

May 9, 1961

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The Agency

SUBJECT: Covert Operations

Since its establishment in February 1956, the President's Board of Consultants on Foreign Intelligence Activities has reviewed on repeated occasions the policy set forth in the NSC 5412 series, the mechanism and procedures established to implement NSC 5412, the organization and management of NSC 5412 operations by CIA, and a number of the major programs (such as Indonesia and Cuba) initiated pursuant to the NSC 5412 series.

There follow excerpts from pertinent reports on the subject contained in the files of the President's Board, as well as excerpts from oral and written reports made to the President by the Board, together with a summary of the relevant information relating to the actions taken by the President, the National Security Council and the Central Intelligence Agency, on the basis of the reports and recommendations made to the President by the Board.

Following constitution of the Board in 1956, Panels, consisting of one, two or three representatives of the Board, were commissioned to look into and report to the full Board on various aspects of foreign intelligence activities and of covert operations.

In June 1956, one such Panel (consisting of Kennedy and Coyne) undertook a review of foreign intelligence and covert activities in France and Italy. Excerpts from that Panel's report to the Board (to the extent that they deal with covert operations) follow:

"In France and Italy the vast majority of CIA's personnel efforts and expenditures are devoted to covert political, psychological and propaganda operations, whereas the expenditures for espionage and counterespionage are minimal. . . . Neither Italy nor France is being utilized by CIA to any substantial degree as bases for positive collection efforts beyond the boundaries of those countries. To the limited extent that they are being so utilized, the resulting intelligence return is meager. . . . At least 90% of CIA's expenditures in Italy and France are devoted to covert political, psychological, and propaganda operations and these expenditures are quite substantial indeed (particularly in Italy). For the most part these operations involve [redacted]

[redacted] These operations are

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"directed toward the maintenance of public opinion and of center governments in France and Italy favorable to U.S. national policy objectives. Although, in the long run, this approach may prove to be a losing proposition, there appears to be little question but that (in Italy, for example) the subsidization of some political parties has contributed to the stabilization of a center government favorably disposed toward the United States. However, with respect to the subsidization of certain other political entities, it was not precisely clear as to just how their subsidization tends to further U.S. political objectives.

"The methods employed in effecting the delivery and supervising expenditure of funds to some of these subsidized organizations should be most carefully scrutinized. In some instances immature practices are followed in effecting such delivery and in a number of instances there is little meaningful supervision of the expenditure of the funds in question to insure that they are being utilized for the purposes intended. Personnel of more mature judgment must be used to control such projects to insure that they are carried out in a manner consistent with the national security and national interests of the United States.

"Some of these political, psychological, and propaganda programs in Italy and France appear to have been intelligently selected and to be well operated. In other instances the contrary situation prevails. Some of these operations are not near as covert as NSC directives require, for there can be little question but that 'the U.S. hand' appears therein to such an extent that the U.S. Government could not plausibly disclaim responsibility therefor if the operations were uncovered.

"In the light of the foregoing and in view of the seriously adverse effects which might inure to the national security and prestige of the United States should such operations go awry, and because of the large amounts of money being expended thereon, it is recommended that appropriate steps be taken to insure that (a) projects selected for implementation in these fields are clearly consistent with U.S. national policies; (b) such projects are controlled and carried into effect by mature and experienced personnel; and (c) such implementation is carefully monitored by top level Washington personnel at frequent and regular intervals.

"Here, under the heading of political, psychological and propaganda activities, particular mention must be made of certain specialized activities [redacted] by a staff which is operated [redacted] by the International Organizations Division of CIA's headquarters in Washington. The staff, which functions for the most part quite independently of CIA's FI and PP operations in France and Italy, is concerned with conducting Covert PP operations [redacted]

[redacted] While some of these projects undoubtedly have merit, others do not seem to be soundly conceived or soundly operated. (This assessment was supported to some extent by the [redacted] who indicated that he 'didn't know what good was being accomplished in Italy by these IO activities' [redacted].) It appears essential that all of these IO operations be carefully and regularly reviewed from a substantive standpoint to determine their actual worth, as well as their consistency with (a) the policy objectives of the U.S. Government; and (b) related PP projects being operated by CIA's country missions. They should also be examined from an organizational and operational standpoint with a view to integrating those which are determined to have value under the CIA mission chief in the countries where they are conducted. (It is appreciated that these IO activities cut across national boundaries, but this fact alone does not seem to warrant the compartmentalization and internal fragmentation of CIA which results from conducting covert operations independently of the rest of CIA's country operations.)

"Appropriate CIA representatives in Paris and Rome keep their respective Ambassadors advised in a general way of the political, psychological and propaganda activities which the Agency conducts covertly in France and Italy. Because a great many of these operations are highly delicate in nature and because they unquestionably affect (favorably or unfavorably) the conduct of U.S. foreign affairs, the Ambassadors concerned should be more fully advised of the nature of these operations (whether directed by CIA's country mission or by its IO Division in Washington) both prior to their initiation and periodically as they progress.

"While it has been indicated that some Ambassadors would prefer not to know of these operations on the grounds that they involve 'dirty business,' it is

"considered essential that they be more fully informed of such matters in view of their direct impact upon various important areas of activity which fall within the immediate purview of the Ambassador's responsibility.

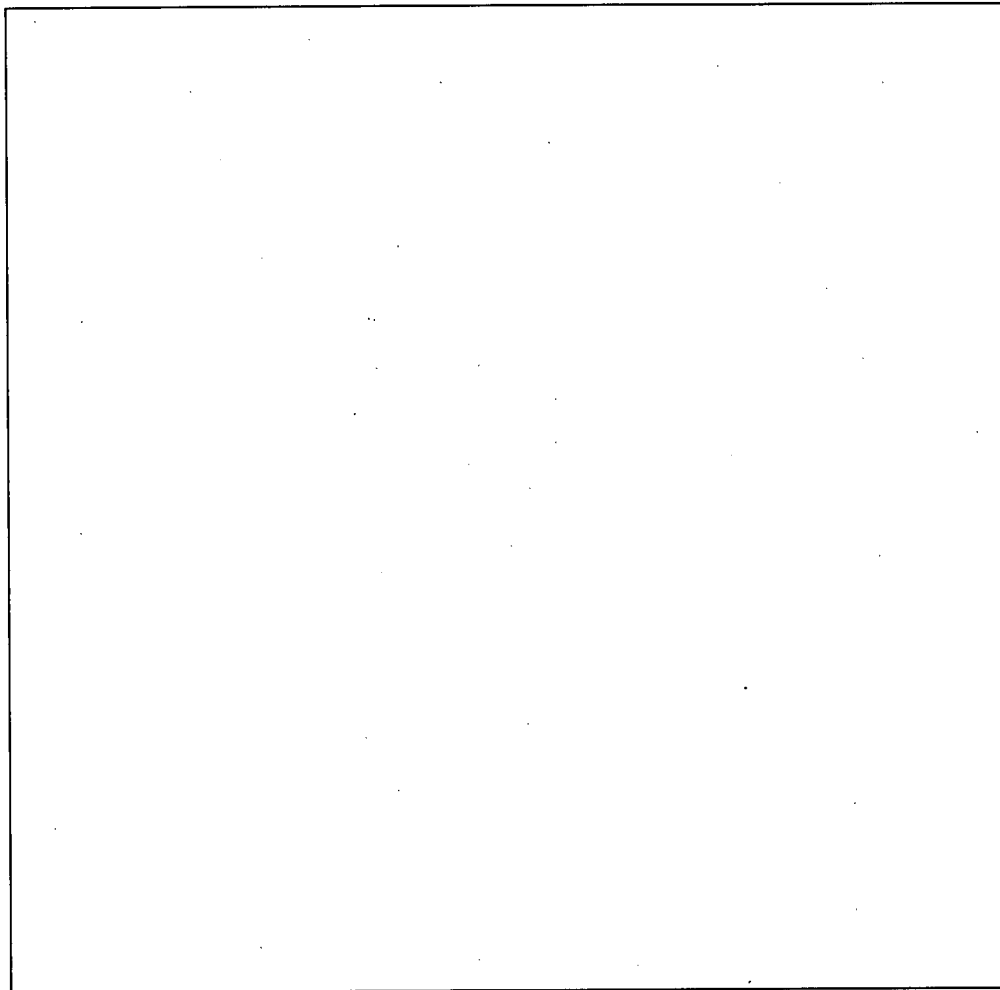
"In France, and particularly in Italy, CIA is making some [redacted] preparations in areas pertaining to escape and evasion and related measures. These preparations are of modest proportions. There appears to be some question however as to whether the World War II concepts on which they are based are not in fact outmoded. Accordingly, it is recommended that these concepts and preparations be reviewed on a current basis for the purpose of determining whether they should be discontinued, continued along present lines, or amended in a manner to conform more realistically to the kind of conditions with which the United States may be confronted in the event it should become engaged in a 'hot war.'

