



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

24 April 1972

Dr. R. W. van de Velde
Faculty Secretary
Rockefeller Public Service Awards
Woodrow Wilson School
Princeton, New Jersey 08540

Dear Dr. van de Velde:

It is with pleasure and pride that I again nominate Mr. Lawrence R. Houston, General Counsel of the Central Intelligence Agency, for the 1972 Rockefeller Public Service Award in the field of Professional Accomplishment and Leadership.

In my recommendation last year I included a detailed statement of Mr. Houston's many contributions to the nation and to this Agency over the years. I am sure you will review that submission and consequently I will not repeat it in extenso. At the same time, I would like to highlight a few overall points:

a. I realize that Mr. Houston will be sixty years old on January 4th, 1973, and consequently would be expected to retire at about that time from this Agency. While he may extend his service somewhat, I would particularly like to stress that I do not believe this a basis for omitting him from consideration for this important award. He was recommended last year and the award would be a highly appropriate recognition of his many major contributions over the years. It will serve as an inspiration to younger officials in the Agency and outside.

b. Mr. Houston's contribution to the resolution of the difficulties surrounding the U-2 operation was covered in the recommendation last year. Laudable as it was, however, it was in no sense the most prominent or lasting of

his contributions. In the long term, "intelligence law" and especially the legislative and regulatory prescripts under which the Agency operates will bear his enduring mark. He also has contributed in many ways, which cannot be described in detail for security reasons, to the construction of appropriate legal and corporate entities to permit operations to be carried out by this Agency without exposure to hostile eyes.

c. Mr. Houston has also served in a major way as the "conscience" of the Agency, ensuring that the considerable special authorities granted to the Agency are used only within the legal and moral limits contemplated by the statutes granting them. In this fashion he has provided invaluable counsel to me and to previous Directors, and displayed the highest professional and leadership qualities.

A number of eminent citizens have indicated their support of this recommendation and will be addressing you directly. I hope that the Committee will be able to recognize by this award the major contribution Mr. Houston has made to the nation over the years.

STATINTL

Sincerely,

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Richard Helms
Director

1971 ROCKEFELLER PUBLIC SERVICE AWARDS

NOMINATION OF MR. LAWRENCE R. HOUSTON

Name, Title and Grade : Lawrence R. Houston, General Counsel, EP V

Organizational Location : Central Intelligence Agency
Washington, D. C. 20505

Residence : STATOTHR

Education : 1931-35 Harvard University, B.A. History
1936-39 University of Virginia, LL.B.
1953 Advanced Management Program
Harvard University
1954 Human Resources Program

Length of Service : 24 years

Marital Status : Married, two children

Date and Place of Birth : 4 January 1913, St. Louis, Missouri

Nomination Field : Professional Accomplishment and Leadership

SUMMARY

Sverdlovsk, a Berlin bridge, and the committee rooms of Congress, all these disparate places have a common factor in the calm, effective presence of Lawrence R. Houston, General Counsel for CIA. That has been his career; Larry Houston was our first and continues as our only General Counsel. Most significantly, Mr. Houston was the legal architect of CIA.

Mr. Houston's exemplary service and unique contributions to our national security began even before CIA became a functioning reality. His performance with the Agency and with its predecessors will be engraved in the annals of CIA as a superlative record of devotion, dedication and ability.

Prior to World War II, Mr. Houston was well established in a private legal career. With the war he entered military service and was commissioned in the Army JAG. He was assigned to OSS and served abroad as Theater Counsel, rapidly assuming executive responsibilities. At war's end, he returned to OSS Headquarters and was at once involved in the preparatory planning for a centralized intelligence organization.

As Mr. Houston examined the basic concepts he also appraised new threats to the national security then barely apparent. Convinced that a centralized intelligence organization was essential as the first line of defense, he did not return to his promising career -- he stayed to become the legal architect of the Central Intelligence Agency.

Demonstrating the highest degree of professional skills and, even more importantly, exercising almost prophetic foresight, Mr. Houston in the next year created the legislative design for the Agency that was incorporated in the National Security Act of 1947. His brilliant vision met the challenge of the unknown -- no changes have been required or made in the statute that established the mission of the Agency. An equally remarkable achievement was the creation of the Central Intelligence Agency Act of 1949. Mr. Houston designed the legal tools that would enable an intelligence organization to function effectively. Within the framework of our democratic society this was no facile task, but again an unprecedented job was done. Applying his skill, imagination and, again above all, foresight, he formulated the unique authority required. The artisanship of these legal instruments for a new Agency without precedent in American history is so superior that here, again, no changes have been made.

