The Intelligence Community and the White House

179. Memorandum From Director of Central Intelligence Helms to President-Elect Nixon[1]

Washington, January 6, 1969.

1. You have asked for my assessment of the strengths and limitations of the Government's foreign intelligence coverage and my views as to measures which could be taken to improve this effort. I am generally satisfied with the adequacy of our intelligence on such matters as:

a. The military capabilities of foreign nations of strategic concern to the United States (including the characteristics and state of deployment of their missiles and other strategic weapons); and

b. World economic developments and political trends in most non-Communist countries of significant interest to the United States.

2. [*6 lines of source text not declassified*]

3. There are, in my opinion, certain steps that should be taken to improve the intelligence effort. The most important of these are: (a) implementation of plans for the development of a satellite borne photographic reconnaissance system, capable of practically instantaneous transmission of pictures for interpretation in Washington; and (b) the appointment of an Assistant to the Deputy Secretary of Defense to advise and assist him on intelligence resources with a view to sharpening the focus of intelligence activity and eliminating marginal programs.

4. The following paragraphs will give you in somewhat greater detail my views about the effectiveness of our intelligence programs.

a. Communist Military Capabilities.

(1) It is, I think, obvious that the competence and scope of our intelligence effort has improved and expanded substantially during the past ten to twelve years. We can count on reliable information about the size and disposition of military forces around the world. Improved overhead photographic reconnaissance systems, which regularly produce coverage of wide geographic areas with [*3 lines of source text not declassified*] give us a reasonably complete understanding [*1½ lines of source text not declassified*].

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 207, CIA, Vol. I, Jan 69–31 Dec 69. Top Secret; Handle via Byeman Comint Channels.

(2) Through signals intelligence activities, conducted largely by units of our military services, acting under the technical direction of the National Security Agency, [*8 lines of source text not declassified*].

(3) [*1 paragraph (7 lines of source text) not declassified*]

(4) Generally speaking, we can provide planners in the Defense Department and military services with information which permits them to make decisions concerning the level and character of forces and weapons systems needed by the United States with reasonably precise knowledge of the probable nature of the military threat against which these forces and weapons will be used. One of the imperatives of good defense planning, of course, is adequate advance notice of the emergence or likely emergence of new enemy weapons systems. We have reason for confidence in our ability to detect and identify [*5 lines of source text not declassified*]

b. [*less than 1 line of source text not declassified*]

(1) [*1 paragraph (25½ lines of source text) not declassified*]

(2) [*1 paragraph (25 lines of source text) not declassified*]

(3) [*1 paragraph (14 lines of source text) not declassified*]

c. Economic Coverage and Intelligence on Areas Outside the Communist Bloc.

(1) Our understanding of economic developments in the Soviet Union and Eastern Europe generally is reasonably complete. This coverage is, of course, a factor in an assessment of probable military strengths, force levels and projected weapons production in Communist countries.

(2) Intelligence coverage of political and economic developments outside of the Communist Bloc is generally satisfactory. [*6½ lines of source text not declassified*]

(3) In Latin America, programs for the penetration of Communist parties and surveillance of potentially subversive Communist supported political activity have progressed satisfactorily.

(4) In Southeast Asia the main emphasis, of course, has been in Vietnam where all elements of the intelligence community are extremely active. The United States military commands have been primarily responsible for the development of order of battle intelligence and tactical intelligence support to combat commands. CIA has been active in the rural development and pacification programs and in counterintelligence work designed to penetrate the Viet Cong organization and subversive programs, as well as in providing political coverage of the South Vietnamese government. [*8 lines of source text not declassified*]

(5) [*1 paragraph (11 lines of source text) not declassified*]

5. *Turning to the question of what should be done to strengthen United States intelligence, I believe that some improvements can be made in the or-*

ganizational structure and procedures of the Central Intelligence Agency. As you are, of course, aware, the organization of CIA was originally shaped by the experience of OSS in World War II and has evolved through the administration of five Presidents. Its organizational pattern has changed as experience in crises, from the blockade of Berlin to the recent Soviet occupation of Czechoslovakia, has suggested better arrangements for the collation, analysis and speedy dissemination of information. Since its creation in 1947 it has been the subject of numerous reviews by groups which included such highly qualified and responsible members as General James Doolittle, Robert Cutler, C. D. Jackson, General Mark Clark, Edward Rickenbacker, Mansfield Sprague, Livingston Merchant, James Killian, Clark Clifford, General Maxwell Taylor, and John McCone.

6. I have just completed my own survey of the Agency which has satisfied me that in general it is performing effectively the functions entrusted to it by law and by the National Security Council and that its organizational structure is basically sound.

7. I believe, however, that some modifications of its organization and in the scope and emphasis of certain of its activities may be desirable. Specifically, I believe that improvements can be made in the organizational arrangements and procedures through which coordinated National Intelligence Estimates are produced. I hope to be able to streamline and improve the facilities within the Agency for the automatic or computerized handling, storage, and dissemination of information. I also believe that the resources available for research and analysis, particularly as an adjunct to the formulation of estimates of probable political trends and occurrences in foreign countries, should be reviewed and can perhaps be strengthened.

8. Another factor of cardinal importance to the Central Intelligence Agency is the cover and security available for its operational personnel overseas. [*18 lines of source text not declassified*]

9. I believe that steps can also be taken which will improve the effectiveness of the intelligence community as a whole. As far as capabilities for the collection and rapid dissemination of data are concerned, [*4½ lines of source text not declassified*]. We also have plans for a new satellite borne photographic reconnaissance system providing [*1½ lines of source text not declassified*]. Finally, as I have suggested in paragraph 3., I believe that we should proceed with the design and development of a satellite photographic system which would include a [*less than 1 line of source text not declassified*]. This would permit us to follow certain events and developments in foreign and potentially hostile regions on an hour-to-hour basis almost as they occur. Obviously the development of such a capability would be expensive and may burden the facilities presently available to exploit and interpret photography. Nevertheless, I believe that we should acquire this new system and am as-

sured by technical experts, including Dr. Edwin Land of the Polaroid Corporation, that it is technically feasible.

10. In addition to plans for improving our collection systems, we also are undertaking action calculated to insure that our automated facilities and related procedures for the storage, collation and rapid retrieval and dissemination of information of interest to the intelligence community as a whole are modern and as efficient as possible.

11. *Another matter of considerable importance, as I have also indicated in paragraph 3., is the need for greater centralization of control over the intelligence activities conducted in the Department of Defense.* [*3 lines of source text not declassified*] They are managed through three principal programs:

a. *The Consolidated Cryptologic Program* (CCP). The bulk of communications intelligence and electronic intelligence activities of the United States Government are managed under the CCP, the total budget for which runs in FY1969 to about [*dollar amount not declassified*]. The National Security Agency is responsible for this effort to the Secretary of Defense, to whom the Director, NSA, reports through the Director for Defense Research and Engineering.

b. *The National Reconnaissance Program* (NRP). This program encompasses all projects for the collection of intelligence and of mapping and geodetic information obtained through overflights of denied areas by both manned aircraft and satellite vehicles. It is managed by the National Reconnaissance Office (NRO), the Director of which is simultaneously the Assistant Secretary of the Air Force for Research and Development, although the Director, NRO, reports directly to the Deputy Secretary of Defense on reconnaissance matters. The budget for the NRP for FY 69 is approximately [*dollar amount not declassified*]. Guidance to the reconnaissance effort is provided by an Executive Committee consisting of the Deputy Secretary of Defense, the Special Assistant to the President for Science and Technology and the Director of Central Intelligence.

c. *The Consolidated Intelligence Program* (CIP). This program includes the various activities of DIA and the military services which collect and produce information of primary interest to military planning, operations and readiness. These activities include a considerable mapping and charting effort, peripheral reconnaissance (as distinguished from overhead reconnaissance conducted under the NRP), the Defense attaché system and the Atomic Energy Detection System. The cost of these programs amounts to [*dollar amount not declassified*] in FY 69. The CIP is the direct responsibility of the Director, DIA, who reports to the Secretary of Defense through the Joint Chiefs of Staff.

12. Although existing arrangements for the control and review of these three individual programs are adequate, no machinery exists in the Department of Defense for the interrelation of all three programs

with each other. A common element in the review of these programs is afforded by my own representatives who participate in the review of each individual program. I have no managerial authority over components of the Defense Department, however, and my influence over these programs is necessarily limited to broad and generalized guidance. I have recently established a National Intelligence Resources Board (NIRB),[2] with the Deputy Director of Central Intelligence as Chairman and the Director of the Defense Intelligence Agency and Director of Intelligence and Research in the Department of State as members, to help me determine what resources are really needed in the intelligence effort. My role, however, as far as Defense Department programs are concerned is advisory only. I have no authority to compel any action with respect to Defense Department activities. No other machinery exists, below the level of the Deputy Secretary of Defense, through which integrated control of these programs is actually exercised.

13. In view of the sensitivity and importance of intelligence programs, it is essential that those conducted under the managerial authority of the Secretary of Defense should continue to be supervised and administered by individuals with direct access to the very highest level of the Department of Defense. In recent years oversight and policy direction of these three programs has been increasingly the responsibility of the Deputy Secretary of Defense personally. It is important that no intermediate echelon should develop to constitute a bureaucratic layer between the Deputy Secretary and the Directors of these three important programs. On the other hand, experience has proved that it is impossible for a man with the broad responsibilities of the Deputy Secretary of Defense individually to exercise continuing administrative supervision over the complex of activities represented in these three large programs. Nor would it be desirable to add this responsibility to the functions of any of the Assistant Secretaries. Accordingly, I believe that a very senior and competent individual who is thoroughly experienced in intelligence should be appointed to act as an Assistant to the Deputy Secretary with a small staff to advise and assist the Deputy Secretary on matters relating to intelligence resources.

14. *Another subsidiary change calculated to improve the management of intelligence programs would be to divest the Director, National Reconnaissance Office of responsibility for any matters other than the reconnaissance program itself.* At the moment the Director, NRO, is also the Assistant Secretary of the Air Force for Research and Development, a responsibility which has seriously limited the time and attention which he can

[2] For documentation on the establishment of the NIRB, see *Foreign Relations,* 1964–1968, volume XXXIII, Organization and Management of Foreign Policy; United Nations, Documents 278 and 285.

devote to the affairs of the National Reconnaissance Program. It should be possible to arrange some official designation, in the Air Force or otherwise, which would explain his presence in the Defense Department and serve as a cover for his actual activities but which would nevertheless not detract from his efficiency by burdening him with administrative or other responsibilities outside the reconnaissance field. I also believe that the Director, NSA, should report directly to the Deputy Secretary of Defense instead of through the Director for Defense Research and Engineering who, however, should be consulted on matters in all three intelligence programs which have technical or engineering implications.

15. I believe that with these changes in arrangements for the supervision of intelligence in the Defense Department it should be possible for us to reduce the cost of certain existing programs and activities, some of which produce data and information of marginal importance. Economies and improvements in the efficiency of existing programs would permit us, I hope, to offset the substantial cost of developing new and expensive facilities, such as the capability for an immediate readout of satellite photography which I have mentioned above, and which are badly needed to improve the effectiveness of our over-all effort.

Richard Helms

---

180. Memorandum From [*name not declassified*] of the Central Intelligence Agency to the President's Assistant for National Security Affairs-Designate (Kissinger)[1]

Washington, January 7, 1969.

SUBJECT

The Intelligence Community

1. The National Security Act of 1947 established the Central Intelligence Agency. The authority given the Director of Central Intelligence by the Act was twofold: he is the President's principal intelligence advisor and also the operating chief of the Central Intelligence

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 1, HAK Administrative and Staff Files—Transition, Nov. 1968–Jan. 1969, C.I.A. Confidential.

Agency. As Director of Central Intelligence, the Director attends NSC meetings as an advisory member.

2. The United States Intelligence Board was set up to assist the Director of Central Intelligence in discharging his mission as the President's principal intelligence advisor. In addition to the Director of Central Intelligence, who is its Chairman, United States Intelligence Board consists of the Deputy Director of Central Intelligence, as the CIA representative, plus the Directors of Defense Intelligence Agency, National Security Agency, and the State Department Bureau of Intelligence and Research, and deputy directors from the Federal Bureau of Investigation and the Atomic Energy Commission. Senior military officers attend as advisors to the Director of Defense Intelligence Agency. They have the statutory right of dissent if they do not agree with the Director of Defense Intelligence Agency.

3. National Intelligence is that intelligence which is produced and fully coordinated by members of the intelligence community for use by high-level policy makers. The National Intelligence Estimate (NIE) is the prime example of national intelligence. So, too, is the daily *Central Intelligence Bulletin.* All concerned members of United States Intelligence Board approve a draft NIE, or dissent in writing if they disagree with any part of the estimate.

4. Departmental intelligence is that intelligence produced individually and not coordinated with other community members. It is usually produced solely for use within the producing agency or for lower-level policy makers. Examples: INR Studies, DIA Summary, Vietnam Sitrep.

5. Defense Intelligence Agency was created in 1961 to eliminate the cumbersome and often duplicate efforts of collection and production of intelligence within the Department of Defense. The separate services still produce detailed technical intelligence for use by their operating units. Defense Intelligence Agency produces a single all inclusive daily Department of Defense publications for all the services. Thus, the senior officials, both civilian and military, read the same intelligence and are not being subjected to biases which sometimes were evident when each service produced its own intelligence publication.

6. The State Department's Bureau of Intelligence and Research provides policy oriented political intelligence for the Secretary of State and other department officials.

7. The Federal Bureau of Investigation has responsibility for counter-intelligence activities in the United States, therefore, a representative sits in United States Intelligence Board to participate in meetings when the internal security of the United States is discussed.

8. Atomic Energy Commission has the responsibility for providing information regarding the monitoring and analysis of nuclear detonators of foreign nations.

9. The President's Foreign Intelligence Advisory Board (PFIAB), now chaired by General Maxwell Taylor, is comprised of former high ranking government officials and prominent businessmen who agree to monitor in the President's behalf the caliber of the intelligence community's performance. PFIAB meets regularly or at the call of its Chairman for the purpose of assessing the intelligence "record" during a crisis (the Tet Offensive in 1968, for example), to receive briefings on emergent crises. It assures the Chief Executive of an impartial, outside evaluation of the intelligence he receives.

10. In addition to PFIAB, there exist a number of lesser known advisory or consultative boards established for the purpose of coordinating field collection, determining national intelligence priorities, for ensuring that the latest technological advances are exploited for whatever intelligence value they may have, for overseeing security procedures throughout the Federal Government, etc. During your visit to Central Intelligence Agency in Langley on 8 January, R. J. Smith, the Deputy Director for Intelligence, will be prepared to provide you with a "15 minute" briefing on the intelligence community. Between now and Inauguration, I will have brought to New York whatever organizational charts, explanatory texts, etc., you may wish.

[*name not declassified*]

---

181. Memorandum From Director of Central Intelligence Helms to Secretary of State Rogers[1]

Washington, January 22, 1969.

SUBJECT

President's Daily Brief

1. The President has today authorized me to send you the *President's Daily Brief.* The *Brief* is designed to give the President a systematic but concise review of the day's most significant intelligence. It is hand-tailored to his personal needs and he controls its content and its distribution.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01580R, Box 1, Folder 10, State. Secret; Sensitive. Drafted by Godfrey on January 21.

2. The *Brief* is all-source including the most sensitive materials at hand. This in turn requires special handling: the *Brief* is not permitted to move through normal intelligence channels. Rather, it is delivered directly to your office by my couriers for you personally. The couriers will pick up the previous issue when they deliver; the only files are in my office and the White House. I would appreciate it if you would ask your personal assistant to contact Mr. E. Drexel Godfrey, Director of Current Intelligence, extension 7424, to make arrangements.

3. The only other authorized recipients are the Secretary of State, the Secretary of Defense, the Attorney General, the Chairman, Joint Chiefs of Staff, and the Special Assistant to the President for National Security Affairs.

4. The schedule of production and delivery is not yet firm. For the next few days we will be printing in the afternoon and the *Brief* will be available about 1800. We can deliver either in the evening or the following morning, at your convenience.

Richard Helms[2]

[2] Printed from a copy that indicates Helms signed the original.

---

182. Memorandum From Frank Chapin of the National Security Council Staff to Director of Central Intelligence Helms[1]

Washington, January 23, 1969.

1. After a half hour wait in an outer office permeated with understandable turmoil, I had my first meeting with Mr. Kissinger at 5:00 p.m. yesterday.

2. It was largely a question-and-answer session with little opportunity for an orderly presentation on the origins and functioning of the 303 Committee, although some of the functioning aspects were worked in. Mr. Kissinger observed that I would find he asked many questions. I responded that I would do my best to answer them or get him answers promptly. [2 *lines of source text not declassified*]

[1] Source: National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee Records, The 40 Committee. Secret; Eyes Only.

3. Prefacing his questioning with the comment that he is inexperienced in the intelligence field and in covert actions, he wanted to know:

a. Once a proposal is considered and approved by the Committee, does he then have to obtain the President's approval? I explained that this would be a matter for his judgment. Sometimes the Committee approves, sometimes it is elevated to the Secretaries of State and Defense, and some items are taken to the President. I cited the Radios[2] as certainly falling into the latter category.

b. Once a proposal is approved, does it go on ad infinitum? I assured him not and stated that the Committee would be so advised. I also mentioned status reports.

c. Are there contingency plans in every proposal covering what will be said and done in the event something goes wrong? I explained that there is contained in every 303 Committee paper an assessment of the security and risks involved but generally not a specific contingency plan—although this is taken into consideration in the operational planning. In this connection I explained that in submitting any proposal to the Committee your procedure is to have standing by outside of the Situation Room the Division or Staff Chief, or other most qualified officer, to discuss any details Committee principals might request. Mr. Kissinger stated rather emphatically he was going to want to know about contingency plans in order to protect the President. I would suggest that a new section in the 303 papers might be appropriate on this point.

d. What is the origin of proposals? How do they reach the Committee? I explained that they might originate with an ambassador, COS, Headquarters, in the State Department or in the Committee itself. He expressed considerable interest in the latter and thought the Committee members should be generators. He said I would find that he was not averse to covert operations (despite his previous line of questioning) as long as they were *supplemental* to U.S. policy and overt operations. I assured him we felt the same way. I think it would be useful to get to him fairly soon the long range think-piece that the CA Staff is compiling in view of his expressed interest in new ideas.

4. Other highlights:

a. Mr. Kissinger will not consider a paper at a 303 Committee meeting unless he has it in hand at least 48 hours in advance. He wants the other principals to have the same opportunity to staff and study them. I assured him this would be done.

---

[2] Reference is to Radio Free Europe and Radio Liberty.

b. He expressed a preference for scheduling 303 Committee meetings at 10:00 a.m. on Tuesdays. He would like the first meeting on Tuesday, 28 January 1969, to be a general briefing on the Committee and on-going activities contained in the Briefing Book which he had quickly scanned in an earlier meeting with you. He indicated that this meeting should encompass at least two hours. I suggested that such briefings might be spread out a bit more and that the decisions on the Radios were rather pressing, but he was called to the President's office at this point. As he left, he indicated a desire to talk to me further on Friday, 24 January.

c. Mr. Kissinger requested that I identify for him, as his staff member, those items in the Briefing Book on which he should brief the President. If you have particular guidance on this I shall appreciate it.

In response to his query, I suggested that the special relationship existing with [*less than 1 line of source text not declassified*] was one item on which the President should be knowledgeable. [*3½ lines of source text not declassified*] I would guess that at least in earlier meetings of the Committee Mr. Kissinger may wish to ask for more detail on operational methods and techniques than has been usual in the past.

d. Mr. Kissinger expressed absolutely no knowledge of the JRC and NRO Schedules, which I had listed as a tentative agenda item. It would therefore seem desirable for General Steakley to provide a briefing, either at the Committee meeting or beforehand.[3]

F.M.C.

[3] In a February 13 memorandum to Helms, Karamessines indicated that he and Chapin planned to meet with Mitchell on February 17 to "give him a very brief rundown on the history of the 303, describe its current procedures, and give a general indication of the types of matters that are referred to it." (Central Intelligence Agency, O/DDO Files, Job 79–00480A, Box 7, Folder 1, US4—Other Government Agencies, 1969)

183. Memorandum From the Director of Central Intelligence's Deputy for National Intelligence Programs Evaluation (Bross) to Director of Central Intelligence Helms[1]

Washington, January 27, 1969.

SUBJECT

Report on the Organization of CIA and the Intelligence Community

1. I am submitting herewith my report on the organization of CIA and the intelligence community.[2]

2. As I have pointed out before, the report is in considerable measure an explanation and a defense of existing organizational arrangements (particularly as regards the Agency). Parts I., II., and V. of the report are purely expository. Part III. includes a discussion of what have appeared to me to be some of the more complicated organizational problems in CIA and some indication of my reasons for believing that the organizational dilemmas which these problems present should be resolved in favor of the existing structure. In reaching these conclusions I do not intend to imply that everything is working perfectly. I simply mean that organizational changes in themselves will not, in my opinion, improve the effectiveness or efficiency of particular programs.

3. Part VI. contains a discussion of what appear to me to be the important factors involved in an assessment of the present organization of the community. Here again, except for the specific actions proposed, I do not believe that organizational changes are needed to improve the over-all intelligence effort although improvement is clearly necessary and possible and will depend more on the individual competence and qualities of leadership of the senior managerial officials of the community than anything else.

4. It will be noted that some at least of the items which I have included in the list of matters requiring action are really not organizational matters. Possibilities for improving dissemination of counterintelligence information, personnel procurement or research facilities do not necessarily have organizational implications. They do, however, involve the interrelationship of several organizational components and, it seems to me, are properly noted within the context of an organizational survey because of their importance.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 4, Folder 2, Intelligence Community Reorganization. Secret. A copy was sent to the Deputy Director of Central Intelligence.

[2] Attached but not printed is the Report to the DCI on the Organization of CIA and the Intelligence Community, January 20.

5. Finally, it will be noted that most of my specific recommendations call for further reviews. This is not because of any particular reluctance on my part to take a position on the problems at issue. All of them, however, are extremely complicated and their solution involves what are in very considerable measure subjective judgements. It seemed to me unlikely, within the time frame of this review and without a staff which was larger than appeared necessary or desirable under the circumstances, that I could develop conclusions which were sufficiently informed and which reflected anything like the consensus necessary to support really helpful recommendations. On the other hand, it seemed to me that it would be helpful to identify those areas where additional attention and review would really serve a useful purpose.

6. Attached, in addition to the survey itself, is a brief summary of specific recommendations.[3]

John A. Bross

[3] Attached but not printed. Comments on Bross' report by Abbot Smith and John Huizenga, Director and Deputy Director of Office of National Estimates, respectively, are in Central Intelligence Agency, DDI Files, Job 80–R01621R, Box 1, Folder 19, D/ONE Files, 1969. Comments on the report by DDI Jack Smith are ibid., Job 80–R01442R, Box 2, Folder 13, National Intelligence Program Evaluation (NIPE), 1969.

184. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, February 4, 1969.

SUBJECT

Helms' Memorandum of Understanding re Covert Operations

The attached is, I think, an accurate reflection of what you said to Dick Helms a few days ago on covert financing. But—for the record—we need your official approval.

[1] Source: National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee Records, The 40 Committee. Secret.

Recommendation

That you approve the attached memorandum.

Approve[2]

Disapprove

Approve as amended

Attachment[3]

Memorandum Prepared in the Central Intelligence Agency

Washington, undated.

1. In the course of a meeting with the President on 30 January 1969 at the White House,[4] there was a discussion of the guidelines which emerged for the Katzenbach report of March 1967[5] concerning covert action operations. These guidelines established that:

"It should be the policy of the United States Government that no federal agency shall provide any covert financial assistance and support, direct or indirect, to any of the nation's educational or private voluntary organizations."

2. As a result of the discussion, it was agreed that the guidelines should be modified along the following lines:

a. In the future the restrictions of the Katzenbach guidelines would not be applied to Agency collaboration with [*1½ lines of source text not declassified*]

---

[2] The President checked this option.

[3] Secret; Sensitive. Helms forwarded the memorandum to Kissinger under cover of a February 3 memorandum in which he stated that he thought Kissinger would "find it accurate and faithful to the understanding reached" at the January 30 meeting with the President. (National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee Records, The 40 Committee)

[4] According to the President's Daily Diary, the President met with Rogers, Helms, Kissinger, and Thomas Karamessines and Cord Meyer (CIA) from 11:08 a.m. to 12:15 p.m. on January 30. (National Archives, Nixon Presidential Materials, White House Central Files) In a telephone conversation with the President on February 4, at 5:35 p.m., concerning the January 30 meeting: "K[issinger] said Helms had reported that nothing had given his staff such a shot in the arm—first time a President took him seriously in eight years." (Library of Congress, Manuscript Division, Kissinger Papers, Box 359, Telephone Conversations, Chronological Files)

[5] For text, see *American Foreign Policy: Current Documents, 1967*, pp. 1214–1217. For background information, see *Foreign Relations*, 1964–1968, volume XXXIII, Organization and Management of Foreign Policy; United Nations, Document 260.

b. No covert financial support should be provided to American foundations or educational institutions.

3. Proposals for Agency operations in the area of [*less than 1 line of source text not declassified*] will be presented to the 303 Committee for review and approval.

RN

---

185. Memorandum for the Record[1]

Washington, February 5, 1969.

SUBJECT

Minutes of the Meeting of the 303 Committee, 5 February 1969

PRESENT

Mr. Henry A. Kissinger (Chairman), Mr. U. Alexis Johnson,
Mr. David Packard, and Mr. Richard Helms
Mr. Robert P. Mayo and Mr. C. W. Fischer were present for Item 1.
Mr. Cord Meyer and Mr. [*name not declassified*] were present for Items 1, 2, and 3.
Mr. William Trueheart was present for the entire meeting.

The Chairman opened the meeting with some general remarks before commencing discussion on the agenda items. Deriving from these remarks, it was agreed:

a. that each Tuesday, 10:00 a.m. will be reserved for the 303 Committee meeting[2]
b. that a systematic review of all current on-going activities will be undertaken for the information of the Committee principals. This is not to interfere with presentation of new proposals requiring consideration
c. that in the future, covert actions before the Committee will be subjected to an annual or other specified time review, or be approved subject to a specific termination date
d. that future covert action proposals will contain a section describing the possible consequences of disclosure of the operation and contingency plans therefor.

---

[1] Source: National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee, Minutes, 1969. Secret; Eyes Only. Prepared by Chapin on February 6. Copies were sent to Johnson, Packard, Helms, and Mayo (item 1 only).

[2] Minutes for meetings of the 303 Committee and its successor, the 40 Committee, are ibid. There are minutes for 18 meetings in 1969, 19 meetings in 1970, 17 meetings in 1971, and 3 meetings in 1972. Also included are records of "telephonic approvals": 1 for 1969, 3 for 1970, 11 for 1971, and 24 for 1972.

The Chairman stated that in his discussions with the President, the President had demonstrated an interest in the origin of covert action proposals and asked that the Committee undertake to identify those major national objectives which can be usefully supported by supplemental covert actions and to generate proposals for this purpose.[3] It was made clear that covert action proposals are to be supplemental to and in support of overt Government activities. There are to be no covert actions for the sake of having covert actions. There was unanimous agreement with this thesis.[4]

[Omitted here is discussion of 4 agenda items.]

Frank M. Chapin

---

[3] Written in an unidentified hand in the margin next to this sentence is the following: "is concerned above all that covert actions support overall national objectives. He wants a general plan & not depend only on local conditions."

[4] In the second part of a telephone conversation with Attorney General John Mitchell, February 5 at 6:05 p.m., Kissinger reported as follows:

"President and HAK wondered whether the AG might be willing to serve on the 303 Committee, which is in charge of covert activities of the USG overseas. It would be a way to keep him connected with our foreign policy operations. HAK told him it meets once a week, Tuesdays at 10:00, and its function is to approve new operations which CIA is to undertake, and to review old ones. He said the President wouldn't insist on it if the AG's schedule is too full. Attorney General said he would certainly like to attempt to do it. HAK said he would make sure AG got briefing book the day before and, if he agrees, he would send Frank Chapin by to bring the AG up to date. If AG could spare a half hour, Chapin could tell him what it is all about.

"Mitchell agreed to try it, and HAK said the President would be very pleased if he would find it possible to do so.

"HAK said, 'We'll see you next Tuesday at 10:00. We meet in the Situation Room.' He pointed out that the AG would be the senior member of a group which is at the deputy level, but that didn't bother the AG." (Library of Congress, Manuscript Division, Kissinger Papers, Box 359, Telephone Conversations, Chronological File)

---

186. Editorial Note

A telephone conversation between the President's Assistant for National Security Affairs Henry Kissinger and Attorney General John Mitchell on February 11, 1969, at 2:40 p.m., began with a discussion of a draft Executive Order proposing changes in the organization of the President's Foreign Intelligence Advisory Board:

"AG said he was calling about Foreign Intelligence Board on which he seems to be the central clearing house. K said this is not new. AG said both Laird and Helms feel this is upgrading the activity. Laird is concerned that this may be running afoul of comparable setup in the

Congress and it should be made clear that the Board is to have advisory functions—should be called the Foreign Intelligence Advisory Board. K said we took the Advisory out in order to have it new, but that neither he nor the President have any views on it. AG said both Laird and Helms mentioned the fact that the title is being changed to Executive Director and they feel this upgrades the position. K said he would take this up with General Taylor tomorrow when he comes in—he is the source of the recommendation. AG referred to K's section 1, para 3, Helms has a point on this which seems to have merit—something on the positive side should be said. AG read language which K said sounded good to him.

"K said he would talk to Taylor about all of this tomorrow and with the President on Thursday morning—he will let AG know results by Noon Thursday. K asked whether this would have to go back to BOB—AG said he thought we could just send them a copy." (Library of Congress, Manuscript Division, Kissinger Papers, Box 359, Telephone Conversations, Chronological Files)

Kissinger and Helms continued the discussion in a telephone conversation the following day at 8:45 a.m.:

"Discussed Foreign Intelligence Advisory Board—K said he is going along with H on this. H said Coyne has tried to get the position upgraded a couple of times before." (Ibid.)

---

187. Memorandum From Director of Central Intelligence Helms to Secretary of Defense Laird and the Deputy Secretary of Defense (Packard)[1]

Washington, February 27, 1969.

SUBJECT

Major Intelligence Problems, Particularly in the SIGINT Field

1. With further reference to my memorandum of 18 February,[2] I am enclosing a paper which outlines my views on the Government's SIGINT activities.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 14, Folder 8, DCI Chron 1969. Top Secret; Handle via Byeman Comint Channels.

[2] Not found.

2. In July 1967 the President directed that a special review of these activities be conducted by the Director of Central Intelligence. The purpose of the review was to assess the efficiency of these operations and their responsiveness to national needs at minimum necessary cost. To assist me I appointed a special study group chaired by Mr. Frederick M. Eaton, which submitted its report in August 1968. Since then I have received comments on the report from various elements of the Department of Defense as well as from the Director of the Bureau of the Budget. A copy of the Eaton report is attached.[3] The other members of the study group were Mr. Livingston Merchant, General Lauris Norstad, and Mr. Eugene Fubini.

3. The annexed memorandum sets forth in rather general terms some of the conclusions which I have reached after considering the Eaton recommendations and the various comments on them. I propose ultimately to transmit my recommendations concerning possible measures to improve the organization and administration of the SIGINT effort to the President through you. Before putting such recommendations in final form, however, I would like to discuss with you personally the broad outlines of the main problem as I see them. In anticipation of such a discussion, the attached paper provides a summary of my views. When you have had a chance to review it, I should appreciate an opportunity to talk to you about specific actions that may be taken.

Richard Helms[4]

Attachment

Memorandum From Director of Central Intelligence Helms

Washington, undated.

