

Outside System
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MEMORANDUM

NATIONAL SECURITY COUNCIL

NSS, Army, OSD
Reviews Completed

ACTION

October 27, 1971

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MEMORANDUM FOR:

DR. KISSINGER

FROM:

RICHARD T. KENNEDY *RTK*

SUBJECT:

Laos Operations: Meeting with
Mr. Helms

You are scheduled to meet with Director Helms on October 29, 1971, concerning Senator Stennis' proposals regarding funding and management of paramilitary operations in Laos. You wanted to position Mr. Helms before talking with Senator Stennis (Tab D).

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You will recall that on September 2 Senator Stennis wrote to the President saying that he could not support any further funding with respect to Laos as part of the CIA

[Redacted]

Director Helms wrote to you on September 20 (Tab B) in connection with the Senator's letter, stating that he believed it would be difficult, if not impossible, for the CIA to continue its current role in Laos indefinitely. He is concerned that Senator Stennis wants the CIA to get out because continued CIA involvement could (1) jeopardize the authority for engaging in paramilitary activities in the future and (2) expose CIA to increasing Congressional scrutiny.

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Director Helms believes that Stennis would agree to continued CIA executive management of the irregular program only as an interim measure and providing that an eventual, and probably early, orderly transfer of the CIA operational role in Laos was contemplated. Stennis reportedly has conveyed this impression in discussions with CIA representatives.

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At a small Ad Hoc Group meeting on October 19, 1971, Defense agreed [redacted] provided that CIA would continue to manage the operations. CIA (Gen. Cushman) agreed to this but emphasized the need to look to a longer-term solution getting the agency out from under this responsibility. [redacted]

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This shift [redacted] meets Senator Stennis' immediate concern. Because it would be disruptive and detrimental to our effort in Laos at the very time we are winding down elsewhere in Southeast Asia, however, we want to avoid a shift in the operational responsibility for now.

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You will want to get Mr. Helms firmly behind the agreement to continue CIA [redacted] responsibility is shifted to Defense as a precedent to your later meeting with Senator Stennis.

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Talking points are at Tab A.

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TALKING POINTS

HAK Meeting with Mr. Helms

on

Laos Aid: Management, Funding, and Stennis Letter

Defense has agreed to take over all funding

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in Laos starting with FY 1973.

-- This meets Stennis' immediate concern.

-- However, at this time when we are winding down our operations in Southeast Asia and withdrawing our men, any major change in managing Laotian operations would be unnecessarily and undesirably disruptive.

We will have to look to a long-term solution but clearly this is a particularly critical juncture for all our operations in Southeast Asia.

-- If there were any implication publicly or in the Congress that we were looking at major changes, there would be strong pressures for an immediate, possibly ill-considered, shift.

-- We now have an on-going program with close working relationships of several years standing. This is an important asset. As Director Helms has pointed out in the past, the program is effective with a minimum of direct U.S. involvement in Laos.

-- It has been suggested all the CIA people could be seconded to DOD.

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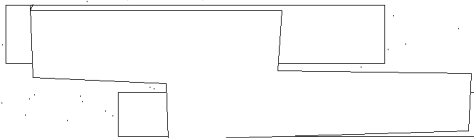
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-- But this would appear to Congress as only cosmetics and could cause more problems with credibility.

-- Giving DOD full management now could increase its visibility in Laos and could cause pressures to beef up the organization. Moreover, it would raise the problem of the Geneva accords -- the very reason the CIA program was set up in the beginning.

-- Another possibility would be to turn over the CIA role to the



are not prepared to fill that role and

could not be in any reasonable time-frame.

-- A complete reorganization and reorientation of all the forces involved is another alternative.

-- But that would require a long preparatory period and a long time to carry out.

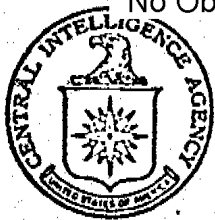
-- Therefore, you believe management should remain with CIA certainly for now.

(You will discuss these matters with Stennis along the foregoing lines, but you want to have Helms' full views and support before you talk to the Senator.)