Throughout his career, Mr. Houston has exercised a broad range of responsibilities involving legislation. Normally, this included responding to the requirements of Congress but the sensitive nature of our work inevitably complicated compliance with these requests. Of even greater importance is Mr. Houston's responsibility for reviewing pending legislation to ensure that it would have no adverse impact upon the Agency's unique authorities. On many occasions legislation drafted for government-wide application could have seriously impaired the functioning of the Agency, and in consequence the national security. Thus, it was Mr. Houston's task to demonstrate that the needs of the Agency were unique, and to convince the framers of the legislation that Agency authorities should be exempt. He displayed great skill in drafting substitute provisions that safeguarded the Agency's interests and, in turn, the national interest.

The legal executive behind the U-2 story and the Francis Gary Powers saga again was Lawrence Houston. Beginning with the unique aircraft procurement contract, he applied his legal skills and ingenuity to the program. The contract itself was a prime factor in achieving the first U-2 flight six months after contract signature. The incentive concepts underlying this contract have since been widely adopted by the Department of Defense. Particularly notable was the thwarting of the aviation industrial espionage network; the aviation industry learned of the U-2 only after it had been built, tested and become operational. The U-2 program over Russia ended on 1 May 1960 when Powers

was captured near Sverdlovsk. Behind the scenes Mr. Houston was fully engaged in the unique aspects of international law which were involved. After Powers' trial and imprisonment, Mr. Houston oversaw negotiations which brought about the exchange of Powers for Rudolf Abel, a convicted Russian spy. Even while awaiting word that the two men had been exchanged on a bridge in Berlin, Mr. Houston was devising the means to resolve the many questions concerning the crash of the U-2 and the conduct of Powers during his mission and trial. The Agency urgently needed unambiguous answers, and the public and Congress were clamoring for them. It was Mr. Houston who both conceived a board of inquiry and served as its counsel. During this turbulent series of events, Mr. Houston's legal skills and incisive counsel made exceptional contributions to the board's findings and high national interest was served.

During recent years the Agency has become increasingly involved in the judicial process. In every litigation the protection of our national security complicates enormously the often complex legal issues, and the courts themselves have defined a sharply limited area within which national security is paramount. By so doing, the courts safeguard the constitutional rights of American citizens. In every court case to which the Agency was party it has been Mr. Houston's responsibility to present to the courts, in camera where necessary, the reasons for asserting considerations of national security. These presentations have involved not judges alone but the Department of Justice, U. S. attorneys, and actions in State courts. In balancing the often conflicting requirements of national security with the rights of citizens, Mr. Houston's performance has been superlative.

Mr. Houston is both creator and principal practitioner of "intelligence law". This new body of law has derived from the continuing flow of Agency activities, in particular the conduct of clandestine operations. Here there were no antecedents, no precedents attorneys could consult. Consequently, Mr. Houston was called upon to create new legal concepts and instruments to resolve a congeries of problems unique to the profession of intelligence and to the needs of our national security. His solutions have become precedents in this growing and highly specialized legal field, and his pre-eminence is recognized by senior officials throughout government who frequently seek his advice and guidance.

Mr. Houston has been continuously involved in fiscal matters which, in this Agency, are unique in government. Congress intended the Agency to exercise complete freedom from the normal requirements of government expenditures, but this freedom places a weighty responsibility on the Director of Central Intelligence. Accordingly, all of the Directors have sought Mr. Houston's counsel on discretionary expenditures. Indeed, he has played a leading role in developing implementing mechanisms.

One of many legal innovations created by Mr. Houston has withstood testing by the courts on three occasions. This is the provision which authorizes the Director to terminate any employee whenever deemed "necessary or advisable in the interests of the United States." This authority was conferred on the Director by Congress in recognition of potential dangers to national security were CIA required to follow normal procedures relating to the discharge of government employees. Mr. Houston's notable contribution lies not alone in his conception of this security instrument, but equally in his counselling on its humane and judicious use.

Among the commendations given to Mr. Houston is the Agency's Intelligence Medal of Merit, awarded for outstanding service in a particularly sensitive matter. Over a period of three years he persevered in a series of intricate negotiations in behalf of another government agency and succeeded in recouping government funds in excess of \$1,000,000.

