

Outline of talk in New York
on 13 February 1957 before
Naval Reserves.

Cleared in
Capt House
on Saturday
9 February

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I. INTRODUCTORY REMARKS BY CAPTAIN V. L. LOWRANCE

II. BACKGROUND (by Wm. Abbott)

A. CURRENT THREAT TO THE FREE WORLD

- 1. Confusion resulting from the 20th Party Congress.
- 2. Dangers of the "peaceful coexistence" tactics.
- 3. Problems arising from the Suez situation.

B. ENEMY CAPABILITIES REQUIRE CONCERTED AND SUSTAINED EFFORT OF U.S.

INTELLIGENCE COMMUNITY

- 1. Reserves represent an important intelligence asset.
- 2. Recognizing the high collection potential of the reserves, especially in the New York area, the Director of Naval Intelligence decided to survey their assets.

C. PRIOR TO INITIATING HIS SURVEY, THE DIRECTOR OF NAVAL INTELLIGENCE

SOUGHT THE ADVICE AND COUNSEL OF THE FEDERAL BUREAU OF INVESTIGATION AND OF THE CENTRAL INTELLIGENCE AGENCY

- 1. He did this because he is dedicated to the principle of inter-agency cooperation in the field of intelligence and counter-intelligence.
- 2. He did it also in order to conform to the U.S. Government regulations by which orderly collection in these two fields is carried out.

D. IN THE INTELLIGENCE FIELD WITHIN THE UNITED STATES, NATIONAL

SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 7 ASSIGNS TO THE CIA

THE RESPONSIBILITY FOR THE EXPLOITATION ON A HIGHLY SELECTIVE BASIS WITHIN THE UNITED STATES, BUSINESS CONCERNS AND OTHER NON-GOVERNMENTAL ORGANIZATIONS AND INDIVIDUALS AS SOURCES OF FOREIGN INTELLIGENCE INFORMATION

DECLASSIFIED
Authority NND 73643

1. This directive was issued by the National Security Council pursuant to the National Security Act of 1947.
 2. Because of CIA's important responsibilities in this field, it is essential that no agency take any action which would impinge on or upset CIA's activities or responsibilities.
 3. The Office of Naval Intelligence has pledged its word to the CIA not only that it would do nothing to contravene CIA's operation in this field but also that if we in the Navy had assets which were not being exploited at the present time, we would work closely with CIA in exploiting those assets. In this connection it is important to remember that the Navy is not repeat not in competition with the CIA in this field.
- E. WITH RESPECT TO THE EXPLOITATION OF DOMESTIC SOURCES FOR COUNTER-INTELLIGENCE PURPOSES, AN ORDERLY ARRANGEMENT IS ALSO NECESSARY. IN THIS CONNECTION IT IS ALSO IMPORTANT TO REMEMBER THAT THE INTERNAL SECURITY RESPONSIBILITIES OF THE FBI ARE VERY GREAT AND WE CANNOT AFFORD TO JEOPARDIZE FBI OPERATIONS IN THIS FIELD ANY MORE THAN WE CAN AFFORD TO JEOPARDIZE CIA OPERATIONS IN THE POSITIVE INTELLIGENCE FIELD. IN THE FIELD OF COUNTERINTELLIGENCE, THE DELIMITATIONS AGREEMENT IS CONTROLLING.
- F. REQUIREMENTS FOR COUNTERINTELLIGENCE INFORMATION
- G. METHOD OF REPORTING ASSETS TO DIO 3ND
1. Memorandum to _____, setting forth name, employment, areas of knowledgeability.

*William H. Hall, Jr. - Director
Office of Intelligence Policy & Plans
National Security Council*

*Classified
Confidential
Excluded from automatic
downgrading and
declassification*

- 2. Endorsement by DIO 3ND
- 3. Analysis by DNI in terms of requirements.
- 4. Request for information to the individual through DIO 3ND.

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7. Request for information to the individual through DIO 3ND.

Op-921E/jvs
Ser 00832P92

29 JAN 1957

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From: Director of Naval Intelligence
To: District Intelligence Officer, THIRD Naval District
Subj: Domestic Sources of Intelligence and Counterintelligence; Proposed New Exploitation of
Ref: (a) OI Ser 00831P92 of 24 Jan 1957, same subj

1. In accordance with reference (a), the following ONI personnel will report to the District Intelligence Officer, THIRD Naval District on 13 February 1957 in order to address the Naval Intelligence Reserve meeting:

- a. Op-921E: Mr. William Abbott
- b. Op-922H: LCDR William H. Viet, USN

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921E

J. R. BROMLEY
By direction

Mr. William Abbott
Op-921E - Ext. 75694/79036
28 Jan 1957 - J.V. Sanders

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02-0111/pdr
Ser 005922P92

20 DEC 1956

MEMORANDUM FOR Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation

Subj: Domestic Sources of Intelligence and Counterintelligence; proposed Navy Exploitation of

1. It has come to my attention that a sizeable number of U. S. Naval Officers in the intelligence reserve components of the Third Naval District represent, as a consequence of their civilian employment, potential sources of foreign intelligence information as well as of counterintelligence information.
2. In accordance with my understanding of the spirit behind NSCID #7 and the Delimitations Agreement, I consider it would be of value to the United States for these sources to be exploited for the benefit of the entire Intelligence Community.
3. I propose therefore to survey these assets to determine if their exploitation will provide a basis for the analysis in greater depth of some of the problems which are confronting the Navy and the Intelligence Community.
4. Should this survey disclose substantial assets I plan to solicit your cooperation in helping to evaluate the potential usefulness of individual sources, in formulating questionnaires in terms of priority requirements, and in some cases conducting debriefings.
5. The program outlined above will be carried out through the Naval Intelligence Reserve Components in New York. The results of the survey will be checked with your agency to ensure that the proposed exploitation does not interfere in any way with the responsibilities of the FBI and the CIA.

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
Department of Justice
Washington 25, D.C.

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Op-921E/pdr
Ser 005923P92

26 DEC 1956

MEMORANDUM for Mr. Allen Dulles
Director of Central Intelligence

Subj: Domestic Sources of Intelligence and Counterintelligence;
proposed Navy Exploitation of

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L. H. FROST
Director of Naval Intelligence

Mr. Allen Dulles
Director of Central Intelligence
2430 E Street, N.W.
Washington, D. C.

Orig by Mr. William Abbott
Op-921E - Ext 75694
20 Dec 1956 - Robison YMI

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