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

20 September 1971

MEMORANDUM FOR: The Honorable Henry A. Kissinger
Assistant to the President for
National Security Affairs

SUBJECT: Senator Stennis' Letter to the President
of 2 September 1971 on CIA's Role in Laos

1. In response to requests from your Staff for comment on Senator Stennis' letter, it is important first to understand the background of the Senator's concern as it relates to his ability to protect the security of the Agency's budget and operations in the Congress.

2. The attached memorandum (Tab A) recounts the consistent opposition of key members of the Congress to Agency funding of and participation in paramilitary programs of the scope of the Laos operation. There is also concern, as noted in Senator Stennis' letter, that the problems arising from the Agency's involvement in Laos will jeopardize what the Senator refers to as its "primary function" of collecting and evaluating intelligence.

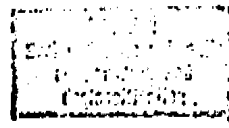
3. In response to the direction of higher authority we have continued our executive role in the Laos operations, but I believe in the light of the concerns expressed in Senator Stennis' letter it will be difficult, if not impossible, for us to continue in this role indefinitely. Those key committees on whom we depend for our appropriations and our protection from damaging public exposure and political debate appear firmly committed to the proposition that they cannot support the continued [redacted]

[redacted] Laos-type operations. In addition, it appears extremely doubtful that they will long countenance the Agency's conduct of such operations [redacted]

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4. It is increasingly clear that the longer the Agency stays in the Laos operation, the more likely it is that the Congress will be inspired to introduce legislation designed to limit the capacity of the Agency and the Administration to undertake covert paramilitary operations. So far the several bills introduced in the Congress to impose restrictions [redacted] participation of the Agency in paramilitary operations have been defeated or are pending. It is unlikely that we can rest with any assurance on the proposition that such legislation in the future will be defeated, particularly if the opposition to it is not wholeheartedly supported by the members of our oversight committees.

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5. Under these circumstances, your Staff has asked for our view on other possible ways of handling the Agency's paramilitary role in Laos. In Tab B we outline three possible alternatives. In brief they are:

a. [redacted]

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[redacted] It is doubtful that Senator Stennis could be persuaded to agree to the Agency retaining the executive responsibility on other than an interim basis short of a direct appeal to him by the President. Even were such an appeal made, based on his statements to date, there seems little likelihood that he would agree to our retaining the executive role beyond the time necessary to insure an orderly transfer.

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b. Transfer executive responsibility for the conduct of the irregular paramilitary program to the Department of Defense during the course of FY 1973. We would, of course, be prepared to provide experienced personnel to assist the DOD in assuming this responsibility.

c. Continue funding the irregular program at approximately present levels but meld it into the existing military assistance program in support of the regular Lao Army and turn over to the [redacted] Lao the advisory role now played by CIA personnel.

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6. We recognize that these last two options will not be warmly endorsed by the Departments of State and Defense but they seem to us the only realistic alternatives to abandoning the [redacted] Lao irregular programs. I suggest that a detailed review of these options should be undertaken by an ad hoc interagency group to be appointed by you to come up with specific recommendations as to how this complex matter can best be resolved. Through the years, I have been able to persuade our oversight committees that our current procedures were really the best with which to carry on the paramilitary operation in Laos. With the visibility recently given to these operations, however, I do not think they will accept this position any longer.

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Richard Helms
Director

Attachments: 2
As stated above

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TAB A

17 September 1971

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MEMORANDUM

SUBJECT: Congressional Attitude Toward CIA
Major Paramilitary Activities

1. For many years the attitudes of the current Chairmen of the Agency's subcommittees, including their predecessors, were that the Agency's budget should remain as small as possible. There have been expressions that the larger the budget the more difficult for the subcommittee chairmen to deal with members of the full committees and the Houses of the Congress as a whole. This difficulty existed not only in the Appropriations Committees but also in the Armed Services Committees, since a considerable portion of the Agency's budget was in accounts in the annual Department of Defense Authorization Act. Specifically, when programs begun and managed by CIA became too large and visible, our subcommittees have urged that program responsibility as well as funding be dropped by the Agency and picked up by Defense. This memorandum will review four programs in which this problem has arisen--Rural Development Cadre (RDC), SWITCHBACK, MACSOG, and operations in Laos.

