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Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
1	22	11/21/1968	Report	Report from the Institute of Politics at Harvard University for RN suggesting what actions he should take early in his presidency regarding covert operations. Handwritten notes added by unknown. 28 pgs.
1	22	11/21/1968	Memo	From Wiley Buchanan to unknown RE: Maury Stans for Secretary of Treasury. 1 pg.

~~Confidential~~  
Semi-Final Draft

November 21, 1968

Dear Mr. President (Elect)

During the last fourteen months a study group composed of people with backgrounds in intelligence matters and foreign affairs has met under the sponsorship of the Institute of Politics of Harvard University to study the conduct of covert operations by the United States government.

This has been an entirely private group, and no publicity on its existence or findings has been given or is planned. The memorandum attached is the product of the group's work and is intended for the private use of the new administration.

The report covers only the clandestine operations of the government. It does not cover the research, analysis and estimating functions, nor the technical intelligence activities, except in respect to certain broad organizational matters.

In our report we recommend that you should concern yourself with certain critical clandestine activities during the early days of your Administration. We believe, however, that major organizational and program changes are not priority tasks to which attention should be devoted during the first ninety days of your Administration. In particular, we make the suggestion that you do not appoint a new Director of CIA during the first year of your Administration. The present

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By WCO NARA, Date 3/30/99

director is an able professional who has served continuously in the intelligence community since the early days of World War II. CIA has not been a political organization. Its people have served successive administrations with equal loyalty. We believe it will help CIA to become less conspicuous and more professional if you ask Mr. Helms to continue to serve as Director at your pleasure. (You should not, however, give such a decision the kind of prominence with which President-Elect Kennedy announced his first personnel decision as the reappointment of Allen Dulles and J. Edgar Hoover.) By the end of the first year, you should be ready to make and should make those changes which you believe are called for in the organization of the intelligence agencies, and in the guidelines for their activities.

A next-to-final draft is being reviewed with Mr. John Bross, one of the senior officials of CIA, and the findings have been discussed with him. CIA views, however, were not sought during the study, and the conclusions represent only the private views of the participants.

Franklin A. Lindsay

Membership in the Study Group on Covert Activities  
Institute of Politics, Harvard University

Francis Bator, formerly assistant to President Johnson on international affairs and currently Director of Studies the Institute of Politics, Harvard University

Richard M. Bissell, formerly Deputy Director of CIA (covert operations), formerly President of the Institute for Defense Analyses and currently Vice President, United Aircraft Corporation

Roger Fisher, Professor of Law, Harvard University and consultant to the Department of Defense (International Security Affairs)

Samuel P. Huntington, Chairman, Department of Political Science, Harvard University, and author of several books on political-military affairs

Lyman Kirkpatrick, formerly Executive Director, CIA and current Professor of Political Science, Brown University

Henry Loomis, formerly Director of the Voice of America and currently partner, St. Vincents Island Company

Max Millikan, formerly Assistant Director of CIA and currently Director of the Center for International Studies, M.I.T.

Lucian Pye, Professor of Political Science, M.I.T., author of Guerrilla Communism in Malaya, and consultant to the government on Southeast Asian political matters

Edwin Reischauer, formerly United States Ambassador to Japan and currently University Professor and member of the Institute of Politics, Harvard University

Adam Yarmolinsky, formerly Special Assistant to the Secretary of Defense and currently Professor of Law, Harvard University

Membership in the Study Group on Covert Activities  
Institute of Politics, Harvard University

William Harris, (rapporteur) graduate student Harvard University

Franklin A. Lindsay, (Chairman) OSS in World War II with Yugoslav  
partisans; formerly head of an operating element of the  
clandestine service of CIA. Currently President, Itek  
Corporation, and Research Associate, Institute of Politics, *Harvard*

Memorandum for the President Elect

SUBJECT: Covert Operations of the United States Government

During the past eight years covert activity has come under increased public scrutiny and criticism. In part this has been the result of ill-conceived or poorly executed operations that "surfaced" dramatically, and in part the result of significant political changes within the United States and abroad. The world of the fifties has changed. Covert activities that were acceptable in the bi-polar, cold-war context now receive more open and wide-spread public criticism.

At the same time the demand for secret intelligence by the intelligence-defense community has been increasing and the budgets for these activities have increased dramatically, especially in the field of sophisticated technical collection systems.