"CIA's coordination responsibilities will be covered elsewhere in this report. Other matters which pertain not only to CIA but to other member agencies of the intelligence community will also be covered in other sections of this memorandum. . . .

"Although USIA is not (and should not be) considered as an intelligence agency, mention of it must be made here since there appears to be an increasing tendency on its part to get into the operational end of the intelligence business. In France, and particularly in Italy, in addition to its overt informational activities, the Agency is extensively engaged in the distribution of unattributed informational data and, to some extent, in the conduct of other more-or-less covert projects. That USIA is getting into the intelligence business on an increasing scale (at least in Italy and France) may be attributed in part to the fact that in those countries it has an abundance of personnel and money as well as a loosely administered organization. Since this Agency is not equipped by its organic act or by experience to engage in covert operations, injury can result to the United States if USIA personnel, not trained in intelligence and not having a real concept of our total intelligence program and objectives, are permitted to free-wheel in these delicate areas. Accordingly, it is recommended that only finished national intelligence be provided USIA to enable it to carry out its overt informational programs; that it be precluded from engaging in covert or semi-covert operations; and that covert propaganda activities (gray and black) be assigned exclusively to the CIA. (This suggestion,

"incidentally, seems to conform to the directive contained in NSC 5412/2 which, inter alia, assigns to CIA the exclusive responsibility for the conduct of covert operations relating to propoganda, political action, etc.)" . . .

On July 15, 1956 another Panel of the Board (consisting of Killian Cassidy and Coyne) reported to the full Board on its review of U.S. Foreign Intelligence and Covert Activities made in [redacted] in late June and early July, 1956. Excerpts from that Panel's report (to the extent that they deal with covert operations) follow:



"Regardless of the degree of success that can be attributed to the activities of the CIA its methods of passing large sums of money for PP purposes raises some questions. If detected considerable embarrassment to the United States might result. . . .

"Every field element of the intelligence community [redacted] appears to be earnestly engaged in an all-out operational effort which each can justify under its existing directives, and the 'requirements' which it is being called upon to satisfy. Since 'requirements' are established under IAC agreements at the Washington Headquarters of each agency on the broadest possible base and then interpreted freely at each successive lower echelon, the end result often is to place the field elements of the various departments and agencies in direct competition with each other for the same resources. This, obviously, is not only costly in men and money but also acts to attenuate the security of the entire intelligence effort.

"There is scant evidence of any positive 'Coordination' of intelligence activities in the field. This is true insofar as it concerns both the responsibilities of the Senior U.S. Representative for the coordination of 'normal' collection activities and those the DCI for the coordination of all overt and covert activities. Much more active and realistic measures than appear to have been initiated to date should be taken to consolidate, coordinate and protect the national intelligence program.

"There are indications of the need in Washington for a better centralized arrangement for the planning and control (including follow-up) of PP operations than now exists as well as for the specific placement in the field of the responsibility for their execution.

"It would appear that the whole Stay-behind Program should be re-examined with a view, perhaps, to closing it out and liquidating the back-up stocks involved. The extreme difficulties being encountered in holding the program at anything even approaching a state of readiness in terms of trained, dependable personnel and proper equipment raise real questions as to the justification for its continuation. . . . "

In the fall of 1956, another Panel of the Board (consisting of Lovett, Bruce and Cassidy) submitted a report to the full Board based on its headquarters review of various aspects of NSC 5412/2 activities. This report states in part:

"The conception, planning and, even on occasion, the approval itself (Guatemala), of covert operations, enormously significant to our military and foreign policies,

"are becoming more and more exclusively the business of the CIA - underwritten heavily by unvouchered CIA funds. (This is only the inevitable result of the structure, system and personalities concerned with the initiation and conduct of such operations.) The CIA, busy, monied and privileged, likes its 'King Making' responsibility (the intrigue is fascinating - considerable self-satisfaction, sometimes with applause, derives from 'successes' - no charge is made for 'failures' - and the whole business is very much simpler than collecting covert intelligence on the USSR through the usual CIA methods!).

"Although these extremely sensitive, costly operations are justifiable only insofar as they are in support of U.S. military and foreign policies, the responsible long-range planning and sustained guidance for these, which should be forthcoming from both the Defense and State Departments, appear too often to be lacking. There are always, of course, on record the twin, well-worn purposes of 'frustrating the Soviets' and keeping others 'pro-western' oriented. Under these almost any PP action can be and is being justified.

"Initiative, and continuing impetus for PP operations, for the most part, reside in CIA. And, once having been conceived, the final approval given to any project (at informal luncheon meetings of the OCB inner group) can, at best, be described as proforma.

"Upon approval, projects in most instances, pass to the management of the CIA and remain there to conclusion. Since these operations are so inextricably interwoven with (and, on occasion, dictate the course of) our other foreign policy operations, it would appear they should have not only the prior approval of the NSC (rather than OCB) itself, but also the continuous surveillance of that body.

"As a matter of fact, in most instances, approval of any new project would appear to comprise simply the in-dorsement of a DCI proposal, usually without demurrer, from individuals preoccupied with other important matters of their own. Of course there is a preliminary (CIA proprietary) staffing of each project and an eventual (after the fact) reporting of its results to the NSC - but even this report is rendered orally by the DCI on an 'off the record' - and on a naturally-understandable, biased basis.

"PP operations themselves, at any one time, whether through personal arrangement between the Secretary of State and the DCI (deciding between them on any one occasion to use what they regard as the best 'assets' available) or undertaken at the personal discretion of the DCI, frequently and in direct and continuing dealings between CIA representatives and the Heads of foreign States [redacted] Often-times such dealings are in reality only the continuation of relationships established at a time when the foreign personalities involved may have been 'the opposition'. (It is somewhat difficult to understand why anyone less than the Senior U.S. Representative in any country, should deal directly with its Head in any matter which involves the official relationships of the two countries.) One obvious, inevitable result of this is to divide U.S. foreign policy resources and to incline the foreigner - often the former 'opposition' now come into power (and who knows with whom he is dealing) - to play one U.S. agency against the other or to use whichever suits his current purpose [redacted].

"A corollary to this is the exclusion of responsible American officials from knowledge they should have to properly discharge their obligation. (It has been reported by people in its Intelligence Area that there is great concern throughout the State Department over the impacts of CIA PP activities on our foreign relations. The State Department people feel that perhaps the greatest contribution this Board could make would be to bring to the attention of the President the significant, almost unilateral influences that CIA PP activities have on the actual formulation of our foreign policies and our relationships with our 'friends'.) CIA support - [redacted]

[redacted] - which can have, at any one time, the most significant impacts on the responsibilities of the local Ambassador are sometimes completely unknown to or only hazily recognized by him. (On the other hand the CIA, on occasion [redacted] is called upon by the Ambassador and the State Department itself to perform what are felt to be 'sub rosa' chores.) Too often differences of opinion regarding the U.S. attitude toward local figures or organizations develop, especially as between the CIA and the State Department (and our Allies) at the country and even at Departmental levels. (At times, the Secretary of State - DCI brother relationship may arbitrarily set



"the U.S. position.) Sometimes these differences carry back [redacted] as far as the OCS where they are, as apt as not, to end in compromise (a characteristic of many 'intelligence community' activities).

"USIA operations tend to further complicate local situations from both the 'PP and FI' points of view. USIA 'unattributed' operations are extensive and result both from broad interpretation placed on its responsibilities by the USIA and the comparatively free hand (sometimes uninvited) that is allowed its country Public Affairs Officers by the local Ambassador. On the other hand CIA is in propoganda programs (political science training and tradecraft in Vietnam); paper book programs [redacted]

[redacted] which are difficult to identify as part of the responsibilities assigned to it by the Congress and by the NSC (particularly by NSC 5412/2 which, as you know, is the basic charter for CIA's PP activities).

"The military expects that it will be responsible for the conduct of unconventional warfare, (and there is difference of opinion here as to the extent of that responsibility); it is not quite sure who will be responsible for other PP operations in time of war - or how (or when) the responsibilities for them will be distributed.

"PP operations (often growing out of the increased mingling in the internal affairs of other nations of bright, highly graded young men who must be doing something all the time to justify their reason for being) today are being conducted on a world-wide basis by a horde of CIA representatives [redacted] many of whom, by the very nature of the personnel situation [redacted] are politically immature. (Out of their 'dealings' with shifty, changing characters their applications of 'themes' suggested from headquarters or developed by them in the field - sometimes at the suggestion of local opportunists - strange things are apt to, and do, develop.)

"Fortunately in some instances, unfortunately in others, the results of many of these operations are comparatively short-lived. (Today the assets [redacted] - a great boast of the CIA and built up at great cost over a considerable period of time - may, even now, be 'melting away', for [redacted]

In Egypt we are left with Nassar - (for whom we can't escape a large share of the blame)! Throughout the rest of the Middle East I have the feeling we don't quite know where we are. If exposed these operations couldn't possibly be 'plausibly denied' - indeed it would seem to be utterly naive for anyone to think that the American hand in these operations is not only well known to both local country and Communist Party officials, but to many others (including the press) - and in derogation of the specific caveat contained in NSC 5412/2.

