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DIARY NOTES

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DD/S [redacted]

20 December 1957

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1. [redacted] telephoned to say that the Frank Nash report had been printed and would be delivered to Andy Goodpaster at the White House today. He did not know how the White House would decide to handle the distribution or other aspects of the report but agreed to let me know when he had any further information. I advised Mr. Dulles of this conversation at the Deputies' Meeting.

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2. Matt Baird informed me that he and [redacted] had had a long talk with the people at Brookings Institute who said that they were unwilling to make any commitment to give this Agency a quota in their program. However, he thought that they would probably take [redacted] for the next course.

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3. During our conversation [redacted] requested that we discontinue sending the Nash office our OCI Weekly and I subsequently requested Ting Sheldon to take care of this.

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4. The Director conducted a meeting in his office to discuss [redacted] 15 November 1957 paper on "The Stimulation of Innovation." I got the distinct impression from the way he ran the meeting that he had already made up his mind to do this regardless of what anyone present might have said. However, it was quite clear that Frank Wisner and [redacted] had serious reservations about how the administration of the Technical Services Staff would go under such a setup, and it seemed to me that Dick at least would have preferred to make a clean split between those parts of TSS devoted to research and development and those devoted to the day-to-day support to clandestine operations. It was generally agreed that such a split might be possible but that it should not be undertaken at this time. Frank and Dick undertook to talk to [redacted] about the whole matter and reserved final comment until this had been done. (In this connection, the Director seemed to think that [redacted] had slowed down quite a bit and probably should retire in about a year.)

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Insofar as the DD/S area was concerned I advised the Director that while I thought this would work I was interested in three points:

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25X1A9A a. First, the paper seemed to emphasize that the SA/PD would have real authority to act within his acknowledged field without much coordination. I said that I thought coordination was going to be absolutely essential since the organizational arrangement was so untidy and the proposed authority which would be fixed in the SA/PD was so broad. [redacted] agreed that he may have overemphasized this point.

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25X1A9A b. Second, with regard to the organization I advised the group that I thought it was very messy but that I felt it could work with [redacted] [redacted] I emphasized, however, that I was not sure it could work with an individual such as [redacted]

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c. Third, and most important, I spoke to paragraph 5.f. of the paper having to do with direct contracting by TSS. I said that at the

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believed we should utilize the central contracting authority in the Office of Logistics in all cases unless the sensitivity of a project demanded that we do otherwise. (I excepted Project MKULTRA through which TSS has authority to spend up to ten per cent of its R&D budget outside of the normal contracting procedures.) I then stated that I thought that when it was necessary to use other than the central contracting facilities the burden of proof should be upon the SA/PD and that in such instances he should consult with DD/S before making these exceptions. The Director agreed with this concept. [redacted]

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25X1A9A [redacted] emphasized the importance of closeness between the user of equipment and its developer and the feedback of information from the developer during the research phases. This was accepted by everyone but I emphasized that I thought the central contracting people could service him in the same way that his own contractors could. I pointed out that his own contractors had been supplied by the central contracting people and that I saw no grounds for alleging incompetence; in fact, if the central contracting people couldn't service him equally as well then there was something wrong with our own organization. In any case, it was my clear understanding that the Director agreed completely with my proposal.

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25X1A9A The meeting ended with the understanding that Frank Wisner and [redacted] would have further discussions with their own people, after which they would get together with [redacted] and draft a clear-cut statement of Dick's functions for publication. The Director had stated initially that he wanted to put this into effect on 1 January, but at Frank Wisner's request agreed to postpone the date.

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