A review of the whole scope of the intelligence community's activities is something to which the President should devote himself not only because of its size but also because of the political risks for the United States and for the President which they create. We do not, however, believe that major organizational changes are a priority task to which attention should be devoted during the first ninety days of your Administration.

Covert operations by which the United States secretly intervenes in the political, informational, economic, or other affairs of a foreign state involve special risks beyond those in normal intelligence or counterintelligence activities. The President should quickly be informed of the critical aspects of on-going covert operations. Because covert operations are not subject to normal bureaucratic and political controls, the President himself, we believe, should familiarize himself with their special benefits and costs, and with the problems of locating and controlling these activities within the government. To assist the President in this task this report presents our conclusions, organized under the following headings:

- I. The purposes and benefits of covert operations
- II. Inherent limitations on covert operations
- III. Risks and costs of engaging in covert operations
- IV. Changes within CIA *in the conduct of covert operations*
- V. Organizational changes *affecting covert operations*
- VI. Action by the White House

The first three sections deal with benefits, risks, and costs of covert operations. But any observations on these points are inherently qualitative and deal with variables which cannot be weighed in the abstract. Indeed, each of us tends to give different relative weight to each factor depending on our own background and experiences.

## I. THE PURPOSES AND BENEFITS OF COVERT OPERATIONS

1. Covert operations are an instrument: their only legitimate objective is to serve the foreign policy of the President.

They are not an independent aspect of US foreign policy but simply one way of furthering that policy. The expertise of the clandestine service is secrecy. Covert operations should be called upon only when something should be done in a secret manner—and only when secrecy is possible. It is up to the President to determine what he wants done and whether it should be done secretly or openly.

A covert capability is like a military capability. Its use is a presidential prerogative. As with the military service, the clandestine service should not be pursuing any projects, much less self-generated ones, except by presidential decision.

2. An important function of a clandestine service is to maintain effective liaison with important and potentially important people in other countries.

A world in which issues are decided purely on their merits is unlikely ever to be attained. In most parts of the world, whom we know is likely to be as important as what we say and do. In some less developed countries, having the chief of police or the next minister of the interior as a drinking companion of one of our professional station chiefs will often be as valuable as the formal diplomatic contact of our ambassador. In contrast, official representatives are often severely limited in the people they can see because of the repercussions of such contacts on their other

relationships. It is often more important in less developed countries to have as close relations with the political "outs" as with the "ins." Another important function of CIA is to identify potential leaders and to establish close relations on the chance that some will rise to high posts.

Because of their personal dependence upon intelligence and counterintelligence to maintain their personal positions, Prime Ministers and other important officials in new or unstable governments have been particularly eager to have good and close relations with CIA representatives. Such relationships have proved to be valuable points of influence as well as sources of information to the United States. Such relationships with important people in other parts of the world are a valuable asset, and, like an insurance policy, are worth a good deal of expense even if never used.

3. Covert operations permit forms of conflict which avoid open hostilities. This can be especially important in near-war situations.

One of the great benefits of covert operations is that in a situation in which large national interests are at stake, the United States can engage in what amounts to a form of small-scale clandestine warfare without the commitment or costs of open conflict. The covert arm can equally serve both constructive purposes and those which frustrate activities opposed to United States interests.

4. At any time, there are many legitimate reasons for doing things privately.

There is nothing inherently evil or wrong about privacy. Privacy often permits greater candor and less deference to irrelevant or uninformed political considerations.

Yet the United States has very little sense of the “private” in public affairs. Hence we look to CIA with an excessive sense of promise and an excessive sense of need.

A foreign leader—government, labor, political—may need help desperately but be unable to accept it openly because of internal political repercussions. We may wish to support activities in one country without having the next country demand “equal treatment.” A foreign government may be unable to accept overt assistance because of the danger of a reaction from another state. (In 1949, shortly after CIA was organized, it successfully delivered two shiploads of arms secretly to Yugoslavia because Tito feared provoking a Soviet invasion if the arms came overtly from the United States.) Important and constructive international activities may also need help but cannot accept overt US support without jeopardizing their position.

When our activities are injuring a party rather than helping him it may be equally important that they be private from third parties. For a period of time the U-2 flights over the USSR were known to the USSR, but each of us thought it was to our interest to have the activity kept private from other countries, and from domestic publics.

5. Covert operations permit the Government to act quickly, bypassing domestic US political, bureaucratic, and budgetary controls.

