

3 May 1948

MEMORANDUM TO: Sidney W. Souers, Executive Secretary
National Security Council

FROM: Messrs. Allen W. Dulles
Mathias F. Correa
William H. Jackson

SUBJECT: Interim Report No. 1 _____

Referring to your memoranda of February 13, 1948 and March 17, 1948 regarding the survey of the Central Intelligence Agency and certain other intelligence operations, we have been requested to consider certain questions which have arisen between the Department of State and CIA with respect to the

We have reviewed the correspondence between the State Department and CIA beginning with the CIG letter to State of 22 August 1946 and concluding with State's letter to CIA of 24 February 1948. We have also had numerous conferences with officials of the State Department and of CIA.

The issues narrow down to these: - What policy should govern

; how should this policy be translated into terms of _____ and what procedure should be followed in the

In its letter of 22 August 1946, CIG presented its program to the State Department and

The general program outlined in the CIG letter was accepted by the State Department, subject to certain reservations which, in substance, were agreed to by CIG. While this agreement did not bring about a meeting of minds as to all questions at issue, it did serve as a basis for action, and

On 17 October 1947 CIA forwarded to the State Department a revised

Sub-

sequently, there were a series of conferences between representatives of the State Department and of CIA, which disclosed a serious measure of disagreement between the two offices as to the extent to which State Department and with regard to the

In the course of these conversations CIA indicated a willingness to

The matter was brought to a head in a letter addressed to the Secretary of State by Admiral Hillenkoetter under date of 19 January 1948, to which the State Department replied in a letter sent to Admiral Hillenkoetter on 20 February 1948.

The situation at the time of the writing of the State Department letter was as follows: - The State Department had

(This is, of course,

Applications were pending before the State Department for

Action to had in most cases been held up by the State Department pending a decision of principle as to whether The State Department letter of 20 February 1946 took the position that

The State Department further suggested that the and that there should be

There is no simple formula to resolve this issue. Similar points of difference have arisen between foreign services and intelligence services ever since secret foreign intelligence services have been developed.

The best that one can do is to work out some practical principles to meet an existing situation and to provide for adjustments as conditions change.

* * * *

Before submitting our recommendations, we will comment on certain points brought out in the State Department letter of 20 February 1943 and in the prior conferences between State and CIA representatives.

1. The State Department suggests that

Under normal conditions

is difficult, however, to proceed on this basis in

Furthermore, there is one phase of intelligence operations

Today, the major intelligence objective of the U. S. of the Western European powers, Great Britain in particular,

But these foreign intelligence services will only work effectively

The foreign intelligence services will not work

2. The State Department considers that

We agree. We consider, however, that

3. The State Department suggests that as a general matter

We recognize that this often is the case, but it does not necessarily follow that

As

indicated above, in many cases

Further, the fact that

We understand that it is the

This is a wise precaution and certainly as regards

4. The State Department letter refers to

This refers particularly to

We doubt that this is practical.

-6-

We believe that (

This of course is without prejudice to

5. The State Department has rightly stressed the element of risk and the danger of

Every effort must be made to minimize this risk and

In most cases, as indicated above,

Naturally,

some risk is inherent in the very nature of

Serious, as this is, we do not consider that it is more serious than the danger inherent in the

However, we recognize that the decision of the State Department must be final as to the measure of risk to

be taken

Under the best of conditions

This time should be allowed and meanwhile

However, the

CHI should not

but should proceed to

in this way and through the

* * * * *

Most of the tools essential to the

----- If these tools are not ----- or if they are
only -----

As a practical matter,

these

| While no ----- measures can
wholly solve this difficulty, we believe that a real improvement could be
brought about if

In the recommendations which follow, we are not passing upon the desirability of maintaining

We expect to make this the subject of a subsequent report. It seems unnecessary to deal with the question at this time since

Further, we are not passing upon the adequacy or competence of

We recognize, however, that unless this personnel meets a high standard of competency,

In the last analysis a

* * * * *

We recommend:

1. That the State Department reconsider the

2. That the State Department review on their merits

Due

weight should be given in

3. That in the future,

It
should be assumed in the absence of contrary notification by the State
Department—and such notification should only be given for due cause and
after

Further, in order to

4. That the liaison between the State Department and CIA be put

CE

officers of the Department. These men, that is the State Department official and the Director of CIA, should also consider, or specifically delegate to joint working groups for study and report, such long-range problems as:

(1)

(2) The

(3) Avoidance of unnecessary duplication

(4) Timely provision for

(5) Prompt handling of any critical situations which may arise

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