Conclusions Concerning Possible Improvements in the Organization and Administration of U.S. SIGINT Programs

1. There is a need to bring together review of the three major intelligence programs of the Department of Defense (the Consolidated

[3] Not attached. Documentation on the Special Study Group (known as the Eaton Group) is in the Central Intelligence Agency, Executive Registry Files, Job 80–R01580R, Sigint Study Group. Copies of the report are ibid., Job 86–B00269R, Box 8, Folder 39, Eaton Report—16 August 1968; and ibid., Box 14, Folder 125, The Eaton Report, Comint and Elint Program, 16 Aug 68.

[4] Printed from a copy that indicates Helms signed the original.

Cryptologic Program, the Consolidated Intelligence Program and the National Reconnaissance Program). As you know, these account together for something on the order of 85% of the total resources devoted to national intelligence. In the past these programs have been considered by separate reviewing authorities, which has complicated the problem of identifying gaps and redundancies in the intelligence effort as a whole. Better arrangements are needed for identifying and evaluating all the resources and activities committed to the coverage of particular targets and problems, particularly where high cost systems are involved. It is also important that all of the Defense Department's intelligence programs at the national level should be kept under more or less continuous review and that this be done with full recognition of the relationship of each to the others and to the total efforts of the community. In this way it should be possible to assess more clearly the intelligence impact of resource decisions. It was largely to facilitate the process of continuing review of the totality of the Defense Department intelligence effort that I recommended that you appoint a senior official to act as a Special Assistant to the Deputy Secretary for intelligence resource matters.

2. Resources must be more closely related to intelligence needs than they now are. I believe that we have made considerable progress in trying to achieve this. Among the more important steps is the establishment of the National Intelligence Resources Board (NIRB), consisting of top representatives of the principal intelligence producers, i.e., DIA, State and CIA, chaired by the Deputy Director of Central Intelligence. The purpose of this Board is to provide me with informed advice concerning the real need for particular systems or activities when the information which they produce, or are likely to produce, is balanced against their cost. We have established a Target Oriented Display (TOD) to assist the NIRB in identifying and assessing the totality of resources applied to particular national intelligence needs. In this connection, we will need your help in persuading certain elements of the intelligence community to conduct their business so that they can be adequately responsive to calls for information on the resources which they deploy, including cost data.

3. We are also endeavoring to devise more effective means of arriving at an accurate assessment of the true value of the intelligence which is eventually produced as a result of the operation of particular resources. This is a most complex problem and we have been trying to attack it in several different ways, including the use of advanced methods of systems analysis.

4. The mechanism of the U.S. Intelligence Board (USIB) and its functional committees has been useful in developing intelligence requirements in the first instance. A good deal of progress has been made

in developing procedures to provide a continuing assessment and refinement of these requirements with the objective of keeping the flow of raw intelligence information within reasonable and effective bounds. This problem has been exacerbated by the steadily increasing technical effectiveness of collection systems. Here we have encountered a certain amount of natural reluctance to make hard selective decisions concerning what data is really essential or at least important. I suggest that we will all have to work together to achieve a proper balance between the "nice to know" and the "need to know."

5. Much thought has been given to the desirability of attempting to formulate a long term national intelligence plan to determine the objectives, targets and priorities of the intelligence effort. A plan, in the conventional sense of the word, is probably too elaborate and rigid a format for the provision of practical guidance for intelligence activity. It is hard to conceive of a planning document which would be very helpful in projecting the intricate and multitudinous activities contemplated for American intelligence activity over an appreciable period of time. An alternative would be a series of program memoranda related to the intelligence effort against the more important areas. Such memoranda could define the objectives of the effort in the area, describe the resources committed and recommend the maintenance of a particular level of effort and the allocation of particular resources to this effort. The recommendations of the memoranda, insofar as they relate to resources, would be based, in part at least, on the results of systems evaluations completed during the course of a program year. Preparation of such program memoranda would be the joint responsibility of the DCI's staff and designated elements of the Defense Department.

6. One of the most difficult problems in the SIGINT field is to achieve a proper allocation of resources as between those devoted to national requirements and those which are necessary to support military units, particularly in the case of ELINT. Under NSCID 6,[5] NSA is assigned the mission to provide "an effective unified organization and control of the COMINT and ELINT intercept and processing activities of the U.S." This would appear to be ample authority for NSA but in practice this centralized control has been eroded. At the heart of the problem is the fact that almost all the collection resources of the CCP are operated by one of the three service cryptologic agencies (SCA's). The SCA's are oriented in large measure to the needs of their respective parent services. Thus, while NSA nominally has tasking authority over all COMINT and ELINT collection facilities, it has perforce dele-

[5] Reference is to NSCID 6, Communications Intelligence and Electronic Intelligence, September 15, 1958, and January 18, 1961; neither found.

gated control of a substantial portion of these facilities to the SCA's so they might fulfill the intelligence needs placed upon them by their parent services. Particularly in the area of ELINT collection, resources programmed against national requirements are at times diverted to meet the tactical needs of local military commanders without the consent of the Director, NSA. The result has been that a portion of the resources of the CCP which are allocated and justified on the basis of national intelligence needs are subsequently tasked to meet other requirements.

There are some resources which are now clearly and unequivocally being tasked for exclusively tactical needs. Such resources should be identified by careful study, then removed from the CCP and assigned to the sole jurisdiction of the military commands they are serving, as elements essential to military operations and readiness. Criteria should be not the nature of the equipment but the purpose it serves. They should be funded through normal service channels rather than under one of the national intelligence programs. By undertaking such action, I believe that some of the tugging and hauling for resources that now goes on between NSA and the military services can be eliminated.

7. The authority of the Director, NSA over all resources, other than those transferred to the military services or commands on the grounds that they serve essentially tactical purposes, should be confirmed and strengthened.

8. It would be desirable to do away with the present subordination of the Director of NSA to DDR&E, and to have him report directly to the Deputy Secretary, recognizing that additional staff support in the form of the senior assistant proposed will be necessary. The establishment of a cryptologic career within the services should be encouraged and supported. Steps toward this objective have already been taken but further progress is possible.

9. The capability of the Director, NSA for direction and guidance of the cryptologic community should be strengthened by the assignment of senior officials with experience and competence in planning and programming.

10. Existing arrangements between the National Reconnaissance Office (NRO) and the rest of the intelligence community, including NSA, appear to me generally satisfactory. The NRO agreement was negotiated with considerable difficulty with a view to accommodating conflicting interests. It has provided an increasingly effective mechanism through which the potentialities and capabilities of various agencies of the Government for overhead reconnaissance have been exploited. Design, development and operational control of overhead sensors has proceeded under the overall direction and coordination of the Director, NRO. Guidance to this effort is established through the appropriate USIB mechanisms which determine the number, frequency

and objectives of missions required from particular sensors, e.g., the resolution of photography for certain purposes, frequencies, band widths and general characteristics of signals to be intercepted, is determined as a result of a dialogue between the substantive elements of the community (acting through USIB) and the appropriate echelons of the NRO. [*less than 1 line of source text not declassified*] is adequately represented in USIB and maintains effective working relationships, at the technical level, with the NRO.

The processing facilities of NSA play an essential part in the exploitation of data collected from SIGINT satellite operations just as the National Photographic Interpretation Center (NPIC) plays an essential part in the exploitation of overhead photography. Action to ensure that facilities for processing the take from overhead reconnaissance activities are adequate can be taken through the appropriate USIB mechanisms and in any event should be part of the program review responsibilities of the managers of the intelligence programs. The measures recommended above to establish more centralized supervision over the intelligence activities of the Defense Department would help to ensure that appropriate action is taken to relate all processing facilities to all collection activities.

11. I believe that these general conclusions can serve as the basis for specific actions to improve the efficiency and effectiveness of the management of all Defense Department intelligence programs, including specifically SIGINT.

188. Executive Order 11460[1]

Washington, March 20, 1969.

ESTABLISHING THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. There is hereby established the President's Foreign Intelligence Advisory Board, hereinafter referred to as "the Board." The Board shall:

(1) advise the President concerning the objectives, conduct, management and coordination of the various activities making up the overall national intelligence effort;[2]

(2) conduct a continuing review and assessment of foreign intelligence and related activities in which the Central Intelligence Agency and other Government departments and agencies are engaged;

(3) receive, consider and take appropriate action with respect to matters identified to the Board, by the Central Intelligence Agency and other Government departments and agencies of the intelligence community, in which the support of the Board will further the effectiveness of the national intelligence effort; and

(4) report to the President concerning the Board's findings and appraisals, and make appropriate recommendations for actions to achieve increased effectiveness of the Government's foreign intelligence effort in meeting national intelligence needs.[3]

SEC. 2. In order to facilitate performance of the Board's functions, the Director of Central Intelligence and the heads of all other departments and agencies shall make available to the Board all information with respect to foreign intelligence and related matters which the Board may require for the purpose of carrying out its responsibilities to the President in accordance with the terms of this Order. Such information

---

[1] Source: 34 *Federal Register* 5535. Documentation on the formulation of the executive order—including the draft executive order prepared by PFIAB member Frank Lincoln, revisions urged by PFIAB Chairman Maxwell Taylor, and objections raised by Laird and Helms—is in the National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 274, President's Foreign Intelligence Advisory Board—Vol. 1 [1969]. Also see Document 186. Significant differences in E.O. 11460 from E.O. 10938 of May 4, 1961, which it replaced, are footnoted below. E.O. 10938 is in 26 *Federal Register* 3951.

[2] E.O. 10938 stated that "the function of the Board shall be to advise the President with respect to the objectives and conduct of the foreign intelligence and related activities of the United States which are required in the interests of foreign policy and national defense and security."

[3] E.O. 10938 required the Board to report to the President "each six months or more frequently as deemed appropriate."

made available to the Board shall be given all necessary security protection in accordance with the terms and provisions of applicable laws and regulations.

SEC. 3. Members of the Board shall be appointed by the President from among persons outside the Government, qualified on the basis of knowledge and experience in matters relating to the national defense and security, or possessing other knowledge and abilities which may be expected to contribute to the effective performance of the Board's duties.[4] The members of the Board shall receive such compensation and allowances, consonant with law, as may be prescribed hereafter.

SEC. 4. The Board shall have a staff headed by an Executive Secretary, who shall be appointed by the President and shall receive such compensation and allowances, consonant with law, as may be prescribed by the Board. The Executive Secretary shall be authorized, subject to the approval of the Board and consonant with law, to appoint and fix the compensation of such personnel as may be necessary for performance of the Board's duties.[5]

SEC. 5. Compensation and allowances of the Board, the Executive Secretary, and members of the staff, together with other expenses arising in connection with the work of the Board, shall be paid from the appropriation appearing under the heading "Special Projects" in the Executive Office Appropriation Act, 1969, Public Law 90–350, 82 Stat. 195, and, to the extent permitted by law, from any corresponding appropriation which may be made for subsequent years. Such payments shall be made without regard to the provisions of section 3681 of the Revised Statutes and section 9 of the Act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 672 and 673).

SEC. 6. Executive Order No. 10938 of May 4, 1961, is hereby revoked.

Richard Nixon[6]

---

[4] E.O. 10938 stated that "members of the Board shall be appointed from among qualified persons outside the Government."

[5] This section is new.

[6] Printed from a copy that bears this typed signature.

189. Memorandum From Frank Chapin of the National Security Council Staff to the Deputy Director for Plans, Central Intelligence Agency (Karamessines)[1]

Washington, April 21, 1969.

SUBJECT

Oral Briefings of the 303 Committee

I refer to Item 2, *Integration of Covert Actions with U.S. Policy,* in the minutes of the 303 Committee meeting of 15 April 1969[2] and to our conversation the day following this meeting.

I believe Dr. Kissinger, in raising the point at the 15 April meeting, was expressing more than one concern. I think he is mindful that the Committee has not yet been brought fully up to date on on-going covert actions approved by the previous administration. He also is seeking reassurance that such activities do in fact have a relationship to and are in support of U.S. national objectives. Additionally, I believe he has in mind the thought that the Committee members themselves might generate ideas for covert actions in support of broad U.S. national objectives. He has several times raised these interrelated concerns.

It seems to me that in preparing an oral briefing, or briefings, as the Director suggested in the 303 Committee meeting, all of the above points should be borne in mind. I think that in briefings on any individual activity there should be stress on how that activity is supplemental to and in support of overt U.S. programs and activities designed to further U.S. objectives in the country or region concerned. I also believe that some general comments on how covert actions originate, how they are carefully coordinated and evaluated and endorsed throughout various policy levels up to and including the 303 Committee might be in order. I think Dr. Kissinger is still seeking a certain amount of reassurance that some covert operations are not devised, planned, and implemented without appropriate integration into the over-all U.S. national objectives for a given area or on a world-wide basis.

Lastly, Dr. Kissinger has more than once expressed the view that ideas for covert operations in support of broad U.S. objectives might

---

[1] Source: National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee Records, The 40 Committee. Secret.

[2] At the April 15 meeting "the Chairman raised the question of the status of a review of covert actions to make sure that they fit into and are in support of overall U.S. national policy objectives." Helms "suggested that this might best be handled by an oral briefing and said he would arrange for such a briefing to reflect how these activities are integrated as supporting elements to U.S. policy objectives." (Ibid., Minutes)

well be generated within the 303 Committee forum. He has repeatedly expressed interest in receiving the "future ideas" paper which you mentioned was being worked on in the Agency in your late January 1969 briefing of him. Hence, I think he would be interested in hearing of any suggestions for future covert actions in support of U.S. policy objectives even though they might require a good deal of developmental work before they could be presented in any concrete form.

You might wish to check these impressions with the Director sometime to see if he agrees that the points cited above are what are bothering Dr. Kissinger.

Frank M. Chapin[3]

[3] Printed from a copy that bears this typed signature.

---

190. Memorandum From the Deputy Director of the Office of Economic Research, Directorate of Intelligence, Central Intelligence Agency (Walsh) to the Acting Deputy Director for Intelligence (Proctor)[1]

Washington, June 4, 1969.

SUBJECT

Relations with DIA

1. This memorandum is in response to the recent request of the DDI for delineation of those major problems with DIA which would be appropriate for discussion by the DDCI and, hopefully, resolvable at his level with DIA.

2. For the past four years components of OER engaged in work on the Vietnam War have worked very closely with their DIA counterparts. The wide variety of relations between the two agencies have included exchanges between working level analysts, informal and formal coordination of intelligence reports, participation in joint working groups and the publication of joint intelligence reports. The working relationship between the two agencies is better than it was a few years

[1] Source: Central Intelligence Agency, DDI Files, Job 79–T01159A, Box 4, Folder 3, Defense Intelligence Agency, 1969–1970. Secret.

ago and there has been marked progress in developing more consensus and agreement on critical intelligence problems. Nevertheless, the relationship has been an exceedingly trying experience which has frequently impeded the intelligence process, particularly on matters of national intelligence concern.

3. Our difficulties with DIA reflect both institutional arrangements and management practices within DIA, and the basic DIA philosophy about its relationship to the national intelligence community on the one hand and to the field commanders and their intelligence units on the other hand.

Institutional-Management Factors

4. Several facets of DIA organizational arrangements and management practices have a disruptive effect on harmonious and effective CIA–DIA relationships. Some of the more important of these follows:

a. DIA has chosen to diffuse and to decentralize a number of the intelligence functions associated with the Vietnam War. At the same time, however, they have not set up procedures or machinery to coordinate or resolve differences of view between the separate DIA units that may be concerned with a particular aspect of the war. Thus CIA may find that it cannot reach agreement with DIA because two or more relatively autonomous DIA units are in disagreement. Apparently such a disagreement can only be resolved at the highest levels of DIA, levels to which lesser ranking units are unable or reluctant to bring their cases. As a result, the DIA position frequently becomes such a watered-down compromise that it is not meaningful, or the reaching of CIA–DIA agreement is impossible or must be deferred for unacceptably long periods of time.

b. Another obstacle to effective inter-agency relationships results from a DIA unwillingness to authorize its officers—at almost every level—to enter into official inter-agency agreements on intelligence questions. It is not uncommon after days of hammering out an "agreed" position to find that the position accepted by the DIA representative is completely unofficial and informal. Moreover, the subsequent amendments to the DIA representative's position are so numerous and from so many different levels of the organization that any supposed agreement is rapidly undone.

The Philosophy Problem

5. This heading is a rubric for a basic DIA approach to the intelligence function that is a constant irritant to effective inter-agency relations and, more significantly, has a harmful impact on the whole national intelligence function.

6. The problem arises from the conflicting pressure within DIA on the one hand, to present the best possible input into national intelligence and on the other hand to conform with and to support the intelligence judgments of the military services and field commanders. This dilemma has several untoward results. DIA frequently feels compelled,

for example, to espouse viewpoints of field commanders with which it does not agree. Or, in seeking to accommodate divergent views, DIA produces intelligence that inadequately presents the views of either side. This situation in one famous instance—the enemy strength debate—delayed for over 15 months the production of highly significant national intelligence.

7. This entire philosophical dilemma is pertinent to the very basic issue of determining the fundamental purpose and function of a national defense intelligence agency—should it be an independent and objective intelligence voice for the Department of Defense or should it be a conveyance for the intelligence views of field commanders?

Paul V. Walsh

---

191. Memorandum From [*name not declassified*] of the Central Intelligence Agency to Director of Central Intelligence Helms[1]

Washington, June 18, 1969.

My reconstruction of The President's remarks at the NSC meeting this morning:[2]

"People have been showing a tendency to use intelligence to *support* conclusions, rather than to *arrive at* conclusions. I don't mean to say that they are lying about the intelligence or distorting it, but I want you fellows to be very careful to separate facts from opinions in your briefings.[3] After all, I'm the one who has to form the opinion—I'm the only one who has to run, I'm the one who has the sole responsibility when things go to pot.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–B01086A, NSC Meetings. Secret. Helms sent copies of the memorandum to the Deputy Directors for Intelligence, Plans, and Science and Technology, the Chairman of the Board of National Estimates, and the Special Assistant for Vietnamese Affairs, under cover of a June 18 note stating: "This is an accurate reflection of what the President said, and we must be most scrupulous in abiding by his wishes."

[2] The NSC met for a discussion of U.S. strategic power and SALT. Notes of the meeting are in the National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–022, NSC Meeting 6/18/69 SALT (NSSM 28) [1 of 2].

[3] Helms added the following words to this sentence in a marginal notation: "and in your intelligence papers."

"The fact is that the intelligence projections for 1965, 1966, 1967, and 1968—and I've seen them all—have been up to 50 percent off in what the Russians were going to have—and on the low side.

"Now, certainly we can have opinions, and I want to hear them expressed here in this room, but we have got to start with fact, and all the fact, and reach the conclusions on the basis of hard fact. Is that understood now?"

[*name not declassified*]

---

192. Letter From Director of Central Intelligence Helms to the Deputy Secretary of Defense (Packard)[1]

Washington, July 22, 1969.

Dear Dave:

I have read Bob Froehlke's tentative report on Defense intelligence with great interest.[2] It seems to me that he has done an impressive and commendable job. In general his recommendations are compatible with views which I have held for some time and the over-all thrust of his report in the direction of greater centralization and control over Defense Department intelligence resources seems to me highly desirable.

The details of how to implement his recommendations will obviously take some time to work out. For example, formulation of a truly consolidated Defense intelligence program, as he proposes, is a complicated matter and it may take considerable time to develop satisfactory procedures for the issuance of calls and assembling of data for such a program. Until this can be done, you may wish to continue the existing individual program presentations. I think it particularly important, at least for the time being, to continue to give independent visibility to the National Reconnaissance Program because of its importance and expense and also because our congressional committees are familiar with it.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 3, Folder 25, Defense Intelligence Reorganization. Secret; Handle via Byeman Control System Only.

[2] See Document 193 and footnote 2 thereto. A copy of Froehlke's Tentative Report on Defense Intelligence, July 11, is in the Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 3, Folder 25, Defense Intelligence Reorganization.

I note that objective 4 of the report calls for a reappraisal of security policies and procedures. I have no objection to such a review but, if one is to be initiated, I would like to be associated with it in view of my statutory responsibility for the security of intelligence sources and methods.

The observation in the report to the effect that in practice there are fluctuations in manpower and money from approved levels seems to me particularly pertinent. A corollary of improved programming procedures for intelligence activities of the Defense Department should be the establishment of more effective controls to ensure that resource levels in fact conform to program decisions.

Two specific recommendations of the report give me concern. One is the location of the proposed Special Assistant. While I heartily concur in the need for such an Assistant, his location appears to me a matter of prime importance. Because of their sensitivity, complexity, expense and national importance, matters involving intelligence, including resource management, have heretofore normally been handled by the Deputy Secretary of Defense personally. In view of the overall burden of responsibility on the Deputy Secretary, it seems to me desirable that he should delegate some of his responsibility in the intelligence field and certainly that he should be assisted by a trusted and competent senior official with an appropriately qualified staff.

I am extremely doubtful, however, whether this function of assisting and acting for the Deputy Secretary on intelligence matters can properly be performed by any individual, no matter how able, who is simultaneously charged with performing all the responsibilities given to any of the established Assistant Secretaries. Any existing Assistant Secretary would only be able to devote part time to intelligence matters which would have to compete for his attention with other important matters. This means inevitable delay in decision making in an area where quick reaction is essential. It also means that the actual work of developing, negotiating and coordinating positions on intelligence matters would be delegated to a subordinate staff level. Given the political significance and importance of many of the problems which determine the need for intelligence activities and the technical complexity and diversity of these activities as well as the fact that they must be responsive to a broad spectrum of officials and components of the Government, it seems to me important that their general supervision be the personal responsibility of a senior official and not delegated to a subordinate level.

As to the location of the Special Assistant, I therefore come down very strongly in favor of Bob Froehlke's option 4.

My second concern is with the proposal to replace the Executive Committee of the NRO with an Executive Council charged with ad-

vising the Secretary of Defense on all intelligence matters. It is not clear to me how substitution of the new proposed Council would affect the administration of the national reconnaissance program with which of course I am personally involved.

The Executive Committee of the NRO as far as I know is a unique institution in Government. It provides, in effect, a forum in which those with participating interests in the development and operation of the national reconnaissance program can meet and make speedy and reasonably informal decisions. The agreement provides that in the event of disagreement the Secretary of Defense will meet with the Executive Committee and make the final decision. This arrangement has worked very well and has given me and the intelligence community what has seemed to me an appropriate voice in the program. I do not believe that the new Council would be as satisfactory for this purpose.

What is perhaps more important, a Council with larger membership, such as the one proposed, would probably not have the flexibility and capacity for prompt action which characterizes the present Executive Committee. In addition, it is an arrangement which has been worked out through years of difficult negotiation. In view of the critical nature of the information involved and the expense of the programs, together with the strong Congressional interest in this area generally, I believe we should be most circumspect in altering an arrangement in which we have joint responsibilities without carefully measuring losses as against possible gains.

I assume that any change in the arrangements for the administration of Defense Department intelligence resources would not be intended to change the relationship which currently exists between the USIB and my office generally and the intelligence agencies and components of the Defense Department through which general guidance is provided concerning the objectives and priorities of the national intelligence effort. Both the National Reconnaissance Program and the SIGINT program of the United States are, of course, national programs.

In this connection the suggestion has been made that the Special Assistant for Intelligence would replace the Director, DIA on the National Intelligence Resources Board. I would welcome such an arrangement. I assume, however, that the Directive, DIA would continue to represent the Defense Department on the USIB.

Sincerely,

Dick

193. Memorandum by Secretary of Defense Laird[1]

Washington, August 1, 1969.

MEMORANDUM FOR

Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research and Engineering
Assistant Secretaries of Defense
Assistants to the Secretary of Defense
Directors of the Defense Agencies

SUBJECT

Responsibilities for Intelligence in the Department of Defense

After carefully reviewing the attached memorandum and Report from Bob Froehlke, Dave Packard and I have decided that changes are required to improve the management of intelligence functions within the Department of Defense and have accepted Bob's recommendations. Accordingly, I hereby assign additional responsibilities for intelligence to the Assistant Secretary of Defense for Administration (ASD(A)).

In discharging these responsibilities I fully expect the ASD(A) to improve the effectiveness and efficiency of the defense intelligence community. In order to accomplish this improvement he is charged with the following responsibilities:

1. To establish an intelligence resource review and decision making process which will comprise:

a. A mechanism for making comparisons and appropriate trade-offs between major intelligence activities and programs so that DoD decision makers can select the most efficient and effective systems for collecting, processing, producing, and disseminating intelligence.
b. A Five-Year Intelligence Resource Plan.
c. A procedure for identifying and surfacing major issues of intelligence resource allocation and management.
d. A continuing system for review of intelligence collection requirements balanced against collection resources.

2. To improve intelligence communications among DoD agencies and between the Department of Defense and other agencies.

3. To evaluate intelligence organizational relationships, roles, and missions.

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 74 132, Intelligence Matters. For Official Use Only.

4. To review security policies and eliminate unnecessary classification and compartmentation.

I expect the ASD(A) to be fully in business—staff aboard and office space selected, equipped, and placed in operation—by October 1, 1969. In the interim, to insure a smooth transition, I would appreciate it if you would continue to work on such intelligence papers or projects you might have which now become his responsibility with a view toward (a) finishing the paper or project in coordination with Bob, or (b) taking the necessary steps in conjunction with Bob to transfer the action to him.

The important thing is to insure that nothing "drops through the crack" during this transition period.

In view of the importance of this assignment, both to the Department of Defense and to the nation, I would appreciate your giving the Assistant Secretary of Defense for Administration your complete and continuing support in this effort.

Mel Laird

Attachment[2]

Report Prepared by the Assistant Secretary of Defense for Administration (Froehlke)

Washington, July 29, 1969.

Report on Defense Intelligence

Introduction

In the months ahead it is likely that intelligence products which are as timely and as accurate as our resources can conceivably make them will be even more critical than they are today. There are serious and severe problems within the Defense intelligence community. Many of these problems stem from the methods we presently employ to allocate intelligence resources against requirements. Others relate to

[2] Froehlke forwarded the report to Laird under cover of a July 29 memorandum in which he discussed the comments he had received following circulation of his Tentative Report on Defense Intelligence to interested parties in the intelligence community on July 11. He indicated he had revised his report in light of the comments without changing his basic recommendations. Froehlke prepared the report in response to Laird's April 29 memorandum assigning him additional duty as Special Assistant for Intelligence to the Secretary and Deputy and requesting him to provide within 45 days a study of the intelligence efforts in DOD. (All ibid.)

inadequacies in the collection and utilization of intelligence or to difficulties in the estimating processes.

As a result of my investigation, I have concluded that:

—In the area of resource allocation, a new line function must be established.

—In the other areas an improved staff element is necessary in OSD rather than a line function.

This report therefore proposes that a Special Assistant be established to perform the line resource allocation function and to improve OSD staff participation in the other areas.

Background

In 1953, the Secretary of Defense established the position of Assistant to the Secretary of Defense (Special Operations). This Assistant recommended policies and provided guidance on planning and program development to DoD intelligence agencies and components, reviewed plans and programs, developed DoD positions on intelligence problems, and made recommendations to the Secretary on the actions necessary to provide for more efficient and economical operations. In practice the position was almost exclusively concerned with supervision of NSA. It was seriously handicapped by the lack of a charter to function as the focal point for DoD intelligence resource management.

In 1960, a Presidential Task Force, chaired by Lyman Kirkpatrick, was directed to study the organizational and management aspects of the intelligence community. The Task Force recommended the establishment of a focal point within OSD to exercise broad management review authority over military intelligence programs, and to provide overall coordination of all foreign intelligence activities conducted by various defense components. The report emphasized the operation and use of intelligence rather than resource management. However, it was one input considered when DIA was established in 1961. The DoD press release of 2 August 1961, announcing the establishment of DIA, stated that a "more efficient allocation of critical intelligence resources, more effective management of all DoD intelligence activities, and the elimination of duplicating facilities and organizations" was expected. The position of Assistant for Special Operations was disestablished concurrently with the establishment of DIA. His responsibilities vis-à-vis NSA were assigned to DDR&E.

Today, under the umbrella of the Consolidated Intelligence Program (CIP), the DIA "manages" only about 25% of the DoD resources devoted to satisfying both military and "national" intelligence requirements. The bulk of the resources are found in a number of other programs such as the Consolidated Cryptologic Program (CCP), or are treated outside any formal program.

The Secretary of Defense is faced with the problem that there is no review which compares the resources in one program targeted against a requirement with the resources committed against the same requirement in another program. Similarly, there is no arrangement for evaluating information requirements in terms of intelligence objectives. In addition, this situation has been complicated by excessive classification and security compartmentation, which tend to isolate programs and thwart comparisons.

Objectives

The ultimate objective of a good intelligence program is to provide a better intelligence product to the consumers; a product which is as timely and as accurate as our resources can conceivably make it. The attainment of this overall objective requires improvements in (1) collection and utilization of intelligence; (2) the estimating processes; and (3) allocation of resources. The functions of a Special Assistant are different with respect to the operational and estimating processes of the intelligence community than they are with resource management.

Any organization or personnel changes resulting from this report should be made to achieve the following objectives listed in priority. (You will notice that these objectives are primarily aimed at resource management and intelligence policies, and not management of intelligence operations of a day-to-day nature. This does not imply that the management of the intelligence operations is flawless. On the contrary, there is substantial dissatisfaction with certain operations of defense intelligence. However, improved management and operations can better result through improved personnel and policies rather than a radically new organization.) The objectives are:

Objective 1. To establish a resource review and decision-making process for major intelligence activities. By resource review I mean determining the appropriate level and mix of significant resources for the satisfaction of intelligence requirements. There are inseparable reinforcing objectives which are essential elements of this overall Objective. These inherent objectives are: (1) To establish a mechanism for making comparisons and appropriate trade-offs between major intelligence activities and programs so that DoD decision-makers can select the most efficient and effective systems for collecting, processing, producing, and disseminating intelligence (What form this mechanism takes is relatively unimportant. It should be simple and understandable. I'll refer to it, whatever form it takes, as the Consolidated Defense Intelligence Program (CDIP)); (2) to improve Defense intelligence resources allocation planning for the mid-range period by establishing a Five-Year Intelligence Resource Plan updated annually; and (3) to focus attention on decisive points in this program by developing major issue studies on unresolved problems of intelligence resource allocation and management.

Existing DoD intelligence resource programs (CIP, CCP, and others) are institutionalized and are not evaluated in relation to mutual target objectives or in terms of mission-oriented information needs.

The DoD intelligence community at the present time does not know the minimum level of information that will satisfy a stated requirement. While there is no upper boundary on intelligence requirements, there is a limit on resources. Therefore, resource limitations make it important to ascertain requirements as precisely as possible. We need to insure that all valid requirements are met to some minimum level, without going to higher levels on some requirements while ignoring other valid requirements. In other words, the risks involved in acceptance of reduced or alternate levels of efforts must be known.

The focus of intelligence planning and programming activities tends to be in the near term period (one or two years ahead). Long lead times for modern technical collection systems, automated processing systems and automated analytic and production aids create the need to develop a long term intelligence resource plan. Without such planning, intelligence decisions rely on short term considerations. Further, there is a tendency to develop options made available by rapidly expanding technology simply because they are available.

In the present programming process, recommendations reaching the Secretary and Deputy Secretary show fluctuations in manpower and money from previously approved levels but more significant issues do not tend to surface within DoD. Frequently, past decisions on elements or systems having high dollar value or significant ramifications in a functional area have been reached through the mechanism of ad hoc groups convened by the Secretary/Deputy Secretary of Defense to study each problem when it arises—generally in a time frame which does not permit in-depth analysis.

Objective 2. To improve information flow and policy transmission on intelligence matters between the DoD and other government agencies concerned with intelligence resources by functioning as DoD focal point for interagency relations.

Currently, below the Secretary/Deputy Secretary of Defense level, no single agency or individual has the authority to participate across the board in an effective dialogue at the highest levels with non-DoD agencies. Representation today is fragmented among a number of DoD intelligence officials none of whom possesses the necessary responsibility for all DoD programs. Since the Special Assistant will not be the sole DoD representative in the intelligence community, it is indispensable that senior DoD intelligence officials do not operate independently of each other.

Objective 3. To obtain a more efficient distribution of the functional responsibilities of the DoD intelligence agencies and organizations

through an evaluation of their organizational relationships, roles, and missions.