While these may be double edged, there are some circumstances where the need for quick action may justify using secrecy for no purpose other than to bypass overly slow bureaucratic controls.

It should be clearly understood that covert operations can rarely achieve an important objective alone. At best, a successful covert operation can win time, forestall a coup, or otherwise create favorable conditions which will make it possible to use overt means to finally achieve an important objective. In the case of Guatemala, for example, we understand that CIA explicitly stated that the overthrow of Arbenz could only buy time and that the creation of a successful, stable noncommunist government could only be accomplished by overt programs which would follow.

## II. INHERENT LIMITATIONS ON COVERT OPERATIONS

1. Covert operations are best suited to tactical situations where success will bring an immediate short-term gain. They are not a substitute for diplomacy, for economic programs or for military effort.

2. Large operations cannot be kept secret.

Some things simply cannot be done truly secretly because of their size, duration, and impact. The Bay of Pigs, even if it had succeeded, could not possibly have been done in a way that would hide the American hand, simply because no other power in the Western Hemisphere had the capability to support such an operation.

3. The further we are from a war-like or cold-war situation, the greater the difficulty in knowing who should be helped and who opposed, secretly or otherwise.

In a bi-polar world, covert operations could often be justified on the ground that they were like military measures designed to help our side at the expense of their

side. In a complicated political world it is far more difficult to know who is on whose side, for there are no clear-cut or permanent sides, and we run a high risk of doing harm rather than good. We live in a world where there are cross-cutting conflicts, where on one issue we have one set of allies and friends and on other issues different sets of friends, and where there is no all-out enemy on all issues. To the extent that we act as though the world were divided into two camps—"friends" and "enemies"—we may alienate potential friends and neutrals and embrace allies of doubtful long-term value. Covert operations thus must be judged more carefully and their impact assessed more rigorously than was the case in the early fifties.

### III. RISKS AND COSTS OF ENGAGING IN COVERT OPERATIONS

Covert operations carry with them two types of costs: most costs are associated with the risk of exposure; some costs are associated with the activity even if there is no exposure.

In a war or near-war situation, much greater risks of exposure can be justified not only because of greater need for the activity but also because the penalties for exposure are far less than in a period of detente. One of the principal reasons CIA continued many operations, such as the support of the National Student Association, until they were blown was that a part of CIA failed to recognize that the risks and penalties of exposure had increased greatly since the operations were started. They were started in a period of intense cold war which justified the risks of exposure and which meant that the costs of exposure weren't very great. In intervening years, the

world shifted in its attitudes toward detente which increased both the risk of exposure and the damage should exposure take place.

There are several types of costs to be considered:

1. Costs in the country where the operation is conducted.

Some adversaries may be provoked into more violent opposition to us by discovery of covert operations run against them. However, against a hostile opponent many types of operations are expected and we receive as good as we give. Here the costs of exposure will often be only the loss of an important intelligence asset or the exploitation of the exposure in, say, Soviet or Chinese propaganda.

In contrast, a government which we are trying to convert from an opponent into a friend or at least a neutral, or a government with which we are operating on fairly good terms may be quite upset to discover that we have been secretly tampering with what goes on in its country.

An individual, a political party, or a government in office may be seriously injured or destroyed by exposure of covert assistance from CIA. The more democratic the country or the more open its politics, the greater the possibility of damage.

Even without exposure, financial support often weakens those we are trying to help. Just as a rich uncle is likely to hurt a young man more than he helps him by putting him on a large allowance, Central Intelligence Agency support to a foreign political movement is likely to make it fat and lazy and less able to earn the local support it needs for long-term success.

## 2. Costs in third countries.

Exposure of a clandestine US operation may convince some in the world that the United States is powerful and tough. By and large, however, exposure costs the United States to suffer in terms of world opinion. To some, exposure demonstrates the disregard of the United States for national rights and human rights; to others it demonstrates only our impotence and our ineptness in getting caught. To still others it can expose a secret US support for <sup>one of their</sup> a political or national enemy<sup>ies</sup>. In the eyes of many we will have reduced our moral standards to those whom we condemn; we may convince the world that we are really no different and no better than those we criticize.