As this Agency's first and only General Counsel, Mr. Houston has practiced two professions simultaneously: intelligence and the law. Through the quality of his performance in each, the Agency has gained immeasurably while the government as a whole has been a beneficiary.

During more than two decades of service, Mr. Houston has compiled a record of achievement so extraordinary that, joined with his devotion and thorough dedication, he has become a key adviser to me as to all other Directors of Central Intelligence. Unquestionably the effects of his panoramic contributions to the Agency and to our country will endure. They will remain as witness to his expertise, to his character, and to his superlative capacity in responding to the challenges of our national security and the dramatic times in which we live.

NOMINATION STATEMENT OF MR. LAWRENCE R. HOUSTON
FOR THE ROCKEFELLER PUBLIC SERVICE AWARD IN THE FIELD
OF
PROFESSIONAL ACCOMPLISHMENT AND LEADERSHIP

After thorough preparation for the legal profession, Lawrence R. Houston was admitted to the Bar and joined the New York firm of White and Case in 1939. Within a few years, Mr. Houston entered military service. After Army Judge Advocate General Officers' Candidate School, he was commissioned in July 1944 and assigned to the Office of General Counsel, Office of Strategic Services. Soon Mr. Houston was transferred to MEDTO as Theater Counsel for the OSS Mission where conspicuous performance won him assignment to the OSS Mission in Cairo. There he served both as Theater Counsel and Deputy Chief. After the war, Mr. Houston returned to OSS Headquarters at Washington, D. C., where he began developing studies and plans relating to a permanent centralized intelligence organization.

By late 1944, General William J. Donovan, head of OSS, had presented to President Roosevelt concept papers designed to prevent the disaster of another Pearl Harbor. The means proposed was a permanent peace-time central intelligence organization reporting directly to the President.

Meanwhile, liquidation of OSS wartime activities was under way. The Strategic Services Unit was established in the War Department to continue orderly termination and to serve as holding mechanism for essential OSS personnel who were to become the nucleus of the Central Intelligence Agency. Mr. Houston's demonstrated professional skills and executive ability were recognized by his appointment in February 1946 as General Counsel for SSU. At that time he was deeply involved in the legislative aspects of the planned central intelligence organization, and it was during this period that Mr. Houston had the opportunity to probe and appraise the nature of potential threats to our national security. Convinced that a centralized intelligence organization was essential to counter threats already discernible, he put what were almost prophetic assumptions to practical test. Instead of returning to his promising law practice in New York, he stayed to become the legal architect of the Central Intelligence Agency.

So it is that many of Mr. Houston's major contributions to our national security were made before CIA was created. For a year his proposals for functions and duties were scrutinized at high-level interdepartmental conferences, and challenged in congressional committee hearings. His objective was without precedent in our history: to build the statutory foundation for a permanent national intelligence agency. These efforts culminated in the creation of CIA through a key

provision in the National Security Act of 1947. That Mr. Houston's remarkable vision more than met the challenge is clear -- after more than two decades the mission and responsibility of the Agency under that early law remain unchanged. Unquestionably this achievement is an enduring tribute both to his foresight and his pioneering applications of legal skill.

Having established the legal framework of the Agency and its mission, Mr. Houston next began to forge the special legal tools required to construct a successful and permanent intelligence organization. Many unorthodox departures were essential if an intelligence organization were to function effectively within a democratic society; a portion of the Agency's activities must be conducted in secret and the greatest precautions exercised to safeguard both raw and finished intelligence. Above all, Agency sources and methods must be protected from compromise. Painstakingly, Mr. Houston defined the many specialized legal areas where unprecedented statutory enablements would be required. These included procurement, appropriations and expenditures, personnel, statistical and other reporting requirements, and haven in the United States for selected aliens. His studies became the blueprints for an assembly of legal instruments which Congress enacted in 1949 as PL 81-110. Again, the precision of Mr. Houston's studies and the accuracy of his judgments are attested by the fact that in the following 22 years no changes have been made in those unique authorities so fundamental to the effective and secure functioning of the Central Intelligence Agency.