"Should not someone, somewhere in an authoritative position in our government, on a continuing basis, be counting the immediate costs of disappointments (Jordan, Syria, Egypt, et al), calculating the impacts on our international position, and keeping in mind the long-range wisdom of activities which have entailed our virtual abandonment of the international 'golden rule', and which, if successful to the degree claimed for them, are responsible, in a great measure, for stirring up the turmoil and raising the doubts about us that exist in many countries of the world today? What of the effects on our present alliances? Where will we be tomorrow?

"We are sure that the supporters of the 1948 decision to launch this government on a positive PP program could not possibly have foreseen the ramifications of the operations which have resulted from it. No one, other than those in the CIA immediately concerned with their day to day operation, has any detailed knowledge of what is going on. With the world situation in the state it is today now would appear to be the time to engage in a reappraisal and realistic readjustment of that program with perhaps some accompanying 'unentanglement' of our involvements, and a more rational application of our activities than is now apparent."

Based upon the Panel reports referred to above and on extensive briefings provided the full Board by various officials of the Executive Branch and by CIA personnel, the Board (then consisting of Chairman Killian, Conolly, Doolittle, Fairless, Hull, Kennedy, Lovett and Ryerson) submitted a written report to the President dated December 20, 1956. In the section of that report dealing with the

subject the Board made the following comments and recommendation:

"IV. Political and Psychological Operations

"Political and psychological operations of the black (and gray) order are now integral parts of the foreign operations of this government and, as such, affect importantly the implementation, and even the shaping, of our foreign and military policies.

"We have familiarized ourselves with the procedures prescribed in National Security Council paper 5412/2 for dealing with these sensitive operations and believe them to be sound. We do not, however, subscribe to the methods presently being employed in the implementation of these procedures. As far as we have been able to determine there is no real joint staffing of any clandestine project, within the intent of the governing National Security Council document, prior to its presentation to the Special Under Secretary group established to review such projects. Approval itself, in the usual case, is a very informal process. And, thereafter, it seems to us, projects become almost too exclusively the responsibility of the Central Intelligence Agency.

"We are aware of the extremely delicate nature of some of these projects and of the necessity for cloaking them in the highest degree of secrecy. Nevertheless, because of their far reaching international influences and their potentially significant impacts on much of our national planning, we are concerned about the extremely informal and somewhat exclusive methods used in their present handling.

"We urge that present practices be regularized to insure that in all appropriate instances these clandestine projects receive the benefit of proper joint staffing and formalized approval and that both the State and Defense Departments be kept abreast of the developments of these projects on a need-to-know basis and, of course, under tightly guarded security procedures.

"Further, we feel that after careful security checking and proper briefing the Chief of every United States Foreign Mission, to the extent that he may elect, should be acquainted with all such operations being conducted in his area - unless the Committee of Under Secretaries provided by National

"Security Council paper 5412/2 unanimously decides otherwise."

Following his receipt of the above comments and recommendation, the President, on January 29, 1957, referred the recommendation to "the representatives designated under NSC 5412/2 for study, consulting with their principals, and report thereon to the President". In approving the above action, the President directed that a report be submitted to him as soon as practicable and prior to his taking final action thereon.

Preparatory to consideration of the President's referral of this matter to the Special NSC 5412/2 Group, the writer submitted a report on the problem to the President's Special Assistant for National Security Affairs (who was then a member of the Special Group). This report, dated February 12, 1957, stated in part:

"In the Group's consideration of the steps which should be taken to remedy the situation which prompted the Killian Board recommendation, the following points should be borne in mind:

"a. The clandestine operations here in question involve the utilization of [redacted] of all CIA's personnel, and [redacted] of all its funds.

"b. Some of these clandestine projects are of such a nature that if they are not carefully thought through in advance, and if they are not carried into effect competently, they can backfire in such manner as to do immeasurable harm to the national security and prestige of the United States.

"c. Joint staffing of such projects is of paramount importance. (In the past there has been no (advance) joint staffing of any of these clandestine projects.)

"d. Formal consideration and formalized approval by the NSC 5412/2 Group are also of great importance in terms of effectively implementing the Killian Board recommendation. In the past most of these clandestine projects have not enjoyed the benefit of formalized consideration and, insofar as I know, none of them has been formally approved by the NSC 5412/2 Group. It is true that some of these projects have been mentioned casually or otherwise at informal meetings of the Group, but such informalities can scarcely be considered a substitute for the joint

"and careful staffing as well as the formalized consideration which should be afforded such critical matters before they are initiated by the CIA.

"e. There may be a tendency in some quarters to oppose the joint staffing and the formalized consideration of such projects on security grounds. Such reasoning would be fallacious. If the members of the NSC 5412/2 Group and their designated representatives cannot be trusted to consider such subjects collectively, then it is a sham to talk about security in any context.

"f. There may be a tendency in some quarters to oppose the above proposal (for advance joint staffing) on the grounds that these clandestine operations involve "dirty business" and, accordingly, key officials of our Government would be better off if they had no knowledge of them. This reasoning is also fallacious. Key officials of our Government, including the President, have approved the policy set forth in NSC 5412/2 and therefore they should not take an ostrich-like approach to important matters pertaining to the implementation of that policy.

"g. At the present time the DD/P side of CIA is operating for the most part on an autonomous and free-wheeling basis in highly critical areas involving the conduct of foreign relations, and all too frequently the Department of State knows little or nothing of what the DD/P area is doing. In some quarters this leads to situations which are almost unbelievable because the operations being carried out by the DD/P area are sometimes in direct conflict with the normal operations being carried out by the Department of State in its overt conduct of foreign affairs."

On March 18, 1957, the Special NSC 5412/2 Group submitted a report to the President, after consultation with and concurrence by the Director of Central Intelligence. In its report the Group noted, inter alia, that paragraph 4 is to be distinguished from paragraph 7 of NSC 5412/2; that paragraph 4 is concerned chiefly with providing support for, and appropriate interchange of information with respect to, the execution of approved covert operations; that paragraph 7 is concerned chiefly with the consideration, from a policy and guidance standpoint, of recommended covert programs

prior to their formal approval for implementation. The Special Group's report also noted that under paragraph 4 the Department of State has a small group which staffs covert projects; that the Department of Defense likewise has a small group which similarly staffs such projects having military implications; and that "at the present time, under paragraph 7 of NSC 5412/2, there is no advance joint staffing by the undersigned of major covert programs recommended by CIA". As to paragraph 7, the report of the Special Group states "the undersigned agree that in the future there should be advance joint consideration of major covert programs recommended by CIA . . . the extent of such advance joint consideration to be determined in each case". The Special Group then recommended adoption of the following standard procedures for the purpose of implementing the recommendation made by the President's Board of Consultants on Foreign Intelligence Activities. (On March 26, 1957, these standard procedures were approved by the President as recommended by the Special NSC 5412/2 Group and were incorporated as an annex to NSC 5412/2.)

"ANNEX TO NSC 5412/2

Standard Procedures for Insuring Implementation  
of Paragraph 7 of NSC 5412/2

"(1) With respect to a covert program to be recommended by CIA for policy approval, the NSC 5412/2 Group may decide at any meeting whether to proceed at such meeting to consider and act upon an oral presentation of such covert program or to base such consideration on a detailed paper to be circulated to the Group members in advance of a subsequent meeting. Any paper so circulated will be handled on a "read-and-return" basis in order to avoid duplicate files, thereby enhancing the security of the information contained in such paper.

"(2) At a meeting held to discuss a detailed paper circulated pursuant to (1) above, the Group members will decide in each instance on the procedures to be followed to provide coordinated consideration prior to the Group's giving final policy approval and to provide coordinated support after such approval.

"(3) CIA will keep the State and Defense Departments advised on a need-to-know and secure basis of developments pertaining to the implementation of programs to which policy approval has been given by the Group.

"(4) In accordance with the exception provided for in paragraph 7 of NSC 5412/2, the standard procedure set forth above shall not apply to the case of a particularly sensitive project which relates exclusively to U.S. foreign policy and which does not involve military implications. In such case, approval of such project by the Secretary of State shall constitute both sufficient authorization for initiation of the project by the Director of Central Intelligence and policy approval therefor. The Director of Central Intelligence shall report any such exception (without identification) to the NSC 5412/2 Group.\*"

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"\*In approving the above recommendations, the President directed that whenever the Secretary of State takes action under this paragraph, he shall inform the President."

The above quoted procedures were reviewed by the Chairman of the President's Board of Consultants on Foreign Intelligence Activities prior to submission to the President. He did not concur therein because they shifted somewhat away from the Board's concept of "real joint staffing" of covert projects by the Special NSC 5412/2 Group prior to final Group consideration of such projects.