## 3. Costs in the United States.

These are of three kinds:

a. The impression of many Americans that the United States is engaging in "dirty tricks" tends to alienate them from their government. This is especially true of the intellectual community and the young. Disclosures in this atmosphere have created opportunities for the "New Left" to affect a much wider spectrum of political opinion than otherwise would have been the case.

b. The above has a specific cost: enlisting the cooperation of the academic community has become much more difficult. Yet, over the long term, such cooperation is essential if the quality of intelligence research and analysis is to remain first rate.

c. The very by-passing of some of the checks and balances of our political procedures which makes covert operations convenient tends, over the long term, to

weaken those procedures. There is a cost to letting Congressmen indulge in the luxury of approving some things in private which they would be loath to approve in public.

4. Damage to the international system.

To an ever greater extent, American security as well as the avoidance of international anarchy will depend upon increasing respect by governments for the legitimate interests of other governments and for the developing rules of international behavior. For more than twenty years the United States has been in the forefront of those nations concerned with expanding the role of law in international affairs. Our credibility and our effectiveness in this role is necessarily damaged to the extent that it becomes known that we are secretly intervening in what may be (or appear to be) the internal affairs of other nations. The character of such secret intervention makes it difficult for the United States to justify it and reconcile it with the general principles of international behavior for which we stand.

For the United States to respect international law and the reasonable laws of other countries will not of itself be enough to produce comparable conduct by other governments. But so long as we violate the rules we would like to see respected we cannot expect others to respect them. We have a greater interest in promoting the international acceptance of rule by law than any other nation, hence we have a special incentive to reduce to a minimum the occasions when we disrupt it by violating the rules which we think all governments ought to respect.

#### IV. CHANGES WITHIN CIA IN THE CONDUCT OF COVERT OPERATIONS

1. The Central Intelligence Agency does not need additional supervisory control but rather needs strict standards to be applied internally.

Superimposing additional committees or Congressional supervision on top of the Agency is unlikely to do any good and might do some positive harm. On the other hand internal institutional arrangements are needed to assure:

- a. High standards of professional clandestinity.
- b. Adequate consideration of overt alternatives to proposed projects.
- c. Adequate restraints on self-generated and self-perpetuating projects.
- d. Full consideration, at the outset of a project, of means to terminate the activity when objectives are realized, when the function can be handled by overt public or private agencies, or when the risks begin to become unacceptably high.
- e. Realistic evaluation at the outset of the risks involved and of "disaster" plans in the event of disclosure.

The focus for a rigorous technical design review of all proposed operations should be within CIA at the level of the Deputy Director for covert operations (DDP).

Such an examination should include:

- (1) Technical cost of the project in money, manpower, and critical resources

- (2) The chance of success, of failure and of an indecisive outcome
- (3) The chance of disclosure
  - (a) In the short run
  - (b) In the long run
  - (c) How these chances can be reduced and the consequential effects on operational efficiency
- (4) Costs to the covert apparatus if there is disclosure and means of reducing these costs

2. CIA can make an important contribution to counter insurgency operations both before armed action begins and after. Its particular capabilities need to be emphasized and used more effectively by the government.

a. In counter insurgency situations, it is important to concentrate upon the development of police intelligence capabilities. This effort was commenced very late in the Vietnamese War, perhaps too late. However, since police intelligence and security services can be abused, it may be desirable to develop decentralized police intelligence resources (e.g., training chiefs of towns and prominent provincial police forces as well as national police officers). It is also important to establish effective influence over national police forces to minimize their potential for exploitation by extremist political elements.

b. Closely related to police work is counter intelligence activity, replete with dossiers and painstaking penetrations of all levels of revolutionary and subversive

organizations. Our own counter intelligence resources should be used to augment local activities as well as to train their personnel.

c. The skills of interrogation are invaluable; in general, these skills are slowly created in wartime and dissipated in the post-war demobilization. It is essential to provide the incentives to maintain a group of skilled interrogators, linguistically capable and well-paid. One can get more data from their efforts, at a lower price than in most other ways.

These special skills were inadequately used in Vietnam, especially at the outset. As a consequence the military uprising of the Viet Cong has been more effective and harder to put down than might otherwise have been the case.

3. Throughout the Central Intelligence Agency's covert activities much greater attention must be paid to clandestinity.

The Central Intelligence Agency has in the past often engaged in projects which it could not expect to remain secret. In some cases, like the Berlin Tunnel, this has been justified, but the Agency has often tolerated risks of disclosure which were far too high. In some cases just plain sloppy work has greatly increased those risks. The passing of Central Intelligence Agency funds to the National Student Association and to the many other organizations was so badly set up that when one disclosure was made an entire string of cover foundations came apart like a run in a stocking.