Throughout most of his long service with the Agency, Mr. Houston has had supervisory or direct responsibility for congressional matters. This responsibility includes not only the extremely important "liaison" areas but, even more significantly, specialized legislative aspects. His superb contributions to the National Security Act of 1947 and PL 81-110 have already been discussed. His next major legal landmark was the establishment of a new retirement system for certain personnel in CIA. As the Agency began to mature a need was discerned to retire certain groups engaged in duties unique to the Agency at an earlier age than provided for under existing Civil Service Retirement laws. Here again Mr. Houston conducted legal research in depth and applied to it his creative imagination. The results were approved by Congress as the "Central Intelligence Agency Retirement Act of 1964 for Certain Employees". That innovation and persuasiveness are among Mr. Houston's many qualities is exemplified by this legislation which authorized the only new major U. S. Government retirement system in the last 42 years. Once more his professional foresight was validated by the test of application: the Retirement Act has served and continues to serve the needs of CIA and its employees.

But beyond these remarkable achievements remains the continuing responsibility of CIA's General Counsel to review all pending legislation and determine its possible effect on Agency activities. In fulfilling this responsibility, as in many others, Mr. Houston clearly has shown sustained superior performance and meritorious enduring accomplishment.

On countless occasions Mr. Houston successfully demonstrated to congressional committees the unintended impact on the Agency of proposed general legislation. Not only did his reasoned presentations avoid prejudicial effects on the Agency and in turn the national security but, drawing upon his comprehensive experience, Mr. Houston was able to advocate substantial improvements which benefitted not only the Agency but other departments of our government as well. Specific examples of the latter would include assistance rendered to the Department of Justice in connection with Title III of the Omnibus Crime Control and Safe Streets Act of 1968. The congressional committees concerned requested the Agency to negotiate directly with the Department of Justice and accepted the resulting language which, for the first time, gave explicit statutory authorization for electronic surveillance "to obtain foreign intelligence information deemed essential to the security of the United States." Another such instance was the proposed amendment to the Federal Employees' Compensation Act Amendments of 1966. Here Mr. Houston's thorough and detailed knowledge of the Federal Employees' Compensation Act brought about major improvements in proposed amendments which, throughout the entire government service, will permanently ease the financial burdens of employees injured in the performance of duty, or the dependents of employees killed in the performance of duty.

Mr. Houston was the legal executive behind the U-2 saga and the story of Francis Gary Powers. Six months after Mr. Houston negotiated the contract for building the U-2 aircraft, the first U-2 was airborne. But this is not the sole precedent-shattering aspect; the contract itself was a distinct departure from normal contractual formulas in the aircraft industry. Its incentive provisions served as a model for the Department of Defense in later contract negotiations. While these accomplishments are certainly remarkable, a particularly noteworthy aspect relates to the security of the program. The U-2 was built, tested and made operational before the aircraft industry as a whole learned of its existence, despite the industry's well-developed industrial espionage network. The display of imagination and resourcefulness by Mr. Houston in guiding this program to a secure and successful conclusion must rank as unique in our industrial history. Although the U-2 program over Russia came to an end on 1 May 1960 when Gary Powers was brought down and captured near Sverdlovsk, the legal aspects of Powers' detention and subsequent trial raised new questions of international law to which Mr. Houston quickly addressed himself. Behind the scenes Mr. Houston

oversaw negotiations that brought about the exchange of Powers for Rudolf Abel, the Russian spy who was then serving an espionage sentence in a Federal Penitentiary. Even while the exchange was taking place on a Berlin bridge, Mr. Houston was at work on the vital and unprecedented challenge of resolving the many questions then surrounding Gary Powers' mission and his conduct during the trial and while in prison. Not only did the Agency need unambiguous answers, the American public and Congress were demanding them. Out of these disordered circumstances Mr. Houston conceived the board of inquiry which he then served as counsel. He recommended that a Federal Judge preside, and former Judge E. Barrett Prettyman of the United States Circuit Court of Appeals for the District of Columbia was named. The board announced to the world its findings that Powers had "lived up to terms of his employment and instructions . . . and in his obligations as an American." During subsequent congressional hearings Agency officials and Mr. Powers were witnesses, with Mr. Houston present as their counsel. That so much of benefit to our government was preserved in a uniquely difficult situation is due largely to Mr. Houston's clear insight, incisive skills and cogent counsel -- all of which merited the highest praise.

