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Director's Meeting

Friday, 23 November 1951

Mr. Dulles stated that Dr. Langer had talked to Nelson Johnson, former Ambassador to China and presently Secretary of the Far Eastern Commission, concerning Johnson's availability as a member of the Board of Estimates. Mr. Dulles noted it might be best for Johnson to first join us as a Consultant for a period of approximately six months after which consideration would then be given to appointing him as a permanent member of the Board. The Director asked Mr. Dulles to first talk with Doc Matthews regarding Mr. Johnson's capabilities.

The Director noted the item in the log regarding Don Gonzales of the United Press and his feature story on CIA. In this connection he asked Mr. Dulles to see Tony Leviero, a Washington reporter-at-large for the NEW YORK TIMES, when he comes in for guidance on an article he is preparing on U.S. and Soviet propaganda.

The Director asked whether three CIA officers mentioned in the Log in connection with Robert W. McCann were here or in China, and if they were in China we should take steps to get them out. Mr. Wisner stated he believed these three people were in the U.S.

The Director raised the question of our difficulty in the deployment of the ARC Wing to Wheelus Field in Libya, and asked whether or not State had accepted the British protest. Mr. Wisner noted he did not believe this was yet a fact and stated he was attempting to get in touch with Bob Joyce. Mr. Wisner also noted that this matter had been discussed on 21 November at the OPC Consultant's Meeting, and General Magruder was of the opinion that we should go forward with this project in order to have our foot in the door if and when Libya gained her "independence". The Director indicated that in addition to Mr. Wisner's talking to Mr. Joyce, he would also call Mr. Webb. It was also noted that Mr. Lynch, the present Minister to Libya, was more or less against this project and was now here in Washington.

Mr. Dulles raised the question of our participation in the JIG briefing for the staff of PSB. The DCI stated we should not do this, but there was no objection to Mr. Gray personally seeing a copy of our semi-annual report on Soviet atomic capabilities.

Mr. Dulles noted that in connection with the Kirsten agreement we might well make use psychologically of the fact that the Soviets had not lived up to the terms of the Roosevelt-Litvinov Agreement.

Mr. Dulles raised the question of our reporting purely political matters in the CIB and stated we should coordinate such items with State. DCI said that one of the prime purposes of the CIB was to

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report to the President any and all items we considered important enough to be brought to his attention, and in fact the President had directed CIA to so do. Mr. Wisner stated he had discussed the problem of political reporting during his recent trip, and that in most instances our people either cleared or brought to the attention of the Ambassador and/or Minister concerned such reports before they were sent to headquarters. DCI noted that he assumed that this was in fact being done and stated that in those cases where we disseminate purely political items we might include a statement, if time did not permit prior coordination with State, to this effect. Mr. Dulles will follow through on this matter.

The Director agreed that we might approach State on the NCFE plan to send Christmas balloons to Czechoslovakia.

Mr. Wisner reported that the Bureau of the Budget (Messrs. Schaub and Barber) had asked for a preliminary briefing on the OPC budget and that the briefing was scheduled to take place in the OPC War Room beginning at 10:30 A.M. He further reported that the Senior Consultants from State, Defense and JCS had tentatively suggested that the departments of State and Defense should be called upon to include in their own budgets and to undertake the budget defense of the major part, if not all, of the funds required for OPC operations; and that they had further recommended that the Director give consideration to the advisability of raising this proposal at an early meeting of the PSB.

The Director stated that this raised the whole question of the method of presentation and defense of the CIA budget; that he had been giving further careful consideration to this matter; and that the directive contained in NSC 10/5 (Scope and Pace of Covert Operations) would determine our approach to the presentation of the over-all CIA budget. The Director pointed out that under NSC 10/5 the PSB has the responsibility for:

a. Determining the desirability and feasibility of programs and of individual major projects for covert operations formulated by or proposed to the Director of Central Intelligence.

b. Establishing the scope, pace, and timing of covert operations and the allocation of priorities among these operations.

c. Coordinating action to ensure the provision of adequate personnel, funds, and logistical and other support to the Director of Central Intelligence by the Departments of State and Defense for carrying out any approved program of covert operations.

The Director remarked that this includes programs and projects already under way, although there appeared to be an exception in the case of

[redacted] (already approved by NSC)

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and possibly another category of exceptions for operational opportunities of a fleeting nature which must be capitalized upon quickly or not at all.

The Director then said that he had concluded that we should prepare a comprehensive summary of OPC programs and individual major projects for submission to the Psychological Strategy Board at an early date. This summary should be undertaken by DD/P with the assistance and guidance of Mr. Hedden and Colonel Johnston, and should include a brief analysis of each program and major project to include the following points:

- a. Name and code name of program or project;
- b. Statement of objective at which directed;
- c. Brief description of program or project;
- d. Status, progress or accomplishment to date of each program or project;
- e. The estimated cost for the balance of the present fiscal year and for the coming fiscal year.
- f. An estimate of additional personnel, logistic and other support required.

The Director suggested that there be only four sets of these booklets prepared, one being retained permanently by CIA and the other three to be submitted to and returned by the other members of the PSB. As soon as the list and summary of programs and major projects has been prepared, the Director will examine it with a view to determining whether he wishes to eliminate certain of the projects or proposals. Thereafter he would propose to submit the list and summary to the members of the PSB with a view to obtaining their determination of the desirability and feasibility of all programs and major projects. He would want to have Mr. Gray, and perhaps one or two very senior members of Mr. Gray's staff, present at the meeting to consider the list and summary.

The Director summarized his thinking and conclusions in this connection as follows:

The Charter of the PSB and the directives contained in NSC 10/5 provide the best possible framework for the clarification and resolution of the problems which have been concerning him with respect to the defense of the CIA budget and OPC activities. As to that portion of the cost of CIA operations and activities which is attributable to NSC 10/2 matters, the Director will take the position that he is undertaking these efforts in the capacity of agent for the PSE and the departments of State and Defense, and at their request and direction. Accordingly it should be up to the departments of State and Defense to include the cost of operations of this category within their budgets and to sustain, with some possible assistance from DCI, the burden of defending the amounts involved. The balance of the CIA expense the Director will undertake to budget for and defend separately.

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The Director authorized Mr. Wisner to inform the representatives of the Bureau of the Budget of his intentions and proposed procedure as outlined above.

Mr. Wisner stated he had been asked to give a brief report on his recent trip to JSPD and the Army and Navy Psychological Warfare divisions. The DCI approved this but directed that in the future these people should come here rather than request our personnel on the Deputy Director level to come to the Pentagon.

A handwritten signature in black ink, appearing to be 'JSE', with the letters 'JSE' printed in a small font directly beneath the signature.