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22	January 1951

STAFF CONFERENCE

Minutes of Meeting held in Director's Conference Room, Administration Building Monday, 22 January 1951, at 1000 hours

General Smith Presiding

Present

William H. Jackson, Deputy Director
Allen W. Dulles, Deputy Director for Plans
Murray McConnel, Deputy Director for Administration
Lyman B. Kirkpatrick, Executive Assistant to DCI
Joseph Larocque, Executive Assistant to DCI
James D. Andrews, Advisor for Management
James M. Andrews, Asst. Dir. for Collection and Dissemination
George G. Carey, Asst. Dir. for Operations
H. Marshall Chadwell, Asst. Dir. for Scientific Intelligence
Kingman Douglass, Asst. Dir. for Current Intelligence
William L. Langer, Asst. Dir. for Research and Reports
James Q. Reber, Asst. Dir. for Special Operations
/ Robert A. Schow, Asst. Dir. for Special Operations
/ Frank G. Wisner, Asst. Dir. for Policy Coordination

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1. The Director discussed his trip to _____ stating that General Willoughby had an excellent intelligence set-up and was making valuable use of former _____ officers as well as industry. He said that he thought an agreement had been reached which would work very effectively and that he believed it was now up to CIA to prove that it could produce material of value. He stated that he did not anticipate any difficulty as long as General Willoughby believed that he was being kept informed. Dr. Langer asked whether there was anything new in the outlook from _____ The Director stated that he would rate the combat potential of the Chinese ground forces higher; that he believed their combat ability was fair at the present time; however, the longer they remain on Formosa the faster the combat potential will deteriorate. He stated that the Navy and Air Force of the Chinese Nationalists had already deteriorated to a considerable degree. Dr. Langer asked if there was any intelligence on the size and extent of the Chinese Nationalist guerrillas on the mainland. The Director indicated that it was generally believed that the Nationalists' intelligence reports on conditions on the mainland were quite accurate. He said that he believed we could get some valuable information from Admiral Cook in Taipei. The Director stated that he believes the Chinese Communists will attack Formosa, probably using 20.000 to 25,000 airborne troops and taking advantage of bad weather conditions to lessen the effectiveness of our 7th Fleet.

The Director inquired as to the status of NSC 10/3 and said that he would ask Mr. Lay to expedite the release.

2. <u>Mr. Jackson</u> said that he believed the IAC should be briefed on the organizational changes which have been made in CIA, and the fact that henceforth the emphasis of our intelligence research would be in the economic field, with particular reference to the USSR.

3. <u>Mr. Carey</u> raised the question as to whether CIA should participate in the analysis of serial numbers and name plates on Soviet equipment. The Director said that it would be necessary first to determine who was already working on the subject and what was being produced, and then to obtain the necessary technicians. Dr. Langer stated that this was a very important source of valuable information and that Mr. Ruggles, of Yale, had been very successful during the war in producing important intelligence based on a small amount of information. It was determined that 0/10 should investigate to see what recommendations should be made to the IAC.

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4. <u>Mr. Dulles</u> reported that General Robert McClure was engaged in psychological warfare activities for the Army. The Director suggested that General McClure's charter be determined and a study be made as to how CIA could assist him.

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