The U.S. Congress, in the HACIT Report of 1968,[3] and other government agencies have been concerned that the military Services are performing functions specifically delegated to the DIA and vice versa. Additionally, the relationship of the National Security Agency (NSA) to counterpart agencies in the military Services as well as to the Unified and Specified Commands, has been questioned. The institutional structure of the Defense intelligence community is the result of a piecemeal process which seldom addressed the interrelationships of the elements in the community as a whole.

Objective 4. To improve intelligence flow by insuring that a realistic reappraisal of security policies and procedures is undertaken with a view toward modifying standards which lead to unnecessary classification and over-compartmentation of intelligence information. (Obviously any activity along this line would have to be coordinated among all elements of the intelligence community and with the DCI specifically.)

Dialogue between the participants in DoD intelligence programs is restricted. As a result, at times officials charged with reviewing existing programs are denied information essential to the formulation of recommendations.

Organization

I recommend that you name one individual to act as the Special Assistant to the Secretary/Deputy Secretary of Defense for defense intelligence. He would be responsible for intelligence resource management. In addition, he would act as staff advisor to the Secretary/Deputy Secretary of Defense for all other DoD intelligence activities. The solution to our current problems in intelligence management will not be found in the panacea of mass reorganization. There are no clear cut solutions to the problems we face. The Special Assistant will be feeling his way along a path that will require the closest cooperation of all members of the intelligence community to insure meaningful progress.

The Special Assistant will make the trade-offs among intelligence programs competing for resources. Directors of DoD intelligence agencies would of course have the right of reclama to the Secretary or Deputy Secretary of Defense. In other matters, the Directors of DoD intelligence agencies would report to the Secretary but the Special Assistant would act as the Secretary's principal staff element.

---

[3] Not found.

On occasion the Special Assistant would undoubtedly direct certain broad management activities other than resources. When so doing, he would be acting for the Secretary/Deputy Secretary. (It would serve little purpose to attempt to delineate to what extent and when the Special Assistant would become involved in day-to-day operations. Suffice that he will become involved at the pleasure of the Secretary/Deputy Secretary and probably about as often as they have in the past.) For substantive intelligence matters this approach will allow essential and healthy differences in intelligence judgments within the community to continue to exist and to be presented to the Secretary/Deputy Secretary.

I recommend that the Special Assistant, as a management technique, create a forum where the leaders in the Defense intelligence community can discuss and communicate items of general interest. In time it could become a decision making body. The exact make up of the forum and its modus operandi should be left to the Special Assistant. (This forum was labeled the DoD Intelligence Board in my tentative report.)

I further recommend the establishment of an Executive Council for Defense Intelligence. It can either supersede or serve in addition to a similar committee. If it supersedes, the similar committee should continue as a subcommittee of the Executive Council. In that way, all the understandings and agreements that were involved in setting up the existing committee could be continued.

The Council should consist of the Deputy Secretary of Defense as Chairman, the Director of Central Intelligence, the President's Scientific Advisor, the Chairman of the JCS and the Director, Defense Research and Engineering. The Special Assistant would sit ex officio.

The Council would be an advisory body (however with the Deputy Secretary as its Chairman, its advice would certainly be heeded). The primary purpose of setting the Council up would be to have the benefit of this advice. An important fringe benefit would be the communication channel it would provide to and from the intelligence community. Ideally, as time goes on, the Council should do the following things:

1) Guide and participate in the formulation of resource programs.
2) Recommend to the Secretary of Defense an appropriate level of effort for resource programs.
3) Recommend allocations of responsibility and corresponding funds for R&D for appropriate systems.
4) Recommend approval or modifications to the resource programs.
5) Periodically review essential features of the major programs.

Staffing Alternatives

There are a series of staffing alternatives which provide varying levels of capability to achieve the objectives outlined.

Three alternatives to provide staff support to the Special Assistant have been considered:

Alternative 1. Provide a nucleus of intelligence expertise for the Special Assistant, leaving currently assigned responsibilities of OSD elements essentially as they are now. It is estimated that it would require five professionals and two clerical spaces for this staff.

Alternative 2. Transfer professional positions and the necessary clerical support currently dealing with intelligence resource management to the office of the Special Assistant. The objective would be to consolidate a number of existing intelligence management activities in one office. The transfer of positions might be accomplished as follows (This does not necessarily mean incumbents would transfer with the position.):

ASD(A)	3
DIA	5
DDR&E's Office of Special Intelligence	4
ASD(SA)	2
	14

Alternative 3. Enlarge the proposed intelligence staff to a level at which it would be capable of performing, on a totally centralized basis, the full range of intelligence resource management functions: development and ranking of requirements, mid-range planning, program and budget development, and review of intelligence issues. While a detailed analysis of personnel requirements has not been made, it is estimated that it would take about 150–200 professionals to accomplish these functions.

In determining which staff Alternative to recommend, I considered each in light of the objectives listed earlier:

> *Objective 1.* (Establish a resource review and decision making process for intelligence resources management.)

The Special Assistant and his staff would have to: (1) Establish and conduct an objective-oriented Consolidated Defense Intelligence Program (CDIP) which would encompass all DoD managed intelligence resources (Tactical intelligence resources—once defined—would not be managed by the Special Assistant. However, he must be cognizant of them to the extent that he can properly evaluate their impact on the employment of resources allocated to the satisfaction of the highest level military and national intelligence requirements); (2) Establish a Five-Year Intelligence Resource Plan to improve intelligence resource allocation planning for the mid-range period; and (3) Formulate major issues of intelligence resources allocation and management.

Initially, it will take a considerable number of man years to achieve this objective. I do not think the staff should be set up for the initial

surge of personnel needs. This initial surge could be met on an ad hoc basis from within DoD.

This is the highest priority Objective. Presently it is not being met. Decision makers need a framework for selecting alternative options and corresponding levels of effort. Establishing a CDIP to provide this framework, and conducting an annual review has primary claim on manpower assigned to the Special Assistant. An early goal should be the reduction of detail that currently characterizes the present intelligence reviews (CIP and CCP). There is unanimous agreement that excessive detail makes these reviews unwieldy and makes it necessary to devote manpower to these efforts to an unwarranted level. (The Directors of the DoD intelligence agencies will be directly responsible for the development of their respective programs.)

The Five-Year Intelligence Resource Plan will strive: (1) to permit resource allocation decisions to be made as early as possible, especially for long lead-time items; (2) to explore the adequacy of resources to meet future needs; (3) to present the costs and benefits of satisfying various levels of intelligence needs; and (4) to understand better the resource implications of satisfying various future requirements.

A major factor in the development of the Plan is the pressing need to establish a continuing system for review of intelligence collection requirements against collection resources, taking into account costs and risks. No means exist at present for accomplishing this, since there is no measure of value for levels of information. No one knows how much information is essential and we have only sketchy estimates of what it costs to obtain the information. (There are a number of efforts underway which, hopefully, will structure a solution to this problem.)

The formulation of major issues is closely tied to the preceding objectives, and much of it can be accomplished in the process of gaining those objectives. Formulating major issues has never been attempted successfully in the Defense intelligence community. It is, however, necessary in order to determine the proper courses to follow.

In theory Objective 1 could be accomplished by any of the three staffing Alternatives. However, if Alternative 1 (the minimum staff) were selected, the Special Assistant would operate principally as a monitor, with the major effort fragmented among DoD agencies. As a practical matter, therefore, it is questionable whether Alternative 1 could do the job.

Objective 2. (Improve intelligence communications among DoD and other agencies.)

It is envisioned that the Special Assistant would act as the DoD intelligence management contact with DCI, BOB, PFIAB, and other non-DoD members of the intelligence community. One of the less obvious responsibilities would be to keep communication channels open at all times unimpeded by a lack of rapport and understanding.

Any one of the three staffing Alternatives could satisfy this Objective.

Objective 3. (Evaluate the intelligence organizational relationship, roles and missions.)

It appears that this could best be accomplished by an Ad Hoc study group. (The Defense Blue Ribbon Panel appears to be a likely candidate.) As a result, this could be accomplished under any of the Alternatives.

Objective 4. (Reappraise security policies and eliminate unnecessary classification and over-compartmentation in the intelligence field.)

This Objective would necessitate a review, under the aegis of the DCI, of current security policies and procedures. It is a continuing effort because of the ever present tendency to over-classify and over-do compartmentation.

There is a distinct feeling in the community that over-classification and over-compartmentation exist. It is a natural tendency and I observed evidence of it. If it is present in any significant degree, it certainly is bad because over-classification impedes the flow of information and over-compartmentation excludes agencies and individuals who may have a legitimate need for the information.

Both Alternatives 2 and 3 (the middle and maximum staffing Alternatives) could accomplish this Objective. Alternative 1 (the minimum staffing Alternative) could not accomplish it unless the function was farmed out to other OSD elements.

The primary advantage of Alternative 1 (minimum staff) is that it requires a minimum number of people under the Special Assistant. Cosmetically, this is advantageous.

The primary disadvantage of Alternative 1 is that it would be impossible for the Special Assistant to achieve the stated Objectives without relying almost entirely on a number of other elements in DoD. This raises the distinct possibility of the Special Assistant having the image of responsibility but not the ability to carry it out.

Alternative 2 (the middle staff) has the advantage of providing sufficient staff to meet all of the objectives and establishing the Special Assistant as the intelligence manager for the Secretary and Deputy Secretary of Defense. All the staffing would be under the supervision of the Special Assistant. It also clearly reduces fragmentation of DoD responsibilities for intelligence.

The disadvantage, if it really is one, is that this level of staffing will not allow the Special Assistant to become involved in the day-to-day operations of the intelligence agencies. Another disadvantage, if it is one, is that the Special Assistant will spend a good deal of his time dealing with DoD agencies and the rest of the intelligence community because staff will not be available.

At this stage, it is impossible to say whether or not the Special Assistant's duties will require his full-time attention: in other words, will the workload prevent assigning the job to an ASD as additional duty? From all my observations and conversations, I feel that it will not be a full-time job, although getting the new system started will certainly require a lot of attention. Once the new organization is started and running, you may perceive that it is indeed a full-time job. At that time the billet can be so designated. The same reasoning applies to the size of the staff: as more is learned about the workload, you will be better able to determine the size of the Special Assistant's staff. As of now, about 15 professionals appear to be adequate to get the system started.

Alternative 3 (maximum staff) has the advantage of being able to accomplish all objectives—and then some. It not only allows the Special Assistant to be primarily responsible for intelligence resource management but could permit him to become deeply [involved] in the day-to-day intelligence operations. The primary disadvantages of Alternative 3 are the cosmetic one of added manpower and the disruption caused by major reorganization. Both Congress and the intelligence community would react adversely to this.

Alternative 3, because of the considerable additional OSD manpower and disruption, does not make sense at this time.

Alternative 1 would be an improvement over the present but the lack of sufficient staff supporting the Special Assistant would probably leave responsibility diffused.

I recommend Alternative 2. It is a happy compromise. It would accomplish the four stated objectives with a minimum of reorganization and personnel.

Location of the Special Assistant

The number of options available for the location of a Special Assistant for Intelligence narrows down to five:

Option 1. "Normalize" present intelligence resource management and allocation with a Five-Year Intelligence Resource Plan, Development Concept Papers (DCP's) from the Director, Defense Research and Engineering, and Major Program Memoranda (MPM's) from the Assistant Secretary of Defense (Systems Analysis), with a minimum role being played by the Special Assistant.

Option 2. Assign to an existing Assistant Secretary of Defense the responsibilities described in this report for the Special Assistant for Intelligence.

Option 3. Establish the Special Assistant under the Joint Chiefs of Staff.

Option 4. Establish a Special Assistant to the Secretary of Defense as a separate office directly subordinate to the Secretary.

Option 5. Establish an Assistant Secretary of Defense (Intelligence).

Analysis of the Options

Option 1 does not truly integrate the DoD intelligence effort, and it puts sizing and development of intelligence forces under officials who have an interest in intelligence products for use in developing weapons or in setting force levels. It has the effect of placing the intelligence resource management responsibilities in the hands of officials who are customers for various parts of the intelligence product. (This Option actually lends itself only to staffing Alternative 1.)

Option 2 furnishes the man charged with the job with the prestige and authority, both inside DoD and with other government agencies, possessed by an Assistant Secretary of Defense. Further, the intelligence management function envisioned should not require the full-time attention of an ASD. However, when required, the authority of his office as an ASD is available.

Option 3. The JCS are oriented primarily toward strategic planning and direction and to those activities of the military Services which supply these functions. The assignment of intelligence resource management to the JCS would short-circuit those responsibilities for resource allocation and management charged to the Secretary of Defense and the Secretaries of the military departments. The JCS are also customers for major portions of the intelligence product. Their responsibility in intelligence management is more properly one of providing views based on the intelligence needs of the JCS and the combat forces.

Option 4 would probably accomplish the objectives but is handicapped by the lack of position and authority normally associated with an ASD. The Special Assistant in this Option is solely dependent on his relationship to the Secretary to accomplish the objectives. As a result, there is an aura of the "ad hoc" about a separate Special Assistant.

Option 5 would require redesignation of an existing ASD or Congressional action to add an ASD because of the statutory limit of seven Assistant Secretaries. The magnitude of the intelligence function suggested in staff Alternatives 1 and 2, in terms of manning levels and percentage of the total DoD budget managed, is relatively small and therefore militates against Option 5.

Recommendations

I eliminate location Option 1 (normalize present practice) and 3 (JCS) because it appears to me that either could result in the Special Assistant being unable to achieve the stated objectives.

I recommend Option 2 (assigned to an existing ASD).

If there is some reason that Option 2 is not selected, I would recommend Option 4 (Special Assistant) and finally Option 5 (New ASD).

Respectfully submitted,

Bob

194. Memorandum of Conversation[1]

Washington, September 15, 1969.

SUBJECT

Talk by Colonel Alexander M. Haig, Senior Military Adviser to the President's Special Assistant for National Security Affairs

1. Colonel Haig spoke on the evening of 15 September to the combined CIA military reservists and other interested CIA personnel. His subject: "The Role of the White House in the Conduct of National Security Affairs."

2. The most interesting portion of Colonel Haig's talk came about mid-way. He said that at the beginning of the new administration it became obvious to him and to Dr. Kissinger that "CIA wanted control over the intelligence getting to the President." Haig then went into a long song of praise for the high quality and timeliness of the CIA product that goes to the White House. But, he went on, the President did not want CIA to have exclusive control over intelligence material reaching him. The President, Haig explained, feels "the intelligence community is best served by a certain degree of competition."

3. Each morning the NSC staff sends a "presidential brief" to the President's office. CIA provides "the foundation" of this, but inputs are added from the Department of State and "others." In addition, the NSC staff itself adds "substantive analysis on operational matters." During the course of the day additional "ad hoc" information is passed to the President when its importance warrants.

4. The Situation Room at the White House is small and efficient, "but as battalion commander I had one 20 times as large," Colonel Haig stated. He added that he would like to "improve" the White House Situation Room "when funds become available." One thing he would like to add is some equipment for "the storage and immediate retrieval" of information.

[Omitted here is Haig's discussion of the National Security Council system.]

[*name not declassified*]
Deputy Chief
Western Hemisphere Division, OCI

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01580R, Box 1, Folder 2, White House. Secret. Drafted on September 23.

195. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to Director of Central Intelligence Helms[1]

Washington, October 18, 1969.

SUBJECT

303

The President has requested that henceforth all CIA programs of a clandestine or covert nature which normally involve approval by the 303 Committee be subject to review by the Committee every 12 months. Such programs which have not been reviewed by the 303 Committee will be terminated or held in abeyance pending 303 approval.[2]

Henry A. Kissinger

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 3, Folder 33, C–17—303 Committee. Top Secret; Sensitive.

[2] According to the minutes of the 303 Committee meeting on October 17, "The Chairman asked for re-affirmation of his understanding that CIA covert action proposals approved by the Committee are automatically cancelled if not reviewed by the Committee every six months or a year. Mr. Helms responded affirmatively with the suggestion that annual review is appropriate in most cases, but that the Committee can request six month or more frequent periodic reviews where desirable in specific instances." (National Security Council, Nixon Intelligence Files, NSC Files, 303/40 Committee Minutes, 1969)

---

196. Memorandum From Director of Central Intelligence Helms to the Chairman of the President's Foreign Intelligence Advisory Board (Taylor)[1]

Washington, October 23, 1969.

SUBJECT

Annual Report on Coordination of the U.S. Foreign Intelligence Effort

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 14, Folder 8, ER Files—DCI Chron, 1969. Top Secret; Handle via Byeman Comint Control Systems Jointly; Handle via Talent-Keyhole Channels Only.

1. I submit herewith my report on developments relating to the coordination of the U.S. foreign intelligence effort during the past year.

2. Last year I introduced my report with some preliminary observations about the complexity of the arrangements through which the intelligence activities of the Department of Defense were supervised and managed. I pointed out that substantially all intelligence activities in the Defense Department are funded through three major defense intelligence programs which are now constituted as follows:

a. SIGINT activities are carried out under the general over-all direction of the Director, NSA, in the Consolidated Cryptologic Program (CCP) at a cost in FY 1970 of [*dollar amount not declassified*].

b. The National Reconnaissance Program (NRP), in which CIA, the Air Force and other agencies of the government participate, functions under the National Reconnaissance Office (NRO) and is funded in FY 1970 at [*dollar amount not declassified*].

c. Other intelligence operations of the Defense Department, including peripheral reconnaissance, mapping and charting, service attachés, clandestine collection and other activities generally supervised by the Director, DIA, are funded through the Consolidated Intelligence Program (CIP) at a cost in FY 1970 of [*dollar amount not declassified*].

3. These programs were administered and supervised by the Deputy Secretary of Defense through different staff channels and as of last year no very satisfactory arrangements existed for the interrelationship of these three separate programs nor for an integrated review of problems common to all three. Responsibility for coordinating and evaluating the responsiveness of these programs to our common intelligence needs was seriously complicated by the lack of an adequate institutional framework through which common direction could be provided.

4. This problem was discussed on various occasions with the Secretary of Defense or his Deputy and various organizational solutions to the problem were suggested by different elements of the Defense Department and by my own representatives. I had a number of personal conversations on the subject with the present Secretary of Defense and his predecessor and their respective deputies. My own views were formally submitted to the present Secretary of Defense in the context of my comments on the Eaton report. In substance I recommended the designation of a Special Assistant for Intelligence who would be exclusively concerned with intelligence resource matters and would report directly to the Deputy Secretary of Defense.

5. The recommendations finally adopted by the Secretary of Defense differed in certain respects from my own views in that they established an existing Assistant Secretary (the Assistant Secretary for Administration) as the authority charged with supervision and coordination of Defense Department intelligence activities. Time may prove

that, given the complexity, importance and sensitivity of intelligence activities, it is not the best solution to combine responsibility for supervision of these activities with responsibility for the many other functions of any existing Assistant Secretary. I personally believe that it is unlikely that any individual will be able to perform the functions presently assigned to an Assistant Secretary and be able also to devote adequate attention to the problems of the Defense Department in the intelligence community. I believe, however, that the Secretary of Defense's decision to assign this responsibility to Mr. Froehlke, at least initially, is a definite step in the right direction and that it will serve very substantially to modify, if not totally eliminate, the difficulties resulting from lack of centralization of control of the Defense Department programs which I described last year.

6. As part of the new arrangements designed to strengthen managerial supervision of Defense Department intelligence activities and relate these activities as closely as possible to the needs of the community as a whole, it has been decided that Mr. Froehlke will replace the Director, DIA, as the Defense Department member of the National Intelligence Resources Board (NIRB). As I mentioned last year, the purpose of this Board is to provide me with informed advice concerning the need for individual activities or systems. The NIRB depends upon USIB for authoritative guidance concerning the community's requirements for information and their priorities. It is charged with responsibility for advising me in general terms whether the data acquired or anticipated from particular activities is really responsive to these informational requirements, and it develops judgments as to whether available or planned resources are worth their cost in light of the informational returns which they provide. In formulating its judgments, the NIRB is authorized to deal directly with the USIB committee structure and to task elements of the community. It has relied primarily on my National Intelligence Programs Evaluation Staff (NIPE) for staff support.

7. I believe that the Board will be greatly strengthened by Mr. Froehlke's presence as a member.

8. The organizational improvements described above appear to me to be particularly significant developments during the period covered by this report. I believe that developments under the following headings are of continuing interest to the PFIAB.

[Omitted here is the remainder of the memorandum.]

Richard Helms[2]

---

[2] Printed from a copy that indicates Helms signed the original.

197. Memorandum for the Record

Washington, October 24, 1969.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 275, PFIAB, Vol. II. Top Secret; Handle via Byeman Talent Control Systems Jointly. 4 pages of source text not declassified in time for publication.]

---

198. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, November 26, 1969.

SUBJECT

NIE 11–8–69, "Soviet Strategic Attack Forces"

Attached at Tab C is the intelligence community's latest effort at a comprehensive estimate of present and future Soviet strategic attack capabilities. (A covering memo from Director Helms is at Tab B.) A memorandum from Secretary Laird on the subject is at Tab D.[2]

I.

The highlights of the NIE are:

—The Soviets continue the buildup of the basic units of their force—the SS–9, large payload ICBM; the SS–11, Minuteman-type ICBM; and Polaris-type ballistic missile submarines—at rates at least equal to those of the past two years.

—The SS–9 is a real threat to Minuteman *if* the Soviets have a MIRV system for it and can make the missile carry the heavy MIRV payload the required distance.

—It is agreed that the heavy payload SS–9 could be made to go far enough to reach five of the six Minuteman complexes. Whether it could reach the sixth from present SS–9 sites is disputed.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 360, National Intelligence Estimates. Top Secret; Ruff; Umbra. Sent for information. A copy was sent to Lynn on December 9.

[2] The tabs are attached but not printed.

—The intelligence community is divided over whether the present tests of a triple warhead system for the SS–9 are aimed at developing a MIRV, but it is agreed that even if they are not, the Soviets could develop a hard-target MIRV capability for the SS–9 by 1972.

—The Soviets must be expected to develop a "next generation" of missiles. But progress this year on identified systems has been less than hectic. Work on solid fuel systems is going slowly; construction of test facilities for several systems has halted. However, several missiles, including a possible new land-based ballistic missile and a new submarine-launched missile have been tested.

—We know very little about the purposes of the Soviet force. That the Soviets desire strategic "parity" with the U.S. and will build at least 1,300 missiles is agreed. Whether they seek "superiority," how they would define it, and the likely upper limit of present ICBM construction plans are disputed. Moreover, little is known of Soviet doctrine on such matters as targeting or command and control.

—The force for "peripheral" strategic attacks, i.e., attacks on Europe and Asia but not the U.S.—which consists chiefly of medium and intermediate range ballistic missiles (500–3,000 miles) and medium bombers—continues to be maintained at approximately past levels.

The Soviets have begun deploying SS–11 ICBMs in what the intelligence community believes to be an IR/MRBM role and a prototype new medium-to-long range bomber has been sighted.

Numbers of major units are in the table on the next page.[3]

II.

This estimate illustrates what I believe are serious limitations in the process by which estimates are made. This process is an inadequate means for providing basic analysis of Soviet strategic developments and prospects for the future.[4]

1. The most serious defect is the lack of sharply-defined, clearly-argued discussions of the characteristics and purposes of Soviet strategic forces. Admittedly, it is harder to be precise about Soviet deployment objectives or war planning than about the wing span of a bomber prototype. But there is evidence relevant to these questions—ranging from studies of missile silo orientation to analyses of power relationships in the Politburo—and it should be reflected in the NIE.[5]

Since 1964, the Soviets have been steadily expanding their strategic forces. You are entitled to know from the intelligence community

---

[3] The source text does not contain the table indicated by Kissinger.

[4] Next to this paragraph the President wrote: *"agreed."*

[5] Next to this paragraph the President wrote: *"Right."*

what evidence we have to support various possible hypotheses about the motive for that buildup. Examples of such hypotheses are:

—a conservatively planned second strike or "assured destruction" posture deliberately designed to deter a U.S. attack using our present forces;

—a posture which hedges against a possible U.S. effort to approach or achieve a "first strike" capability;

—a posture reflecting a simple quest for numerical equality or slight margin of superiority for political bargaining purposes;

—a posture reflecting the largely purposeless pressure from Soviet "military-industrial complex" for ever-larger forces;

—an attempt to achieve a significant "first use" offensive capability through force superiority.

Instead, what discussion of Soviet objectives there is in the NIE is superficial. There is no analysis of the evidence, no systematic presentation of the alternatives. Indeed, there is not even a precise definition of what our people disagree about and what evidence would resolve their disputes.[6]

2. The NIE is too often satisfied with reciting facts and reluctant to raise fundamental questions about their significance.

As a typical example, the estimate notes that the Soviets have made two tests which may indicate development of a new, longer range (3,000 mile) submarine missile. The missile, however, appears to be too large to be fitted into the ballistic missile submarine they are now building without extensive modification.

Yet the NIE is silent on possible implications of this development.

—What are possible explanations for a new missile too large to be fitted into submarines now being built?

—Would a longer range missile complicate our ASW problem? Would it make continuous on-station patrolling easier for the Soviets?

3. The NIE too often fails to make explicit the judgments and background which underlie its conclusions.

For example, one disputed issue is whether the SS–9 has the range needed to target our whole Minuteman force.

—One side argues that we must assume it has because the Soviets would not continue to deploy SS–9 unless they were certain it had the range to carry out the anti-MM mission for which it is apparently intended.

—The other side says that the Soviets would not rely on their missile having the necessary range until they had tested it.

---

[6] Next to this paragraph the President wrote: *"I agree."*

Both sides, therefore, are making assertions about likely patterns of Soviet behavior. But neither presents evidence about either the apparent "rationality" of past Soviet weapon system development or the thoroughness of Soviet testing in the past.

4. Even on more technical issues, the NIE is sometimes inadequate. Dissents are certainly better than meaningless compromise euphemisms. But, where the intelligence community cannot agree on such basic questions as the hardness of Soviet silos, the accuracy of the SS–9, or whether the Soviets are developing a MIRV for the SS–9, we can at least expect that the disputants will explain precisely what it is they disagree about and will marshal the evidence for the competing positions. This is seldom done.

Furthermore, on some issues, there are disturbing indications that differences of opinion are more the product of efforts to defend previous views, than of different evaluations of current evidence.

For example, the CIA has abandoned its earlier insistence, adhered to as recently as last June, that 1,500 was an upper bound on Soviet ICBM deployment, but it now says the determinants of Soviet action are too uncertain to make any meaningful estimate of an upper limit.

III.

Secretary Laird's memorandum at Tab C sets forth the DIA position on "recent trends in Soviet strategic forces." Except for some updating to include recently-acquired data, it recites the same facts as the NIE, presenting the analysis in a way which supports the DIA position, as expressed in their various dissents in the NIE. But it is also without any general themes or working hypotheses about what the Soviets' strategic purposes may be.

IV.

I am continuing to examine what can be done to get more rigorous analysis and more effective presentation of evidence into the products of the intelligence community. I will have recommendations for improvements shortly.[7]

[7] The President wrote below this paragraph: "1) Improvements are essential; 2. This report is virtually useless—except for a superficial mindless recitation of what we know from the daily press, i.e.—the USSR is building lots of new missiles." "12–8–69" is written below in an unknown hand.

199. Editorial Note

Following up the President's December 9, 1969, letter to Ambassadors (Document 310), the Department of State transmitted an airgram to Ambassadors on December 17 concerning their responsibilities for the direction and coordination of intelligence activities. The airgram indicated that Chiefs of Station had been instructed to ensure that Ambassadors "are sufficiently informed of covert action projects and espionage and clandestine counterintelligence programs to enable you to make an informed judgment as to the political risks involved." For text of the airgram, see Document 311.

---

200. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, January 7, 1970.

SUBJECT

The Intelligence Information Handling Problem

Your Foreign Intelligence Advisory Board forwarded the memorandum at Tab A[2] recommending that you issue a directive which would centralize design and management responsibilities for intelligence information handling systems under the Director of Central Intelligence.

An identical proposal was submitted by the Board in 1967, but the intelligence community resisted it strongly, and the Board's report was finally sent to the community for information only.[3] Since a directive of the type recommended is difficult to enforce, I have asked my staff

---

[1] Source: National Archives, Nixon Presidential Materials, Agency Files, Box 275, President's Foreign Intelligence Advisory Board, Vol. III, 1–1–70 through 4–30–70. Confidential. Sent for information. A copy was sent to Lynn.

[2] Memorandum from Taylor to Nixon, September 8, 1969. (Ibid., Vol. II) Not printed.

[3] The July 20, 1967, memorandum from Clark Clifford, PFIAB Chairman, to President Johnson and NSAM 368, February 9, 1968, which requested the DCI to consider the recommendations in the memorandum, are printed in *Foreign Relations,* 1964–1968, volume XXXIII, Organization and Management of Foreign Policy; United Nations, Documents 268 and 273.

to try to develop some options in this area for your consideration. I also requested the views of the Director of Central Intelligence on the Board's recommendation. His views are attached (Tab B).[4]

Briefly, he feels that adequate progress is being made, that a more expansive approach would have undesirable budgetary implications, and that no Presidential Directive is needed now.

To assure that the senior officials of the intelligence community are fully aware of the potentials of information science and technology, and of its possible impact on the organization of the intelligence community, a seminar has been planned for January 8, 1970. At this seminar, the members of the Board's Information Handling Panel will discuss opportunities and problems in this area, and the principal invitees will have an opportunity to respond with questions or observations. Invitations are being extended to the head of each intelligence agency; to the Assistant Secretary of Defense for Administration, who coordinates these matters for Secretary Laird; and to a representative of the Bureau of the Budget.

Recommendation

I recommend that you postpone any action on this matter until after the seminar, at which time I will let you know the results of the seminar and the options which are available to you.[5]

---

[4] Memorandum from Helms to Kissinger, December 1. (National Archives, Nixon Presidential Materials, Agency Files, Box 275, President's Foreign Intelligence Advisory Board, Vol. II, 7–1–69 through 12–30–69) Not printed.

[5] Haldeman initialed the approval option for the President on January 12.

201. Memorandum From James Gardner of the Bureau of Intelligence and Research to the Deputy Assistant Secretary of State for Inter-American Affairs (Hurwitch)[1]

Washington, January 16, 1970.

SUBJECT

Responsibility of CIA to Consult Department on Issues Arising from Intelligence Collection

You have asked for an exploration of the issues raised by CIA's handling of [*less than 1 line of source text not declassified*], an item distributed in Washington [*2 lines of source text not declassified*].

[*4 lines of source text not declassified*] Mission chiefs in Buenos Aires, Montevideo, Lima, Rio de Janeiro, Sao Paulo, and Santiago were informed [*less than 1 line of source text not declassified*].

The Agency's decision not to interfere was reached on its own, without consultation or coordination with the Department of State. You have stated that policy considerations were involved in this decision and that it should not have been reached without consultation with the Department.

The issue of the extent of CIA responsibility to the Department that is exemplified by this episode has never been clearly resolved. The Agency has held that its responsibility to consult on clandestine collection activities is confined to mission chiefs and does not include the Department. The history of this problem as it has developed over the years, does not in DDC's view necessarily bear out the Agency's contention. This history can be briefly and informally stated:

National Security Council Directive number 5 as adopted in 1958,[2] stated that "in a foreign area . . . the DCI shall, after consultation with the Secretary of State ensure that the senior U.S. representative . . . is appropriately advised of U.S. espionage and clandestine counter intelligence activities conducted in or from the area."[3] This language, which is echoed in DCID Number 5, 1959, was accepted by State Department representatives on the drafting committee on the understanding that it meant that sensitive collection activities that might have major repercussions should be undertaken only after clearance with the Department. State representatives understood that this view was

[1] Source: Department of State, INR/IL Historical Files, State/CIA Relations, 1970–1972. Secret. James R. Gardiner was in the office of INR's Deputy Director for Coordination.

[2] Not found.