Increasingly over the years the Agency has become involved in court cases. Invariably these situations present intricate legal problems further complicated by security considerations. The Agency has been both defendant and witness, and in other ways peripherally concerned. The mere involvement of CIA in any judicial process creates a dilemma: on one hand the courts must protect and grant to our citizens the full rights to which they are entitled under the constitution and the law, while the Agency is charged by law with the responsibility of safeguarding the interests of national security. Inevitably these obligations conflict in greater or lesser degree. Here, the equitable balancing of critical interests is as delicate as it is essential, but with profound discernment and judgment, tempered by his background, experience and skills, Mr. Houston has analyzed complex legal issues and appeared personally in court on numerous occasions. He has discussed national security implications with judges in camera, and he has worked cooperatively with the Department of Justice and U. S. attorneys throughout the country. These activities are not limited to the Federal courts; they have included actions in State courts and negotiation with district attorneys in many States. Mr. Houston's legal acumen combined with his high competence as a professional intelligence officer have enabled him to present his views so effectively as to establish a magnificent record of protecting the interests of national security while safeguarding fully the rights of individuals involved.

An early and major area of Mr. Houston's responsibility concerned expenditure of government funds. By statute the Director is given unique authority to expend funds free from normal government restraints and accounting requirements.

This authority carries with it unique responsibility. It is a heavy trust. Utilizing his professional skills, wisdom and profound integrity, Mr. Houston took a leading role in developing the concepts, policies and procedures under which Agency funds are expended. Concerning the propriety of Agency expenditures, every Director of Central Intelligence has sought Mr. Houston's guidance and professional counsel in order to maintain the critical balance between the needs of the Agency and the established requirements of our government. In this area, as in so many others, Mr. Houston has made significant contributions to the national interest.

With the establishment of CIA, a new field of law came into existence and Mr. Houston has been the principal author and practitioner of what has come to be known as "intelligence law". This new body of law has derived from the continuing flow of Agency activities, in particular the conduct of clandestine operations. Here there were no antecedents, no lawbooks attorneys could consult. Consequently, Mr. Houston was called upon to pioneer new legal concepts and instruments to resolve a congeries of problems unique to the profession of intelligence and to the needs of our national security. Mr. Houston's solutions have become precedents in this growing and highly specialized legal field, and his pre-eminence is recognized by senior officials throughout the government who frequently seek his advice and guidance.

One of the many legal implements designed by Mr. Houston is that provision of law which authorizes the Director of Central Intelligence to terminate the employment of any officer of the Agency whenever deemed "necessary or advisable in the interests of the United States." This authority may be invoked by the Director "notwithstanding . . . the provisions of any other law" On three occasions this authority has been tested in the courts and the courts have uniformly upheld it as a plenary power. Congress conferred this authority on the Director in recognition of dangers to the national security that could arise were the Director handicapped by normal laws relating to discharge of government employees. Mr. Houston's contribution lies not alone in having conceived this legal authority, but in his counselling of all Directors of the Agency on its humane and judicious application. Arbitrary exercise of this provision could quickly destroy the morale of valued employees; however, the attrition rate of employees in CIA is by far the lowest in our government. Unquestionably, Mr. Houston's judgment and uncommon sense in this delicate area are significantly responsible for so remarkable a record.

Noteworthy among Mr. Houston's many commendations is the award to him of the Intelligence Medal of Merit. The episode involved the apparent loss to another government agency of more than \$1,000,000. Because security considerations precluded resort to the courts, Mr. Houston undertook over a period of three years a series of the most intricate and sensitive negotiations, persevering until

the debt to the government was entirely satisfied. Mr. Houston's initiatives and his creative legal thinking were directly responsible for recovering this very large debt.

After 24 years and six Directors of Central Intelligence, Mr. Houston continues to be the first and only General Counsel of this Agency. His dedication to public service has been complete. In him, deep devotion to duty has been the companion of modesty, imagination and flexibility. His enormous contributions to the Agency and to our country will endure as testimony of his unique capacity to meet the high challenge of serving the national interest. Throughout his career, Mr. Houston's every act has reflected the most laudable credit upon himself and on his dual professions -- intelligence and the law.

References: Mr. Lawrence R. Houston
Central Intelligence Agency

Persons well acquainted with Mr. Houston and to whom
inquiries may be addressed by the Committee on Selection:

John A. McCone

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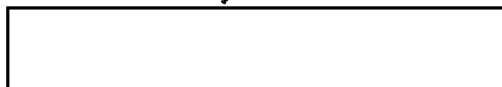
Brackley Shaw, Esq.

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Gordon Gray

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Honorable Hugh S. Cumming, Jr.

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