The major costs of covert activities occur only when those activities are disclosed. Further, one disclosure often contaminates many innocent activities by creating

suspicious about them. The President has a right to expect that the Central Intelligence Agency will generally recommend against projects which have any appreciable risk of disclosure and will do a far better job keeping secret those activities in which it is instructed to engage.

However, since these disastrous disclosures, there is every reason to expect that CIA has paid very serious attention to improving its operations and to correcting weaknesses that could lead to further disclosure.

4. CIA internal control mechanisms should clearly distinguish between operations which must remain truly secret and operations that provide only nominal disclaimability. The latter should be employed only when the objective is to avoid provoking an adversary by confronting him with the public knowledge of our activities. Often a government can live with the secret knowledge of our activities but cannot accept public disclosure (the Russians knew for five years of the U-2 overflights, but until they could shoot one down, they preferred to say nothing and to raise no political issue).

In the past this distinction between these two activities has tended to be blurred. Truly secret operations require a very, very high probability that there will be no disclosure. In calculating that probability it should be borne in mind that errors will occur. Since even a very high probability leaves a significant risk of disclosure, back-up plans are essential.

5. CIA should concentrate on doing the special, clandestine things that it is expected to be especially competent in accomplishing. It should not engage in operating

airlines or running newspapers, publishing houses or radio stations. Where, for sufficient political reasons, the government decides to support such activities, the CIA role should be limited to the secure transmission of funds, intelligence and possibly guidance or control. Furthermore, CIA should not supply the major portion of funds for large scale activities.

6. It is our impression that CIA has become much too ingrown over the years. Nearly all of the senior people have been in the organization on the order of 20 years. Because of the special security restrictions surrounding CIA, and because it is concerned exclusively with foreign activities, there also is an unusually great pressure to isolation and inwardness which is not as strong in overt organizations. There is a consequent tendency toward homogeneity, and a lack of innovativeness and perspective which could be stimulated by greater contact with outside professions.

A clandestine service needs people with a variety of backgrounds. There should be continuing middle-level recruiting from both the private and government sectors and from among the group of "in and outers," with more lateral movement both "in" and "out." We believe that only a small percent of people should stay with the Agency more than 20 years, and that perhaps half should be there less than 10 years.

At the same time there should be longer tours of foreign duty for key case officers, than is the case in the Foreign Service, since continuity and expertise are especially valuable for case officers overseas. Close personal knowledge of people and organizations require high language proficiency and years of residence. This valuable

investment should not be wasted by rotating a key man just when he is beginning to develop a real depth of understanding.

7. The application of rigid standards of secrecy for covert operations will tend to reduce substantially the number and scope of covert operations run by CIA. This in turn will reduce the risks of exposure and lessen the political problems of the President in his relations with segments of the public and the Congress as well as with foreign governments.

## V. ORGANIZATIONAL CHANGES AFFECTING COVERT OPERATIONS

1. Covert operations should be carried out by the same agency which handles clandestine intelligence collection. It is often suggested that the clandestine intelligence service should be separated from that service which engages in clandestine operations. We are firmly convinced this would be a mistake. The argument made for separation of the two activities is that an operational organization that collects intelligence as well will tend to bias its intelligence to support and justify the operational programs to which it is committed (e.g., Bay of Pigs). This is a real danger. But safeguards can be established within a single organization. The arguments against separation are more fundamental and outweigh the arguments for separation. First most covert operations also yield substantial intelligence, especially in political matters. Second, the support to foreign individuals and groups given as a part of covert operations also increases the capability of the recipients to produce intelligence and the motivation to provide it to us. Finally, the disadvantages of having two national clandestine services

separately existing and functioning in the same country have been demonstrated time and again to be overwhelming. It appears, for example, that the dangers of enemy penetration of a clandestine service are greatly increased if there is more than one service.

2. The collection of technical intelligence, involving large radio monitoring activities, use of                      and aircraft intrusions, has become the most important source of intelligence about unfriendly nations. This activity is today conducted both by the Defense Department and CIA although it is coordinated within the DOD. The arguments for consolidation of this activity center upon the tremendous cost and the possibilities of wasteful duplication rather than on operational security. We believe that you should commission a review of this activity during your first year. One possibility that should be considered is to combine all major technical collection programs under a single operating agency similar to the National Security Agency which does cryptographic analysis.