In its third written report to the President of October 30, 1958, the President's Board of Consultants on Foreign Intelligence Activities (then consisting of Chairman Hull, Conolly, Darden, Doolittle, Fairless, Killian, Lovett and Ryerson) made the following comments and recommendations relating to covert operations:

3) "We understand that the personal circumstances of the Head of the Plans Group (Clandestine Services Element) of the CIA are such that his early replacement will be required. We believe that this unfortunate situation highlights the necessity for reviewing, and perhaps recasting, some of the virtually autonomous functions presently assigned to this Group. Under the terms of its present mission, the Plans Group of the Agency, as you know, is responsible for the supervision and administration of all clandestine activities (of the Agency) including the planning, execution and review of the mission entrusted to the Director under the directives of the NSC.

"(Included in this comprehensive mission are the responsibilities for the conduct of both Covert foreign intelligence activities and the Cold War Operations of the Agency.)

1 } "From the evidence we have seen, it is our feeling that, within this frame of reference, the Plans Group (for the Agency) may be incapable of making objective appraisals of its own intelligence information as well as of its own operations when it is involved in Cold War activities which are the subjects of its own reports. We are concerned about the implications of this not only because of possible impacts on the programs of the Agency but, more importantly, because of the influence which may be brought to bear on foreign policy determinations which, in large measure, may be based upon Agency reporting. We therefore recommend that: The present mission of the Plans Group of the CIA be reviewed with consideration given to relieving that Group of, and placing elsewhere in the Agency, the responsibilities (1) for the review of (i.e., reporting on and evaluating) the Political, Psychological and Para-Military Operations of the Agency, and (2) for the formulation of the intelligence estimates and recommendations upon which the plans for such operations are based."

On December 29, 1958, before taking action on the above recommendation, the President referred it to the Director of Central Intelligence for his views and comments. On February 16, 1959, the Director of Central Intelligence reported to the President that he concurred with the Board's recommendation. In his report, however, he advised that in his view CIA's Plans Group has less autonomy than felt by the Board, as final authority and responsibility for all clandestine activities rest with him and, in the case of operations under NSC 5412/2, DD/P actions are taken only after necessary policy guidance from the Special NSC 5412/2 Group. He reported further that before NSC 5412/2 activities are initiated all available intelligence is taken into account; that CIA constantly guards against subjectivity or self-serving reports; and that a review of the DD/P mission was then in progress under a newly-appointed DD/P in concert with CIA's Inspector General.

On March 3, 1959 the President, after noting highlights of the report of the Director of Central Intelligence dated February 16, 1959, directed a full report be submitted on the recommendation by June 30, 1959.

On July 28, 1959 the Director of Central Intelligence submitted a report reflecting organizational changes as follows:



Appointment of a new DD/P and his initiation of a review of the mission and organization of the DD/P area; appointment of a new Assistant DD/P for Psychological and Para-Military operations to assist in the operational direction of political action activities; abolishment of the Inspection and Review Staff and the transfer to the Inspector General of the sole responsibility for comprehensive review of Clandestine Services activities, reporting directly to the Director of Central Intelligence; revision of the planning system within the DD/P area, calling for an initial DD/P operational plan containing guidance and direction for the operating divisions and staffs for the forthcoming fiscal year; other organizational changes were still under consideration. The report was not responsive to Part 2 of the recommendation, which proposed that the DD/P area be relieved of responsibility for the formulation of intelligence estimates upon which plans for PP and Para-Military operations are based. The omission was brought to the attention of the Director of Central Intelligence with the suggestion that supplemental information be furnished. On October 17, 1959 the Director of Central Intelligence submitted an additional report thereon, advising that he felt the Board's concern had been met by the following existing procedures: (1) planning for PP/PM is not based on intelligence provided solely by the DD/P, the primary source for intelligence purposes being the Office of National Estimates (ONE) and present procedures provide for the use of ONE guidance throughout the entire planning cycle; (2) the Clandestine Services general plan, DD/P's basic planning document, derives from current NIE's the contingencies against which clandestine activities must be directed, and specific projects are tested against pertinent NIE's or, if a current or relevant NIE is not available or time makes a coordinated NIE impossible, an ONE estimative memorandum is obtained; (3) PP/PM projects are reviewed internally within the CIA by the Project Review Committee; (4) significant PP/PM projects having political import and involving substantial expenditures receive a thorough review by the Department of State and the NSC 5412 Group; (5) as indicated above, action is not taken on intelligence recommendations from DD/P alone; (6) certain organizational changes in the Clandestine Services are under consideration to further improve planning and control of covert operations and the DCI will report changes to the Board as they are put into effect.

On receipt of the reports from the Director of Central Intelligence dated July 28, 1959 and October 17, 1959, the President requested review and comment thereon by the Board. Not being

satisfied that the spirit of its initial recommendation had been met fully, the Board postponed final comment thereon pending the outcome of organizational changes of the DD/P which were then contemplated by the Director of Central Intelligence. In a report to the Board by the Director of Central Intelligence dated March 3, 1960, he stated his recognition that full implementation of the Board's recommendation rests in large part on the reorganization of CIA's Clandestine Services and on additional planned changes which were then in progress. (As will be reflected later, the Board in a subsequent report to the President reiterated portions of its original recommendation in this area dealing with the need for better organization and management of CIA's Clandestine Services.)

On December 16, 1958 the President's Board met with the President to discuss the series of recommendations contained in the October 30, 1958 report, including the recommendation quoted above. Believing that the recommendations on covert operations which it had made two years earlier had not been fully implemented, the Board Chairman, with the concurrence of all members of the Board, made the following oral comments on the subject:

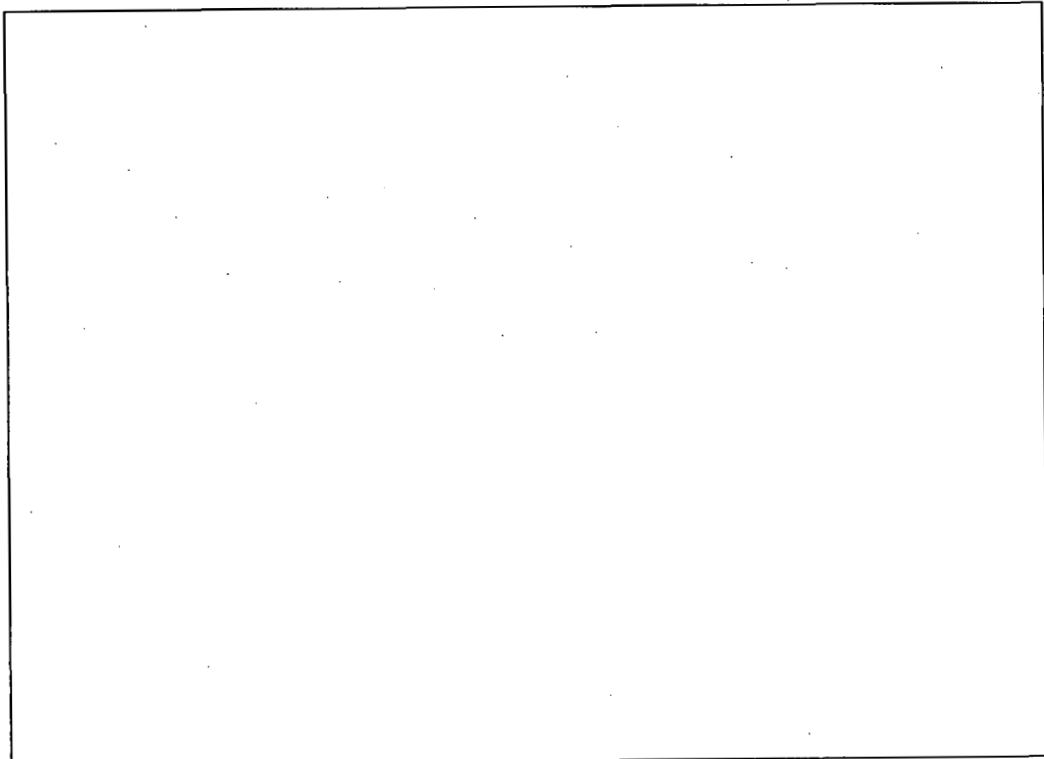
"VII. Cold War Operations

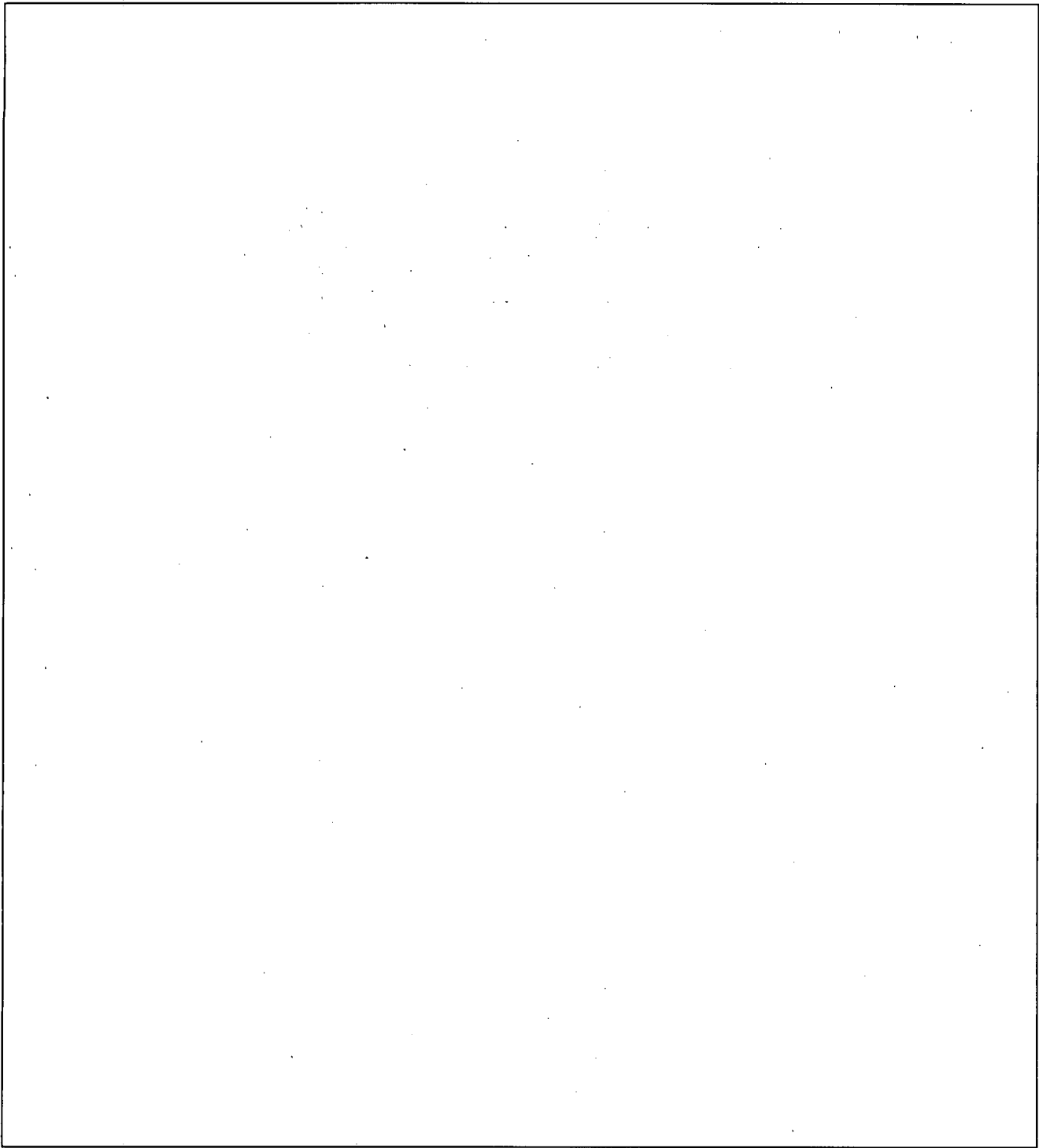
"While we have not mentioned Cold War Operations extensively in the written section of our report - i.e., operations involving clandestine, political, psychological and paramilitary projects conducted by the CIA under the authority of NSC 5412/2 - there, nevertheless, is a real question in our minds as to the net long-term advantages that are being derived from many of the programs which find us involved covertly in the internal affairs of practically every country to which we have access. However, since political judgments would be required in any assessment of such programs (whether they be political, psychological or paramilitary in nature) and - since such judgments are beyond the purview of this Board - we have refrained from any formal attempt to evaluate the covert Cold War effort. We do, however, have comments concerning some aspects of it which we believe you might be interested in hearing at this time.

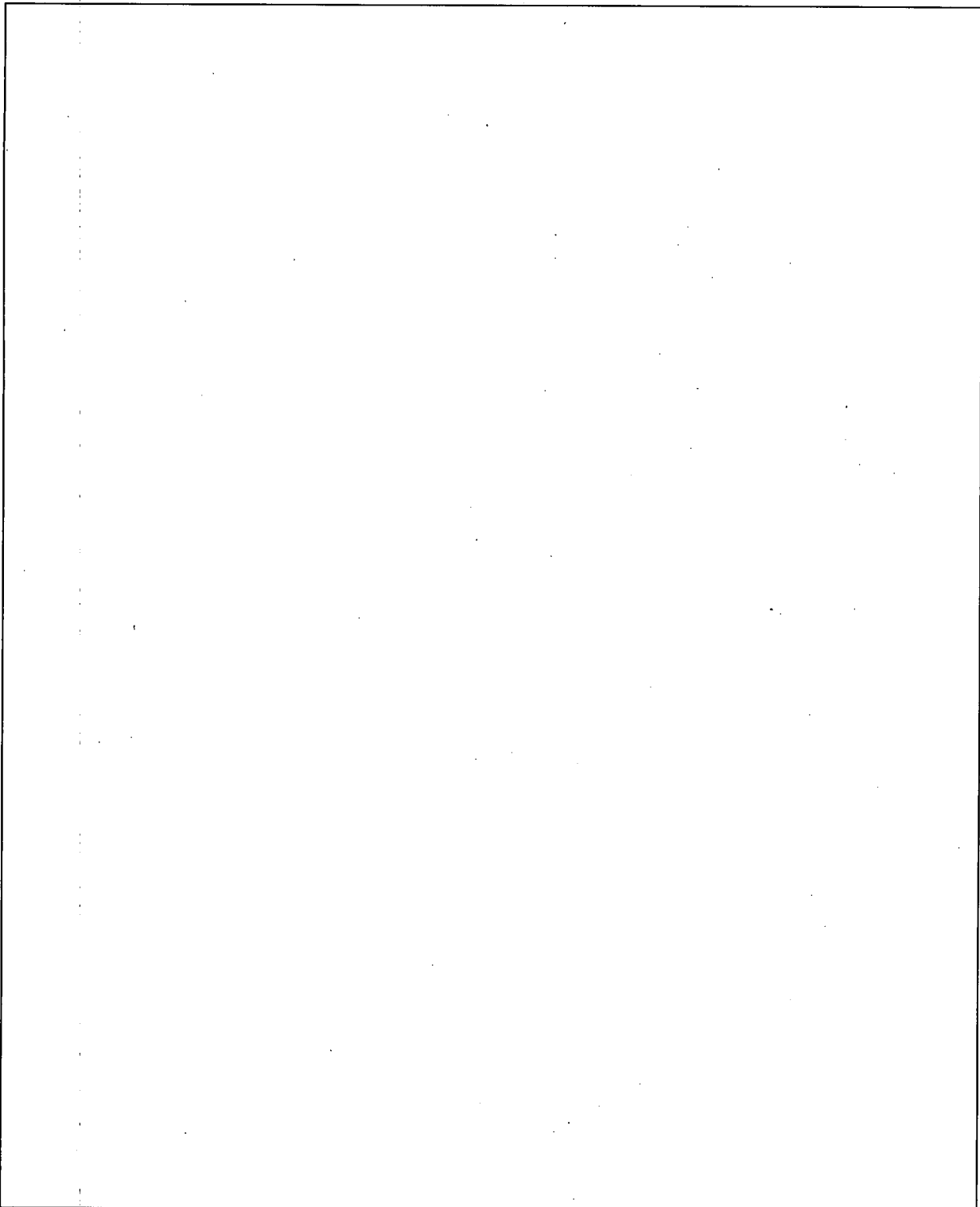
"In the light of the outlook in many areas of the world in which the CIA has engaged in Cold War Operations of one sort or another over varying periods of time we feel that an objective endeavor to measure the values of these operations, as well as to review the methods of their handling, might be very well worth while.