2. RDC - A project for developing Vietnamese teams to carry out social, medical, and economic improvements in South Vietnam's rural areas.

a. During early and mid-1966, questions were beginning to be raised by Agency congressional subcommittees about continued CIA budgeting and responsibility for the RDC program. At meetings with the Agency

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on 21 and 22 September, the subject was discussed by the Senate Armed Services and Senate Appropriations Subcommittees. Senator Russell specifically stated that he hoped the Agency could get out of the RDC program in view of its planned expansion.

b. In a 6 April 1967 letter to the Bureau of the Budget, signed by George Mahon, Chairman, House Appropriations Committee, and Carl Hayden, Chairman, Senate Appropriations Committee, concern was expressed about funds for the RDC program and the fact that they were in the Agency's regular budget. The letter pointed out it was difficult to handle funds for this open program as a classified budget item. The letter then requested that consideration be given to an alternative method of funding for FY 1968.

c. The Chairman of the House Appropriations Committee, Mr. Mahon, by letter dated 9 June 1967 to Senator Hayden, Chairman of the Senate Appropriations Committee, reduced the Agency's budget by allowing only sufficient funds for three-quarters of the fiscal year. The Agency was advised that the intent of this reduction was that the Agency should be relieved of the funding for this program as of the beginning of the fourth quarter of 1968 and there would be no funding through the Agency thereafter. It specifically pointed out that this was not intended as a cut in the program level; it was a means to force the Executive Branch's hand. The Senate Appropriations Committee later concurred in the House action.

d. Agency funding ceased at the beginning of the fourth quarter of FY 1968, but the Department of Defense requested assistance funds for an interim period while it attempted to resolve certain procedural aspects. The Agency agreed to this for the final quarter of FY 1968.

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3. SWITCHBACK - Organization, direction, and funding of Citizens Irregular Defense Groups in South Vietnam.

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MACSOG - A joint MACV/CIA task force to manage GVN paramilitary and psychological warfare operations against North Vietnam.

a. In the course of working with the staff people of the Appropriations Committees in resolving the RDC funding, the staff had made it clear that it expected the Department of Defense to apply similar principles to relieve the Agency from funding assistance for SWITCHBACK and MACSOG. The Committees, during the last half of 1969, continued to press for removal of the Agency from its role as a funding channel for the SWITCHBACK and MACSOG programs. It was determined in January 1970 that immediate actions could be taken looking toward turnover from the Agency to the Department of Defense of the logistics aspects of SWITCHBACK which were being funded through Agency channels. Target date was set for turnover of the remainder of the fiscal aspects by 30 June 1970.

b. In May 1970 the Department of Defense formally requested that the Agency continue to act as a channel for Department of Defense funds for an additional six months, that is until the end of calendar 1970 since plans were then firm to phase down all aspects of the program. The Agency concurred in this request. In the meantime, however, the logistics funding aspects were completed and the Agency phased out as of 1 July 1970.

c. During this same period, conferences were being held with the Navy, which had responsibility for the MACSOG program, and agreements were reached that the Navy could take over the handling of the funding aspects. Although Navy had budgeted for this program, the Agency was being utilized as a funding channel. As of 1 July 1970, the Agency was relieved of its role in the MACSOG program.

4. Laos

a. As the Agency's role in Laos and Southeast Asia began to gain some visibility during 1970, there were informal indications as early as February that the Senate

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Appropriations Committee might well direct the Agency to phase out of certain paramilitary programs.

[Redacted]

On 14 July 1970, Representative Mahon said he "agreed 100 percent with Senator Russell's position on Agency funding of operations in Southeast Asia."

b. Throughout the remainder of 1970 and 1971, there were continued expressions of concern from our subcommittees concerning Agency funding of paramilitary programs in Southeast Asia.

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[Redacted]

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c. In explaining further to the Agency his position, on 14 September 1971 Senator Stennis expressed his view

[Redacted]

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he was unalterably opposed to any funding from the Agency's budget after FY 1972 and that as far as other aspects of the Agency involvement were concerned he realized this could not be done overnight but he thought it had to be done as soon as practicable. It was his opinion that the Congress simply will not tolerate continued use of the Agency's special authorities in this manner, which an increasing number of Congressmen regard as circumventing the will of the Congress.

