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HR 70-14
Date: 2 May 2012

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Director's Meeting

Tuesday, 11 September 1951

PRESENT: General Smith, Messrs. Dulles, Jackson, Wisner, Wolf, and Becker.

Mr. Jackson referred to the proposal by a Mr. Scali to write an article on intelligence for COLLIER'S Magazine and stated that Scali wished to use examples of espionage. Certain sanitized examples had been prepared, but General Wyman objected to giving permission to Scali to use them. The DCI ruled that he wished to defer to the wishes of the man who had the responsibility for the operation and it was determined not to give permission to use such examples.

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Mr. Dulles referred to the fact that the NSC Senior Staff would consider questions relating to the Kem Amendment and the DCI commented that these were policy questions of no concern to CIA.

Mr. Dulles referred to an item in an O/CI publication containing criticism of a Senior U.S. official and the DCI directed that such items should not be published in CIA publications, but that they should be hand carried by the DCI to the President who desired to see them. Mr. Dulles undertook to speak to Mr. Douglass on this.

The DCI inquired of Mr. Jackson whether or not [] might not be suitable as an inspector. Mr. Jackson commented that [] would require considerable training for such an assignment and the DCI indicated that he had assumed at least six months' training and experience would be necessary.

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Mr. Dulles referred to a letter which he had received from General Truscott in which it was stated that Squiffes (formerly Head of the Appraisal Staff for McCloy) was returning with three or four of his staff and planned to continue the same type of work for General Truscott. This had been approved by Gordon Stuart and others. Mr. Wisner commented that Squiffes should take a full course of sprouts at O/CI and that Helms could take him there.

The DCI informed the meeting that he had spoken to [redacted] who had stated that if necessary, he would conduct a survey of OSI, but that he could not begin until November or December. [redacted] had suggested approaching [redacted] who appeared to be available, and the DCI had arranged to have luncheon with [redacted] Thursday, September 13. If [redacted] refuses, [redacted] had agreed to act.

The DCI indicated that General Chamberlin would be in on Thursday afternoon and that he planned to seek him as a replacement for [redacted].

The DCI commented briefly on the discussion of NSC 68/4 at the IAC meeting, noting his suggestion of a survey which had not been adopted, and indicated that the paper itself would be substantially rewritten.

Mr. Dulles reported that Mr. Braden had visited George Harrison of the AFoIL (who was likely to succeed William Green) and Harrison indicated willingness to work with CIA. Harrison requested CIA assistance in putting someone in ITF and stated that only Harrison and Lyon and possibly one other would have to know about this. Harrison indicated some dislike of Lovestone and also expressed an intention to control Brown.

Mr. Dulles referred to Dr. Langer's suggestion that personnel from his office be sent abroad for experience and the DCI approved, indicating that Mr. Wolf should coordinate this.

Mr. Wisner informed the DCI that O/PC had held a briefing for his own staff and for the Psychological Warfare Chiefs of Army, Navy and Air Force. O/PC operations in Japan had been reviewed and all, save possibly General McClure, had appeared to be impressed.

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Mr. Wisner noted that [redacted] was slated to go to Indochina where he had a job for O/SO and also O/PC. He would be there for 3 or 4 months and Mr. Wisner asked permission to have him made CIA representative. The DCI approved. The DCI also directed that [redacted] be invited to attend the dinner for DeLattre and directed Mr. Wisner to see that he assisted in piloting Gen. DeLattre around while he was here.

Mr. Wisner informed the DCI that Phao, a Siamese 4-star general, (Commander of the Siamese Police, as large as the Army there) would be here in the next few days and desired to see Mr. Hoover and Gen. Collins. The DCI indicated that he would see Phao and also suggested that CIA take him under its wing and make arrangements for him to see Collins. Mr. Wisner undertook to have this done.

Mr. Wisner referred to a report that the Kansas City Branch of the Crusade for Freedom had invited Gen. MacArthur to speak, which upon investigation was found to be untrue.

Mr. Wisner referred to a telegram from Gen. Wyman reporting on the latest conversations respecting CIA arrangements with FECOM:

1. It was indicated that our people in Korea desired to be under Eighth Army but the DCI thought that it would be advantageous to be under Theatre Command, in view of the fact that Air and Navy in Korea were not under Eighth Army;
2. The DCI directed that Gen. Wyman should make clear that the CIA man would not have all contacts with Gen. Ridgeway through G-2, that there would be some matters where he would have to consult with Gen. Ridgeway direct;
3. With respect to relations with G-3 which was giving support to guerrilla operations in Korea, the DCI indicated that the real question was how such matters were worked out in the field and that staff arrangements could not substitute for a reasonable working arrangement made in the field.

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In connection with the foregoing item, the DCI indicated that Col. King should be prepared to go forward to FECOM within the next 2 months and that a suitable replacement for him would have to be found for Latin America.

Mr. Wolf reported that we had an opportunity to secure commercial cover through the world-wide office of J. Walter Thompson and this was approved by the DCI, who indicated that we should exploit every possible opportunity for substitute cover other than State. The DCI commented that ultimately CIA should have only 1 or 2 men in each major post under State cover and all the rest should be under commercial cover.

Mr. Wolf reported that [redacted], a CIA employee who had been returned from Korea was completely rehabilitated and had expressed appreciation of the treatment he had received and the message he had received from the DCI.

Mr. Wolf indicated that the American Security Bank of Washington stood ready to put \$1,000,000 in a European branch, if CIA would equal this investment. Under the proposed plan, CIA would be represented by officials in this branch bank and it would afford excellent cover for the covert transfer of funds abroad. There was a brief discussion of means by which CIA could securely invest in such an enterprise. It was the consensus of the meeting that the suggestion was intriguing and should be further explored by Mr. Wolf.

Mr. Wolf raised the question of whether CIA would desire to employ a foreign corporation as cover, but the DCI ruled against this suggestion.

The DCI raised the question of employment of non-citizens by CIA, noting an offer by Prince Bernhardt of a well-qualified Dutch intelligence officer. Mr. Jackson indicated that he knew of another Dutch citizen who was very well qualified for work in Indonesia. The question was raised why such individuals could not be employed by CIA, since they were presently employed as agents.

Mr. Becker gave the DCI the agenda for his meeting with Mr. Hoover.

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