overall organization of the Clandestine Services. As a further measure I initiated a Program for Greater Efficiency within the Agency as a whole in order to ensure a continuing effort to improve its organization and methods of operation. This program and other aspects of the Board's Third Report were discussed at the meeting of the Board on July 17, 1959. As a result of these several reviews a number of organizational changes were made and many others were considered but rejected for various valid reasons. The main objective of these changes was to improve the efficiency of the Clandestine Services. A new Assistant Deputy Director (Plans) for Psychological and Paramilitary Operations was appointed to assist the DD/P in the operational direction of activities in these functional fields. An Operational Services grouping was created, combining and centralizing the direction of several elements which perform functions of common concern to all the Operating Divisions and Staffs. The Inspection and Review Staff, DD/P was abolished and the Inspector General of CIA made solely responsible for the comprehensive review of the activities and operations of the Clandestine Services, reporting directly to me.


7. The planning system within the Clandestine Services was revised so that a greater distinction is made between operational planning directives and budgetary estimates. The revised system calls for an initial DD/P operational plan containing guidance and direction for the operating divisions and staffs for the forthcoming fiscal year. From this the divisions and staffs can prepare their more detailed Operational Programs which go forward for review and approval by the Project Review Committee which reports directly to me. The budget and fiscal requirements are generated as a by-product of these Operational Programs. Finally, Related Mission Directives, also based on the Operational Plan and Programs and the particular situation in the area concerned, set forth more precise and realistic objectives and tasks for each field station.

8. In addition to the above these reviews of the mission and organization of the Clandestine Services highlighted the following aspects of its work which merited further attention and study and on which action has been or is being taken:

- a. the Agency's responsibility for the coordination of U. S. clandestine activities abroad
- b. delegation of more authority to the field

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- c. **increased emphasis on scientific and technical collection methods and systems**
- d. **refinements in what we are reporting and how we are reporting it**
- e. **greater reliance on over-all country programs in the control and management of our operations as opposed to reliance on individual projects**
- f. 
- g. **more emphasis on political action in under-developed areas**
- h. **development of our capability for "covert limited warfare"**
- i. **increased records mechanization.**



1.5(c)  
3.4(b)(1)

In this major effort to improve the organization of the CS but most especially the methods and procedures--the way business is transacted--the DD/P and his Staff have kept in mind the recommendation of the Board quoted above. Several of the changes made are responsive to this recommendation.

9. The second part of the Board's recommendation was concerned with the location of responsibility for the formulation of intelligence estimates and of recommendations upon which plans for operations are based. It suggested that such responsibility not be located in that portion of the Agency which is responsible for planning operations.

10. The problem of insuring the provision of a valid and unbiased intelligence base for operational planning purposes has been given much consideration within CIA during the development of the Clandestine Services planning cycle. The Board's concern, I feel, has been met by the procedures described below.

11. Planning for Psychological, Political and Paramilitary operations is not based on intelligence provided solely by the DD/P. The

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primary source of intelligence for planning purposes is the Office of National Estimates (ONE). Present DD/P procedures provide for the use of ONE guidance throughout the entire planning cycle. The Clandestine Services General Plan, DD/P's basic planning document, derives from current NIE's the contingencies against which clandestine activities must be directed. Moreover, specific projects are tested against pertinent NIE's or, if a current or relevant NIE is not available or time is sufficiently urgent to make a coordinated NIE impossible, an ONE estimative memorandum is obtained.

12. There are further independent checks of PP/PM projects internally within CIA. Such projects are generally reviewed by the Project Review Committee which is presided over by the Director or Deputy Director of CIA and is widely representative of the Agency as a whole, including the Deputy Director for Intelligence, the Deputy Director for Support, and the Inspector General.

13. Significant PP/PM projects having political import and involving substantial expenditures receive a thorough review and concurrence by the Department of State and by the 5412 group, before final approval by the Director. Such concurrence is sought on the basis of relevant intelligence available to the Agency as a whole. While PP/PM projects may be recommended by the DD/P, action thereon in all significant cases is not possible until internal and external procedures, as described above have been satisfied. Thus action is not taken on intelligence or recommendations from the DD/P alone.

14. The Sixth Report to the President by the President's Board of Consultants on Foreign Intelligence Activities, dated May 24, 1960, included the following comments and recommendation:

"Organization and Management of CIA's Clandestine Services

"Based upon an exchange of correspondence between the National Security Council and this Board in November, 1959, we have continued to follow developments relating to needed improvements in the organization and management of CIA's Clandestine Services. Although a few significant changes have been made in this area in recent months, we believe that a way can be found to organize these Services along more simplified and efficient lines. While we appreciate that the missions assigned to the Clandestine Services are

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complex, we are hopeful that, through the continuing studies being made by CIA's Deputy Director/Plans, these Services will be organized in such manner as to eliminate unnecessary duplication of effort and achieve increased effectiveness."