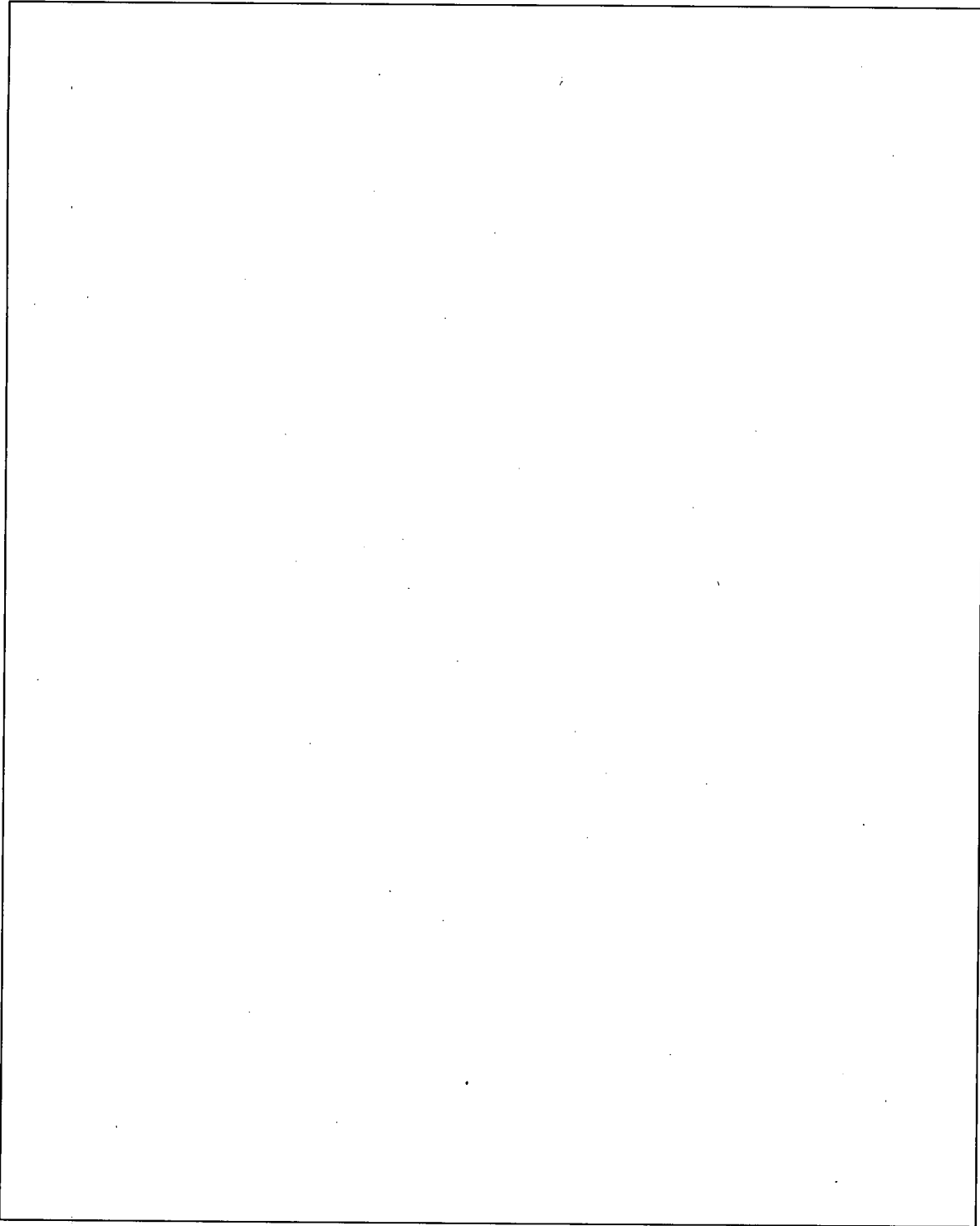
"We continue to feel that the 5412 document which governs such operations is a pretty good one and adequate for its present purposes. However, even without the changes in it which we are about to propose, it is our opinion that close adherence to its provisions in both the planning and conduct of Clandestine Cold War Operations is imperative if the very formidable resources of the government which are being consumed in these operations are to be invested in the best interests of our National Security.

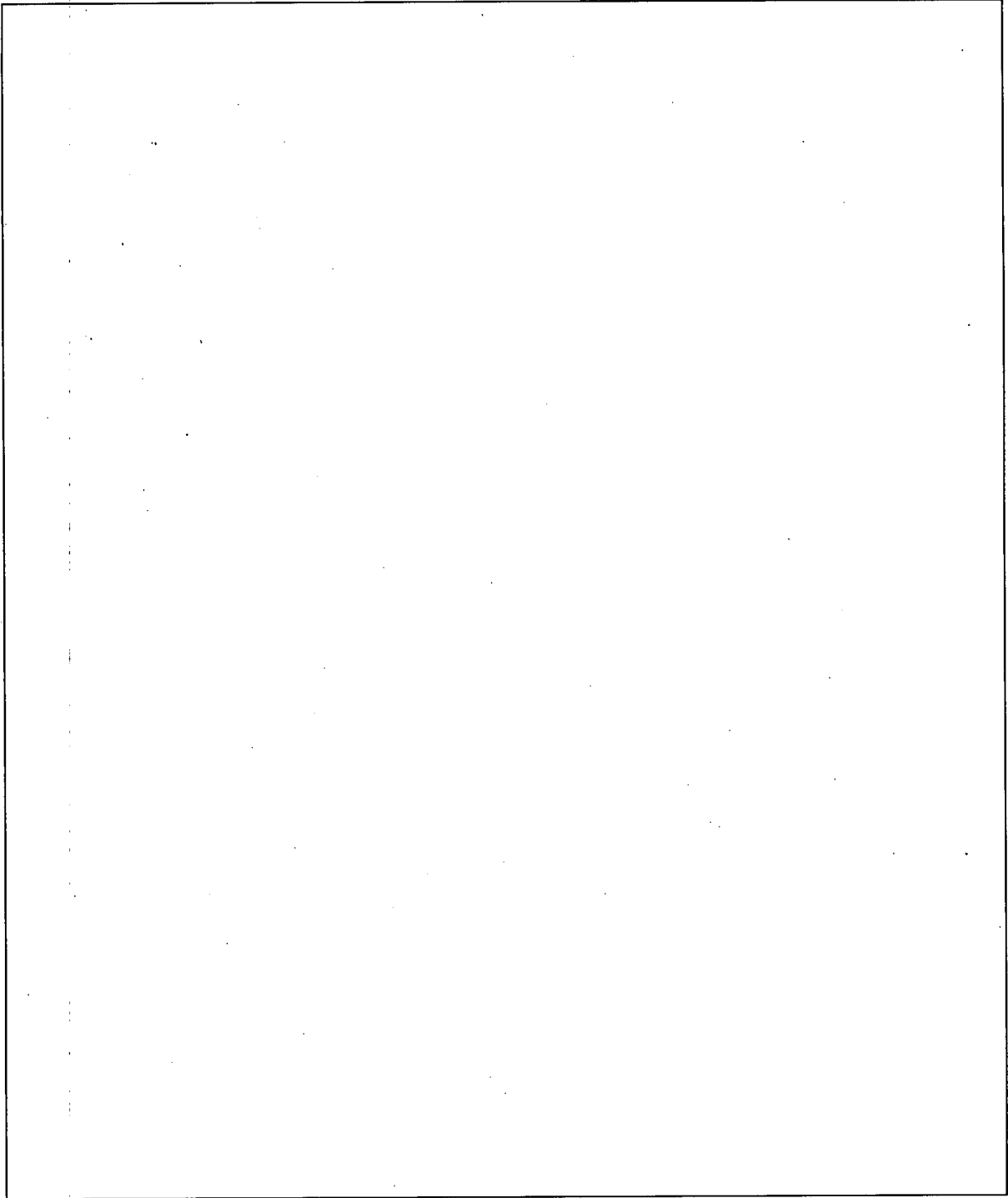
"As you know, there are no present provisions for any regular external review of Clandestine Cold War programs and no formal accounting of them. To provide for a detached, objective look at these programs and to assist the DCI in the formulation of his plans as well as in the discharge of his operational responsibilities relevant thereto, we would propose specifically that - the duties of the 5412 Special Group of Under Secretaries be expanded to charge the group with the responsibility for making formal, periodic, over-all reviews of our Clandestine Cold War programs.