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TAB B

17 September 1971

Options to CIA Management of the Irregular Program in Laos

Background. Since 1961 irregular forces have assisted the regular Lao Army to resist Communist encroachment. These irregulars have been given support and guidance by the Central Intelligence Agency as the executive agency for the United States Government. The program started with the use of hill tribes, primarily Meo under General Vang Pao, and expanded to include lowland Lao.

The Ambassador has exercised overall United States policy control of the program.

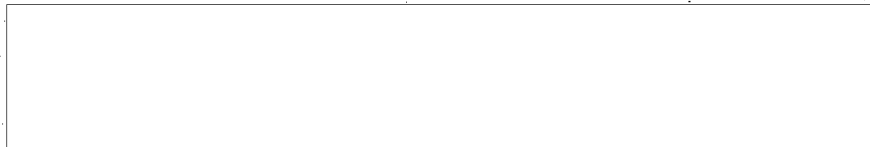
[Redacted]

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[Redacted]

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In the broadest terms we see the following as the principal options. These options are not mutually exclusive in that adoption of Option II could well lead to Option III. We assume the continuation of U.S. tactical air support in the case of all Options.



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Discussion: This option requires the least change from the status quo. Executive responsibility remains the same. However, all support costs would be made public and provided from one source.

Pros:

1. This option has the advantage of continuing a successful system of managing the irregular program in Laos, i. e., CIA continues to handle day-to-day support and guidance in-country.

2. This option also meets Senator Stennis' first concern, i. e., removing irregular program expenses from the CIA budget.

Cons:

1. This option continues the CIA as the executive agency for this program. This does not meet Senator Stennis' firmly stated desire to remove the Agency from this role, as soon as feasible. It also risks Congressional action to limit the capability of the Agency and the Administration to conduct covert paramilitary operations in the future, and could jeopardize Congressional support for other primary Agency functions.

2. The budget, the program and the Agency's administration of the program would be subject to Congressional scrutiny outside the CIA oversight committees and could lead to future exposure of Agency techniques and personnel.

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Option II: Transfer the CIA executive role to DOD. CIA will contribute personnel to DOD to assist in the transition.

Discussion: This would remove CIA from the war in Laos. The DOD would replace it as the executive agency under the Ambassador. The budget would become a separate line item in the DOD budget open to the public view, with the advantages and disadvantages inherent in that method of funding the program. Management of the program would require additional military personnel in Laos, in defiance of the Geneva Accords. Alternatively it could be done with civilian officers including retired military officers.

Pros:

1. This option meets Senator Stennis' objection. It removes money for the Laos irregulars from the Agency's budget. It removes the Agency from management of the program.

2. This option simplifies the command and control structure for U. S. military support to the Royal Lao Government.

3. Assumption by DOD of guidance to the irregular program introduces military training and experience into what has become a largely conventional, positional warfare situation for the irregular units.

Cons:

1. This option would increase the U. S. military presence in Laos in violation of the Geneva Accords. This could be partially circumvented by use of TDY officers from outside Laos, as is now done in advising the Regular Lao Army, by the assignment of some CIA officers under U. S. military control, or by the use of genuinely or ostensibly retired U. S. military officers.

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October 20, 1971

MEMORANDUM FOR: HENRY A. KISSINGER
FROM: RICHARD T. KENNEDY
SUBJECT: Senator Stennis Letter on Laos

Background

You will recall that on September 2, Senator Stennis wrote to the President advising him that he could not support any further funding with respect to Laos as part of the CIA budget. (Tab A) He urged that other funding alternatives be considered.

On September 20, Director Helms wrote to you in connection with the Senator's letter stating he believed it would be difficult if not impossible for the CIA to continue its current role in Laos indefinitely. He suggested three alternatives to current funding and management of the irregular program:

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The Issue

The issue here is CIA's role in Laos and the effect its exposure has had on funding of the Agency's world-wide operations.