[3] All ellipses in the source text.

shared by CIA representatives on the committee. Prior to the National Security Council meeting which adopted the directive, Acting Secretary Herter was advised by INR to accept the language in question on the basis of this understanding, but there is no record that he either did or did not make this condition clear. Since adoption of the provision by the NSC, Agency representatives, with rare exception, have held that their obligation to consult on clandestine collection activities runs only to the mission chief and does not reach the Department. Indeed, CIA did not consider that it was required to consult mission chiefs until President Kennedy's letter of 1961 confirmed and clarified their authority. From time to time the issue has been debated by State and CIA elements, but there has been no authorization determination by the highest level of either agency of the precise nature of the Agency obligation.

Agency representatives, in defending the proposition that they are not required to consult the Department on clandestine collection activities, also maintain that they need not consult on issues stemming from but collateral to the intelligence collection process as long as these issues are discussed with appropriate mission chiefs. The agency's failure to discuss with the Department its decision not to intervene [*less than 1 line of source text not declassified*] was an application of this doctrine.

This position has obvious difficulties. It would seem that no matter what the merits of the Agency position on collection activities, we could reasonably request that we be consulted when policy-related decisions are made on the basis of the information collected. A bureau-level informal approach, in which DDC would be glad to cooperate, would seem sufficient for the purpose and would probably be effective. The [*less than 1 line of source text not declassified*] case could be used as an apt illustration of the sort of problem on which the Department expects to be consulted.

To ask at this time that the Agency consult on the collection activities themselves would probably not be effective at the bureau level. The Agency is almost sure to balk, and the history of efforts in past years to gain the support of the top level of the Department in this cause does not encourage an assumption that it would be automatically forthcoming. There is indeed much opinion in the Department that the Ambassadorial level is the only one at which consultation should be obligatory; the Ambassador, in this view, is after all free to refer delicate problems to the Department if he wishes. The Agency is understandably most reluctant to discuss methods of collection and identities of informants; the fact that information about these matters occasionally would be directly relevant to policy decisions in the Department has not affected this Agency position.[4] The problem has

[4] The DCI finds in the National Security Act of 1947 statutory mandate for assuming the responsibility for protecting intelligence sources. [Footnote in the source text.]

proved to be a difficult one; past efforts at its solution in DDC have had inconclusive results. Mr. Cline, INR's new director, has had as you know extensive experience in intelligence collection and the problems that it involves. His expertise in this field will of course be of great value to Departmental consideration of the issue when it is decided that we should focus on it. It is one of a series of matters that DDC is currently discussing with Mr. Cline.[5]

[5] Responding to a query concerning coordination of intelligence activities from Assistant Secretary of State for African Affairs David Newsom, Wymberley Coerr (INR/DDC) stated in a June 3 memorandum: "Central to this problem is the question of the extent to which clandestine activities should be coordinated from Washington. The intelligence operators, because of President Kennedy's and President Nixon's letters to Chiefs of Mission, admit to a responsibility to keep Ambassadors appropriately advised on clandestine activities. They have not in practice agreed to any arrangement to coordinate such activities here in Washington. There are divided views in State on whether we should seek Washington coordination or work for firm coordination procedures by our ambassadors." Written in the margin next to the last sentence is the following: "Ray [Cline] feels field coordination is probably best solution." (Department of State, INR/IL Historical Files, State/CIA Relations, 1970–1972)

202. Statement Prepared for Secretary of Defense Laird in the Office of the Assistant Secretary of Defense for Administration[1]

Washington, January 30, 1970.

Intelligence Resource Management

The Department of Defense is confronted with several problems of intelligence resource management. These are: (1) the inability to determine the value of the intelligence product; (2) the inability to compare the resources in different programs against the same targets; (3) the absence of long-range resource management planning as a base for programming; (4) the need to conduct studies leading to program trade-offs; and (5) the absence of frank and unrestricted dialogue within the intelligence community.

As a result of Bob Froehlke's study last summer[2] I have given him the responsibilities to first, set up an intelligence resource review

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 74 142, Folder #33 (Items of Special Interest). No classification marking.

[2] Attachment to Document 193.

process that will look at the total effort; second, to open up the dialogue in the intelligence community; third, to take a look at organizations, roles, and missions; and fourth, to review security policies with the objective of eliminating unnecessary classification and compartmentation. His objectives are to insure the most economical and effective allocation of resources, and most importantly, to insure that the decision-makers get timely intelligence in which they can have high confidence.

He now has a small staff of eleven professionals under Vice Admiral Harold G. Bowen Jr. to address the problems I have outlined. This group was directly involved in the recent review of the intelligence portion of the FY 71 budget. They were instrumental in sorting out over $167 million in intelligence program reductions. Concurrently, Admiral Bowen established the fiscal guidance in the intelligence portion of the Five Year Defense Program.

Secretary Froehlke, replacing the Director DIA, now sits as the DoD representative of the National Intelligence Resources Board, which advises the DCI, the Secretary of State and myself on intelligence resource needs to support the U.S. foreign intelligence effort.

To accomplish their on-going tasks, Secretary Froehlke and Admiral Bowen are developing a display of intelligence resources which will serve as the baseline of resources and tell us what the resources are doing. While doing this, we are keeping in mind the need to reduce requirements for trivia. This display, the Consolidated Intelligence Resource Information System (CIRIS), tells us *what* we are doing, but not how *well* nor what *should* the community be doing.

Since we must know whose needs come first and how much it is reasonable to spend, Secretary Froehlke has tied the CIRIS data base to the concept of a Consolidated Defense Intelligence Program (CDIP). Inherent to the CDIP is the selection and study of major issues involving intelligence resources. We will address questions involving the impact—dollar wise—of technological advances and their relationship to the efficiency and effectiveness of existing systems; questions involving who takes what cuts in overall system reductions; and questions concerning future changes in requirements, systems capabilities, and in operating conditions.

At present our efforts center on data collection and development of study methodology and format. Major issue studies will be done this year in conjunction with the first cut of a Consolidated Defense Intelligence Program. Relative to our intelligence activities, I expect the Blue Ribbon Defense Panel to provide some inputs on roles and missions.

Improvement lies not in drastic reorganization. The right people and techniques are being brought together to accomplish our objectives.

203. National Security Decision Memorandum 40[1]

Washington, February 17, 1970.

TO

The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT

Responsibility for the Conduct, Supervision and Coordination of Covert Action Operations

I have determined that it is essential to the defense and security of the United States and its efforts for world peace that the overt foreign activities of the U.S. Government continue to be supplemented by covert action operations.

By covert action operations I mean those activities which, although designed to further official U.S. programs and policies abroad, are so planned and executed that the hand of the U.S. Government is not apparent to unauthorized persons.

The covert actions of the U.S. Government abroad shall be subject to coordination and control by the Director of Central Intelligence. All such covert action operations, unless otherwise specifically assigned by the President, shall be carried out by the Central Intelligence Agency. The Director of Central Intelligence shall be responsible for assuring that covert action operations are planned and conducted in a manner consistent with U.S. foreign and military policies, and for consulting with and obtaining appropriate coordination from any other interested agencies or officers on a need-to-know basis. The Director of Central Intelligence shall obtain policy approval for all major and/or politically sensitive covert action programs through The 40 Committee.[2]

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–213, National Security Decision Memoranda, NSDM 40. Top Secret. Copies were sent to Mitchell and Kissinger. In forwarding NSDM 40 to the President for his signature, Kissinger noted that "in view of recent mention of the 303 Committee in the public media, the directive changes the committee name to coincide with the number assigned to the NSDM itself, which is 40." (Undated memorandum; National Security Council, 303/40 Committee Records, The 40 Committee)

[2] Upon reviewing a draft of NSDM 40, which stated that the DCI shall obtain the 40 Committee's policy approval for "all major covert action programs," Wymberley Coerr of INR proposed in a December 16 memorandum to U. Alexis Johnson that the words "politically sensitive" be substituted for the word "major" since "there has never been an agreed inter-Agency position on what constitutes a major covert action program" and "there is no necessary relationship between the dollar costs and potential political costs." (Department of State, INR/IL Historical Files, 40 Committee)

The 40 Committee as presently constituted consists of the Assistant to the President for National Security Affairs as Chairman, the Attorney General, the Under Secretary of State for Political Affairs, the Deputy Secretary of Defense, and the Director of Central Intelligence.

The Director of Central Intelligence will be responsible for insuring an annual review by The 40 Committee of all covert action programs previously approved.

Also subject to The 40 Committee's policy review and specific operational mission approval are the following programs originating in the Department of Defense: the monthly Joint Reconnaissance Center Schedule, missions of the National Reconnaissance Organization and the [*less than 1 line of source text not declassified*].[3] Furthermore, any proposals for covert activities or operations from agencies not represented on The 40 Committee shall be subject to that committee's approval unless otherwise directed by the President.

Covert action operations shall include any type of activity necessary to carry out approved purposes except that they will not include armed conflict by regular military forces, or cover and deception for active military operations by the armed forces of the United States.

This directive supersedes and rescinds NSC 5412/2.

Richard Nixon

[3] In a February 5 memorandum to CIA's four deputy directors in which he summarized the sense of a discussion they had had, L. K. White stated: "Formerly, matters emanating from or affecting the Clandestine Service dominated the proceedings of the 303 and its predecessor organs. While it is clear that the scrutiny of sensitive covert activities remains the principal charter of the 303 mechanism, it is also evident that the review of reconnaissance and certain other technical activities now has become a major preoccupation of the Committee. Our internal staffing arrangements need to be governed accordingly." (Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 3, Folder 22, C–17—303 Committee)

204. Memorandum From the Consultant to the National Security Council (Joyce) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, February 19, 1970.

SUBJECT

Intelligence Information Handling

Background

On January 7, you sent to the President the PFIAB memorandum on intelligence information handling and the DCI's comments on its recommendations (Tab A).[2] You may recall that the Board recommended that the President *direct* the DCI to undertake the design and management of a unified intelligence information handling system, exploiting to the maximum practicable extent scientific and technological advances in the field of information handling.

You informed the President of the seminar scheduled for January 8 and recommended that he postpone action on this matter until after the seminar. This was approved by the President.

Results of the Seminar

At the seminar, Dr. William O. Baker of the PFIAB and five consultants presented their views on the role of technology in intelligence information handling. The reaction of Andy Marshall, Larry, and I, which seems to match the reaction of other attendees, is that:

1. The talks were broad, technical, and were *not* made *clearly relevant* to the problems recognized by top intelligence officials.
2. In the current and foreseeable fiscal situation, the resources to implement the ideas presented are unlikely to be forthcoming.

There is also a feeling within the intelligence community that the Board has not made itself fully aware of what the intelligence community has done recently in this area. Since the seminar, Mr. Helms has sent you a summary of data processing activities in CIA, and has reaffirmed his belief that satisfactory progress is being made in the light of budgetary limitations (Tab B).[3]

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. I, 1969–1971. Secret. Sent for action. The memorandum was sent through Lynn.

[2] Document 200.

[3] Attached but not printed.

What Is Needed Now?

Right now there are a variety of automated, information handling projects in operation or under development at various places throughout the intelligence community. Many of these have attracted some interested users, some have not. But strikingly absent in the community is any real understanding of the value of these automation projects to the intelligence function.

To take one example, both Andy Marshall and I have looked into the biographics area, and neither of us can see exactly what would be gained by further automation of biographics. What is needed is a thorough analysis of the biographics function to see how it can be improved.

Similarly, the Institute for Defense Analyses has recently studied in depth the functions of the National Indications Center (NIC). The study's principal conclusion was that the mission and scope of the warning function are not now well understood, and that responsibilities are ill defined. With respect to computer support, the study concluded that in the *present* mode of operation of the NIC, computers do not offer significant aids to the warning process.

What is needed now is therefore:

1. thorough evaluation of the experimental and operational projects now in being, and
2. clarification of the purpose and design concept for a future unified information handling system.

What is *not* needed right now is a massive effort to design and build a unified information handling system.

How Might Desirable Progress Be Achieved?

The Board's recommendation is to set up a central manager under the DCI, with a charter to design and manage a unified information handling system, making maximum practical use of technology.

An approach which could either complement or replace the actions recommended by the Board would be to exert increasing White House pressure for the intelligence community to:

1. fully exploit on-going projects to learn more about their *utility,* and
2. seriously address the problem of clarifying the concept and use of a unified information handling system.

To exert such pressure I could, with your approval, brief the appropriate community officials on what I have found in reviewing this area, and encourage them to initiate the actions described in Tab C.[4] I

[4] Attached but not printed.

have received indications that the National Intelligence Resources Board (Cushman, Cline, Froehlke) might be willing to sponsor the necessary steps.

I could also try to arrange for the White House to have access to the COINS system during its test and evaluation phase. (COINS is a system linking intelligence agencies so analysts at any agency have direct access to selected computerized data files.)

If the above informal approach proves unproductive, or if you want to start out on a more formal plane, the NSC structure could be brought into play, e.g., through an Information Handling Working Group. There is ample precedent for NSC direction of intelligence affairs (see Tab D).[5]

You need to decide now what recommendation to make to the President on the Board's proposed directive, and what other actions, if any, you want to take.

The PFIAB Directive: Pro and Con

The principal argument *for* the PFIAB directive is that a DCI *who is disposed to do so* could use the charter thus provided to exert an increasingly significant control over the *entire intelligence effort.*

The arguments against the directive are:

1. All indications are that the present DCI is *not disposed* to exert any such control.
2. The proposed directive is open to misuse: it could be taken as a charter to request *greatly increased information handling budgets* to build a "unified information handling system." As I pointed out above, the time is not right for such an effort.

It can be argued that the President should issue the directive *even if* the likelihood is that it will be ignored or misused, because:

1. The overall goal is sound.
2. The DCI might just decide to use the charter properly.
3. Even if the present DCI decides to ignore the directive, a future DCI might effectively use it.
4. The PFIAB will monitor the activities of the community and prevent any abuses.

If you are impressed by the potentials and not too concerned about the abuses, you could recommend that the President issue the directive.

If you are skeptical about the realization of these potentials and want to avoid the possible abuses, you could recommend deferring ac-

[5] Attached but not printed.

tion on the Board's proposals while pursuing the actions described in Tab C.

A third alternative would be for the President to issue the directive, but also to establish an NSC group to maintain visibility on what is happening and to try to focus attention on the right issues. Such a group could focus initially on the issues raised in Tab C.

In weighing the desirability of getting your office or the NSC involved in this area, you should recognize that the more we know about, and influence, the community's information handling systems, the more effectively we can get the new Presidential Information and Communications Center firmly "wired in" to the community.

Decision

1. Do you want to recommend *for* or *against* the signing by the President of the Board's proposed directive?

For

Against

No recommendation—give the President the arguments and let him decide.

2. Do you want to pursue the approach described in Tab C?

Informally, *or*

Through appropriate NSC machinery, *or*

Not at all.[6]

[6] None of the options for responding to either question is marked. In a February 23 memorandum to Kissinger, Haig recommended that Kissinger meet with Joyce and Marshall "on this very complex problem. Memo is tough to grapple with." Kissinger asked Haig to set up the meeting, but no record of the meeting or of further action has been found. (National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. I, 1969–1971)

205. Memorandum From the Consultant to the National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, March 18, 1970.

SUBJECT

Evaluation of the Process Leading to the President's Morning Intelligence Reading Package

The purpose of this memorandum is (1) to present a general assessment of the process that leads to the President's morning intelligence reading package,[2] (2) to raise some problems for discussion, and (3) to put forward some alternative solutions for consideration.

General Assessment

After looking at the process of preparing the package for a couple of months and interviewing most of the sources of the input, my assessment is rather favorable. The final product, in particular the memorandum prepared for your signature in the Situation Room, is adequate. However, the product is more satisfactory than the process leading to it.

In one of our earlier discussions you expressed some concern as to whether the process worked in such a way as to pick up essentially all available information. I feel I can reassure you on that matter. The process leading to the package on the Presidential desk each morning is fed by what is now the strongest and best part of the U.S. intelligence community; that is, its current intelligence activities. Over the last five or six years there has been a strong development of the current intelligence effort, including the installation of 24-hour-a-day operations centers in all important elements of the community. This development has taken place partly as an adaptation to the crisis atmosphere of the '60s, the two Cuba crises, etc. Pressures for an information system capable of staying on top of fast-breaking events were increased by President Johnson's continuous demand for up-to-date intelligence and other information input. Thus, you are now tapping a very vigorous, responsive, well established, government-wide activity

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. I, 1969–1971. Top Secret; Sensitive. Sent for information. The tabs are attached but not printed.

[2] Copies of the morning intelligence reading package for the President, dated from January 1969 to August 1974, are ibid., Boxes 1–61, President's Daily Briefs.

that surveys all of the collected material and funnels it up to the top of the governmental bureaucracy and to the White House.

The part of the total package produced in the Situation Room provides a unique product with its close blending of policy analysis and intelligence. Analysts in the intelligence community are inhibited, both by U.S. intelligence doctrine and by their more limited awareness of policy issues and Presidential concerns, from producing a similar product. Comparison of the substantive coverage of topics in the CIA PDB and the Situation Room product shows this, although it is clear from other evidence that some parts of the NSC staff include more policy analysis than others. Hence, in some geographic areas there is probably more of a difference between the CIA PDB and the Situation Room product than there is in other areas.

The involvement of the NSC staff in the preparation of the Situation Room product is the proximate cause of this difference in the type of analysis and comment. A survey undertaken by the people in the Situation Room for me showed that during a selected period 60% of the items came from the NSC staff, another 20% were prepared by McManis and Fazio sometimes with interaction with staff members, and 20% were reproductions of items from CIA, NSA, or DIA publications.

In any case, the memorandum signed by you and prepared in the Situation Room is a success; it probably is the only part of the package which the President regularly reads. Indeed, judging from a survey of marginal jottings by the President, it may be the only piece he ever reads. This should be gratifying to you. But this situation can lead to unexpected and unwanted responsibilities and problems. I want to discuss some of the problems I see.

1. The Current Anomalous Position of the CIA PDB

The success of the Situation Room product probably has driven the CIA PDB out of the President's focus of attention. However, a survey of the Situation Room product and the PDB shows that there is about one-third overlap in coverage in the two products. That is, only about one-third of the items in the PDB are reported in the Situation Room product. Thus, two-thirds of the items in the PDB the President may never see. Probably they are of lesser importance to him since a lot of thought goes into the selection of the one-third overlap for inclusion in the Situation Room product.

However, an ambiguous situation exists. The selection procedures for inclusion in the Situation Room product may not be wholly consistent with the widely shared suspicion that the President does not ever read the CIA PDB. If one really believes that the PDB is not read, is one-third overlap too low? Should one provide more overlap, perhaps changing the format of the Situation Room product to make this

easier?[3] Does not the current level of overlap tend to make the President feel it is safe not to read the CIA PDB? Should steps be taken to shut off production of the PDB? A great amount of energy and talent goes into producing the PDB. (See Tab A for a description of the process, written by Drexel Godfrey of CIA.) It may now be largely wasted effort. How can it be saved or made useful?

This situation presents a number of awkward problems. The CIA is not likely to suggest stopping production of the PDB. CIA has a major institutional stake in the PDB. It will not give it up easily. Moreover, in a recent discussion with Jack Smith, he strongly expressed his view that the CIA people consider themselves almost as part of the President's staff. They have no other natural superior. I told him I thought that view somewhat unrealistic in organizational and bureaucratic terms.[4] But nonetheless, it may be the view of some of them and suggestive of their likely reluctance to give up publication of the PDB. Over time they are likely to find out about the current situation if it persists. Their likely reaction is not clear. A possible CIA response could be to continue publication, but to put in less effort and allow the quality to slip, hoping to live through the current situation and later regain the position the PDB had with Presidents Kennedy and Johnson.

However, you need to address this problem. What worries me is that: (a) You may get in trouble with the President if post hoc an important item slipped by him because it was in the CIA PDB but not the Situation Room product, especially if he has come to feel, or has been encouraged to feel, that everything of importance to him is included in the Situation Room product. (b) The PDB goes to the SecDef and Secretary of State, who may not be aware the President seldom reads it. They may be almost entirely unaware of the Situation Room product and its displacement of the PDB. This could lead to some misunderstandings.

I suggest we discuss some solutions or strategies for changing the current situation. But I may be too concerned because of some things in the situation I am not aware of.

One possible solution is a format for the total package which could make the CIA PDB input an integral part. Another idea is that of a President's brief divided in two parts—one part to include items like those currently supplied by the NSC staff, that is, items based in part on intelligence inputs but including policy discussion and other analysis; the second part to include a number of brief information items. There

---

[3] In the margin next to this sentence, Kissinger wrote "Agree."

[4] In the margin next to this and the previous two sentences, Kissinger wrote "Don't discourage too much."

might be some reduction in the number of longer analytic items supplied by the NSC staff and an increase in the number of brief news items. If the format of the President's reading package were changed in this direction, one could ask CIA to provide the news item portion, overlap in coverage between the two parts of the package being eliminated through daily discussion between McManis/Fazio and Godfrey.

Another alternative would be to leave the Situation Room product as it is, but include at the end of it a reference to other news items appearing in the PDB. At present, if the President does not even open the PDB, there is no way of his being aware of what items it includes that might be of interest to him.

2. Deficiencies of Feedback and Guidance

As my investigation of the process of preparing the President's morning intelligence brief proceeded, I became more and more aware of a feedback and guidance problem. As the process now operates, it does not produce much guidance and/or feedback for those providing inputs. There are a number of factors that produce this situation, and it varies in effect from one input source to another. Several of the proposals made later in this report are primarily motivated by my belief that some steps should be taken to improve feedback and guidance. You and the President will be better served if some progress can be made in this area.

Neither you nor the President can read all of the relevant information available; others must sort, screen, and package the information. The less feedback and guidance the "others" get, the less assurance there is that you and the President get what is wanted and needed. Today CIA writes a type of newspaper, the PDB, hoping it is interesting and relevant. The Situation Room people and the NSC staff collaborate to produce a memorandum for your signature. They have more effective feedback and guidance than CIA does, but almost uniformly feel they don't get enough to do as good a job as could be done. I feel there is a real problem here, and it starts at your and the President's levels.

(Let me say my investigation of current sources of feedback and guidance made it clear that the current NSC process produces a good deal more feedback and guidance to the bureaucracy as to what the important issues are than the prior arrangements. Most people I talked to were quite pleased with the new NSC process and the NSSM study process, for this reason.)

I will deal with the feedback problem as it applies to the NSC staff, below. Here I want to address the feedback and guidance problem of those producing the PDB. They feel they do not get much

direct guidance or feedback they can use in the selection of their items. Currently they describe the process used to pick items for the PDB as follows:

(a) There are usually one or two obvious items in every day's news (there is for these an overlap problem with the Situation Room product that may be settled in phone conversations with McManis);

(b) Good additional items are surprise developments: coups, deaths of important foreign governmental people, etc.;

(c) Continuing items known to be of interest: Vietnam, the Middle East situation;

(d) Soviet missile tests and new Soviet aircraft; usually these are reports containing the results of completed intelligence studies and, as such, are different from the usual current intelligence content of the PDB;

(e) Occasionally an item will be weeded out of the draft PDB late in the day on the basis of a call from McManis that it has already been sufficiently covered;[5]

(f) Some items are included with the conscious notion of making a record (not being caught out later);

(g) Drexel Godfrey makes a call to Al Haig perhaps once every two weeks to get guidance on a specific item, but doesn't want to wear out his welcome by calling more frequently.

As you can see from the above, the selection process is based mainly on very general knowledge of what is of interest to the President. It is derived in part from the participation in the NSC process of people like Helms and Jack Smith, but to a large extent, I believe, from a sense of what's timely as judged from the *New York Times,* press, and wire service coverage. There is rather little specific feedback within the process itself that comes directly from the White House as to the President's interests and concerns.

What to do about this will depend on what you decide to do about the PDB.

3. Problems in Preparing the Situation Room Product

Lack of Feedback—There is no way for most NSC staff people preparing inputs to know whether the President reads their items, what his reaction was, how their inputs could be improved, etc. Clearly the position of people on the NSC staff is better than of those preparing the PDB. They get a lot of indirect signals about what is of interest to the President and what you feel is of interest to him. But the process of preparing the morning reading package does not involve any direct feedback from the President. Occasionally there are marginal comments. But a survey showed relatively few Presidential comments;

[5] In the margin next to this item (e) Kissinger noted: "I don't want this sort of intelligence."

about one in six of the packages have any marginal comments in them. Frequency of comment seems to fluctuate considerably over time.[6] In the sample period covered, there was a clustering of the comments in a period of one week, suggesting that for some reason the President was reading the material more closely and/or was more disposed during that week to make comments. Comments by several of the staff have indicated that they are not sufficiently aware of the low frequency of the Presidential comments. Some may feel they are being cut off from a more plentiful supply of Presidential marginal notes and comments that does not exist.

It's hard to say what to do about this general feedback problem. Your style of work and that of the President, perhaps, are not conducive to a lot of feedback. Moreover, most of the people who work most actively with you and are in the best position to give feedback to the NSC staff and Situation Room people are themselves very busy. Others are reluctant to impose upon them. I know it is hard for you to find time to provide feedback and guidance. The staff meetings when you attended, everyone agrees, were very fruitful. Even if held infrequently, they are worth considering again.

A totally different sort of solution is discussed below and in Tab C. This involves a major shift in the way in which intelligence and other news items are transmitted to you, and perhaps eventually, to the President. It is something that could, perhaps, be available in about 18 months when the Situation Room addition is completed and the new computer facilities are installed.

Need for Guidance to the NSC Staff—Interviews I have had with all of the major NSC staff contributors convince me that they have not had enough guidance and general information about the President's morning intelligence package. They may not have an adequate framework within which to prepare their own materials. I found that many of the NSC staff people do have a clear idea of what is in the package, how the Situation Room product is related to the CIA PDB, and what overlap exists between them. Several were concerned that they did not know whether in covering an article or an issue they were the only ones covering it for the day or whether it was also in the PDB. I might add that probably they have made no effort to find out.[7] The most organized and active group supplying input are informed on PDB content and use this information both substantively and to avoid undue overlap. Most have no feeling for what is read, whether the Situation

[6] In the margin next to this and the previous four sentences, Kissinger wrote: "He should *never* have seen this."

[7] Kissinger wrote in the margin: "So what."

Room product and/or the PDB. (See Tab B for a summary of the interviews with NSC staff members.)

In discussing how they went about preparing their input, one or two expressed their concern that they felt they didn't have a good basis for judging how important it was to prepare their items; that is, whether they should spend a lot of effort or not very much. They are reminded daily of the need for product, by phone calls from the Situation Room; but some are left with an ambiguous sense of how important it really is.

One result of this situation is that there is great variability in the amount of effort spent in different subparts of the NSC staff in preparing input. Some groups are very well organized and think of preparing the input as being an important part of their job. These devote considerable time and energy throughout the day. One of these is the Saunders/Hoskinson team that produce almost 50% of the input currently received from the NSC staff. They have the advantage, perhaps, of covering a very active and high interest area, but they are perhaps the most systematically organized to produce input. At the other extremes there are people who have not organized systematically at all and who pass in an item if they think of it as being of interest. These tend to put much less effort into melding an item of information and policy analysis.

I believe that if there were more guidance to the staff concerning the importance of the Situation Room product, a little more information conveyed about the total package, there might be more uniformity of effort and an improved response by the staff. Such guidance could be conveyed in a staff meeting or by a memo. After discussion with you, I would be glad to draft such a memo.

Changes in the Product—I have one change to suggest for your consideration, the switch to a two-part format. Several people questioned whether the total package was not becoming too big; perhaps even the Situation Room product was too long and had too many items involving policy discussion and analysis. You are in the best situation to judge if the size of the package is now excessive, even if the President only reads the Situation Room product. Might not a changed format with fewer analytic items in one section and a second section devoted to a number of short information items be better? Again you are in the best position to judge. I remind you that such a change might be a part of a solution to the PDB problem.

Samples could be prepared of this alternative format by the Situation Room people if you wish to see them.[8]

---

[8] Kissinger wrote "Yes" next to this sentence.

Need for Secure Telephones—As you can see in Tab B, several of the NSC staff check regularly with CIA and State Department contacts when preparing input to the Situation Room product. This interaction would probably be more frequent and more informative if a limited number of secure telephones were available to the NSC staff. Only Frank Chapin, not a contributor to the Situation Room product, has such a phone. The other available secure phone is in the Situation Room. Neither of these two phones is a real alternative to having a few (8 to 12) secure phones in staff members' offices.

A preliminary look at the cost and likely availability of the appropriate equipment suggests that obtaining a limited number of secure phones (so-called green phones) turned up no major problems. Cost could be limited by having only two or three lines, a switching system, and 8 to 12 phones. I recommend that this possibility be looked into more thoroughly unless you feel there is some reason why the staff should not have such phones. I believe it is a good idea. Discussion with sources of intelligence input can be freer and more frequent. Some discussion undoubtedly now goes on over unsecure phone lines that ought not to; the secure phones would help to reduce this somewhat.

A More Radical Suggestion for the Future—In the course of my investigations I had a number of discussions with Charlie Joyce about the many problems in supplying well selected intelligence information to the President. Out of these developed a proposal for a radical change in the way in which intelligence and other information materials are presented to you, and perhaps could be presented to the President at a later date. This proposed change could significantly alter the whole process of preparing the President's morning reading package; indeed, it might eventually eliminate it altogether as a separate hard-copy item. At present the cost and feasibility of the proposal are unevaluated, but they are under study. Your reactions would be valuable; a lot depends upon how you feel about the proposal. If you definitely don't see yourself liking it, we should drop the idea.

Attached at Tab C are two memoranda that Charlie Joyce wrote to sum up the results of our discussions. In summary, the notion is that the use of available computer technology might allow the development of a very flexible on-line reading program for you and/or the President. The reading program would be available on a TV screen at all times, with controls allowing the reader to pick subjects that he wants to read about, to start reading at a very summary level, to select the areas in which he wants to read in more detail, to stop reading any subject when he is satisfied, and to move on to another. The system could automatically provide feedback on what you and/or the President reads, and how much attention is paid to particular subject areas in the reading program. A button could also be supplied for the reader

to indicate his desire for more material, whether he liked the presentation or not. A microphone could be supplied for dictation of comments and critique.

The essential objective of this system is to supply you and/or the President with a good deal more control over what you read, and to supply feedback to the organizations attempting to supply you with information so they can do a better job. The role of the machinery is simply to make this feedback more available, more effective, and also to allow you to have a richer, more flexible reading program that you can easily reach by the manipulation of a few buttons.

We would favor developing such a system for you, leaving it open as to whether at a later stage the President is supplied with a similar system. Experience with executives in business has shown that their willingness to obtain information from TV consoles and through machinery of one sort or another is highly sensitive to their personal tastes. Some people want nothing to do with such contraptions, others are quite willing to use them. On the whole, the balance of experience has been that top-level executives don't like gadgets. It would undoubtedly be very chancy to try the thing directly on the President. It may be very chancy trying it on you.

If this kind of a system pleased you, in the sense that you found it useful and easy to live with, you might invite the President down to see the information system you had for yourself. He could try it in your office and see how it worked. If he liked it, a duplicate could be provided in his office.

I think you ought to give consideration to this system and discuss it fully, especially with Charlie Joyce, to see whether it seems attractive enough to you to go forward with more detailed system design. Let me say that our notion is that one should keep the size of the system and the complexity of the hardware limited. We believe this need not be a big, fancy system.

206. Memorandum From the Consultant to the National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, May 1, 1970.

SUBJECT

Intelligence Inputs for Major Issues: A Substantive Evaluation and Proposals for Improvement

When we first talked, you indicated a concern for the quality of the intelligence product you receive on major issues such as the SS–9 program, trends in Soviet strategic forces, etc. During the last two months I have focused on the intelligence product on the Soviet military strategic weapons and forces and the question: How can you get a better product in the future?

The standard products of the intelligence community do not give you and your staff what you want and what you need. The NIE's are of little use to top level decision makers and/or their staffs, even though that is their ostensible audience. Their real service is that of supplying an agreed intelligence input to the work of staffs several levels down in the bureaucracy, and as a starting point for the NIPP (now the DIPP, Defense Intelligence Projections for Planning).

