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MEMORANDUM FOR: Director of Central Intelligence 19 April 1957
Deputy Director of Central Intelligence

SUBJECT : Continuation of AQUATONE Beyond 1957

1. Problem: As stated in an earlier memorandum, it is becoming increasingly urgent to decide (a) whether the AQUATONE capability is to be maintained in civilian (CIA) hands beyond the end of the photographic season that is now beginning, and, (b) if so, on what scale and in what form.

2. Reasons for Urgency: The existing AQUATONE organization was geared to a relatively brief, intensive operation. Faced with protracted inactivity and uncertainty and with the repeated postponement of decision, its morale and effectiveness are already impaired and it cannot be held together much longer without a new sense of direction. Accordingly, it is essential either to begin the conversion of this organization to one designed to maintain a standby capability with only occasional and limited use of that capability or else, if it is not going to be used this summer, to begin to phase it out of existence. If, moreover, only very limited operations or none at all are going to be permitted this summer but the capability is to be kept in being for another 18 months or longer, a great deal of planning needs to be done and many decisions need to be made on such matters as personnel, procurement, further development of equipment, budget, and Air Force and Navy support. It must be emphasized that a high price will be paid in terms of lowered effectiveness and lost opportunities if the decisions referred to in paragraph 1 above are not made reasonably soon.

3. Considerations Bearing on the Problem:

a. The Life of the U-2: It appears likely that the RAINBOW development will sufficiently increase the difficulty of intercepting the U-2 to prolong its useful life at least through 1958. This probability is strengthened by the possibility that the performance of the U-2 aircraft might be somewhat further improved through intensive development efforts this summer resulting in modification that could be carried out next winter.

TS-164213
Copy 1 of 6

Approved For Release 2001/03/30 : CIA-RDP33-02415A000100070027-3

Approved For Release 2001/03/30 : CIA-RDP33-02415A000100070027-3

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b. The Deterioration of Cover: After careful review it is my judgment that the present cover for the AQUATONE operation cannot be maintained much beyond next fall. [redacted]

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c. The SAC U-2 Program: The presently planned surfacing of the SAC U-2 Program will if carried through gravely impair our cover. Not only will the fact that the U-2 is a reconnaissance aircraft become known to a very much larger number of Air Force personnel but, in the course of listing the U-2 in the Air Force inventory and handling its support through normal channels, the unusual procedures employed up to this point in the procurement and support of these aircraft will be widely revealed. Inevitably, much curiosity will be aroused about the aircraft and its mission. It will be impossible to conceal the existence of another earlier U-2 program outside of the normal Air Force organization. Many unauthorized individuals will correctly infer that this was an Agency program. Already the flow of routine reports and documents concerning engine and aircraft performance through normal Air Force channels to the manufacturers is giving rise to this suspicion on the part of unauthorized persons both in the Air Force and in the companies concerned. I do not believe it is an exaggeration to say that the surfacing of the SAC program will absolutely compel the liquidation of AQUATONE under its present cover, will reveal widely after the fact what the mission of AQUATONE was, and will make it difficult to build convincing new cover for a maintained U-2 capability in Agency hands.

d. Air Force Support for a Civilian Capability: The principal original justification for developing the AQUATONE capability within a CIA framework rather than the Air Force was to maintain greater security, better cover, real divorce from military control and therefore a better possibility of plausible denial in the face of Soviet charges. Translated into operational terms, the justification was that civilian control would increase the likelihood that our own political authorities

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would permit overflights to be made. In the light of a disappointing 12 months, the validity of this assumption is being increasingly questioned, at least in the Air Force. Moreover, it was always contemplated by the Air Force that the Project would continue for no more than two years and SAC presently assumes that the bulk of AQUATONE's assets will be transferred to it beginning next fall after which date the AQUATONE mission will be a SAC responsibility. Unless therefore the validity of the original justification for a non-military organization can be firmly re-established to the satisfaction of senior officers in the Air Force, they will see little reason for the maintenance of this capability in a CIA framework beyond the end of the year, with all the inconveniences this would involve for them.

4. Conclusions: The following conclusions reflect not only the considerations set forth in paragraph 3 preceding but also the results of staff work on technical possibilities, the organization appropriate for a continued AQUATONE project, and the building of new cover to replace that currently being employed.

a. It would be feasible to reorganize and to develop new cover for AQUATONE with the mission of maintaining a substantial U-2 capability throughout the effective life of the aircraft in such a way as to support continued operations at a low rate if permitted and bursts of intensive operations if and when required. It is tentatively proposed that the reorganized project would have one detachment readied for carrier operations, [redacted] and one operating and ready to operate in Europe but probably stationed in the ZI and trained and equipped for extreme mobility. 25X1X4 25X1X4

b. The extension of AQUATONE in this fashion would permit a significant reduction of manpower, amounting perhaps to a quarter to a third of present strength. It could probably be financed through Fiscal Year 1958 within the limits of the present amounts budgeted for AQUATONE but would preclude the turnback of any surplus funds from the AQUATONE Fiscal Year 1957 budget because the Fiscal Year 1958 budget provides for only six months' operations at roughly present strength. Some financial provision would be required in the Fiscal Year 1959 budget but an annual rate probably no more than half that budgeted for the current Fiscal Year.

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c. Continuation of the program will be difficult unless (1) the surfacing of the SAC program is postponed for three or four months at least and (2) procedures are carefully worked out and accepted by SAC to prevent the surfacing of that program from revealing the history of procurement and supply outside of Air Force channels.

d. The maintenance of the AQUATONE capability in the CIA framework beyond next fall cannot be justified in the national interest unless there is reason to believe that such divorce from military control and the resulting greater possibility of plausible denial would significantly decrease the political risk involved in its use, and therefore increase the likelihood of its use, in a cold war situation.

e. The extension of AQUATONE will not be feasible (whatever in fact its political advantages might be) unless the Air Force is convinced that it is justified by the foregoing standard.

5. Recommendation: It is recommended that as a matter of urgency the DCI secure a determination as to whether the AQUATONE capability is to be maintained in CIA hands beyond next fall, that is, through the 1958 season or even longer. It is believed that the securing of an affirmative determination will require the following two steps:

a. A determination by appropriate authority, it might be the President, the Secretary of State, the Joint Chiefs of Staff, or any combination of these, or the DCI himself, that a clandestine U-2 capability is for political reasons more useable than that being developed by SAC, and is more useable to a degree which justifies the trouble and cost involved in its retention.

b. Full agreement by the Air Force that the retention of this separate capability is in the national interest and is sufficiently important to justify the acceptance by the Air Force of some delay to the SAC Program and of very considerable inconvenience.

If an affirmative determination is made, detailed planning and actual preparations for the extension of AQUATONE can proceed and will, it is believed, raise few major policy questions. If the determination is negative, it would

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seem to follow automatically that the Project should be liquidated in an orderly manner but completely beginning with the phase out of Detachment A in October.

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RICHARD M. BISSELL, JR.
Project Director

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2-DDCI
3-Pro.Dir. Chrono
4-Pro.Dir. Subj
5-Dep. Proj. Dir.
6-Proj Chrono (Hold)

Approved For Release 2001/03/30 : CIA-RDP33-02415A000100070027-3