3. A third organizational issue is whether to move the clandestine service away from the intelligence analysis and estimating activity—that is, presumably, out of CIA. Here the arguments for and against are more nearly balanced. A principal argument for separation is that analysts and estimators can derive much of their information from open sources and much of the background for interpretation of events from close-working associations with other institutions such as the universities. These vital associations, which were so strong in the early days of CIA, have now tended to atrophy.

In part this has been the result of the increasing (but false) belief in academic communities that anyone connected with CIA must automatically be engaged in covert operations and that this is inconsistent with academic freedom. In part it is also because CIA has increasingly turned inward and has tended to shut itself off from this vital outside connection. Thus if covert activities were outside CIA it should be possible for CIA to restore a much closer working relationship with the universities and to broaden the base from which highly qualified professionals can be recruited into government service. Another argument for separation is that evaluation should be separated from collection in order to assure a high measure of objectivity in analysis. Yet within CIA, analysis is now under one organization and collection under another so that the potential "conflict of interest" is in large part protected against.

An argument for retaining covert activities within CIA is that an important part of the raw intelligence used is derived from special sources, the security of which must be protected most carefully in isolated areas. Another argument is that the quality of CIA analytical personnel is high and the turnover has been low.

An additional argument that has been made against the separation of the clandestine service from CIA is that without the glamour of the clandestine service in the eyes of a key part of the Congress, it would be increasingly difficult to obtain the level of funds needed for the analysis and estimating activities. Further, association with clandestine activities may tend to increase the credibility of CIA within the government and to increase its survivability as an independent agency in the face of encroachments from State and Defense.

We feel that the evidence does not conclusively support either course, and recommend that during the first year of the new administration this problem be studied by a government panel along with the issue of separation of the technical collection activities.

## VI. RECOMMENDATIONS FOR ACTION BY THE WHITE HOUSE

1. Even though covert operations do not involve large sums of money and are not normally in the public view unless they go wrong, covert activities are Presidential business. The costs which will be incurred if a given covert activity is exposed are largely political; it is a political judgment as to whether the potential benefit is worth the political risk. That judgment cannot be left to the professional experts in clandestine activity. On the other hand the exact means for putting some person in the possession of funds or for placing some person in deep cover are the kinds of matters which can properly be left to professionals.

2. The President should give one of his own senior assistants who has easy and direct access to him responsibility for watching all covert operations and direct him to ascertain that before any covert operation is approved, all potential overt alternatives have been thoroughly canvassed and found unacceptable.

3. The President should be informed on the order of magnitude and nature of existing operations.

We believe the President should ask to be briefed on the extent of covert capabilities and the extent of the clandestine service. He should also ask the Bureau of Budget

to review and present to him in summary form dollar figures indicating the current costs of different aspects of existing intelligence activities, including information gathering, analysis, and counter intelligence operations. These figures will show that electronic and photographic reconnaissance and cryptology are major and very expensive operations and that perhaps four-fifths of the total intelligence budget goes to the Department of Defense. This report does not consider whether these large technical operations should be reduced or increased in scale. In the section of this report dealing with organization we have proposed that the President initiate a study of the organization of large scale technical intelligence activities. Such a study might also examine the value of intelligence collected by such means in relation to the costs incurred.

The President and his staff should recognize that, with the exception of large technical intelligence programs, normal budgetary controls or controls on the number of personnel are quite inadequate to control covert operations. A covert operation costing only a few tens of thousands, is exposed, could cause an international crisis of major importance.

4. The President-elect should ask the Director of Central Intelligence to draft a letter from the President to the DCI which sets forth the scope of activities which the President can expect the CIA to be capable of handling, and to coordinate this draft with the Secretaries of State and Defense as well as the President's assistant for national security matters. If on reviewing the draft, the President wishes to further expand the scope of CIA's activities, he should be sure his revised instructions do not ask CIA to do more than it can handle securely.

5. The President should make certain that his assistant concerned with intelligence remains informed on the current operational rules limiting potentially provocative overflights, surface or submarine incursions at sea and electronic stimulation.