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Stennis apparently wants to be helpful but needs ammunition to put down some of his colleagues who are demanding that the entire CIA budget be revealed and debated and that CIA's authority to engage in-paramilitary operations be terminated or severely restricted. Thus Stennis focuses on the funding question in his letter to the President, presumably because if funding were shifted to DOD, then Stennis would be armed to tell the critics that the Laos operation is no reason to expose the CIA budget since all that is paid for by DOD anyway. He does not raise the management issue in a concrete way in his letter to the President, but only alludes to it by noting that criticism of the Laos operation jeopardizes the Agency's intelligence program.

Director Helms believes that Stennis would agree to continued CIA executive management of the irregular program only as an interim measure and providing that an eventual, and probably early, orderly transfer of the CIA operational role in Laos was contemplated. Stennis reportedly has conveyed this impression in discussions with CIA representatives.

Director Helms, in suggesting alternative organizational arrangements designed to take CIA out of the executive management role is prompted by legitimate concerns for his agency's world-wide operations. But though Stennis may eventually take this position beyond FY-73, he hasn't pushed hard on this yet, at least formally. Moreover, there are good reasons relating to our Laos policy for our not precipitating this eventuality any sooner than necessary, principally because the present system of operation seems to be the most effective available.

Steps Taken Thus Far

You earlier agreed to meet with Senator Stennis on this issue but you wanted to "position Helms first".

I chaired a meeting of a small ad hoc group on October 19 comprising representatives of the agencies concerned, including Fred Buzardt, Ken Dam and General Cushman to explore the funding and organizational alternatives.

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The following was agreed:

[Redacted]

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General Cushman, however, emphasized CIA's belief that Stennis really wants CIA out of the management of this program as well. Cushman, therefore, said the Agency looks forward to the day when management, as well as funding, shifts to another government department, although CIA stands ready to continue to provide personnel to staff the program under any such management. We will work out some options for such a future transfer but believe we should not surface such options now. The mere discussion of them could generate pressure for an immediate shift.

Next Steps

Now that the necessary preparatory work has been done, I recommend that you meet urgently with Helms to firm-up the consensus described above, namely:

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[Redacted]

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-- You will discuss these matters with Stennis along the foregoing lines.

Once you have talked to Helms, then the ground will have been laid for your approach to Stennis immediately thereafter.

After that is done, and depending on the reaction you get from him, you can decide whether a formal reply to Stennis' letter is also required.

John Lehman concurs.

Recommendation:

That you meet with Helms and Stennis along the lines of the scenario outlined above. I am prepared to brief you if you desire and will prepare talking points for these meetings.

Approve _____ Other _____

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United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

September 2, 1971

The President
The White House
Washington, D. C.

Dear Mr. President:

The Committee has now completed action on the Military Procurement Authorization Bill which includes a portion of the authorization for funding United States operations in Laos. Moreover, as you know, for a number of years the Central Intelligence Agency also has funded a portion of U. S. programs in Laos.

I strongly defended the budget requests for Laos for fiscal year 1972 and the full request was approved by the Committee. I have concluded, however, that for the CIA to continue funding any portion of the Laos operation after fiscal year 1972 would be a serious mistake and possibly jeopardize the success with which the CIA carries out its other world-wide functions.

The CIA involvement in Laos is now a matter of public knowledge. Moreover, as you know, the U. S. programs in Laos have become an issue within the Senate which will doubtless be raised by floor amendments. These considerations have led to demands that all the CIA budget be revealed and debated. The Laos matter therefore adds to the difficulty in protecting the CIA budget against demands for greater disclosure.

There is the final consideration of the fact that the primary purpose of the Agency is to collect and evaluate intelligence, and the Laos program serves to jeopardize this primary function due to the criticism of its involvement in the Laos operation.

I am writing now to advise you that I cannot support any further funding with respect to Laos as a part of the CIA budget for fiscal year 1973. I urge that other funding alternatives be considered in connection with the formation of the fiscal year 1973 CIA budget.

This letter is written to you directly because of the serious nature of this matter and the interagency relationships involved.

Most respectfully yours,
John C. Stennis

John C. Stennis
Chairman
Senate Armed Services Committee