15. I concurred with these comments of the Board and reaffirmed that the continuing studies being made by the DD/P of the organization of the Clandestine Services and the methods and procedures employed in carrying out the mission of the CS had as principal objectives the elimination of unnecessary duplication and the achievement of increased effectiveness. As noted by the Board and as reported above in this paper significant changes in the organization and management of the CS were made.

[REDACTED]

1.5(c)  
3.4(b)(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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1.5(c)  
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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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3.4(b)(1)

Through these organizational changes, revision and simplification of certain basic procedures, and clarification of the functions and responsibilities of both staff and line components we made progress toward our objectives. It is important to realize that this is a continuing process and one which must be carried out on a progressive basis with the least possible disruption of current activities.

16. The CS accomplishes its mission through components responsible for a prescribed geographical area and through other components responsible for a prescribed function without geographical limitations. This approach is required because of the complexity of the tasks and broad interests of the CS. Under these arrangements it is inevitable that some duplication exists but it should not be inferred that all such duplication is unnecessary. We make every effort to reduce duplication to that which is unavoidable if we are to assure that all our responsibilities are discharged in a competent and secure manner.

17. The roles of the Special Staffs recently have been further clarified and delimited with the objective of eliminating duplication and relieving the staffs of the responsibility for any activity which can properly be performed in the operating divisions. I am satisfied that the Special Staffs have unique and important functions of common concern.

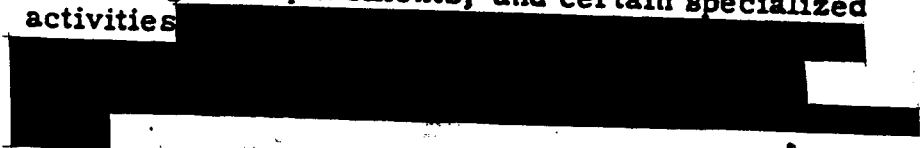
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and world-wide application that can not be accomplished in the operating divisions. It is of course essential that these functions are carefully identified and that all officers of the CS clearly understand precisely which activities are the responsibility of the Special Staffs. To accomplish this the Deputy Director (Plans) is now revising the functional statements of the Staffs which will concentrate on their four basic functions, viz.:

- a. Services of common concern such as liaison with other agencies and with other components of CIA, screening of requirements, and certain specialized activities  

- b. Support activities including certain forms of research, the promulgation of doctrine, development of new ideas and the provision of expert advice and guidance in the several functional fields.
- c. Developing plans for and assisting in the coordination of functional programs involving activities in two or more geographic areas.
- d. Participating in the evaluation of the production and accomplishment of the CS.

1.5(c)  
3.4(b)(1)

18. As an additional measure to prevent possible duplication the Deputy Director (Plans) further modified the staff organization in the area divisions to eliminate separate Foreign Intelligence, Counter Intelligence and Covert Action sections. These divisions now have centralized operations staffs.

19.



1.5(c)  
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20. In order to make the most effective use of our resources in the performance of certain important functions the Deputy Director (Plans) is developing standing operating procedures which will be followed for specific activities. Planning, for example, will be a joint endeavor of the Projects and Programs Group, the Special Staffs, and the Operating Divisions under the general supervision and guidance of the Senior Planning Officer. This planning community will insure that the talents of appropriate officers and the capabilities of all interested components of the CS are brought to bear on specific problems. Similarly, appropriate operating procedures will delineate the capabilities of properly qualified officers and components in the research and evaluation functions. This is an economical way to do the job since it will permit effective planning, research, evaluation, etc. without requiring a number of small units formally established for these functions.

21. The Deputy Director (Plans) believes the changes he has made in the past two years in the organization structure and the way of doing business in the CS have corrected deficiencies and that the situation in this regard is now satisfactory. I concur in this belief. This does not imply that we have achieved such perfection in these important matters that no future modifications will be desirable. We may require further adjustments to meet new situations. We must strive progressively to improve our methods and simplify our structure where feasible. To meet these requirements the Deputy Director (Plans) will continue to study the organization and procedures of the Clandestine Services and take such action as may be required to contribute to our goal of greater efficiency in the Clandestine Services.

  
Allen W. Dulles  
Director

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