Other products vary in usefulness. The new President's Quarterly Report on Soviet Strategic Forces is factual, concise, and well presented. Some of the Caesar series[2] provide valuable background on Soviet leaders, the structure and functioning of the upper level bureaucracy. But most of the product, when it goes beyond the reporting of factual information, or immediate inferences from it, is not very impressive.

The analysis of hard data and factual reporting on Soviet forces is good; indeed, we now know a great deal more about today's Soviet military posture and R&D programs than we knew about the 1960 Soviet force posture and programs in 1960. Intelligence on Soviet forces and programs is better today than in the past; but it can still be improved. Intelligence reporting and analysis can and should do a better job of assisting top level decision makers.

The weakest point I find is in the judgments of intelligence analysts and estimators about plausible or likely Soviet behavior, in particular their understanding of the decision processes that influence

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. I, 1969–1971. Top Secret; Sensitive. Sent for action. The tabs are attached but not printed.

[2] In the margin Kissinger wrote: "What's the Caesar series?"

Soviet military posture. The explicit or implicit assumptions and hypotheses concerning the roots of Soviet behavior seem much too simplified, and rely too frequently upon a model of the Soviet government as a single unified actor pursuing an easily stated strategy.[3]

Presumably the governmental decision-making process there is just as complex as ours, involves the interaction of contending bureaucratic elements, and can attain only a limited measure of rationality. None of this shows through in the standard intelligence product, except in those paragraphs designed to protect against future developments falsifying the estimate or judgment. These include sentences listing the factors that may also influence future Soviet behavior: economic difficulties, bureaucratic conflicts, bloc political problems, etc. A form of defensive writing in the spirit of defense driving.

The fact that intelligence analysts' judgments about likely Soviet behavior do not seem that much better than those of less involved persons is disappointing. In principle, they should be the real experts, and in some ways they are. But I have long felt that intelligence analysts have not devoted enough effort to studying past Soviet behavior with regard to military posture formation; have not sufficiently focused upon understanding the structure and objectives of the various organizations involved in the relevant decision-making processes.

In my view, if we are to understand past Soviet force posture decisions, or to improve our forecasts of alternative future force postures, we have to entertain more complicated hypotheses about the sources of Soviet behavior regarding military force posture formation.

Substantially improving the intellectual quality of the analysis of Soviet behavior is a longer term goal. I hope some effort can be made to push forward in this area. But let me return to the more immediate problem of getting you a better product.[4]

What Do You Really Need?

It is hard for me to answer that question completely. Only you, Larry Lynn, and others immediately concerned with specific decisions and problem areas can do it. However, I would suggest that on a few issues each year

—where a great deal is at stake,
—where there are contending views on which option to choose,
—where major uncertainties almost certainly exist as to the future evolution of Soviet strategic forces,

you need a different sort of intelligence product than you now get.

---

[3] Nixon drew parallel lines in the margin next to this paragraph.

[4] Kissinger wrote an illegible word in the margin next to this and the previous sentence.

For at least these few problems you need in-depth intelligence studies that surface the uncertainties, display and argue alternative explanatory hypotheses regarding past Soviet behavior and future projections. These studies should give you

—as much separation of facts and judgments as is possible,
—where major judgments are made, argument as to the basis of the judgment.

On these really important issues you should dig into the intelligence analysis as deeply as you can before making decisions. You have to understand what is behind it before you can accept it. The only alternative is boxscoring of experts. In general that is not a feasible procedure.

What Can Be Done?

A number of things can be done to get you better, more useful products. I believe you ought to use the following strategy:

—Improved communication of your and your staff's needs. *You are not getting through loudly and clearly now.*[5] Clear and persistent statement of needs should lead to an improved product. Put the burden on Helms and the community to find the ways to satisfy you.
—Initiate discussion with Helms aiming at a major review of the intelligence community's support of yourself, the NSC decision-making process.
—Develop new procedures to get non-standard products now for a few selected problems of highest importance to you.

Specifics of the strategy are covered below. Note that it is designed to get a better product for you, not to improve the structure and functioning of the intelligence community in the short run. It attempts to bypass, for the moment, the probable sources of the problem. You might prefer a more intrusive strategy that tries to influence the structure and functioning of the community at an early date. If so, see Tab A.

Better Communication of Your Needs

One general observation to begin with: Causes of product deficiencies lie on both sides of the producer-consumer interface. Top level needs have not been expressed clearly or persistently enough. There is little feedback or criticism of the intelligence product.

The community misperceives some of the needs of top level people, and a doctrine that limits their response. Moreover, the intelligence community does nothing that could be called research on customer needs. The organization of the interface between the two groups does not facilitate communication of customer needs, and discussion of how to match needs and producer capabilities.

---

[5] In the margin next to this sentence Kissinger wrote: "On what issues."

I recommend the following:

1. Preparation of a statement to Helms expressing your needs (see Tab B for some things it should say), coordinated with guidance on the format and content of the Soviet Military NIE's. (See memo on that matter from Larry Lynn and A. W. Marshall.)[6] Probably it would cover some of the same ground, but discuss alternative ways of getting a more useful product as well. *Repetition will not hurt. Do not underestimate the communication problem.* Follow up with detailed discussion with Helms and others on how to get the new procedures going.

2. Use at least one person on your, or the NSC, staff full time as a communication link, mainly to CIA. Tom Latimer is coming on board. Consider setting some part of his time aside for this function. Another person might be added to the NSC staff solely to perform this communication function. I can suggest some names if you are interested. Principle characteristics should be a familiarity with all community organizations, and a personal disposition to consider intelligence as a service to consumers, not an activity with its own goals.

The communication function will be time-consuming, if done right. It is not the standard sort of liaison function that is needed. *Frequent trips to CIA, and elsewhere, and extended meetings with people at all levels in the community will be required to keep their view of your needs correctly focused.*

Helms as DCI and CIA are the key communication targets. CIA has the best current capability to respond; there is just no where else to go. But you should communicate your needs also to DIA (Defense) and INR (State).

Again I stress the difficulty of the communication problem. The procedures to obtain non-standard products, discussed in the section after the next one, are designed to assist the communication problem; indeed, these procedures should be thought of as part of the communication effort.

Steps to Initiate a Major Review of Intelligence Support of the NSC Decision Process

While short-run measures are taken to obtain more useful products, a more basic look can be taken at intelligence community organization and functioning in support of you and the NSC decision process. The timing for such a review may be good. For example:

1. The Office of National Estimates (ONE) is going through a transition period. It is at the end of an era. Abbott Smith, the head of ONE, will retire as soon as a successor can be picked. Helms and others lean

[6] Not found.

toward bringing in someone from the outside; this is an opportunity to add some new blood and leadership. But equally at stake are: What sort of organization should ONE be? What should its role be? How should the NIE process operate?

You have a major stake in the choice of the successor and the DCI conception of what sort of an organization ONE is to be, what sort of a role ONE is to have in the future. (See Tab C.)

2. The Blue-Ribbon Panel will report on Department of Defense organization and management on 30 June 1970. It will focus in part on the need to change Defense intelligence organization and management. You have a major stake in what is decided, in particular as regards the future development of DIA. (See Tab D.)

I think you will want to rebuild the national intelligence process. At present it is foundering because of the decline in the ONE/BNE role and status, reflected in the virtual DDI monopoly of the intelligence role in the NSSM process, and other causes. One view of what to do about the national process is contained in Tab A. But what is really needed is a full-scale review of the current situation and recommendations for change. The review or study group should include representatives of the intelligence community, of NSC members, and of the NSC staff. It is very important that consumer representatives as well as intelligence representatives be involved in the review.

In the nature of things, the national process, if it involves inputs from several components of the intelligence community, is an adversary process. Special attention will have to be paid to designing a process that works well. More attention than in the past must be given to structuring the incentive systems in the adversary process.

I suggest you begin discussion with Helms about the design and procedures for a review of the national intelligence process. The aims of the review would be an assessment of its current operation in support of your office, and the NSC decision process; and recommendations for future redesign of the national intelligence process.

New Procedures to Get Non-Standard Products

You need not only to communicate your needs, and hope for a good response, but to develop procedures to get what you want now.

I recommend that you:

1. Limit efforts to improve the NIE's. Neither the process that produces them nor the performance of ONE/BNE can be changed in the short run. The solution to the NIE problem is part of the review effort.

2. Push for procedures to produce in-depth intelligence studies on a small number of selected intelligence problems each year. Selection

of problem areas to be yours, perhaps in some cases in conjunction with the Secretaries of State and Defense.[7] (See Tab B.)

The essential features of these procedures should be:

—Involvement of top level decision makers and/or their staffs in the selection of study areas, drafting of terms of reference and the goals of the study.

—Provisions for monitoring of the study as it proceeds and continued guidance and feedback from upper level people to all levels in the intelligence community.

Joint decision of upper level representatives and intelligence working level people concerning modification of study efforts to accommodate data and analysis problems and in-course redirection of study.

It will be very important that it not seem that the White House is writing its own intelligence estimates. The objective should clearly be to obtain from the intelligence community relevant facts, judgments, etc.

3. Continue a study of the SS–9 system initiated 1 April 1970 (see Tab E). It is an attempt to produce a non-standard product; one you or Larry Lynn might give a good grade. Projected completion is end September. It will take only a day or two per month to follow it and hopefully keep it going in the right direction. CIA has started a good effort in this study. It should be a good test of their current capabilities to explore some more complex, organizational behavior hypotheses in addition to the standard ones.

I plan to continue to manage this effort as I visit Washington periodically in the course of other work.[8]

Constant attention will have to be given to see that the procedures that are developed continue to function. The intelligence bureaucracy at all levels may resist these methods of operation. No fixed set of procedures may work all of the time. The recent study of the Israeli-Arab military balance, while not a typical intelligence study, may be a good model from which to draw some lessons.

In the case of that study, the keys to success appear to have been:

—Study confined to fact finding, technical study, policy implications played down;

—Full-time involvement of a NSC staff representative (in this case a consultant);

—Lots of feedback of specific questions as study progressed;

—No strong bureaucratic stance of State or DOD/Military Services.

---

[7] Kissinger put a checkmark in the margin next to this paragraph.

[8] Kissinger initialed the "Approve" option.

By contrast, a 1968 attempt to evaluate the Israeli-Arab military balance produced only badly split views expressing policy preferences.

In any case, almost everyone's experience is that the most rewarding and fruitful way of working with the intelligence community is one in which top level people deal more directly with the working level people than is usual. Both the people and the intelligence input at the bottom are better than the standard product.

Postscript

Many changes and improvements in intelligence community performance I would like to see are not easily effected by you. For example, as mentioned earlier I believe that major improvement in the analysis of Soviet decision-making processes is possible. But progress is slow and difficult to stimulate from the outside on this and many other areas of possible improvement. Nonetheless, I have appended at Tab F a short sketch of a number of areas that I feel the community should be doing more about. They mainly concern [what the] R&D community could do on the intelligence analysis, estimating, and projection processes. Two substantive studies are also briefly described.

---

207. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, May 7, 1970.

SUBJECT

Reduction in Number of Military Attachés Overseas

Late in February, I informed the Under Secretaries Committee of your desire to make further cuts in the number of military attachés abroad.[2] These cuts were to be considered by a task force already set

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 372, Presidential Directive on Reduction of U.S. Personnel Overseas. Secret; Sensitive; Nodis. Sent for action.

[2] In a January 9, memorandum to Kissinger, Nixon noted that Ambassador Walter Annenberg had urged a cut in the number of military aides in Embassies abroad. Nixon agreed and requested Kissinger to study how to lower the number. He concluded that the intelligence supplied by military aides stationed overseas was "pretty thin." (Ibid., White House Central Files, Subject Files, FG 11)

up to study military representation abroad and a report made to you by May 1.

I have received a memorandum from the Deputy Secretary of Defense dated March 27[3] which states the Defense Department's position that it would not appear in the best interests of the United States Government to make further reductions in the military attaché system at this time because:

—As we consider further reductions in the strength of our armed forces overseas, intelligence collection activities become increasingly important.

—While it is true that we place heavy emphasis on more sophisticated intelligence collection, in many areas of the non-communist world the more valuable contributions are made by attachés on the ground.

—The normal attaché collection is devoted to maintaining a data base of encyclopedic information, of which 30–40 percent is provided uniquely through the attaché system.

—Attachés have a host of representational responsibilities which frequently pay off with side benefits in intelligence information.

—Since 1965, there has been a 46 percent reduction in the number of military attachés. Further reductions should be suspended until we have an opportunity to evaluate the impact of previous reductions on the capabilities of the attaché system.

Arguing against the Defense position are the following factors:

—Much of the intelligence collected by military attachés, which is often (as Mr. Packard points out) encyclopedic in nature, appears to be of marginal value to decision makers in Washington and the field.

—The intelligence collected by attachés often duplicates that collected by other means.

—Some attaché functions can be performed by military commands.

—Many ambassadors have expressed doubts about the quality and overall value of military attaché reporting and believe further cuts could be made in the number of attachés in their missions.

—The military attaché system will be cut only 2.3 percent under OPRED as compared with a 10 percent overall reduction.

—The OPRED cuts are concentrated in two areas of the world (Europe and East Asia) and affect very few countries.

Recommendation:

On the whole, I agree with Mr. Packard's assessment and recommend that you suspend further reductions in the number of military attachés.

---

[3] A copy is ibid., NSC Files, Subject Files, Box 372, Presidential Directive on Reduction of U.S. Personnel Overseas.

It seems clear, however, that steps need to be taken to upgrade the quality of attachés in any event. If you agree, I will transmit a directive to this effect.[4]

[4] The President approved both recommendations. Kissinger informed Packard in a May 26 memorandum that Nixon had agreed to suspend further personnel reductions in the military attaché system but that he requested "every possible effort be made to upgrade the quality of attachés." (Ibid.)

208. Memorandum From the Director of the Program Analysis Staff, National Security Council (Lynn) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, May 15, 1970.

SUBJECT

CIA Review of NIEs on Soviet Military

Director Helms has initiated a re-examination of the "form and content of the major National Intelligence Estimates on Soviet military subjects." (Tab A)

Andy Marshall and Walter Slocombe[2] talked to the Office of National Estimates staff about some of the dissatisfactions that we had noted from time to time in connection with the major Soviet NIEs. The points they emphasized included:

—suppression of dissents and imprecise statement of differences between agencies where they are revealed;

—failure to develop and present systematically a full range of alternative hypotheses to explain observed data, especially where no USIB member is an institutional advocate of a particular approach;

—inadequate attention to issues of politics, institutions, economics, and society as they may affect foreign and military policy;

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 360, National Intelligence Estimates. Secret. Sent for action. The tabs are attached but not printed. Kissinger wrote at the top of page 1: "Lynn—I want to discuss soonest."

[2] Slocombe was a member of the NSC Program Analysis Staff.

—lack of relationship between doctrinal analysis and force structure discussion;

—use of a single set of documents to serve both top-level policy makers and the lower level bureaucracy;

—arbitrary division of the problem into separate NIEs;

—need for more attention to presentation of evidence and analysis supporting conclusions, and reasons for rejecting alternative hypotheses;

—lack of historical perspective, including failure to identify and discuss the accuracy of past estimates.

The State Department's response (Tab B) suggested:

—separation of the process into a set of "summary estimates" for the top policy makers and a set of much more detailed papers for lower level people. The "summary estimates" would be much shorter than the present NIEs, focusing on the most current and controversial points; the basic NIEs would be considerably expanded to include more evidence and analysis;

—more attention to doctrine and strategy, more closely linked to the force analysis;

—inclusion of tables on U.S. forces, for comparative purposes.

DOD sent a brief reply (Tab C) urging:

—relegating detail to appendices and concentrating in the main body on the more critical aspects;

—more explicit statement of significant changes, intelligence community disagreements, and levels of confidence in the judgments expressed;

—quarterly updating of the major estimates;

—having the NIEs focus on five-year estimate, to mesh with the DOD planning cycle;

—include a discussion of changes from previous NIEs, explaining divergences and attempting to identify systematic errors.

CIA is now working internally toward some very limited changes: (see Tab D)

—*A new set of estimates,* nominally intended for high-level people, will be attempted. The model they seem to have in mind is the recent ONE Memorandum on Soviet Strategic Programs. (Copy at Tab E.)

Comment

Developing a special set of estimates for top-level people is a worthy idea, but if CIA is serious about taking the Strategic Programs memo as a model, no good will come of the effort. That memo was almost a caricature of the defects of CIA's output. (See your memo to

Helms commenting on it, Tab F.) Andy Marshall's memorandum to you on improving the intelligence produced for top-level policy makers suggests some ways to get this effort back on the track.[3]

—*The basic estimates,* 11–8 on offensive forces, 11–3 on defensive forces, and 11–14 on general purpose forces, *would continue as before in terms of format, organization, and scope,* except that ASW would be treated as a part of strategic defensive forces rather than general purpose forces. There would be a declared policy of increased attention to historical perspective, economic aspects of military policy and strategy and doctrine. Annexes would be used as ways of presenting detailed evidence on particular points, especially technical ones.

Comment

It is impossible to quarrel with these intentions. The problem is whether they are carried out in practice. It would be useful to try to see whatever detailed plans CIA makes, particularly any "models" or "samples" which are prepared.

—*More graphics.*

Comment

Good.

There is apparently no plan for:

—serious attention to improved analysis of Soviet doctrine or institutional pressures as factors in estimating Soviet military forces. These points are not even included in the declaratory list of improvements.

—systematic flushing of alternative hypotheses or any basic change in the practice of papering over dissents instead of discussing them openly;

—improved presentation of evidence and argument supporting the conclusions reached.

If the top-level estimates effort can be rescued, a large part of your basic problem would be dealt with. However, you have a strong interest in the basic as well as the top-level estimates:

—The basic estimates exist and will continue; the "top level" ones are still just a project. For the next year or so at least, the basic estimates are likely to be the only ones available.

—Even after the new series is being published, most of the bureaucracy will be relying on the basic estimates, and, very likely top-level people or their staffs will rely on them for many purposes.

To some degree, basic changes in the standard estimates probably depend on restructuring the Office of National Estimates. Andy

[3] Document 206.

Marshall's memo on that subject discusses how you may be able to influence that process so as to improve the output.

However, you may also want to act directly on the basic estimates issue: The basic points have been repeated several times, by you, by the staff, and by other consumers—getting action to follow the communication of the points is another matter. *A direct conversation with Helms would be the most effective way of impressing on him the fact that you are dissatisfied with the estimates and that you think fundamental improvements, going far beyond what seems to be proposed, are required.*

Recommendation

That you talk with Dick Helms, using the talking points at Tab G.

---

209. Memorandum From the Under Secretary of State (Richardson)[1]

Washington, June 16, 1970.

MEMORANDUM FOR

Henry A. Kissinger
Richard Helms
David Packard
Ray S. Cline

SUBJECT

Improving the National Intelligence Estimates (NIEs and SNIEs)

From my first days in this job the national estimates proved to be a source of education and guidance in judging issues and reaching policy conclusions. They have also been, and remain, a source of some puzzlement. On the one hand, they seem to encapsule more information by far than they convey to the reader. On the other, they often seem to elude questions at the heart of the policy problem at issue. I cannot help feeling that the great care in thought and drafting that goes into the estimates should result in a more useful product.

General complaints of this sort are often heard. But a general complaint contributes little toward making the estimates more useful. I

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 67, 350.059 (Alpha) 1070. Secret.

think, therefore, that we should undertake a systematic study of what we need and would like to get from the estimates—and what our contribution might be in making that possible. The focus would be on the problems and role of the users of the estimates. This only addresses half the question, of course, leaving the problems on the producers' side to be tackled by the intelligence community itself.

For the study to succeed, it must be more flexible and penetrating than a "user survey." I have in mind an approach based on interviews with both senior intelligence users and their staffs. These should be discussions in depth, starting from a suitably structured set of questions, by encouraging the respondents to introduce questions, criticisms and ideas of their own. The study would be useful even if the interviews were limited to the Department of State, but would be greatly enhanced if done on an inter-agency basis.

The design of the study needs careful thought and staffing. Without prejudice to it, I would like to give some of my impressions about the strengths and weaknesses of the estimates and some illustrations of the kinds of questions I would have liked posed, were I among those to be interviewed.

I. Impressions of the Estimates: Their Strengths Give Rise to their Weaknesses.

As I see it, the fundamental strength of the national estimates is their objectivity, the care taken to make them reliable within the limits of the art, a degree of concensus which facilitates inter-agency agreement on policy, and the packaging of a large body of information and wisdom in a brief and nontechnical form. It would be a major error to sacrifice these strengths in pursuit of marginal improvements in the estimates. The strengths must be preserved, but we should equally be forthright in recognizing the ways in which they now constrain the estimating process and the usefulness of the resulting estimates.

For example, the traditional arms-length relationship between the intelligence producer and the policymaker may protect objectivity by paying the price of estimates that lack relevance to the problems of policy. How can the estimators go to the heart of the problem if they are overly insulated from the analysis and concerns that motivate the policymakers? Reliability is important, both for the producer and the user, but it is sometimes achieved by hedging and qualifications that dissipate the substance of the estimate. Inter-agency agreement is valuable when it is real, but not when it is obtained by cannibalizing differences or evading difficult questions. Finally, brevity aims to make the findings more accessible to a busy reader, but may also make it more difficult for him to appraise the underpinnings and uncertainties of the analysis. Given the kinds of staff support now available to senior people, are current formats still desirable?

I do not mean to underestimate either the value of the estimates as now prepared or the difficulties of correcting the weaknesses I have just listed. I doubt, though, that it is beyond our ingenuity to find better procedures, better formats and a more productive relationship between estimators and users. We could provide support on a broader front for future rounds of improvements by canvassing our own needs and ability to contribute more systematically and thoughtfully than hitherto.

I have asked my staff to come up with questions and comments relating to the estimates and have attached them for your consideration.[2] I realize that some of their comments, as well as some of what I have expressed above, were previously set forth by the Department in considering the improvement of the Soviet military estimates but I have included these points in the interests of comprehensiveness.[3]

ELR

---

[2] Attached but not printed.

[3] Marshall forwarded Richardson's memorandum to Kissinger under cover of a June 30 memorandum which commented that Richardson had raised many of the important and pertinent issues concerning the usefulness of NIEs and recommended that Kissinger take the initiative to get the study proposed by Richardson started. (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 282, Dept of State, Vol. VII, 2 May 70–30 Jun 70)

---

210. Editorial Note

On July 18, 1970, President Nixon met with his Foreign Intelligence Advisory Board to discuss the situation in Southeast Asia and Cambodia in particular. The President expressed his displeasure with the quality of U.S. intelligence on Cambodia and asked the Board to look very carefully into the entire background of the intelligence community's misreading of the importance of Sihanoukville as an entry point for Communist supplies in Cambodia. He then made the following comments, according to the minutes: "The President said there is a tendency in CIA to 'a muted kind of thinking.' He said that he simply cannot put up with people lying to the President of the United States about intelligence. If intelligence is inadequate or if the intelligence depicts a bad situation, he wants to know it and he will not stand being served warped evaluations. He said that an equally bad performance by the intelligence community was its assessments of Soviet ABM developments. The President stated that the United States is spending a total

of about [*dollar amount not declassified*] per year on intelligence and it deserves to receive a lot more for its money than it has been getting. He does not expect the intelligence community to provide the President with proposed courses of action; that is a function for the National Security Council. He does, however, expect the community to present objective intelligence with an indication of majority and minority views where such exist. He said that he understands that the intelligence community has been bitten badly a few times and thus tends to make its reports as bland as possible so that it won't be bitten again. The result is that many reports are completely meaningless. There is another tendency which appears from time to time in the community, viz., the penchant for presenting facts or writing reports designed to fit a preconceived philosophy, e.g., to justify a bombing halt if, in the writer's personal views, such an action is warranted. The President recognized that this tendency is sometimes a subconscious one and that there are people of varying philosophies, e.g., hawks and doves, in the intelligence community as well as the other segments of government. On the other hand, the slanting of intelligence reports is sometimes deliberate and the President feels that the playing down of the importance of Sihanoukville may have been such a case. Sometimes, he said, the authors of these reports do not actually lie; instead, they slant the report in such a way that their personal points of view receive extra emphasis. He believes that those responsible for the deliberate distortion of an intelligence report should be fired. He suggested that the time may be coming when he will have to read the riot act to the entire intelligence community." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, Volume IV, 1 May 70–31 July 70)

211. Memorandum From the Director of the Program Analysis Staff, National Security Council (Lynn) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, August 7, 1970.

SUBJECT

Blue Ribbon Panel Recommendations on Intelligence[2]

In connection with your lunch meeting today with PFIAB, this memo:

—summarizes the comments of the Blue Ribbon Panel on Defense intelligence;
—notes their recommendations for administrative changes;
—comments on the limits of the Panel's analysis.

Summary

The Panel paints a gloomy picture of the U.S. Defense intelligence system, marked by effective autonomy of the intelligence elements from the consumers and effective autonomy of the service intelligence components from the two institutions—NSA and DIA—which are supposed to provide a coordinated and unified DOD intelligence service.

As an administrative cure, it proposes centralization of all defense intelligence activities by creating a collection and a production agency with both management and operational control over activities, reporting directly to the Secretary, through an Assistant Secretary of Defense for Intelligence. The present independent service intelligence activities would be abolished.

The Problem

The chief criticisms the Panel makes of the current situation with the defense intelligence community are:

—NSA and DIA (themselves separate institutions with no common chief short of the Secretary of Defense) don't really manage the programs supposedly assigned to them. The Services do.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 239, Defense—Blue Ribbon Defense Panel. Top Secret. Sent for information.

[2] "Blue Ribbon Defense Panel, Report on National Command and Control Capability and Defense Intelligence," submitted to the President on July 1, 1970. (Ibid., Box 1324, Unfiled Material—1970) The report was a supplement, prepared by a small part of the Panel, to the Panel's main report. The Panel, which began its work in July 1969, was established under the chairmanship of Gilbert Fitzhugh to undertake an extensive study of the Defense Department and make recommendations on its organization and management.

—Both in SIGINT (the supposed area of NSA concern) and general intelligence (DIA), the Services, not the central all-DOD institution, run the people, the budgets, the resources, the R&D, and the product very largely autonomously.

—DIA in particular suffers from "too many jobs and too many masters" since it is supposed to be subordinate to *both* the Secretary and the JCS, whose interests are often in conflict, and since it is supposed to control and coordinate the intelligence components of the individual Services, at the same time that it and its staff are almost wholly dependent on those same Services for both physical and personnel resources and future careers.

—In particular, DIA has been forced to negotiate away its supposed power as the producer of *all* finished DOD intelligence, so that even formally it has "shifted from the production of *all* Defense intelligence to the production of *some* strategic or that intelligence used at the JCS/OSD national level. The members of the JCS, as chiefs of Service, still maintain current intelligence and estimates capabilities on their respective staffs . . ."[3]

—On the NSA side, the Service cryptologic agencies (SCA's) are nominally only collection instrumentalities subject to the management and control of NSA. In reality, they are "jealously guarded prerogatives" effectively independent if not dominant of NSA in personnel, budget, facilities, R&D, methods and procedures. Moreover, all Services run substantial separate security and cryptologic efforts outside the purview of activities run through NSA.

—The lack of coordination with respect to routine intelligence is exacerbated by the existence of "special programs." These tend to be managed at a high level, nominally or practically free of even the weak coordination to which other efforts are subject. These special programs usually involve the development of a new technical capability and there is a tendency to keep control of the *output* as well as the operation with the development agency for too long.

—The result of these divided administrative responsibilities is a divided, uncoordinated product:

—There are separate map agencies in each Service, separate procedures and regulations for security clearance investigations (and a costly and inefficient refusal to accept each other's investigations), and separate sets of estimates and reports on the threat, particularly in the "scientific and technical," i.e., longer-term, area.

—Each Service produces its own flow of current intelligence and estimates, with the attendant danger that the intelligence produced will be tailored to the special interests of the Services, particularly with respect to manipulating the threat to justify victory for the Service on new weapons systems.

These observations have to do primarily with problems of coordination *within* the defense intelligence community. The Panel also,

---

[3] Ellipsis in the source text.

although somewhat more cursorily, discusses the problem of the relationship between the defense intelligence community and the consumers:

—The process of assigning requirements for intelligence collection is conducted almost entirely within the intelligence community with very little meaningful input by consumers.

—With respect to compartmentalized intelligence (i.e., SI, TK, B, etc.) access to which lies with the managers of the collection systems, the relationships between the various compartments have never been systematically analyzed and there is a tendency to ignore the importance of balancing the need for security against the need for getting the information to the people who need it.

—The system of writing estimates is said to water down controversy by compromise.

—Neither on the civilian nor the military side is there a truly professional, career defense intelligence service, except to some extent in NSA, with a resulting bad effect on the process and the product.

—The Panel notes comments that the system collects much more information than can be processed or evaluated competently and that what is processed often does not reach the people who need and could use it. Regarding the evaluation of the substance of the intelligence as outside its charter, the Panel does not, however, comment on these charges.

Recommendations

Most of the Panel's recommendations have to do with improving the internal administrative mechanisms for intelligence within DOD. (Incidentally, by its faint praise and its far-reaching recommendations for administrative changes, the Panel clearly implies that it regards as wholly inadequate Laird's efforts to deal with the problem by giving some central intelligence responsibilities to Froehlke, his Assistant Secretary of Defense for Administration.)

Its recommendations would, in effect, take the Services entirely out of the independent intelligence business and set up a separate defense intelligence service, reporting to the Secretary directly and not through the JCS (or any service chain of command). In detail, the Panel would:

—Give overall responsibility for defense intelligence matters to the "Deputy Secretary of Defense for Operations." (A basic recommendation of the Panel, considering the Department as a whole, is to create separate Deputy jobs, for Management of Resources and for Operations.)

—Establish under him an "Assistant Secretary of Defense for Intelligence" (ASD/I), who would also have the title of "Director of Defense Intelligence" (DDI). This official would:

—represent Defense on USIB and other interagency intelligence boards;

—"direct and control all DOD intelligence activities not specifically designated by the Deputy Secretary for Operations (i.e., not the Services) as organic to combatant forces";

—have charge of the allocation of resources, the definition of procedures, establishment of requirements, intelligence-related research and development, and access to information;

—have as his principal subordinates a "Defense Security Command" (DSECC) and a "Defense Intelligence Production Agency" (DIPA).

—DSECC (which would be a military command) would be the successor-in-interest to NSA and would be the basic collection agency. It would:

—take over from the Services all collection activities now conducted by the Service cryptologic agencies (but with authority to delegate operational and administrative responsibility as appropriate);

—include some processing closely related to collection;

—take over all the functions of NSA and expand those functions to include the "processing, data base maintenance and reporting of all intelligence information."

—DIPA would have charge of all intelligence production not organic to combatant forces. It would be the successor to DIA and would:

—provide all current intelligence, threat assessments, finished ad hoc intelligence, DOD estimates, and DOD inputs to national estimates;

—manage *all* defense intelligence production and dissemination including that organic to combatant forces.

—DSECC and DIPA would each be responsible for planning, evaluation, and review under the ASD/I, of the intelligence activities under their control.

—Set up a unified map and topographic service, under the Deputy Secretary for Management of Resources.

—Create professional, career defense intelligence services, with both civilian and military members.

Comments

These recommendations would greatly centralize the defense intelligence process. The Services can be expected to attack them vigorously as based too much on analysis of abstract management relationships and not sufficiently responsive to the practical and specialized needs of the individual parts of the defense establishment. The Panel explicitly recognizes the importance of a certain degree of competition between intelligence providers, but has concluded that the present system carries competition to absurd extremes.

From your point of view—and probably that of PFIAB—the most important limitation of the Panel's work are:

—that it focuses almost entirely on management and administrative problems and does not suggest much which is directly related to improving the quality of the product; (although, of course, better management, less parochialism, and more professionalism should improve the product)

—that its analysis and recommendations are primarily concerned with relationships within the defense intelligence community itself and not with consumers or with non-defense parts of the intelligence community.