The President should be informed at an early date of the guidelines which are currently being employed to limit U-2, SR-71, and other overflights. He should also be aware of present practices involving naval, air, space and electronic surveillance. In seeking information about defensive radars, or potential defensive responses, for example, US ships such as the Pueblo can acquire more information if they surprise another country into turning on its secret radars or otherwise reacting to an unexpected situation. There is obviously a delicate line somewhere between creating a false crisis on the one hand and passively waiting until information falls into our hands on the other. To limit the risk of Pueblo-like crises, current practices should be reviewed to make sure that the information they are producing justifies the risk the President is running, and that these risks are consistent with foreign policy objectives.

6. Continuous White House attention needs to be given to the development and maintenance of overt alternatives and options to proposed or existing covert operations.

Because of the fact that the deception of a covert activity involves both political costs and the undercutting of normal political controls there is a strong presumption that if an objective can be accomplished overtly, rather than covertly, it should be. Bureaucratic pressures (easy access to money, availability of personnel, avoidance of delays and clearances, etc.) often press toward a covert project. It will take

constant White House interest and the development of competing options in other departments and agencies to make sure that the overt course of action in fact gets priority.

Because of continuing budget restrictions for foreign aid, cultural exchanges, and information activities it is likely that the pressures for use of covert funds will increase rather than decrease, since in the past it has proved easier to get covert funds for these purposes from Congress rather than overt. We believe that this pressure of expediency should be strongly resisted because it is likely to lead to more future trouble than it is worth.

7. The President should make it very clear to the Director of CIA that he expects him to say "No" when in the Director's judgment a proposed operation cannot be done within an acceptable risk of disclosure. Too often in the past covert operations have been pressed on CIA by other parts of the government in order to avoid bureaucratic problems in accomplishing the same objective overtly. And too often CIA has uncritically accepted the task in an effort to be helpful.

8. The President as one of his early acts should ask the Director of CIA to advise him of any operations currently underway which might conceivably create serious problems. The Bay of Pigs preparations, for example, continued into the Kennedy administration apparently without any clear understanding that it should either be stopped immediately or given full support.

9. The White House should maintain a standard form of "no comment" on clandestine activities, and a directive should be issued to the various departments to do

likewise. Further, this policy should be made known publicly before there is a "flap."

The natural tendency to deny charges that are wholly unfounded, and to say "no comment" only as to charges which have some truth results in an unfortunate association between the President and clandestine activities. The White House should develop a standard "no comment" paragraph which it issues in response to any question on clandestine activities, no matter how ridiculous the charge.

The indecision, denials and subsequent admissions that surrounded the U-2 incident demonstrate the desirability of a standard noncommittal response from the White House.

<sup>10</sup>~~9~~. The new administration will face a specific problem early in the year which has been carried over from the old administration, namely, what to do about the "CIA orphans." As a consequence of the National Student Association and other disclosures a government committee headed by Nicholas Katzenbach proposed that the government under no circumstances provide future clandestine support to private educational, philanthropic and cultural organizations. Subsequently this was approved by the President who directed that henceforth no such support be provided by CIA. In order to comply technically, Radio Free Europe and similar organizations were given large single payments sufficient to carry them into the beginning of 1969. The incoming administration will immediately be faced with one of four courses of action:

—terminate government support of RFE, which will mean the loss of an important and effective channel into Eastern Europe

—propose to Congress that overt funding be provided through some form of national foundation and try to find interim funds until this is accomplished.

—modify the policy publicly enunciated by the outgoing administration to permit continued covert support to RFE and similar activities

—consolidate RFE into the VOA and support it to the extent possible through USIA appropriations.

We believe that it will be impossible to resume covert funding without public knowledge, and we recommend that RFE be funded overtly either through a national foundation supported by government funds or through the USIA. We prefer that RFE be made a component of USIA but not the VOA. If covert funding is resumed we consider it unwise to permit RFE to continue to solicit private contributions as a “cover.” In the past the American public was misled into believing RFE is supported by their contributions. As to the lesser “orphans” with a civilian base, every effort should be made to obtain public support for them through a government financed national foundation.

<sup>11</sup>~~10~~. The administration should recognize that because of its special tasks, CIA more than most operating agencies, will tend to overestimate its capability to accomplish objectives and to overestimate its ability to maintain security.

WILEY BUCHANAN

*sp*

11/21/68

Winston Guest is eager to go to Paris.

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I think Maury Stans should be Secretary of Treasury -- he is  
wonderful -- he is quiet -- he is unassuming and self-effacing.

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