

6 April 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: CIA Support of Cold-War Activities

1. This memorandum is for information only.

2. When the Central Intelligence Agency was created by statute, the National Security Act of 1947, the intent of Congress was to create a centralized machinery to coordinate all intelligence activities, to produce the intelligence estimates required for top policy planning, and to conduct certain intelligence activities. There was no mention in the statute or the legislative history behind it of cold-war activities, and at that time the wartime clandestine activities of the Office of Strategic Services, such as propaganda, guerrilla, political activity, and the like, had been disbanded. Consequently, when Secretary of Defense Forrestal asked in 1947 if CIA could undertake to combat the worldwide communist menace with covert operations, it was recognized that even though there was some relation to intelligence in some such activities a charter in this field could not be construed from the language of the statute and would have to be carried on under general Presidential authority and the approval of funds by the Congress. ✓

3. National Security Council Directive 16/2 (NSC 16/2) gave the necessary policy direction, placing responsibility for covert operations on CIA, and Congress provided the funds. NSC 16/2 has been refined and amended, and the charter is now reflected in NSC 5412/2, but throughout Congress has provided the funds necessary to carry on clandestine cold-war actions. The charter is very broadly expressed and includes propaganda, political action, economic warfare, resistance and guerrilla activities, etc., which are determined to be needed to counter

the communist threat and bring the peoples of the free world to the United States. The only limitations are that CIA will not conduct activities involving armed conflict by recognized military forces or cover and deception for military operations and that the activities for which CIA is responsible are covert. Covert activities are defined as activities within the charter set forth in NSC 5412/2 so planned and executed that any U. S. responsibility for them is not evident to unauthorized persons and that if uncovered the U. S. Government can plausibly disclaim any responsibility for them.

4. NSC 5412/2 places responsibility on CIA to see that such activities are carried out and places responsibility on the Director to see that the appropriate departments and agencies are properly informed and that the activities are consistent with national policy and with overt operations. Thus, CIA is responsible for a broad spectrum of activities in which intelligence is not required to play a part, although normally intelligence either enters into their support or is a by-product, or both. However, under this charter, in determining whether CIA should undertake to carry out a specific activity, it is not necessary to find an intelligence target involved. It is enough if it is covert under the definition and has policy approval as being consistent with American foreign policy and overt operations and is designed to combat communism outside the United States.

5. Since it is responsible for having such activities carried out, CIA must necessarily be responsible for planning. Occasionally, suggestions for action will come from outside sources, but to depend entirely on such requirements would be an evasion of the Agency's responsibilities. Also, the average person, both in Government and outside, is thinking along normal lines and to develop clandestine cold-war activities properly persons knowing both the capabilities and limitations of clandestine action must be studying and devising how such actions can be undertaken effectively. Both in developing ideas or plans for action, it is incumbent on the Agency to obtain necessary policy approval, and for this purpose these matters should be explored with proper officials in other departments and agencies, particularly in the Departments of State and Defense, so the determination can be made as to whether any one proposal should go to the Special Group or higher for policy determination.

6. In this function, the staff and offices of CIA are at present not inhibited by any limitations other than those broadly set forth in NSC 5412/2. Except as to total amounts available, the appropriation of funds is not a limiting factor as the Appropriations Subcommittees for CIA have approved the requested funds through the years for the general purpose of sustaining commitment under our charter without setting specific limitations or courses of action. Consequently, under present guidelines, the CIA personnel concerned are and should be developing cold-war activities of every nature without the necessity of depending on intelligence implications for their furtherance and are then promoting conduct of these activities with the other departments and agencies concerned in order to develop a position on which policy direction can be given.

7. Inasmuch as CIA is enjoined to conduct covert operations by Directive of the National Security Council, it cannot unilaterally limit its responsibility in this field or construe the Directive to mean only those operations for which intelligence collection has a primary target. Any such limitation would require modification of the Directive itself. One such modification has already been made. On 28 June 1961 we were notified that the National Security Action Memorandum No. 57 had been approved by the President. This provided that where a paramilitary operation "is to be wholly covert or disavowable, it may be assigned to CIA, provided that it is within the normal capabilities of the Agency. Any large paramilitary operation wholly or partly covert which requires significant numbers of militarily trained personnel, amounts of military equipment which exceed normal CIA-controlled stocks and/or military experience of a kind and level peculiar to the Armed Services is properly the primary responsibility of the Department of Defense with the CIA in a supporting role." This, for the first time, directs Defense to develop assets for covert paramilitary action. However, this still leaves the full scope of covert activities outside of the paramilitary the responsibility of CIA.

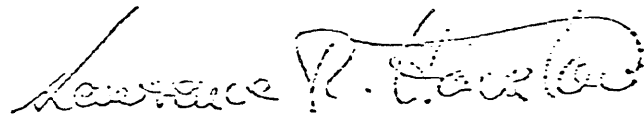
8. NSC 5412/2 did not specifically state that CIA funds must be used to finance these operations. Indeed, in the early days many were funded out of counterpart funds on the theory

that they were IOA projects which must be carried out without attribution to the United States and, therefore, needed to be handled covertly. IOA would ask CIA to act for it and would transfer the funds.

9. While no serious objection has been raised to such funding of covert operations by other agencies, it does pose a problem in that the funds are removed from the normal accountability and review by the General Accounting Office which would otherwise have taken place. It should be noted, however, that AID has statutory authority providing for confidential funds' certification similar to that given to the Director of Central Intelligence in our act, but AID has not shown a willingness to utilize this authority.

10. In cases where projects are approved which are of primary interest to some other department or agency and no intelligence potential is foreseen, it may be necessary for CIA to handle the transaction covertly, but CIA should insist on having the cost charged to the other agency's appropriated funds.

11. Undoubtedly similar projects will appear, and there are no clear guidelines in connection with funding them. In view of the breadth of the NSC 5412/2 charter, it will normally be difficult for CIA to resist supporting financially those covert projects which are given policy approval. However, where projects seem to fall within proper functional responsibilities of other departments or agencies, the mere fact that there are covert aspects which require CIA to take action or even to conduct the activity should not thereby make it necessary for CIA to accept financial responsibility.



LAWRENCE R. HOUSTON  
General Counsel

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(signed)

Lawrence R. Houston  
General Counsel

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