These comments are not meant necessarily as criticisms of the Panel—its job was to look at *defense* intelligence and primarily from a management, not a substantive, point of view. But, the problem is much broader than the Panel's charter permitted it to consider.

---

212. Memorandum From the Director of the Program Analysis Staff, National Security Council (Smith) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, September 23, 1970.

SUBJECT

PFIAB on Blue Ribbon Panel Intelligence Recommendations

At your request (Tab C)[2] PFIAB has commented on the intelligence recommendations of the Blue Ribbon Panel.

Those recommendations are summarized in the memo at Tab D. In essence, they would put all authority for defense intelligence under an Assistant Secretary of Defense for Intelligence, who would represent DOD on USIB and have as his principal subordinates "Defense Security Command" with the functions now performed by the service collection agencies and NSA and NRO and a "Defense Production

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, Vol. V, 1 Aug 70–31 Oct 70. Secret. Sent for action.

[2] Tabs A–D are attached but not printed.

Agency" which would have charge of all intelligence production not organic to combatant forces.

While the Panel's re-organization proposals were radical, the PFIAB ideas are very modest—an Assistant Secretary with budgetary and policy but not operational control, better personnel, some concentration of ELINT and cryptologic functions in NSA. Otherwise, existing institutions, responsibilities, and control relationships would continue.[3]

PFIAB says:

1. It is a good idea to have a single official, an "Assistant Secretary for Intelligence," with overall responsibility for intelligence in Defense, *but*

—The directors of NRO and NSA should have direct access to the Secretary;

—DIA should remain separate and not be directed by the ASD(I) because it would be "counterproductive" to have the ASD(I) in the chain of command;

—The ASD(I) should be on USIB, but as an addition to, not a replacement for the DIA, NSA, and service representatives. The broader representation should be maintained to "preserve checks and balances," insure "representation of service views," and because "the tendency to achieve consensus is . . .[4] already too great" and having fewer voices on USIB would "institutionalize" this tendency.

—In effect the ASD(I) should be the advisor to the Secretary for intelligence, management, budget and policy, but have no direct operational control.

2. It is impractical to try to separate collection and production into different agencies:

—NSA and NRO are specialized "national" agencies, which work well under present arrangements; they shouldn't be subordinated to a new "collection" command.

—The Defense Security command would be "disproportionately large" and engaged in "diverse methods of collection." (But, why should it be better to have this "disproportionately large" "diverse" effort under many heads, rather than one?)

—Many collection activities, e.g., prisoner of war interrogation, are integral to the combat commands and couldn't be separated out. (The Blue Ribbon Panel allowed for delegation of responsibility by the Security Command and would not in [any?] case give it control over activities "organic" to combat commands.)

---

[3] PFIAB's comments were contained in a September 14 memorandum from Anderson to Kissinger. (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 239, Defense—Blue Ribbon Defense Panel)

[4] All ellipses are in the source text.

—So much authority and responsibility should not be in the hands of the commander of the collection command "unless no other alternatives are practicable."

3. The Panel recommendations would remove the Director of Defense Intelligence from his position as the intelligence officer to the JCS. PFIAB's views are that:

—The director of DIA (or whatever it is called) does not have to be "J–2" to the JCS as such, but "he certainly must be fully responsive to the requirements of the JCS."

—There "should be no valid objection to his reporting to the JCS . . . as the principal intelligence officer (J–2)." (Except for asserting that this relationship is a "separate factor" from management of DIA, PFIAB does not comment on the Panel's conclusion that such a divorce from the JCS was necessary because otherwise DIA is trying to serve two masters—as an advisor to the Secretary, the JCS superior, and as a subordinate to the JCS.)

4. The Panel does "not give sufficient stress to the importance of intelligence to combat commanders." Intelligence activities "which are intimately related to military operations should be retained in the services but under firm, centralized policy direction from the Department of Defense." (I don't think the Panel report would disagree with that as a statement of the objective; the problem is how to achieve the result. PFIAB does not comment on the Panel's charge of excessive service independence and empire-building in intelligence.)

5. There is no obligation to a single map and topographic service.

PFIAB's recommendations include:

—(1) "Deliniation under NSA" of cryptologic and ELINT responsibilities. (Presumably this means assigning those functions clearly to NSA and not the services. That would meet some of the Panel's concern with service autonomy, but be subject to some of the objections the PFIAB makes against taking intelligence activities out of the services.)

—(2) Improved "screening and stability" of men assigned to defense intelligence and assignment to intelligence of a "proportionate share" of "superior" personnel. (This is PFIAB's only comment on the proposal of the Panel to create a career military and civilian defense intelligence service.)

—(3) Budgetary, management, and policy supervision and review by the ASD(I) with decentralized operations, with existing organizations retaining their procession responsibilities and functions.

—(4) Retention of separate responsibilities in the services for personnel investigations. (No reason is given.)

PFIAB asks that its comments be transmitted to the Secretary of Defense. The memo at Tab A thanks PFIAB for their comments and the one at Tab B transmits them to Secretary Laird.

(Admiral Anderson has also forwarded his personal comments on the Panel's proposals dealing with restructuring the chain of command in DOD, which I will send to you separately.)

Recommendation

That you sign the memos at Tabs A and B.[5]

[5] Not found. There is no indication that Kissinger signed either memoranda.

213. Editorial Note

At a meeting on October 20, 1970, Robert Froehlke, Assistant Secretary of Defense for Administration and Chairman of the Blue Ribbon Action Committee, presented four possible ways of organizing intelligence in the Department of Defense in response to the Blue Ribbon Defense Panel's recommendations (see Document 211). The four alternatives are detailed below. Attending the meeting were Deputy Director of Central Intelligence Lieutenant General Robert Cushman and John Bross of the Central Intelligence Agency, Ray Cline of the Department of State's Bureau of Intelligence and Research, Gerard Burke of the President's Foreign Intelligence Advisory Board, James Schlesinger of the Office of Management and Budget, and Vice Admiral John Weinel of the Joint Chiefs of Staff. Froehlke indicated that his mind was still open but he "tended towards alternative 3." (Memorandum from Froehlke to the Secretaries of the Military Departments, October 21; Washington National Records Center, RG 330 OSD Files: FRC 330 76 67, 350.09 1970) Froehlke invited those present at the meeting to submit comments on the alternatives and expressed the hope that Secretary Laird would make a decision by early December. (Memorandum from Wayne Smith to Kissinger, November 27; National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 239, Defense—Blue Ribbon Defense Panel)

Cushman responded in a November 2 memorandum to Froehlke (Document 214) that alternatives 1, 2, and 4 were "clearly impractical at this time" and that alternative 3, while probably feasible, had "serious problems." Cline replied more positively in his November 2 memorandum to Froehlke: "In reviewing your alternatives, I find that we lean strongly toward alternative three. It has many merits, and would avoid the bureaucratic upheaval that would occur if you tried to move immediately to alternative four—which appears to be a not unreasonable long-term goal." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 239, Defense—Blue Ribbon Defense Panel) Admiral Moorer, Chairman of the Joint Chiefs of Staff, questioned the

need for any reorganization at all in his November 7 memorandum to Secretary Laird (Document 215). Burke opined in his October 20 memorandum to Admiral Anderson, Chairman of the President's Foreign Intelligence Advisory Board, that "with the possible exception of alternative #3 (and I have concern about that one, too), I personally feel that these alternatives are at best unrealistic." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 239, Defense—Blue Ribbon Defense Panel) In commenting on Froehlke's proposals in a November 27 memorandum to Henry Kissinger, Wayne Smith of the National Security Council staff stated: "As you might expect, all the alternatives are the same—all establish an Assistant Secretary of Defense (Intelligence) with not only staffing and programming capabilities but also line responsibilities over NSA, DIA, and the National Reconnaissance Program. PFIAB has sent you a copy of the Froehlke alternatives and a memorandum describing all of these alternatives as 'objectionable in whole or in part' and recommending that such decisions be taken by the NSC because of their community-wide implications." Smith's and PFIAB's memoranda are ibid.

Printed below are descriptions of the four alternatives that Froehlke sent to the intelligence officials on October 20. Froehlke distributed the same material to the Department of Defense officials. Omitted from this material are organizational flow charts for each alternative, lists of pros and cons for each alternative, and a Concept Paper on the Assistant Secretary of Defense for Intelligence.

Alternative 1:

"The objective of this alternative is to describe an organization which adheres to the BRDP recommendations to the greatest extent possible. To do so, the proposed organization would establish an ASD(I) whose office would become the DoD center for intelligence with both line and staff responsibilities. He would be the Director of Defense Intelligence. These responsibilities would create a requirement *for a sizeable staff* with line and staff functions. However, these positions could be drawn from within the DoD intelligence community as a result of restructuring actions. (This would probably be met with something less than enthusiasm.)

"Under this alternative it is assumed that all Defense intelligence activities are subordinate to an ASD(I) including national programs currently managed elsewhere within the Department of Defense. However, there would be no immediate transfer of responsibility for the management of organic theater intelligence resources to the ASD(I). Decisions regarding these would not be undertaken pending establishment of the ASD(I) in order that these decisions could be made with his approval.

"Two major organizations are directly subordinate to the ASD(I). The first is the Defense Security Command (DSECC), charged with the re-

sponsibility for all defense intelligence collection activity. The second is the Defense Intelligence Production Agency (DIPA), responsible for all defense intelligence production activity. Collection, processing and production currently being performed by DIA, NSA, the national programs and the Services would be delineated by ASD(I) and subordinated to these two major activities. The Director, NSA would be double hatted, also serving as the Commander, Defense Security Command. The Service cryptologic agencies would report to the Commander DSECC. The Director, DIA would become Director Defense Intelligence Production Agency. Both the Commander, DSECC, and Director, DIPA would have command and/or operational control of all subordinate organizations.

"The ASD(I) would represent DoD on USIB and NIRB. He would appoint representatives to the USIB committees from any subordinate DoD intelligence organization on a 'best qualified' basis. These representatives would be DoD representatives—not agency or Service representatives.

"A single change has been made to BRDP recommendations in this alternative. This involves the recommended establishment of a Defense Investigative Service (DIS) as a subordinate element of the Defense Security Command. Analysis of this proposal leads to the conclusion that (1) it is desirable for the ASD(I) to have policy responsibility for all aspects of security and counterintelligence and (2) this activity is not within the general functional area of collection. The creation of such a DIS may not be practicable, and its subordination (if created) to the command charged with collection (DSECC) does not appear to be practicable. Therefore, Alternative #1 would simply combine the responsibility for policies in the fields of Security Classification, Investigation and Counterintelligence at the ASD(I) level with operations retained in the Services. The establishment of a Defense Investigative Service would be the subject of further analysis."

Alternative 2:

"The objective of this alternative is to describe an organization which is consistent with the majority of BRDP Intelligence Annex recommendations yet varies in certain areas. Specifically, the national programs *would not* be subordinate to the DSECC, but would report directly to ASD(I), and as in Alternative #1, there would not initially be a Defense Investigative Service.

"Under this concept, the ASD(I) would have full operational control of DSECC, DIPA and the national programs. The ASD(I) would have both line and staff responsibilities. The organization would differ from that in Alternative #1 in two ways:

"(1) The Director, NSA would not also be the Commander DSECC.

"(2) The Commander DSECC would not control the national programs.

"The ASD(I), as in Alternative #1, would represent DoD on USIB and NIRB, appointing representatives to USIB committees from subordinate DoD intelligence activities on a 'best qualified' basis.

"Decisions regarding any changes in responsibility for the management of organic theater intelligence resources would be made by SecDef upon recommendations of ASD(I) and the JCS."

Alternative 3:

"Alternative #3 describes an organization which is structured to achieve some—but not all—of the BRDP recommendations with a minimum of upheaval in the immediate time frame.

"Conceptually, an ASD(I) would be established whose office would become a focal point for DoD intelligence. The ASD(I) direction and control responsibilities would be those recommended in the BRDP Report and outlined in Alternatives #1 and #2.

"Under this alternative the major deviation from the BRDP Report is found at lower echelons. The DSECC and DIPA would not be created. A review of the NSCID's and DoD Directives indicates that the significant problems highlighted by the BRDP have not resulted primarily from organizational deficiencies. The situation has been compounded by the lack of an OSD level manager other than the Secretary/Deputy Secretary. Therefore, under this alternative, NSA and DIA continue to function as they do now except for the following changes:

"1. ASD(I) is the principal DoD representative to the USIB and he would appoint—as in the other alternatives—the DoD committee representatives.

"2. NSA's responsibilities in the SIGINT environment will be explicitly defined by the Secretary. This would require a review of existing national and DoD Directives with subsequent recommendations.

"3. DIA would not report through the JCS to the Secretary but through the ASD(I). The JCS would then require internal intelligence staff support.

"4. The DIA charter would be revised to strengthen DIA's management role which has been acknowledged tacitly and ignored practically.

"As in Alternatives #1 and #2, policy responsibilities for security classification and procedures (to include special access systems), investigations and counterintelligence activities would be centered in the OASD(I) with consideration given to the establishment of the DIS as an agency reporting to the Secretary, through the ASD(I).

"The intelligence collection and production functions currently being performed by the Services will be examined, and as applicable, subordinated to the Director, DIA."

Alternative 4:

"Alternative #4 describes an organization which is structured substantially the same as that proposed by the BRDP. However, it is pre-

sented as an alternative which would achieve the Panel's principal goals through a more centralized approach than proposed by the BRDP.

"Under this concept the ASD(I) would be established. The ASD(I) would be the principal intelligence, counterintelligence and security staff officer. He would direct all DoD intelligence activities not specifically declared by the Secretary to be organic to combatant forces. His staff would, of necessity, be large. He would be the DoD representative on USIB and would appoint representatives to USIB committees from subordinate agencies.

"Immediately subordinate would be three intelligence activities:

"(1) The Defense Intelligence Operations Agency (DIOA).
"(2) The Defense Intelligence Production Agency (DIPA).
"(3) The Defense Intelligence Support Agency (DISA).

"The Defense Intelligence Operations Agency would supervise all intelligence collection, reconnaissance and surveillance operations. The Director would also be the Director, NSA. The Service cryptologic agencies and technical sensor activities would be under the operational control of the Director DIOA. The directors of the national programs would also be under the operational control of the Director DIOA.

"All intelligence production activities would be subordinate to the Director, Defense Intelligence Production Agency (DIPA), who would exercise operational control. The DIPA would provide current intelligence and production, support to SecDef, OSD, defense agencies, JCS, and the Service ACSI's. The Director DIPA would act as the alternate DoD representative on USIB. As directed by ASD(I) he would coordinate collection priorities to satisfy intelligence consumer requirements.

"The third agency which would be created under this concept would be the Defense Intelligence Support Agency. The purposes of this agency would be to provide common support services to the Defense intelligence community, to be the focal point for all intelligence R&D, and to provide a headquarters for counterintelligence and security operations. Finally, the DISA could provide common technical services in the field of ELINT analysis, image interpretation, translation, and ADP. Among the common services for which the DISA could be made responsible are the following: personnel services, intelligence career development programs, pay and finances, training/schools, computer services, purchasing and contracting, external contract services, administrative services, communications support, supply and logistics support, graphic arts support, printing support, security guard support, security clearances support, libraries and publications, special security support, and transportation services." (Washington National Records Center, RG 330, OSD Files: FRC 330 76 67, 350.09 1970)

214. Memorandum From the Deputy Director of Central Intelligence (Cushman) to the Assistant Secretary of Defense for Administration (Froehlke)[1]

Washington, November 2, 1970.

Dear Bob:

Dick Helms has asked me to reply to your request for comments on the alternatives proposed for reorganization of Defense intelligence activities which you discussed with us on October 20th.[2] Implementation of at least some aspects of these proposals would involve amendments to National Security Council Intelligence Directives. Dick of course wishes to reserve expression of a definitive opinion on these matters until such time as they may come up for discussion through normal National Security Council channels and procedures.

In general the alternatives presented are not discussed in sufficient detail for us to be able to endorse any of them, but we will give our comments on them as concepts. We do believe that a measure of centralized control over the development and allocation of intelligence-associated departmental resources is desirable. A knowledgeable judgment about the feasibility of any new organizational plan cannot, however, be made until the fine points are worked out in detail. Of the four alternatives, numbers 1, 2 and 4 would be clearly impractical at this time. Although alternative 3 would probably be feasible to implement, we believe there are serious problems with it.

Two aspects of all the suggested alternatives present difficulties. One of these concerns the management of the national reconnaissance programs and the proposed Assistant Secretary's relationship to them. The other has to do with the authority and functions of the proposed Assistant Secretary in connection with USIB and the process by which substantive intelligence estimates and judgments are formulated and approved.

As regards the national programs, we strongly support leaving the functions and membership of the Executive Committee of the NRO as they are. These are fundamental concepts in the NRO agreement and I believe that it would be a great mistake to change them.

Likewise, we think that it would be inappropriate to subordinate the Director, NRO, to an Assistant Secretary of Defense for Intelligence. This would be a substantial departure from the terms of the NRO agree-

---

[1] Source: Central Intelligence Agency, DDI Files, Job 79–T01159A, Box 4, Folder 1, Department of Defense, 1969–1970. Top Secret; Handle via Byeman Control System Only.

[2] See Document 213.

ment which provides that the Director will be appointed by the Secretary of Defense and that he report directly through the Executive Committee to the Secretary. (As you know, the Deputy Director, NRO, is appointed by the DCI with the approval of the Secretary of Defense.) This arrangement was designed to insure that the activities of the National Reconnaissance Program receive the personal attention of the Deputy Secretary of Defense, the DCI, the President's Science Advisor and, when necessary, the Secretary of Defense. It is true, as you note in your concept paper, that this forces considerable personal involvement by the EXCOM members, particularly the Deputy Secretary of Defense. The nature of the programs involved are, however, of such national importance that this attention seems to us to be desirable.

This raises the question then of what the relationship of an ASD(I) and the D/NRO should be. In general, we think it should be one of coordination and mutual support. In view of the need for the NRO to serve national requirements, we believe it would not be appropriate for an ASD(I) to exercise management control or staff supervision over the National Reconnaissance Program.

A second matter of concern is how to implement the authority contemplated for the new Assistant Secretary in connection with National Intelligence Estimates and as the representative of the Secretary of Defense on USIB.

In the latter connection I note that the concept paper outlining the terms of reference for the Assistant Secretary provides that he will appoint representatives on the various USIB committees. Actually the components represented on USIB committees are specified by directives issued under the authority of the DCI and USIB. I presume that it is intended that any changes in the composition of USIB committees would be worked out between the new Assistant Secretary of Defense and the Director of Central Intelligence in accordance with established procedures.

The concept paper further provides that the new Assistant Secretary is to "coordinate [the][3] DOD position on National Intelligence Estimates and approve Defense intelligence estimates as prepared by the Director, DIA."

It is not clear to me how the Assistant Secretary's position on substantive matters involved in National Intelligence Estimates will be developed. It could be, I suppose, intended to establish a section in the office of the new Assistant Secretary to serve as a staff for substantive

[3] Brackets in the source text.

matters. On the other hand, the Assistant Secretary's position on estimates could be developed by DIA. I very much hope that the latter arrangement is intended and that the Director, DIA, will continue to remain a member of USIB. DIA, as the main military participant in the development and production of national estimates, can provide essential staff support to the Assistant Secretary as well as contributing the military viewpoint in substantive deliberations of the USIB. As you know, the intelligence chiefs of the three military services also participate fully in the deliberations of the USIB concerned with National Intelligence Estimates, Special National Intelligence Estimates and Watch Committee reports. They are of course authorized to express any substantially differing opinion on these documents. I would hope that this practice would continue.

The membership of USIB itself is determined by National Security Council Intelligence Directive and changes in the composition of the Board should be definitively decided in the NSC context. Generally speaking, I believe that there would be no objection to including the Assistant Secretary of Defense for Intelligence as a member of USIB but I believe that the question of the over-all military membership appropriate for USIB, and best calculated to serve the interests of the intelligence community, cannot be authoritatively decided at this time but should be taken up in the context of a proposal to amend NSCID No. 1.[4]

Although the proposal to have the Assistant Secretary act as the principal representative for the Secretary of Defense on USIB may raise some problems, I heartily agree with the proposal that he should act as the Department of Defense representative on the National Intelligence Resources Board. This is a very desirable move and one which I strongly support.

Another area that bothers me is the meaning of the proposal that NSA's responsibilities in the SIGINT environment will be explicitly defined by the Secretary of Defense, requiring a review of existing national and DOD directives. At present, SIGINT activities are governed by NSCID No. 6,[5] which includes the following provisions. SIGINT activities are first defined in that document as national responsibilities for which the Secretary of Defense is designated as Executive Agent. The DCI, however, with the technical advice and assistance of the Di-

[4] A copy of NSCID 1, Basic Duties and Responsibilities, revised March 4, 1964, is in the National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 275, President's Foreign Intelligence Advisory Board, Vol. II.

[5] See Document 187 and footnote 5 thereto.

rector, NSA, is the Executive Agent for SIGINT arrangements with foreign governments other than the UK, Canada and Australia. The USIB is responsible for establishing policies for such arrangements, as well as for providing the objectives, requirements and priorities for the production of COMINT and ELINT information by NSA. The Director of NSA also has operational and technical control over SIGINT intercept and processing activities, except those required for direct support over which he has delegated operational control. I hope that the proposal mentioned above is not intended to modify these basic provisions.

I note that under alternative 3 DIA will no longer report through the JCS to the Secretary of Defense and that accordingly the JCS will require internal intelligence staff support. This could lead to an undesirable overlap of responsibility and duplication of effort between DIA and a newly formed J–2, for example in the field of national estimates. It would seem preferable to have DIA continue to provide intelligence support to both the JCS and the Secretary of Defense.

I should be only too glad to discuss the points which I have made above or any other questions which may occur to you as a result of comments submitted on the proposed alternatives at any time at your convenience.

Sincerely,

R. E. Cushman, Jr.[6]
Lieutenant General, USMC

[6] Printed from a copy that indicates Cushman signed the original.

215. Memorandum From the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird[1]

JCSM–514–70 Washington, November 7, 1970.

SUBJECT

Responsibilities for Intelligence in the Department of Defense (U)

1. (S) Reference is made to:

a. Your memorandum, dated 1 August 1969, subject as above, wherein additional responsibilities for intelligence management were assigned.[2]

b. A memorandum by the Assistant Secretary of Defense (Administration) (ASD(Admin)), dated 14 October 1970, subject: "Blue Ribbon Defense Panel Intelligence Recommendations (U)," which requested comments on alternate plans for Department of Defense (DOD) intelligence reorganization.[3]

c. CM–4450–69, dated 26 July 1969, in which the views of the Joint Chiefs of Staff were forwarded on the "Tentative Report on Defense Intelligence" to the ASD(Admin).[4]

d. JCSM–355–69, dated 6 June 1969, in which the Joint Chiefs of Staff forwarded their views on DOD intelligence program management.

e. JCSM–582–69, dated 18 November 1969, in which the Joint Chiefs of Staff forwarded their views on intelligence planning, programming, and budgeting.

2. (C) The Joint Chiefs of Staff note that considerable divergence exists between the responsibilities assigned in reference 1a for intelligence in the Department of Defense and the proposed alternate plans for DOD intelligence reorganization referred to in reference 1b. As indicated in reference 1c, the Joint Chiefs of Staff were in broad agreement with the study which led to additional intelligence responsibilities within the Office of the Secretary of Defense.

3. (TS) The Joint Chiefs of Staff reaffirm their views on the management of DOD intelligence as expressed in references 1c and 1d, in that they consider that operational direction of intelligence is not an appropriate function for management at the Office of the Secretary of Defense level but should be left to the operating agencies. In addition,

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76, 350.09. Top Secret. A notation on the memorandum indicates Laird saw it. Written by hand at the bottom of page 1 is: "M—Argues against any changes now!"

[2] Document 193.

[3] Not found, but see Document 213.

[4] References c, d, and e were not found.

the Joint Chiefs of Staff do not agree with the removal of the Director, Defense Intelligence Agency (DIA), from a position in the chain of command from the Secretary of Defense through the Joint Chiefs of Staff and in the associated removal of the Director, DIA, from performance of the function of Director for Intelligence (J–2), Joint Staff. A close relationship is essential to enable the Joint Chiefs of Staff properly to perform their role as the principal military advisors to the Secretary of Defense and the President. The DIA is providing effective intelligence staff support in a dual role which makes the best use of intelligence personnel resources. The Joint Chiefs of Staff consider that the major effect of the implementation of any one of the alternatives contained in reference 1b would be substantially increased centralization of intelligence responsibilities and direction in the Office of the Secretary of Defense which is contrary to the present policy of "decentralized management." Implementation of any of the proposed plans would require additional personnel to staff the Intelligence Directorate of the Joint Staff and the Assistant Secretary of Defense (Intelligence). For the above reasons, the Joint Chiefs of Staff have serious reservations about the advisability of a reorganization of DOD intelligence functions at this time.

4. (TS) Major changes have been made to improve the management of intelligence within the Department of Defense in the 14 months which commenced with the assignment of intelligence responsibilities to the ASD(Admin) on 1 August 1969 (reference 1a). These changes include the following:

a. The Deputy Assistant Secretary of Defense (Intelligence) (DASD(I)) was formed and staffed within the OASD (Admin). The DASD(I) has taken important actions to discharge his responsibilities which include the establishment of an intelligence resource review and decisionmaking process, the improvement of intelligence communication between internal and external DOD agencies, evaluation of intelligence organizational relationships, roles and missions, and the review of security policies.

b. A Consolidated Defense Intelligence Program (CDIP) has been developed which includes the National Security Agency (NSA) program (the Consolidated Cryptologic Program (CCP)); the programs of DIA and the Services (the General Defense Intelligence Program (GDIP)); and national programs. This new programming process, which was derived from and is generally compatible with the Planning Programming, and Budgeting System (PPBS), was developed during the first half of 1970 and has not been in use sufficiently long for an assessment of effectiveness to be made.

c. New responsibilities and authorities were assigned to the Director, DIA, and the Director, NSA, as program managers for the GDIP and the CCP portions of the CDIP.

d. A Consolidated Intelligence Resource Information System (CIRIS) was built and integrated with the PPBS procedures. The CIRIS, a target-oriented display of intelligence resource allocation, is used to

evaluate intelligence resources. The CIRIS is intended to be a management tool in the CDIP and PPBS reviews. The DOD CIRIS data bank was not constituted until mid-July 1970; therefore, it has not had sufficient time to influence or contribute to the programming process of the FY 1972 PPBS cycle as intended.

e. Incorporation within the PPBS of the recommendations of the Joint Chiefs of Staff concerning intelligence requirements and intelligence resources through the Joint Strategic Objectives Plan (JSOP). In addition, intelligence programs have been established as a major mission category under Program III of the Five-Year Defense Program. The FY 1972–1979 PPBS cycle, which commenced in December 1969, rather than its planned inception of July 1969, was the first under a revised directive, and has not run its full course. Experience has not been gained with a full PPBS cycle with these new procedures.

5. (S) The report of the Blue Ribbon Defense Panel on Command and Control Capability and Defense Intelligence[5] was in preparation and supporting information was gathered during the time period when these significant changes were being made. For that reason, the report describes many faults and shortcomings which these very changes were designed to correct.

6. (S) In summary, the Joint Chiefs of Staff consider that the recent major functional changes made to improve the management of intelligence in the Department of Defense have not been in effect sufficiently long for the results to be realized. Reorganization prior to a full evaluation of the effects of already implemented changes is not advisable. For these reasons, the Joint Chiefs of Staff consider that no change should be made in the DOD intelligence organization. If, after passage of sufficient time to assess the new arrangements it is determined that management deficiencies exist in the DOD intelligence community, then reconsideration of possible restructuring may be in order.

7. (S) The Joint Chiefs of Staff further recommend that any future review be pursued within the concept that broad principles of policy guidance in management (including resource and fiscal management and cross-program integration) are the proper functions for the Office of the Secretary of Defense and that line functions of directing operational intelligence matters should not be considered within the purview of any agency in the Office of the Secretary of Defense.

For the Joint Chiefs of Staff:

T.H. Moorer

---

[5] See Document 211.

216. Memorandum From President Nixon to his Assistant for National Security Affairs (Kissinger)[1]

Washington, November 30, 1970.

While I believe your recommendation that we keep Helms should be accepted, I will do so only on condition that there be a thorough housecleaning at other levels at CIA.[2] I want you to get him in and tell him the people you want changed and work out the situation. Also I want a good thinning down of the whole CIA personnel situation, as well as our Intelligence activities generally.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 208, CIA, Vol. III, 1 Jul 70–31 Dec 70. Eyes Only.

[2] In a November 25 memorandum to Kissinger, Haig, in reference to the CIA, stated: "I believe you need a complete house-cleaning over there. Smith and Carver are tops on my list," Smith "because he is not on the President's wavelength." Haig stated further that he agreed with Kissinger "that Helms will play whatever role the President wants him to play and, therefore, should be kept on but only if the key left-wing dominated slots under Helms are changed. Actually, as you look at the CIA organization, Helms is being asked to do too much. He becomes at once the overall manager, a role which he cannot play, the President's Number One briefer, which he does very well and the President's Number One evaluator, a role which he can do and should do as the Director but only if he has a sound team player to manager the Agency for him. This means Smith must go." (Ibid., Kissinger Office Files, Box 148, WH/State Relationship Vol. 3)

---

217. Memorandum From Tom Latimer of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, December 1, 1970.

SUBJECT

Intelligence Publications and Their Distribution

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 822, Latimer, Tom. Secret. Sent for information.

Central Intelligence Agency

I. Regular Publications

a. *The President's Daily Brief* (PDB)—Published six mornings a week by the Office of Current Intelligence (OCI)—contains short items of current interest plus occasional longer, more interpretive annexes. It is produced solely by CIA and is not coordinated outside that agency.

Distribution: The President, The Vice President, Secretary of State, Secretary of Defense, Attorney General, Adm. Moorer, Under Secretary of State, Deputy Secretary of Defense, Mr. Kissinger and the White House Situation Room.

b. *The Central Intelligence Bulletin* (CIB)—Published by OCI six mornings a week in three versions—a Black book containing all source material for the top levels of government, a Red book containing SIGINT but not other sensitive material or satellite photography for all levels of government and a White book containing only Secret level material which is for analysts primarily. Items in the Black and Red books are coordinated with State and Defense Departments unless specifically noted otherwise.

Distribution: The Black book gets high level dissemination, i.e. Cabinet and Assistant Secretary level. The Red and White books are widely distributed throughout the government.

c. *Developments in Indochina*—Published by OCI six afternoons a week, contains articles on developments in North and South Vietnam, Laos and Cambodia. It is designed to give the reader a comprehensive picture of the latest developments in that region. Items are coordinated within CIA but not with other agencies or departments.

Distribution: White House, Secretary of State, Secretary of Defense and Assistant Secretary level plus ad hoc group members.

d. *Weekly Review* (also published in a non-SIGINT version)—Published every Friday by OCI, it is designed for those government officials who do not read the CIB every day but who need a weekly summary of major developments throughout the world. It also provides the analysts a vehicle in which to put individual developments into a larger framework. Items are not coordinated outside CIA.

Distribution: Widely disseminated at all cleared levels of the government.

e. *The Current State of Sino-Soviet Relations*—A bi-weekly report produced at the request of Mr. Kissinger—it is written by the Office of Strategic Research and coordinated within CIA but not outside that agency.

Distribution: Closely held—copies to Mr. Kissinger, Secretary and Under Secretary of State, Secretary and Deputy Secretary of Defense, ISA, INR and Marshall Green.

f. *Weekly Vietnam Indicators*—A selected list of important statistics related to the war, plus short items of interest on the war. It is produced for the President by the Director's Special Assistant for Vietnamese Affairs, Mr. George Carver. It is not coordinated throughout CIA and not coordinated at all outside CIA.

Distribution: The White House only.

g. *The South Laos Interdiction Report*—Published weekly, it focuses specifically on efforts by guerrilla teams to interdict North Vietnam's logistics and manpower flow through South Laos. It is produced by the DDP.