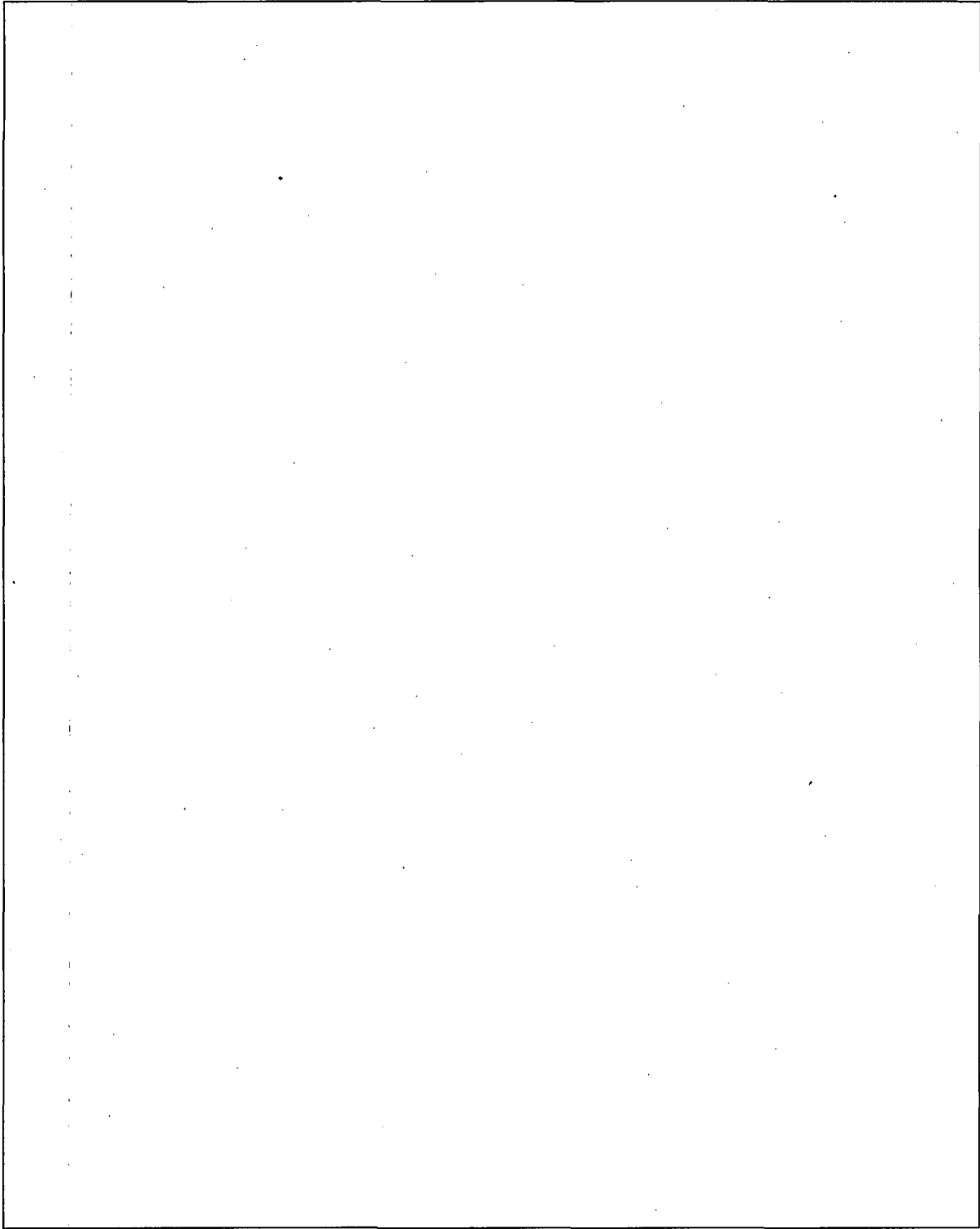




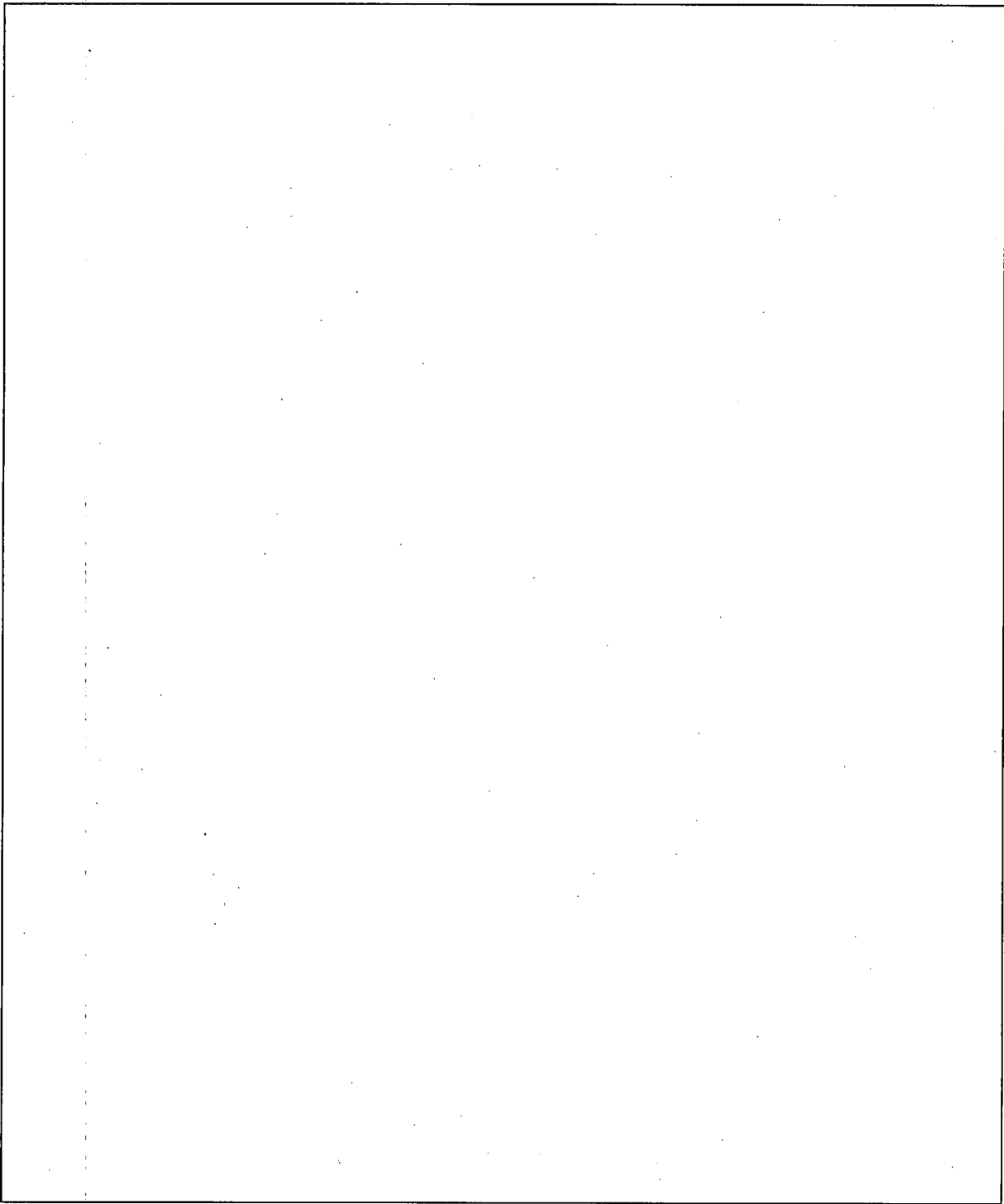


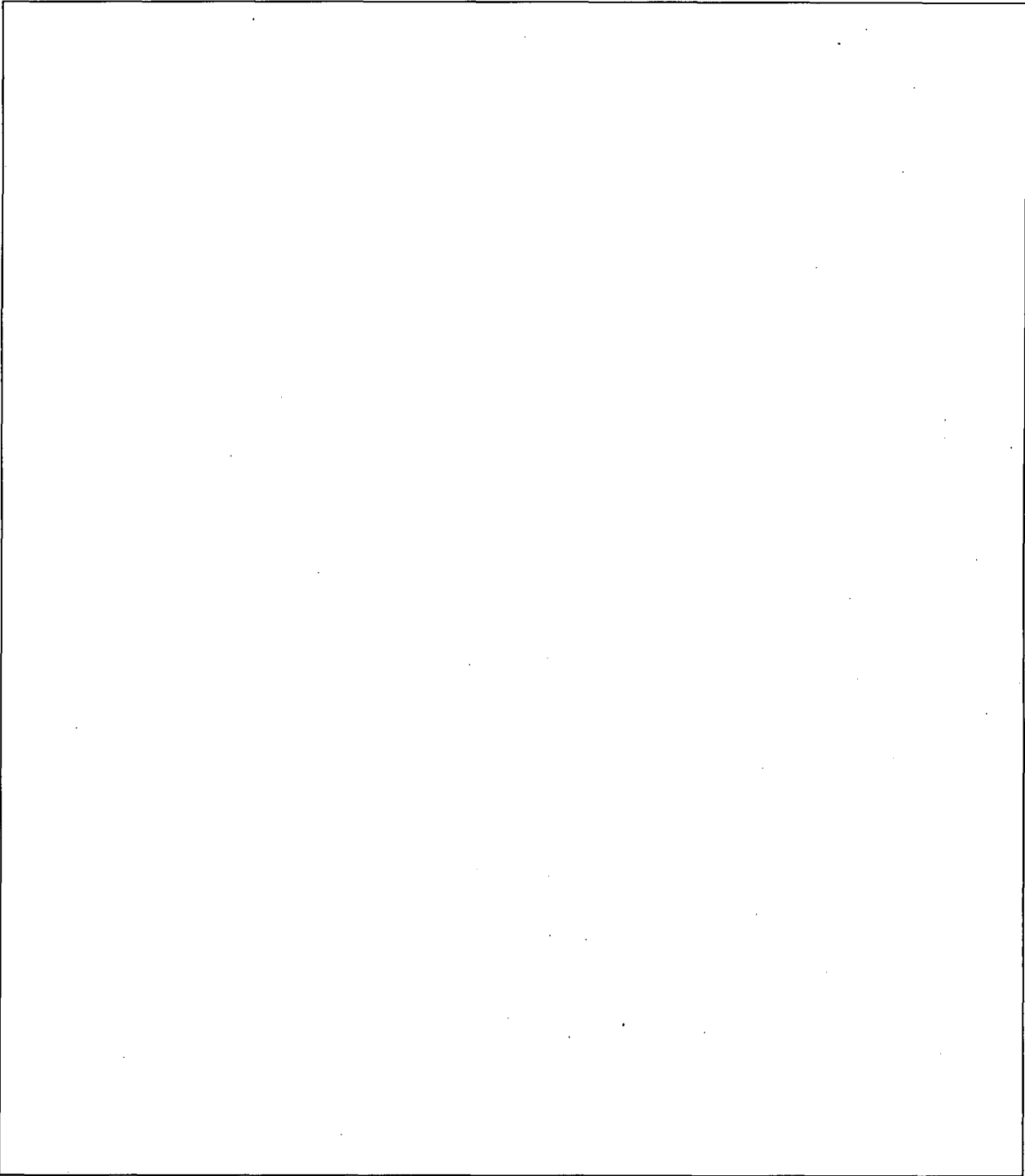












Following receipt of the Board's oral report to the President on December 16, 1958, the President, before taking action, requested the views of the Special NSC 5412/2 Group on the Board's recommendation that (a) the Special Group, established pursuant to paragraph 7, NSC 5412/2, be instructed to assume responsibility for making periodic reviews and evaluations of significant clandestine cold war programs; (b) a study be made of the relationship of the Special Group to the CIA; and (c) NSC 5412/2 be re-examined in the light of these recommendations. Further, on December 16, 1958, the President orally advised his Special Assistant for National Security Affairs that in the future he wished the Special Group to begin holding weekly meetings and to review and evaluate significant covert action programs.

The following actions then ensued: (a) on January 7, 1959, the Special Group was informed of the President's wishes, as outlined above; (b) on the same date weekly meetings of the Special Group were instituted; (c) on January 21, 1959, the Group examined its mission and decided to review all projects submitted by CIA for policy approval since issuance of NSC 5412/2; (d) on March 4, 1959, the Group reviewed a summary of the actions which it had approved since its inception; (e) on March 15, 1959, the Group reviewed its procedures preparatory to a meeting with the President's Board of Consultants on Foreign Intelligence Activities; (f) on April 16, 1959, the Group met with representatives of the Board (Hull, Conolly and Darden) at which time the Board again made clear its view that all CIA covert action proposals should be afforded advanced joint staffing by representatives of the Special Group (as distinguished, for example, from the so-called "staffing" being performed for the Special Assistant for National Security Affairs by a CIA employee on the staff of the Deputy Director/Plans); (g) on July 17, 1959, the President's Special Assistant for National Security Affairs attended a meeting of the Board and reported on current practices of the Special Group. (The Board acknowledged with approval the progress which had been made, but continued to express concern over the fact that the only "staffing" of new covert action proposals for the Special Assistant for National Affairs was being performed by an employee of the CIA - a significant party in interest to all such proposals - and concern over the fact that real advanced joint staffing of covert action proposals by the entire Special Group was still lacking.)

In its oral report to the President on February 2, 1960, the Board members, speaking through Chairman Hull, made the following comments on the subject:

"C. Covert Operations

"In the field of covert operations we believe that at present the Special NSC 5412/2 Group is better organized and is functioning with greater effectiveness than

was the case in earlier times. This Special Group (on which your Special Assistant for National Security Affairs takes an active part) is functioning more effectively than in the past as the channel for giving policy guidance and approval on, and for reviewing, major cold war programs carried on by the CIA. We hope that through the regularized procedures recently adopted by the Special Group greater, high-level attention may be afforded to the advance staffing, approval, and review of major clandestine programs undertaken by CIA in political, psychological and related areas of special sensitivity.

"As indicated in some of our recent reports to you, however, we continue to have concern as to whether the Clandestine Services of CIA are sufficiently well organized to carry out covert operations in the most effective manner possible. We are hopeful that our concern on this score will be alleviated following completion of the review of the mission and complex organization of the Clandestine Services which was initiated by the new Director of these Services when he took office a few months ago. We will report further to you on this matter."

In its sixth written report to the President, dated May 24, 1960, the Board made the following statement on the subject:

"VI. Organization and Management of CIA's Clandestine Services

"Based upon an exchange of correspondence between the National Security Council and this Board in November, 1959, (wherein the Board indicated that it was still unsatisfied with the organization and management of CIA's Clandestine Services) we have continued to follow developments relating to the subject. Although a few significant changes have been made in this area in recent months, we believe that a way can be found to organize these Services along more simplified and efficient lines. While we appreciate that the missions assigned to the Clandestine Services are complex, we are hopeful that, through the continuing studies being made by CIA's Deputy Director/Plans, these Services will be organized in such manner as to eliminate unnecessary duplication of effort and achieve increased effectiveness."

On June 8, 1960, at the President's direction, the views of the Director of Central Intelligence were requested on the above-quoted comments concerning the organization and management of CIA's Clandestine Services.