Distribution: WSAG only.

h. *Laos Situation Report*—A daily report produced by the DDP, it describes military operations in Laos with particular focus on government operations against the Communists.

Distribution: The Laos ad hoc working group of the NSC.

i. *President's Quarterly Report*—Produced by OSR, it wraps up all pertinent information on Soviet military posture.

Distribution: Closely held—copies to the President, Vice President, Cabinet level and Assistant Secretary level on "need-to-know" basis.

j. *The Economic Situation in South Vietnam* (Monthly)—An analytic report covering economic trends in South Vietnam, originally requested by State.

Distribution: Mr. Kissinger, PFIAB, the Vice President, NSC Staff, State, AID, USIA, DOD, NSA, AEC, FBI, Treasury, OMB and the Department of Agriculture.

k. *Shipping to North Vietnam* (Monthly)—A report of all foreign shipping to North Vietnam.

Distribution: NSC Staff, State, AID, USIA, DOD, NSA, Maritime Administration, Treasury, the Governors [*Governments*?] of the United Kingdom, Australia and New Zealand.

l. *Shipping to Cambodia* (Semi-annual)

Distribution: NSC Staff, State, Defense, NSA.

m. *Shipping to Cuba* (Annual)

Distribution: NSC Staff, DOD, US Coast Guard, NSA.

II. Ad Hoc Publications

a. *Intelligence Memoranda*—Produced by the components of the Directorate of Intelligence (DD/I). Some are self-initiated within the DDI,

others are requested from other government departments. All are coordinated within CIA but not outside the agency, unless the requestor so specifics.

Distribution: Determined by the classification, the requestor and by the content.

b. *Weekly Review Special Report*—Articles initiated by DDI analysts, usually shorter in length and scope than Intelligence Memoranda—coordinated within CIA but not outside the agency.

Distribution: The same as for the regular Weekly Review.

c. *ONE Staff Memoranda*—Issued through CIA but done by the staff of ONE. They are self initiated and are usually coordinated within CIA but not outside that agency.

Distribution: Determined case by case.

d. The Directorate of Intelligence also produces a variety of other ad hoc and regular publications aimed primarily at other intelligence analysts in the government rather than for policy levels. These include the *Office of Strategic Research Monthly* which contains articles on military developments primarily in the Communist world; the *Weekly Surveyor* put out by the Directorate of Science and Technology. It contains brief items on scientific, medical, space and other technological developments in the world with primary emphasis on the USSR and Communist China; the daily *Missile and Space Summary* produced by the Foreign Missiles and Space Activities Center at CIA. It covers all space and missile activities throughout the world. All of these publications are disseminated widely at the analytical level in the government. The DDP also produces a variety of raw intelligence reports which are disseminated according to the "need-to-know" principle.

III. USIB Publications—In his role as Chairman of the United States Intelligence Board, the Director of Central Intelligence issues a number of regular and ad hoc reports. These are not CIA reports.

a. *National Intelligence Estimates*—These are either initiated by the Office of National Estimates or by other government officials. They are fully coordinated, interagency estimates of specific problems. They are written by the staff of the Office of National Estimates and are issued after approval by USIB.

Distribution: Determined on a case by case basis.

b. *Special National Intelligence Estimates*—The same as the above but with a much shorter deadline.

c. The USIB also distributes a number of other reports from its many committees, such as the weekly Watch Report from the Watch Committee, defectors reports from the Interagency Defector Commit-

tee, ad hoc reports from the Joint Atomic Energy Intelligence Committee and the Committee on Imagery Requirements and Exploitation (COMIREX) and so on.

State Department, Bureau of Intelligence and Research

a. *Intelligence Notes, Briefs and Research Studies*—Published on an ad hoc basis, these are initiated by the analysts on subjects thought to be of interest. They are disseminated for the use of other analysts around the community. The major difference in the three types of reports is their length.

Defense Intelligence Agency

I. Regular Publications

a. *Daily Joint Staff Ops-Int Summary*—A digest of selective operational and intelligence reports produced each day by the National Military Command Center of the JCS and by the Defense Intelligence Agency. Unlike CIA publications, this Defense Department daily provides information on both US and foreign government actions.

Distribution: The White House, Vice President, Secretary of State, Under Secretary of State, Admiral Anderson and upper levels of the Defense Department.

b. *Intelligence Summary*—A publication produced six days a week primarily for the needs of the Department of Defense for appropriate current intelligence. The items are not coordinated outside the Defense Department.

Distribution: White House, State, DOD, SALT delegation, CIA, NASA, FBI, Army, Navy, Air Force, Marine Corps.

c. *Weekly Highlights*—A summary of each week's developments by foreign military services, excluding Southeast Asia which is covered in a separate publication.

Distribution: White House, State, DOD, CIA, Army, Navy, Air Force, Marine Corps.

d. *Southeast Asia Summary* (Weekly and Monthly)—This report briefly summarizes and evaluates information on significant enemy activity influencing the war in Indochina.

Distribution: White House, State, DOD, CIA, Army, Navy, Air Force, Marine Corps.

e. Daily *Intensity Indicators of VC/NVA Activity*—A series of charts covering vital aspects of the war.

Distribution: White House and DOD.

National Security Agency

NSA publishes three regular reports containing intercepted messages. The three are broken down by area of the world. Thus, there is one on the [*less than 1 line of source text not declassified*] area; one on Southeast Asia and one, in the NSA SIGINT Summary, which briefly covers the most important events throughout the world. All three are widely distributed through the government to officials cleared for SIGINT material.

---

218. Memorandum From the President's Deputy Assistant for National Security Affairs (Haig) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, December 3, 1970.

SUBJECT

Talking Points for PFIAB Meeting, 12:30 p.m., Thursday, December 3, 1970

1. The following people will be attending the luncheon:

Admiral George Anderson, Chairman
Dr. William Baker
Gordon Gray
Dr. Edwin Land
Franklin Lincoln
Dr. Franklin Murphy
Ambassador Robert Murphy
Frank Pace
Governor Nelson Rockefeller
Dr. Kissinger
General Haig

2. *Intelligence Problems.* You have expressed the intention of talking to the FIAB about the overall intelligence problem and of refining our current bill of particulars which is proof-positive of the deficiencies with which we are faced. I would suggest that you draw on the following points:

—One of the most valuable services the President's Foreign Intelligence Advisory Board could perform would be to take a hard look at

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, Vol. VI. Top Secret; Sensitive; Contains Codeword.

the entire intelligence community to see what we can do to make sure that the President and the National Security Council get the best possible intelligence support.

—It is a fact that, while the National Security Council process itself has been updated to make it more vital and useful to the President, the intelligence community has remained essentially the same, limping along with structure and procedures that are years out of date.

—Since January of 1969, there have been several very serious shortcomings surface underlying intelligence deficiencies. These include:

(a) *The Sihanouk fiasco,* which the FIAB has recently thoroughly investigated and the report on which you now hold.[2] (You may wish to compliment the Board on a comprehensive, hard-hitting and most helpful report. The Board will probably want to know what remedial action is anticipated and you may wish to suggest that the President has directed some personnel changes.)

(b) *The Soviet Strategic Threat.* From the outset of our preparatory work on SALT, it became evident that the intelligence community, and especially CIA, much like the Sihanoukville case was unable or unwilling to grapple with available intelligence data and to analyze this data in a way which accurately reflected Soviet accomplishments toward the development of a MIRV, or capability equivalent to a MIRV. Only in the last few weeks has CIA finally come around to the view that the Soviets have, indeed, been testing such a weapon. This could have had the most serious implications, not only for our SALT preparations but for our whole ABM development program.

(c) *The Middle East Ceasefire Violations.* The manner in which positive evidence of Soviet/Egyptian cheating on the missiles was treated is a classic case of the incompetence of our intelligence community. It took days, and in fact even weeks, before the community ever arrived at a firm assessment of the nature and scope of the extensive cheating which had occurred. In the interim, the Israelis had chapter and verse on this cheating and unfortunately were invariably proved to be correct despite initial incredulity in our community. In this instance, the community's failure to promptly and accurately assess the situation had serious repercussions.

(d) *Chile Assessments.* Here again, the intelligence community failed to sharply assess the full implications of the political trends in Chile or, perhaps more seriously, having assessed them with some accuracy, they permitted policy preconceptions to flavor their final assessments and their proposals for remedial action in the covert area.

---

[2] Dated November 25. (Ibid.)

All of the foregoing suggests that there are major deficiencies in our system. Perhaps uppermost among these are the following:

—A tendency from the community to permit their factual assessments to be flavored by policy considerations so that factual data are distorted or omitted in favor of policy preconceptions. It is essential that a new tone of objective professionalism be interjected into the entire system and that the intelligence community be divorced completely from policy input. This is a difficult task, the correction of which will take a massive and complete effort at every level. It might be that the only solution is the reassignment of key analysts, especially at the supervisory level, who over the years have developed preconceptions which inadvertently creep into the community's products.

—The 40 Committee. The scars of the Bay of Pigs and our general psychological abhorrence of interference in the internal affairs of other states has had a disastrous impact on the effectiveness of the 40 Committee. The Committee has, in effect, largely become a rubber-stamp organization whose scope of interest is limited primarily to the approval or disapproval of projects designed to make the life of our individual Ambassadors more comfortable. In essence, it has become a means by which national assets are allotted to the pet projects of our Ambassadors abroad. The Committee's system as it is currently working does not encourage the development of a sophisticated range of covert activity designed primarily to reinforce our overall national security policies. All of this suggests a major overhauling of the means, the attitude, and the conceptual basis on which CIA's covert programs should be carried out. Covert activity remains an essential arm of national security policies. It is, of course, a high-risk business and demands a firm Presidential control. It should not become a tool for the personal whim of our Ambassadors, many of whom are either not familiar with Presidential policy or, even in some cases, who actively oppose it.

—You might wish to close your remarks by noting that the President shares all the concerns you have mentioned and that you are sure he would welcome any positive suggestions from the FIAB on ways to overcome the shortcomings which exist in our national intelligence effort. You might then ask that they prepare a memorandum for you containing their views on how best to tackle this gargantuan task.

3. The Board may bring up the Blue Ribbon Panel's report on Defense intelligence.[3]

---

[3] See footnote 2, Document 211.

—You should suggest to them that Defense Department intelligence functions should be looked at as an integral part of the national intelligence picture, not as a separate, self-contained problem.

4. The Board may also inquire about the accuracy of press reports—and the Vice President's statement—about the failure of intelligence on the POW raid into North Vietnam.

—You should point out that the intelligence accurately located the POW camp. The problem was to tell whether or not the POW's would still be there when the operation was launched and that it is an extremely difficult problem due to the cloud cover over North Vietnam much of the time which impedes our reconnaissance efforts and to the time-lag inherent in clandestine services reports [*less than 1 line of source text not declassified*].

5. Time permitting, I am sure that the Board would benefit from your views on the situation in the Middle East, especially on the missile issue, and the situation in Cuba as well as the situation with respect to the understanding that we will conduct unarmed reconnaissance flights over North Vietnam. (All of these three topics are the source of inquisitiveness by the various members of the Board, and I think they would benefit greatly from receiving from you the party-line on these issues. It would also tend to divert their activities from these sensitive areas.)

---

219. Editorial Note

Director of Central Intelligence Helms had a lengthy meeting with the President's Foreign Intelligence Advisory Board on December 4, 1970, during which they discussed a number of intelligence issues. According to a memorandum for the record prepared by John Bross of the Central Intelligence Agency, the discussion of Laos "provoked a general discussion of the question of the DCI's responsibility for alerting the President individually and his immediate advisers to situations which may have a serious adverse effect on American policy interests. The Director pointed out that he was not a policy making official of the government and that this had been made particularly clear by the present Administration. He pointed out that at the beginning of this Administration he had been told that he would be excluded from policy making deliberations at the NSC and wondered whether Ambassador Murphy could throw any light on this early decision of the Nixon Administration. Ambassador Murphy expressed himself as completely

surprised and unaware that any such policy had been intended by the new Administration." (Central Intelligence Agency, Job 79–01440A, DDO Files, Box 8, US 8, President, OPRED/BALPA)

---

220. Memorandum From Director of Central Intelligence Helms to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, December 7, 1970.

SUBJECT

Senior Personnel

1. Following our conversation in your office last week, I have made certain moves and settled on some longer range plans.[2] Per your request for a prompt response, I have the following forecast with related considerations to submit:

As you know, there are two Presidential appointees in this Agency, the Director and the Deputy Director. Otherwise, there are six principal operating positions at what we call the Deputy Director level: The Deputy who deals on my behalf with the intelligence community, the Chairman of the Board of National Estimates, and the four Deputy Directors for Intelligence, Plans, Science and Technology, and Support. The individuals holding three of these positions will be changed within the next three to four months: John Bross, who has been dealing with the intelligence community, will be replaced by Bronson Tweedy (Ambassador Annenberg wrote me when [*1 line of source text not declassified*] "I feel that he is a most outstanding public servant of which our country should be proud.")[3] Abbot Smith will be replaced by John Huizenga, who should bring to the national estimates process a new, more imaginative look.[4] Robert Bannerman who has headed all our Support (administrative) activities, will turn over to John Coffey, a

---

[1] Source: Central Intelligence Agency, DCI Files, Job 80–B01285A, Box 13, Folder 6, DCI Helms Chron, 7/1/70–12/31/70. Secret; Sensitive.

[2] Kissinger met with Helms on Friday, December 4, from 2:37 to 3:05 p.m. (Library of Congress, Kissinger Papers, Box 438, Miscellany, 1968–1976, Record of Schedule)

[3] Tweedy replaced Bross as Deputy to the DCI for National Intelligence Programs Evaluation on January 25, 1971.

[4] Huizenga replaced Smith as Chairman of the Board of National Estimates on April 17, 1971.

younger, thoroughly dedicated officer of long service.[5] During 1971, R. Jack Smith, the Deputy Director for Intelligence, will be reassigned, the pace of movement being determined by my ability to arrange some of the complicated moves involved.[6] Tom Karamessines wants his incumbency reviewed at the end of 1971, but no decision has been made to move him unless he insists for reasons of health.[7] This leaves Carl Duckett, who is forty-seven and who was picked in April 1967 for his job as Deputy Director for Science and Technology after I had conducted an intensive manhunt all over the country for an appropriate incumbent—an individual who had the required skills but would not pose problems of conflict of interest, scientific bias and those other vulnerabilities with which you are so familiar. Carl is energetic and effective, handles congressional committees with skill, and is running an imaginative shop in a difficult area. I would intend to keep him on.[8] Other officers just below this top operating level but working in support of General Cushman and myself will be up for reassignment or retirement during the year 1971. In sum, virtually the entire top level of the Agency will have seen changes within the next year or so.

2. You will appreciate that the foregoing information is highly delicate, because some of the changes are not as yet known to the individuals involved. As you can understand in an Agency such as this, personnel matters must be handled with uncommon care and sensitivity if one is to maintain a high state of morale and dedication. There are no laws in this country with teeth enough to punish the mishandling of classified information short of intentional trafficking with the enemy. Thus tight security and the frustration of penetration attempts by foreign agents are dependent on the loyalty, discipline, and state of mind of the employees. Our professional career service must be managed with these and many other considerations in mind. Hence, I need time to make certain of the moves indicated above.

3. In this general connection, you should be aware that we are retiring all of our officers, with very few exceptions, at age sixty. This is being done to make head-room for the younger generation, to keep the Agency as limber mentally and physically as possible, and to insure the internal shifting, both vertically and laterally, which gives health and resilience to an organization. Further, I have been reducing the total manpower of the Agency over the last few years and will continue to do so. That plus reductions in overseas positions brought about by BALPA and OPRED tend to cut the other way by making for less

---

[5] Coffey replaced Bannerman as Deputy Director for Support on January 1, 1971.

[6] Edward Proctor replaced Smith as Deputy Director for Intelligence on May 15, 1971.

[7] Karamessines remained Deputy Director for Plans until February 27, 1973.

[8] Duckett remained Deputy Director for Science and Technology until June 1, 1976.

flexibility in range of assignments. Be that as it may, we are headed on what we believe to be the course the President has designated.

4. I will expand orally to you on some of the points discussed above. This memorandum is an effort to place the basic plan in your hands promptly.

Dick

---

221. Memorandum From the Director of the Program Analysis Staff, National Security Council (Smith) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, December 21, 1970.

SUBJECT

Presidential Meeting with OMB on Intelligence Budget

As we discussed briefly on Saturday, OMB is preparing materials for a possible briefing of the President on intelligence programs and resources. *You will be invited to attend.* The purpose of the meeting is to present the CIA budget to the President for his decision and also to provide the President with an overview of the intelligence community's total resources and trends for the period of 1964–1972.

As you know, the President has recently expressed his desire that intelligence resources be cut substantially. According to Weinberger he wants a [*dollar amount not declassified*] cut. OMB thinks that he may be considering a base broader than the approximate [*dollar amount not declassified*] level that will be directly addressed in the OMB briefing. The broader base could include Defense tactical intelligence and intelligence-related activities.

Although OMB does not intend to push for further reductions, it has prepared a listing of possible further cuts (Tab A).[2] The OMB list is arrayed in three bands [*1 line of source text not declassified*] which increase in

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 206, Bureau of the Budget. Top Secret; Byeman; Comint; [*codeword not declassified*]. Sent for "urgent information."

[2] Attached but not printed.

severity of impact upon priority needs and programs. *The OMB staff has not recommended these additional reductions, believing strongly that a better quality intelligence product can be obtained within currently planned budget levels, if management and organization problems of the intelligence community are corrected.* (The strongest supporter of this position is Schlesinger.)

For that reason the OMB briefing materials will also include a listing of some of those problems. The meeting with the President may be the appropriate forum to seek further guidance from him regarding a possible organizational study of the intelligence community—such a study is long overdue.

Recommendation

I recommend that you attend the briefing if possible. If it is not possible for you to attend, I recommend that you privately urge the President not to make such a large, arbitrary, across-the-board cut. In the absence of the necessary analysis to indicate where cuts can be made, a meat ax approach could be disastrous.

---

222. Memorandum From Secretary of Defense Laird[1]

Washington, December 23, 1970.

MEMORANDUM FOR

Secretaries of the Military Departments
Chairman, JCS
Directors of the Defense Agencies

SUBJECT

Department of Defense Intelligence and Counterintelligence

Policy Objectives. I want to be certain that Department of Defense intelligence and counterintelligence activities are completely consistent with constitutional rights, all other legal provisions, and national security needs. These activities must be conducted in a manner which recognizes and preserves individual human rights. Policy determinations

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 226, Dept of Defense, Vol. X, 1 Dec 70–23 Feb 1971. No classification marking.

governing such activities must be retained under civilian cognizance and control.

One matter of particular concern to me is the one related to intelligence and counterintelligence activities involving the use of investigative and counterintelligence personnel. Actions have been taken to eliminate some past abuses incident to such activities, but further corrective actions are necessary, as a matter of urgent priority.[2]

Specific Actions. The remedial actions directed below will take effect at the earliest date practical, but not later than 1 February 1971:

a. Assistant Secretary of Defense Robert F. Froehlke, who is my Special Assistant for Intelligence, in consultation with the Secretaries of the Military Departments, will review all policy directives relating to the conduct of investigative and counterintelligence activities and propose changes to insure that Defense policy is clear and consistent with my policy objectives. He will provide for a continuing review of the changes in organizational responsibilities, procedures and practices directed by this memorandum.

b. The Director, Defense Intelligence Agency (DIA) will report directly to the Secretary of Defense in the conduct and performance of his duties. The chain of command shall run from the Secretary of Defense to the Director, DIA. Guidance to the Director, DIA, shall be furnished by the Secretary of Defense and the United States Intelligence Board (USIB). The Director, DIA, will support the intelligence and counterintelligence requirements of the Joint Chiefs of Staff (JCS) as in the past. A separate J–2 organization within the OJCS will not be reestablished.

c. In addition to his presently assigned duties, the Director, DIA, shall implement my policies and be responsible to me for the planning, conduct, and operational control of all direct intelligence collection by human resources and counterintelligence investigative functions throughout the Department of Defense. Pending promulgation of DIA instructions, all activities and resources within these subject areas (including personnel, funds, equipment, and facilities) will be maintained and conducted at the currently approved or approved-for-planning levels. The Director, DIA, is authorized to delegate operational control to the appropriate Service or operating command. This delegation will be accomplished on a function-by-function basis.

Informing Congress and the Public. Because of the understandable public interest in this matter, it is my desire that, after plans, policies and procedures necessary to establish DIA control over all human re-

---

[2] On the same day that Laird issued this memorandum he also publicly announced the changes. Both *The New York Times* and *Washington Post* carried articles the next day that discussed background for the changes: William Beecher, "Laird Acts to Tighten Rule Over Military Intelligence," *The New York Times,* December 24, p. 1, 22 and Michael Getler, "Army Spy Shakeup Ordered: Laird Tightens Civilian Control of Intelligence," *Washington Post,* December 24, p. A–1, A–5.

source activities in the Service as related to intelligence and counterintelligence are completed, my Special Assistant for Intelligence will hold a news briefing to inform the American public about the changes being made from past procedure. Concurrently, appropriate committees of the Congress will be informed of these actions.

Melvin R. Laird

---

223. Memorandum From the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird[1]

CM–468–70 Washington, December 24, 1970.

SUBJECT

Department of Defense Intelligence and Counterintelligence

1. I have read your memorandum of 23 December[2] concerning the intelligence and counterintelligence activities of the Department of Defense, and concur in principle with the policy objectives which you have set forth. The preparation of implementing directives will, of course, require careful study and review in order to assure the most judicious application of our limited collection resources in connection with any future domestic investigative efforts. I recommend that the Joint Chiefs of Staff be afforded the opportunity to comment on these directives before they are approved.

2. I note that your memorandum preserves the present role of the Director, DIA, in support of the Joint Chiefs of Staff. I believe this to be a wise and essential determination if we are to fulfill our obligations to you and to the President. It is my interpretation of your memorandum that the Director, DIA, will report directly to you in the conduct of his duties involving domestic investigative and counterintelligence activities, while in matters involving operational intelligence and foreign intelligence/counterintelligence activities, the chain of command would continue to run from the Secretary of Defense, through the Joint Chiefs of Staff as prescribed in DOD Directive

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 76, 020 SD. Confidential.

[2] Document 222.

5105.21.[3] Likewise, guidance in matters involving operational intelligence and foreign intelligence/counterintelligence activities would continue to be furnished by the Secretary of Defense and the Joint Chiefs of Staff acting under the authority and direction of the Secretary of Defense.

3. In view of newspaper speculation that significant changes were intended in the latter channel, some clarification may be necessary.[4]

T.H. Moorer

---

[3] Copies of directives are maintained by the Department of Defense, Washington Headquarters Services, Directorate for Correspondence and Directives, Pentagon.

[4] An annotated agenda prepared by Pursley for Laird's meeting with Packard on December 29 included a discussion item concerning Laird's December 23 memorandum and public announcement that stated: "both actions came *after* lengthy discussions with the Service Secretaries and Chiefs. Basic points of concern among the Service Secretaries and the Chiefs include: Removal of *all* DIA intelligence activities from JCS control, despite the assurance of continuing availability of DIA to the Chiefs on all strategic, tactical, and operational intelligence." (Washington National Records Center, RG 330, OSD Files: FRC 330 76 76, 020 SD) Concerns about Laird's December 23 memorandum were also expressed by Secretary of the Navy John Chafee in his January 29 memorandum to Laird and by Secretary of the Army Stanley Resor in his January 30 memorandum to Laird. (Ibid., OSD Files: FRC 330 76 197, 350.09 (Jan–Mar) 1971)

---

224. Editorial Note

In a January 21, 1971, memorandum to President Nixon on the "Sihanoukville Intelligence Failure," President's Assistant for National Security Affairs Henry Kissinger summarized the report of the President's Foreign Intelligence Advisory Board on the issue. "The failure of the intelligence community to properly assess the flow of enemy material through Sihanoukville" in Cambodia, Kissinger told the President, "resulted from deficiencies in both intelligence collection and analysis." Kissinger concluded his memorandum by commenting, "As you know, I have been working with Director Helms on appropriate personnel changes in the Agency. In my discussions, I will also include appropriate reassignment of personnel associated with this intelligence failure. I expected to have a complete report in the near future on changes which Director Helms is initiating." Below Kissinger's comment the President wrote: "give me a report on these changes—I want a real shakeup in C.I.A., not just symbolism." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 208, CIA, Vol. IV, Jan–Dec 1971)

Kissinger's January 21 memorandum is attached to a February 6 memorandum from David Halperin of the NSC Staff to John Brown III of Haldeman's staff which states: "The housecleaning in CIA directed by the President in his memorandum of November 30 [Document 216] is and will continue to be effected over the course of the next year. It is being done gradually rather than precipitously and General Haig will continue to monitor this." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 208, CIA, Vol. IV, Jan–Dec 1971)

---

225. Memorandum From the Assistant Secretary of Defense for Administration (Froehlke) to Secretary of Defense Laird[1]

Washington, February 3, 1971.

SUBJECT

Organization for Defense Investigative Programs

I have reviewed organizational proposals to insure that DoD investigative programs guarantee constitutional rights. The following are three possible alternatives:

Alternative 1: The Director of DIA would assume *direct operational control* of the investigative activities of the military services, DASA, SHAPE, and the unified commands. He would be directly subordinate to you. The military departments object strongly to this because it separates them from assets requisite to command support.

Alternative 2: The Director, DIA would assume *supervision and inspection* of the investigative activities of the military departments. The chain of command would run from you to the Director, DIA, to the departmental secretaries. This would be an unusual command arrangement not utilized elsewhere in the Department of Defense. It would put a three star officer in a position of line authority over senior presidential appointees.

Alternative 3: The Assistant Secretary of Defense (Administration) would *direct, supervise and inspect* the Defense Investigative Program. To advise him and you, a Review Council would be established (The

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 350.09 (Jan–Mar) 1971. No classification marking. A notation on the memorandum indicates that Laird saw it.

Assistant Secretary of Defense (Administration) Chairman; the General Counsel; the Under Secretary or an Assistant Secretary of each military department; and the Director, DIA). Director, DIA would continue as program manager for fiscal planning. The chain of command would run from you to the Service Secretaries. (The ASD(A) would be delegated to act for you.) The Service Under Secretary/Assistant Secretary would directly supervise and inspect within his department.

Alternative 1 is the closest approach to the original idea expressed in your 23 December memorandum. Alternative 2 would eliminate the military department's objections to operational control by an Agency Director of departmental assets. Alternative 3 would back off from the 23 December decision.[2] This may or may not be bad. However, it clearly would: (1) Be most palatable to the military departments; (2) Provide direct civilian control through the Service Secretaries; (3) Cause the least disruption of current organizational structures; and (4) Provide to you a workable, highly visible management tool to control these activities and demonstrate your control to Congress and the public.

I recommend Alternative 3. Fred Buzhardt concurs. Alternative 2 could be made to work. I do not recommend Alternative 1.[3]

Bob

---

[2] See Document 222.

[3] On February 3 Laird approved "Alternative 3." The decision was announced and explained in two February 18 news releases. (New Releases 145–71 and 146–71; Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 350.09 (Jan–Mar) 1971)

226. Memorandum From the Director of the Program Analysis Staff, National Security Council (Smith) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, February 16, 1971.

SUBJECT

Improved Liaison with CIA

A few days ago Andy Marshall saw Bronson Tweedy, one of Dick Helms' intimates and one of his immediate subordinates as the head of the National Intelligence Program Evaluation staff. Tweedy is a distinguished clandestine service officer. Several times during the meeting Tweedy raised the question of how to improve feedback and communication between you and the intelligence community. *The focus was on how your needs and views could be best obtained.* Clearly, if you had the time you could do this best of all. But other demands preclude devoting the time necessary to the task of getting your needs across.

Tweedy raised again the idea of your having someone close to you, trusted by you, assume the role of conveying your thoughts, needs in general, detailed requirements of studies to someone Helms would put up, probably Tweedy. Andy promised to convey the proposal to me.

Do you want to try this way of operating? If so, you would need to designate someone you liked and trusted. He would have to see a lot of you and be in on a lot of things in order to do the job well. Can you think of some candidates who might fit the bill?

The job would also be time consuming. On selected issues we can get your needs across if we devote the necessary time to it. The impact on the last NIE 11–8 shows this.[2] Much of the message as to what was wanted was pounded home through visits by members of my staff and by Andy Marshall to various offices in CIA early last year. It appears to take repeated reiteration and clarification of what is needed to make an impact when major changes in the product are wanted. If the number of issues we really care about each year were small, some

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 208, CIA, Vol. IV, Jan–Dec 1971. Top Secret; Sensitive. Sent for "urgent information."

[2] National Intelligence Estimate 11–8–70, Soviet Forces for Intercontinental Attack, November 24, 1970. (Ibid., Subject Files, Box 360, National Intelligence Estimates) Cline commented on the estimate in a December 18, 1970, memorandum to Kissinger: "We have been eagerly awaiting the 'new' NIE, which has been tailor-made to try to meet criticisms voiced last Fall, by yourself among others, of previous models. I think this first installment is a pretty good job, although we will be able to tell better when the defensive force estimate is completed and an overall summary is drafted." (Ibid.)

improvement in current methods of interfacing with CIA would be enough. But I think you need more than this. The question is, is the notion of having someone close to you devoted almost full time to liaison with CIA a feasible, desirable option?

Now that we are considering major changes in the organization and management of the intelligence community, this problem of White House/community interface should be folded into the more detailed elaboration of the broad options that will be presented to the President soon. How to achieve product improvement, especially for the very highest level consumers should be focused on more sharply than it has been so far. I think we should take this up in the meeting with Shultz, Weinberger and Schlesinger on Wednesday.[3]

[3] Kissinger met with Shultz, Weinberger, Schlesinger, and Smith from 5:51 to 6:05 p.m. on Monday, February 22. (Library of Congress, Kissinger Papers, Box 438, Miscellany, 1968–1976, Record of Schedule) No record of the discussion has been found.

227. Memorandum From President Nixon to Director of Central Intelligence Helms[1]

Washington, March 8, 1971.

Dear Dick:

You and the entire intelligence community are to be commended for NIE 11–8–70, "Soviet Forces for Intercontinental Attack."[2] It is a considerable improvement over last year's version and reflects the large and imaginative effort which all of you have obviously put into it. I find particularly useful:

—The frequent sharply-defined, clearly argued discussions of various contested issues.

—The attempt to incorporate a wide range of sources, such as clandestine reports and Soviet SALT statements.

—The alternative force models based on explicit differences in underlying assumptions and the attempt to define which were the more likely models.

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 360, National Intelligence Estimates. Secret.

[2] See footnote 2, Document 226.

—The quantitative detail for each model which illustrates the differences between the models and gives an operational meaning to some of the general statements.

Again, my congratulations to you and those in the intelligence agencies who worked on NIE 11–8–70 for a job well done.

Sincerely,

RN

---

228. Information Memorandum From the Director of the Bureau of Intelligence and Research (Cline) to the Under Secretary of State (Irwin)[1]

Washington, March 8, 1971.

SUBJECT

Factors in Making a Net Assessment of US and Soviet Strategic Forces

This memorandum is in response to your request to INR Deputy Director Len Weiss for a discussion of the factors involved in making a net assessment of US and Soviet forces.

In the intelligence and research community the term "net assessment" is used to refer to a study which arrives at a judgment comparing American forces with hostile or potentially hostile foreign forces. It might describe the relationship between existing Soviet and US forces and also the likely development of future Soviet forces as a consequence of the Soviet perception of US force programs and policies.

Net assessments need not be limited to the military sphere. They are also applicable to political and economic problems. Thus, for example, a net assessment of the Middle East situation would take into account the interaction of the policies and courses of action pursued by the principal powers involved, including the United States. The key distinction involved is between an intelligence "estimate," which traditionally deals only with foreign forces and developments, and a study which relates these matters specifically to American strengths, weaknesses and courses of action.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 283, Dept of State, Vol. X, 1 Dec 70–15 Apr 71. Secret.