On July 22, 1960, the Director of Central Intelligence indicated that: (a) he concurred in the comments of the Board; (b) his Deputy Director/Plans is engaged in continuing studies of the organization, methods, and procedures of the Clandestine Services with the principal objective of eliminating unnecessary duplication and achieving increased effectiveness; (c) he believed progress was being made and that additional improvement would result from studies then in progress; and (d) he was making every effort to reduce duplication in the Clandestine Services.

On August 22, 1960, after noting the CIA report, referred to above, the President approved the Board's recommendation calling for improved organization and management of CIA's Clandestine Services. At that time the President directed that the CIA submit a further report thereon to him by December 1, 1960.

On November 28, 1960, the Director of Central Intelligence reported that progress has continued in eliminating unnecessary duplication of effort and in delimiting responsibilities in the Clandestine Services; that the Deputy Director/Plans believes the changes he has made in the past two years have corrected deficiencies, and that the situation is now satisfactory; that he, the Director of Central Intelligence, concurs in this belief; and that the Deputy Director/Plans would continue to study organization and management problems of concern to the Board.

Because the November 28, 1960 response to the Director of Central Intelligence was somewhat general in nature, the President's Special Assistant for National Security Affairs requested that, before he presented the CIA report to the President, the Agency submit a supplemental report identifying in detail those actions which the Agency had taken which were considered to be directly responsive to the recommendations of the President's Foreign Intelligence Board.

The Director of Central Intelligence thereafter submitted a more detailed report reflecting certain modifications which had been made in the organization of the Clandestine Services, but these did not appear to meet fully the spirit of the proposals made by the Board.

The President, after noting the CIA submissions, referred to above, instructed that the Director of Central Intelligence continue to review actions being taken with respect to the

organization and management of CIA's Clandestine Services with a view to meeting the objectives of the Board's recommendation and as the basis for the submission of a future progress report at an appropriate time.

In its seventh written report to the President, dated October 4, 1960, the Board made the following comments on the subject:

"VII. Major Covert Action Programs

"The Board has again reviewed a number of the major covert action programs which are in varying stages of development in CIA. Because of their sensitivity, significant aspects of this review will be reported orally to you or your representative."

The last mentioned report was based upon a series of briefings which the Board had been provided by personnel of CIA on the status of the proposed covert operation in Cuba, and on oral reports made to the Board by Board representatives who had extensively examined the covert action plan for Cuba and who had expressed considerable reservations thereon, including reservations as to the manner in which the planning and programming of the operation was being administered.

In its eighth written report to the President, dated January 5, 1961, the Board made the following comments on the subject:

"VIII. Recommendations Pertaining to CIA's Covert Action Program

"You have approved the 4 recommendations we made on various aspects of CIA's covert action programs. As a result, we are pleased to report that at present the Special NSC 5412/2 Group appears to be better organized and to be functioning with greater effectiveness than was the case in earlier times. However, we continue to have concern as to whether the Clandestine Services of CIA are sufficiently well organized and managed to carry out covert action programs. Further, we have been unable to conclude that, on balance, all of the covert action programs undertaken by CIA up to this time have been worth the risk or the great expenditure of manpower, money and

"other resources involved. In addition, we believe that CIA's concentration on political, psychological and related covert action activities have tended to detract substantially from the execution of its primary intelligence gathering mission. We suggest, accordingly, that there should be a total re-assessment of our covert action policies and programs and that the Head of CIA should devote continuing attention to improving the organization and management of CIA Clandestine Services."

At the direction of President Eisenhower, then about to leave office, the eighth report of the Board was delivered to President Kennedy by General Goodpaster for President Kennedy's information and such action as he considers appropriate. (The Board files contain no information as to the disposition made of this report.)

J. Patrick Coyne  
Executive Secretary  
President's Foreign Intelligence  
Advisory Board