In our view, such net assessments of Soviet and American strategic offensive and defensive forces (as well as of other situations) are a valuable analytical tool to assist in making policy and program decisions. Yet there is no systematic preparation of such evaluations, nor is there an existing institutional framework within which the several interested agencies and Departments, with their differing interests and points of view, can regularly work to prepare such assessments.

Format and Substance

In the military sphere the net assessment should be an annual, companion document to the major National Intelligence Estimates (NIE's) on Soviet military forces. It would, therefore, require a discussion of US forces similar to those of Soviet forces in the NIE's. Strategic offensive and defensive forces, intercontinental and certain peripheral strategic forces would have to be considered together. For example, the SS–9 ICBM and US ABM's ought to be considered together, while US ICBM's and the Soviet ABM would also have to be considered, thus making this aspect of the net assessment four dimensional.

The net assessment, if done in this manner, would avoid reaching specific policy conclusions, leaving that to another and higher stage of decision-making. It would, however, highlight critical elements in the balance of forces.

In addition, the net assessment, as noted above, should consider the likely inter-action of planned or estimated future force levels. Such a study might point out opportunities and dangers implicit in projected courses of action, and also suggest alternatives. Such assessments of future inter-actions would be speculative, especially if projected over any length of time. Yet they are at the heart of any effort to analyze realistically such matters as a spiralling arms race. The policy decisions on correct courses of United States action, as I have said, would not be made in the net assessment itself, but left for consideration and action elsewhere.

Past and Current Practices

Net assessments of military forces have been attempted over the years. In the 1950's a JCS–CIA joint team set up for this purpose. During the early part of the Kennedy Administration there was a Net Evaluation Subcommittee in the NSC. Later Secretary McNamara tended to gather this function into the Office of the Secretary of Defense. Components of the Department of Defense, such as JCS or an individual command such as SAC also prepare net assessments for their own use. Lately, some net assessments have been made under general NSC auspices either in the DPRC, the Verification Panel or in various NSSM's.

As of now, there is no one locus in the DOD responsible for making authoritative net assessments. There is likewise no established procedure in the Department of State for cranking in political and economic factors in net assessments of broad military developments or complex international conflicts. In some respects the NSSM process and the work of the DPRC and the Verification Panel perform this function, but in these cases net assessments are made irregularly and in response to specific problems at hand, rather than systematically.

NIE's and Net Assessments

In NIE 11–8–70, on Soviet Intercontinental Attack Forces,[2] the Intelligence Community came close to making a net assessment, or, more accurately, a series of net assessments on specific questions. For example, in describing Soviet capabilities against Minuteman silos, account had to be taken of the hardness of those silos. On a more general plane, it was noted that future Soviet force levels probably would depend in large measure on US force levels. Three illustrative *US* forces were described, and the possible Soviet reaction to each was considered.

Nevertheless, the NIE is not a true net assessment. In fact, this was noted by USIB when it considered the estimate, and Mr. Helms indicated some sympathy with the view that a net assessment, that is, a detailed comparison and evaluation of US and Soviet strategic attack *and* defense forces, would be more useful to top policy makers than just a detailed discussion of Soviet forces. He noted, however, that he, as the Director of Central Intelligence and Chairman of USIB, does not have the authority to prepare such a study.

The Proper Forum

The need, therefore, is to select a proper forum, adequately reflecting inter-agency interests, for preparing on a regular, systematic basis objective net assessments on which policy and program decisions can be made. For its own part, the Department of State should establish machinery (involving S/PC and INR mainly, but drawing in expertise from all Bureaus) to make net assessments on all foreign policy problems.

In my view, the best inter-agency forum would be a new NSC Committee, something like the old Net Evaluation Subcommittee of the NSC. The group would be separate from and independent of other NSC Committees, and would be responsible solely for preparing net assessments. It would be similar to the Office of National Estimates in the intelligence field and would work closely with it. It would be

[2] See footnote 2, Document 226.

shielded as much as possible from pressure from policy and/or operational offices, and it would be staffed by career professionals from the several agencies which would take part in the net assessment process.

Conclusions

The expanded Soviet military NIE's have taken on some of the characteristics of net assessments of Soviet and US forces, but they are not true, comprehensive net assessments. The current strategic balance, the cost of modern strategic weapons systems and the ramifications—military, political and economic—of modern strategic weapons deployments, such as the Safeguard ABM, require that annual, objective over-all net assessments of US and Soviet strategic forces be prepared to assist top policy makers in making decisions in this area. This is necessary because of the inter-action and relationship of US and Soviet strategic weapons developments. These studies should be carried out by an appropriate inter-agency group, should describe and evaluate the existing balance of US and Soviet strategic offensive and defensive forces and should consider likely future developments on both sides. Finally, the annual net assessment of strategic forces should point out for the President and his chief advisors the major issues surfaced by the net assessment and alternative likely courses of action. The Department of State should tool up to support this process by establishing systematic net assessment machinery and procedures inside the Department, and should for its own purposes develop a net assessment program to study complex foreign policy issues involving interaction among a number of nations all reacting to American policies and courses of action. All of this is intended to give us a more systematic way of analyzing where we are and what is likely to happen in foreign affairs before we try to decide what to do about it.

Recommendation

After you have had a chance to think about this matter, I believe it would be useful to discuss it with you. (We have not discussed our ideas much outside INR.) If you agree that it would be desirable to have such net assessments, we can consider further how best to go about setting up a system to make them.[3]

---

[3] Cline sent a copy of his memorandum to Kissinger under cover of a March 24 letter. (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 283, Dept of State, Vol. X, 1 Dec 70–15 Apr 71) Latimer forwarded it to Kissinger under cover of a March 26 memorandum in which he commented that "the proposal for establishing a formal NSC subcommittee to systematically prepare net assessments has some merit but the same goal could be achieved either by continuing the present ad hoc procedure via the WSAG or, where pertinent, by instructing Director Helms to include such assessments in key NIE's such as the one on Soviet Intercontinental Attack Forces." Kissinger responded noncommittally to Cline in a March 31 letter. (Both ibid.)

229. Memorandum From the President's Deputy Assistant for National Security Affairs (Haig) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, March 27, 1971.

SUBJECT

Review of the Intelligence Community

Attached is the Presidential approval of yours and Shultz's joint memorandum on intelligence reorganization. Per your instructions and with the agreement of Shultz, the PFIAB was given a copy of the basic study with the review of the various options. It has not seen this package.

As I told you earlier, knowledge of this package has leaked and the Intelligence Community, as well as the PFIAB, are buzzing with its implications. I told George Shultz that the package was returned approved and that we are holding it in strict confidence here, pending comments from the PFIAB on the study itself.

I do not believe we will ever get this study off the ground unless strong Presidential clout is put behind it. I am also somewhat fearful that some of the recommendations such as the establishment of a DDI may prove to be unworkable. For this reason, however we proceed from here we must have the President's man in overall charge of the reorganization effort. I agree with you that Jim Schlesinger might be an ideal person to work directly for the President and you in implementing this package. If this arrangement is adopted, you should do so with your eyes open. This package is going to be the most controversial gutfight in recent bureaucratic experience. It is likely that you will have the PFIAB against you, the military, the entire Intelligence Community and a full array of Congressional opponents. The most important thing I can think of at the moment is organizing to organize.[2]

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret; Byeman Comint.

[2] Kissinger wrote below this paragraph: "I wouldn't have told Shultz it was adopted. I prefer to sit on it. I have no intention to bleed over it."

Attachment

Memorandum From the President's Assistant for National Security Affairs (Kissinger) and the Director of the Office of Management and Budget (Shultz) to President Nixon[3]

Washington, undated.

SUBJECT

Review of the Intelligence Community

Your expression of serious concern about the performance and cost of the intelligence community has led to a detailed review of the community's present structure and a searching analysis of how you might improve its operation. The review shows that the overriding weakness of the community is the absence of authoritative leadership. Appearances to the contrary, the community lacks both a leader and a staff unit—intimately involved with programmatic issues but without a vested interest in any particular collection system or program—to solve recurrent problems of overlap and duplication, make efficient choices between new and competing systems, and consider the balance between various methods of collection and production. The Director of Central Intelligence (DCI), while nominal head, suffers from his many burdensome and often conflicting roles; in addition he directly controls only 15 percent of the community's current budget of [*dollar amount not declassified*]. The United States Intelligence Board (USIB)—in which the DCI is assisted by the heads of the National Security Agency, the Defense Intelligence Agency, the Service intelligence chiefs, and State/INR—has also proved incapable of decisive action with respect to community matters. Even within the Department of Defense, which contains 85 percent of the resources, effective direction and control is lacking.

In the absence of leadership, the community has accumulated a host of serious problems. The National Security Council Intelligence Directives (NSCIDs) which established the division of responsibilities and govern community relations are largely obsolete. The blurring of

[3] Top Secret; Handle via Byeman-Comint control systems jointly. A note on the memorandum indicates that the President saw it. The memorandum is undated but another copy, attached to Smith's June 18 memorandum to Kissinger, is dated March 22. (National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I)

traditional community boundaries has caused its activities to become increasingly fragmented and functionally disorganized. Under the impact of new technology, a generally unhealthy and costly competition in collection has been fostered, largely without guidance or planning. At the same time, the concerns of the intelligence consumer and the welfare of the producer have been relegated to the sidelines.

These conclusions are not new. Presidential commission, the PFIAB, special study groups, and BOB/OMB have often expressed dissatisfaction with the performance and cost of the intelligence community and recommended various piecemeal organizational reforms. In the absence of forceful and persistent leadership and under the impact of continuing technology change, these reforms have largely failed. We believe that the solution to the community's problems and achievement of your objectives requires major changes in the organization and functioning of the community. These changes must attack three major problems: (1) the leadership of the community as a whole, (2) direction and control of Department of Defense intelligence activities, and (3) the division of functional responsibilities.

We recommend the following major changes:

- *The role of the DCI should be modified and CIA restructured* so that they are separated from direct responsibility for the conduct of intelligence collection and covert action operations which, along with residual activities, would be inherited by a new agency; the DCI would acquire a strong Presidential mandate to plan, program, and review all intelligence resources and continue to produce all national intelligence required by the President, the NSC, and other national level consumers. A reorganization plan for the new agency is required.
- *A Director of Defense Intelligence should be created* in order to direct and control all Defense intelligence resources; the DDI would concentrate on rationalizing Defense collection and processing capabilities. Substantive intelligence production would remain under the Defense Intelligence Agency, which would continue to report through the Joint Chiefs of Staff.
- *The NSCIDs should be revised* to redraw current functional boundaries among intelligence agencies; in particular NSCID #1 should be changed to make the United States Intelligence Board strictly an advisory body to the DCI.

As the attached report indicates, there are other courses of action, both more and less radical, that you could take in light of your objectives. We believe, however, that our recommendations constitute the right steps at this time. They focus on the establishment of leadership centers both within the community as a whole and within the Department of Defense; they require minimum legislative action and cause minimum disruption of the community commensurate with your concerns; and they leave you the option of further modification later.

If you approve the recommended actions, we will prepare the necessary implementing letters and directives.[4]

Henry A. Kissinger

George P. Shultz

Attachment

Study Prepared by the Staffs of the Office of Management and Budget and the National Security Council[5]

Washington, March 10, 1971.

A REVIEW OF THE INTELLIGENCE COMMUNITY

I. Introduction: The Costs and Benefits of Intelligence

The operations of the intelligence community have produced two disturbing phenomena. The first is an impressive rise in their size and cost. The second is an apparent inability to achieve a commensurate improvement in the scope and overall quality of intelligence products.

During the past decade alone, the cost of the intelligence community has [*less than 1 line of source text not declassified*]. At the same time, spectacular increases in collection activities have occurred. Where satellite photography is concerned, the increases have led to greatly improved knowledge about the military capabilities of potential enemies. But expanded collection by means other than photography has not brought about a similar reduction in our uncertainty about the intentions, doctrines, and political processes of foreign powers. Instead, the growth in raw intelligence—and here satellite photography must be included—has come to serve as a proxy for improved analysis, inference, and estimation.

[4] The President initialed his approval.

[5] Top Secret; Handle via Byeman-Comint control systems jointly. The study, known both as the "OMB/NSC Study" and the "NSC/OMB Study" and sometimes referred to as the "Schlesinger Report," was prepared jointly by OMB and NSC with James Schlesinger, OMB Assistant Director, playing a key role.

The following report seeks to identify the causes of these two phenomena and the areas in which constructive change can take place. Its principal conclusion is that while a number of specific measures may help to bring about a closer relationship between cost and effectiveness, the main hope for doing so lies in a fundamental reform of the intelligence community's decisionmaking bodies and procedures.

This conclusion is advanced in full recognition that reorganization will, at best, only create the conditions in which wise and imaginative leadership can flourish. In the absence of reorganization, however, the habits of intelligence community will remain as difficult to control as was the performance of the Department of Defense prior to the Defense Reorganization Act of 1958.

II. Cost Trends

To understand the phenomenon of increasing costs, it is necessary to consider briefly the organizational history of the intelligence community. The National Security Act of 1947 and the National Security Council Intelligence Directives (NSCIDs) of the late 1940s and early 1950s established the basic division of responsibilities among agencies and departments. This division had its origins in traditional distinctions between military and non-military intelligence, between tactical and national intelligence, and between communications (COMINT) and non-communications (or agent) intelligence. Thus, CIA was directed to employ clandestine agents to collect "non-military" intelligence and produce "national" intelligence. The Department of State was made responsible for the overt collection of "non-military" intelligence. The National Security Agency (NSA) was established to manage COMINT collection. The Military Services were instructed to collect "military" intelligence as well as maintain tactical intelligence capabilities for use in wartime. All were permitted to produce "departmental" intelligence to meet their separate needs. While not ideal, this division of functions and responsibilities worked reasonably well into the mid-1950s.

Since that time, these traditional distinctions and the organizational arrangements which accompanied them have become increasingly obsolescent. The line between "military" and "non-military" has faded; scientific and technical intelligence with both civilian and military applications has become a principal area of endeavor for almost all intelligence organizations. Similarly, under the old distinctions, the national leadership—namely the President and the NSC—concerned itself with "national" intelligence, while presumably only battlefield commanders cared about tactical intelligence. But a rapidly advancing technology which has revolutionized the collection, processing, and

communication of intelligence data casts doubt on the validity of the distinctions.

Simultaneously, technological advances have created new collection possibilities which do not fit conveniently within a structure based on traditional distinctions and were not covered in the original directives. Satellite photography, telemetry intercept, electronic intelligence (ELINT), acoustic detection, and radar have become some of the most important and vital methods of intelligence collection not currently covered by any uniform national policy.

The breakdown of the old distinctions and the appearance of new collection methods has been a simultaneous process raising a host of questions about intelligence organization. Is ELINT related to COMINT, is it technical or military in nature, is it of primary interest to tactical or national consumers? [*2 lines of source text not declassified*] Is telemetry more similar to COMINT or to ELINT; who should analyze it? Who should be responsible for satellite photography? On the more mundane, but nonetheless critical level, questions arise about the organizational responsibilities for such topics as Sihanoukville supply infiltration, VC/NVA order of battle, and missile deployments in the Suez Canal area. Are these military or non-military issues? Is the intelligence about them tactical or national? Who should be responsible for collection and what collection resources should be tasked?

In the absence of an authoritative governing body to resolve these issues, the community has resorted to a series of compromise solutions that adversely affect its performance and cost. In general, these compromises have favored multiple and diffuse collection programs and the neglect of difficult and searching analytical approaches. The most serious of the resulting problems are outlined below in brief form, and discussed in more detail in the appendices.

1. *The distribution of intelligence functions has become increasingly fragmented and disorganized.*

• The old distinctions among national, departmental, and tactical intelligence are out of date. Today, CIA is as likely to produce intelligence relevant to, say, NVA/VC order of battle as DIA or MACV, just as MACV produces many reports that are of interest to the national leadership.

• Similarly, the relatively neat ordering of collection functions that existed after World War II has broken down. CIA now engages in a wide range of collection activities—aircraft and satellite photography, ELINT, COMINT, radar, telemetry as well as clandestine, and overt agent collection. NSA has added telemetry and ELINT to its COMINT capabilities. The Services now have a full panoply of sensors to perform a variety of functions—tactical intelligence, surveillance, early warning, and so on.

Table I illustrates how almost all major components of the intelligence community are involved in each of its various collection and production functions.[6]

2. *The community's activities are dominated by collection competition and have become unproductively duplicative.*

• [*2½ lines of source text not declassified*] Despite past massive increases in the collection of photography, COMINT, ELINT, radar and other sensor data, sizeable additional collection capabilities are planned to become operational this calendar year: [*4 lines of source text not declassified*]. Other new collection systems are scheduled to be started in 1972.

• The blurring of traditional boundaries has encouraged community members to engage in a competitive struggle for survival and dominance, primarily through new technology, which has resulted in the redundant acquisition of data at virtually all levels—tactical, theater command, and national.

• Gross redundancies in collection capabilities have become commonplace as exemplified by aircraft in both CIA and Defense which collect photography, and by aircraft which compete with satellites in the collection of ELINT.

• Collection capabilities remain in operation beyond their useful lives. As older systems lose their attractiveness at the national level, they are taken over at the command or tactical level where they duplicate higher level activities or collect data of little value.

• Simultaneously, compartmentalization within various security systems has served to hide or obscure competitive capabilities from evaluation, comparison, and tradeoff analysis.

3. *The community's growth is largely unplanned and unguided.*

• Serious forward planning is often lacking as decisions are made about the allocation of resources.

• The consumer frequently fails to specify his product needs for the producer; the producer, uncertain about eventual demands, encourages the collector to provide data without selectivity or priority; and the collector emphasizes quantity rather than quality.

4. *The community's activities have become exceedingly expensive.*

• The fragmentation of intelligence functions and the competitive drive for improved collection technology are important reasons why the cost of intelligence [*1 line of source text not declassified*].

• A significant part of this cost growth is attributable to the acquisition of expensive new systems without simultaneous reductions in obsolescent collection programs.

• In the absence of planning and guidance, internally generated values predominate in the community's institutions. These values favor increasingly sophisticated and expensive collection technologies at the expense of analytical capabilities.

---

[6] Not printed.

• Few interagency comparisons are contemplated. Potential tradeoffs between PHOTINT and SIGINT, between PHOTINT and HUMINT, and between data collection and analysis are neglected.

• While the budgetary process might be used to curb some of the more obvious excesses, it cannot substitute for centralized management of the community.

III. Questions About the Product

In a world of perfect information, there would be no uncertainties about the present and future intentions, capabilities, and activities of foreign powers. Information, however, is bound to be imperfect for the most part. Consequently, the intelligence community can at best reduce the uncertainties and construct plausible hypotheses about these factors on the basis of what continues to be partial and often conflicting evidence.

Despite the richness of the data made available by modern methods of collection, and the rising costs of their acquisition, it is not at all clear that our hypotheses about foreign intentions, capabilities, and activities have improved commensurately in scope and quality. Nor can it be asserted with confidence that the intelligence community has shown much initiative in developing the full range of possible explanations in light of available data. Among the more recent results of this failure to acknowledge uncertainty and entertain new ideas in the face of it, has been a propensity to overlook such unpleasant possibilities as a large-scale exploitation of Sihanoukville by the NVA to transship supplies, a continuation of the SS–9 buildup and its possible MIRVing, or Soviet willingness to invade Czechoslovakia and put forces into the Middle East.

Difficulties of this kind with the intelligence product are all the more disturbing because the need to explore and test a number of hypotheses will, if anything, expand as the Soviets project their military power and come to play a more direct global role. Yet there is no evidence that the intelligence community, given its present structure, will come to grips with this class of problems.

The community's heavy emphasis on collection is itself detrimental to correcting product problems. Because each organization sees the maintenance and expansion of its collection capabilities as the principal route to survival and strength with the community, there is a strong presumption in today's intelligence set-up that additional data collection rather than improved analysis, will provide the answer to particular intelligence problems. It has become commonplace to translate product criticism into demands for enlarged collection efforts. Seldom does anyone ask if a further reduction in uncertainty, however small, is worth its cost.

The inevitable result is that production remains the stepchild of the community. It is a profession that lacks strong military and civil-

ian career incentives, even within CIA. The analysts, with a heavy burden of responsibility, find themselves swamped with data. The consumers, at the same time, treat their product as a free good, so that demand exceeds supply, priorities are not established, the system becomes overloaded and the quality of the output suffers. As if this were not enough, production, instead of guiding collection, is itself guided by collectors and the impetus of technology. Since the military are the principal collectors, they are more likely to focus on the needs and interests of their own Services than on the issues of concern to the national leadership, and they continue the wasteful practice of counterpart targeting. Under such difficult conditions, it is not surprising that hypotheses tend to harden into dogma, that their sensitivity to changed conditions is not articulated, and that new data are not sought to test them.

IV. Organizational Dilemmas

Questions about cost and product might exist even if the intelligence community possessed strong leadership. It is noteworthy, however, that they have arisen under conditions the most marked of which is a lack of institutions governing the community with the authority and responsibility to resolve issues without excessive compromise, allocate resources according to criteria of effectiveness, and consider the relationship between cost and substantive output from a national perspective.

This lack of governing institutions stems fundamentally from the failure of the National Security Act of 1947 to anticipate the "constitutional" needs of a modern and technologically complex intelligence community. The primary intent of the Act, understandably, was to prevent a recurrence of the intelligence confusions and delays that occurred prior to Pearl Harbor. These problems were seen as having resulted from defects in the central processing, production, and dissemination of intelligence. The critical need, accordingly, was to create an organization which would have access to all intelligence and report its estimates to the national leadership.

In 1947, the size and cost of individual programs were relatively small, and the scope and nature of the management problems associated with today's community were not anticipated. Consequently the issue of how to plan and rationalize the collection of intelligence did not seem of great moment, and the Act did not explicitly provide for a mechanism to perform these functions or evaluate the scope and quality of its product.

There is another reason why the 1947 Act did so little to provide strong leadership for the community: powerful interests in the Military Services and elsewhere opposed (and continue to oppose) more

centralized management of intelligence activities. Partly, this opposition arises from the belief of the Services that direct control over intelligence programs is essential if they are to conduct successful military operations; partly, it results from bureaucratic concerns. The Services are reluctant to accept assurance that information from systems not controlled by them will be available as and when they require it.

Despite such opposition, the National Security Act of 1947 did stipulate that the CIA would coordinate the "intelligence activities" of the Government under the direction of the National Security Council. However, the Act also made clear provision for the continuation of "departmental intelligence." Since then, three Presidents have exhorted the Director of Central Intelligence (DCI) to play the role of community leader and coordinator, but his authority over the community has remained minimal. While the DCI has been the catalyst in coordinating substantive intelligence production, he has made little use of such authority as he possesses to manage the resources of the community.

Realistically, it is clear that the DCI, as his office is now constituted, cannot be expected to perform effectively the community-wide leadership role because:

- As an agency head he bears a number of weighty operational and advisory responsibilities which limit the effort he can devote to community-wide management.
- He bears a particularly heavy burden for the planning and conduct of covert actions.
- His multiple roles as community leader, agency head, and intelligence adviser to the President, and to a number of sensitive executive committees, are mutually conflicting.
- He is a competitor for resources within the community owing to his responsibilities as Director of CIA, which has large collection programs of its own; thus he cannot be wholly objective in providing guidance for community-wide collection.
- He controls only [*number not declassified*] percent of the community's resources and must therefore rely on persuasion to influence his colleagues regarding the allocation and management of the other [*number not declassified*] percent, which is appropriated to the Department of Defense. Since Defense is legally responsible for these very large resources, it feels that it cannot be bound by outside advice on how they should be used.
- The DCI is outranked by other departmental heads who report directly to the President and are his immediate supervisors on the National Security Council.

In spite of these handicaps, the DCI has established several institutional devices to assist him in leading the community. They are the National Intelligence Program Evaluation Staff (NIPE) and the National Intelligence Resources Board (NIRB). However, the principal agencies have largely ignored or resisted the efforts of management by these bodies. As a consequence, the NIPE and the NIRB have concentrated

on developing improved data about intelligence programs and better mechanisms for coordination. Because of their work, both institutions could prove useful to a strong community leader; however, their contribution to the efforts of the currently constituted DCI is small.

In the absence of an effective institutional framework within which one official could be held responsible and accountable for the performance and cost of the intelligence community, the United States Intelligence Board (USIB), originally established to advise the DCI, has become a sort of governing body for the community. However, the USIB has proved generally ineffective as a management mechanism for several reasons:

- It is a committee of equals who must form coalitions to make decisions.
- It is dominated by collectors and producers who avoid raising critical questions about the collection programs operated by their colleagues.
- As a result, USIB's collection requirements—which are an aggregate of all requests, new and old—mean all things to all agencies, thus leaving them free to pursue their own interests.
- Since policy-level consumers are not represented on the Board, they are unable to give guidance as to priority needs.

Even within the Department of Defense, there is no centralized management of intelligence resources and activities. Although the Assistant Secretary for Administration has been given a responsibility in this area, together with a small staff for resource analysis, his efforts to master the Defense intelligence complex have proved of little avail for several reasons. First, not all Defense programs come under his purview, and this limits his ability to do cross-program analysis. Second, he remains responsible for his functions as Assistant Secretary for Administration.

Below the level of review provided by an Assistant Secretary, management leadership is still absent. The Directors of DIA and NSA are themselves unable to control the activities of the components supposedly subordinate to them but operated by the Military Services. Because of a history of compromises and "treaties," the Director of the National Reconnaissance Office (NRO) is similarly unable to control a large part of his program which is run by the Deputy Director for Science and Technology (DD/S&T) in CIA.

This lack of lower-level leadership shows up in the following ways:

- The current failure of NSA adequately to direct Service cryptologic activities, organize them into a coherent system, or manage ELINT activities.
- Large-scale Service-controlled tactical intelligence assets, inflated by the war and partly duplicating both national and allied capabilities, but programmed and operated outside of the community.

• A host of unresolved problems concerning organization and the allocation of resources within both General Defense Intelligence Program (GDIP) and non-GDIP activities, including: duplication in the collection of ELINT between NRO and SAC; internally overlapping activities among varous mapping, charting, and geodesy agencies, and the several investigative services; and inadequate supervision and control of counterintelligence activities.

It follows from this analysis that the President's objectives can be achieved only if reform addresses four organizational issues:

• The leadership of the intelligence community as a whole.
• The direction and control of Defense intelligence activities.
• The division of functions among the major intelligence agencies.
• The structuring, staffing, and funding of the processes by which our raw intelligence data are analyzed and interpreted.

V. Specific Organizational Issues

The effectiveness and efficiency of the intelligence community depend on a number of organizational variables. Among the most important of these variables are:

• *The power over resources available to the leader of the community.* How much power the leader can exercise, particularly over collection programs, will determine the size of the economies that can be achieved within the community.

• *The size and functions of the staff provided to the leader of the community.* The effectiveness of a national intelligence leader will depend not only on his power over resources, but also on how well informed he is about issues and options within the community, which, in turn, is a function of his immediate staff. Among the potential functions for such a staff are:

—The planning, programming, and budgeting of resources.
—Control over resources once allocated.
—Supervision of R&D.
—Inspection of ongoing programs.
—Production and dissemination of national estimates.
—Net assessments of U.S., allied, and opposing capabilities and doctrines.

• *The future role of the United States Intelligence Board (USIB).* As matters now stand, the USIB is both a parliament and a confederate head of the community. If more authoritative leadership is established, the USIB could become simply an obstruction unless its role is specifically redefined. Since the leader of the community, however powerful, will need close and continuing relationships with producers and collectors as well as consumers, one possibility would be to reconstitute the USIB so as to formalize these relationships on an advisory basis. In any case the future role of USIB should be addressed as part of

a comprehensive review of new institutional arrangements for the functioning of a reorganized intelligence community.

• *Future Defense Department control over the resources under its jurisdiction.* Even without changes in the community as a whole, major improvements in effectiveness and efficiency could be achieved if Defense were to master its own massive intelligence operations. However, a number of community-wide issues would still remain; and substantially firmer Defense management of its intelligence resources could prejudice the ability of a future leader of the community to exercise his own authority.

• *The jurisdiction of either a national leader or a Defense leader over the Military Services.* The three Military Services are estimated [*less than 1 line of source text not declassified*] on intelligence activities apart from their support of the national agencies. Yet these activities, which partly duplicate national intelligence programs, are reviewed in isolation from them. If the Services retain control over the assets for this "tactical" intelligence, they can probably weaken efforts to improve the efficiency of the community. At the same time, there is little question about their need to have access to the output of specified assets in both peace and war. How to combine overall resource management and control with this access is an issue that will require resolution.

• *The future functional boundaries of the major intelligence agencies.* Collection and production activities do not now tend to be consolidated by type in particular functional agencies. Important economies can probably be achieved by rationalizing these activities. However, it should be noted that economy and organizational tidiness, without concomitant strengthening of the community leadership, might be achieved at the cost of creating even more powerful vested interests and losing diverse and usefully competitive approaches to collection problems.

• *The number and location of national analytical and estimating centers.* The national estimating machinery no doubt will have to be preserved under the leader of the community in order to continue production of national estimates and inputs to the NSSM process. The continuation of DIA and the State Department's Bureau of Intelligence Research (INR) as producers is essential as well. Beyond that, improvement in the intelligence product will probably depend to a large extent on increasing the competition in the interpretation of evidence and the development of hypotheses about foreign intentions, capabilities, and strategies. This may require not only the strengthening of existing organizations, but perhaps the addition of new estimating centers. In addition, some entirely new organizational units may be needed to perform currently neglected intelligence analysis functions, for example, to conduct research on improved intelligence analysis methods and techniques.

• *The role of the independent review mechanisms.* Because of the secrecy surrounding the operations of the intelligence community, the need for strong independent review mechanisms within the Executive Branch remains particularly important. Since the President's Foreign Intelligence Advisory Board (PFIAB), the "40" Committee, the Office of Science and Technology (OST), and the Office of Management and Budget (OMB) already exist to perform this function, the only issues are how they can be strengthened, to what extent they need larger and more permanent staffs, and whether new review boards should be created, especially to evaluate the analytical and estimating activities of the community.

Subsequent sections do not address all of these issues; nor do they exhaust the list of organizational possibilities. Only the most salient options are presented with respect to the leadership of the community, the Department of Defense, and functional reorganization. Each is described in schematic form.

VI. Leadership of the Community

The effectiveness of a new leader of the community will depend critically on his ability to control intelligence resources and make his decisions stick. Basically, there are three different roles he can play in this respect, each with different organizational implications. They are:

• As legal or direct controller of all or most intelligence resources.
• As de facto manager of most resources even though they are not appropriated to him.
• As coordinator of resources that are appropriated elsewhere, as now.

Although each of the three basic approaches could be institutionalized in a number of different ways, the principal options that accord with these roles are listed below.

A Director of National Intelligence (Option #1), with the bulk of the [*dollar amount not declassified*] intelligence budget appropriated to his office. That office would control all the major collection assets and research and development activities, which are the most costly programs of the community and are most likely to yield large long-term savings. The Director would also operate the Government's principal production and national estimating center and retain the CIA's present responsibility for covert action programs. Defense and State would retain production groups, both to serve their own leadership and to provide competing centers in the analysis of intelligence inputs to the national intelligence process. The Defense Department would maintain budgetary and operational control over only the selected "tactical" collection and processing assets necessary for direct support of military forces, although these assets should be subject to the DNI's review.

This option affords a number of advantages:

• It pinpoints responsibility; the President knows who is in charge.

• It permits major economies through rationalization of the community's functions and through the elimination of duplicative and redundant capabilities.

• It establishes a management system which can deal comprehensively with the implications of evolving technology and make efficient choices between competing collection systems.

• It brings producers and collectors closer together and increases the probability that collectors will become more responsive to producer needs.

• It allows the Director to evaluate fully the contribution each component makes to the final product, enabling ready identification of low performance elements and permitting subsequent adjustments to their mission.

• It provides one responsible point in the community to which high-level consumers can express their changing needs.

• It facilitates the timely selection and coordination of the intelligence assets necessary to provide intelligence support to the President in periods of crisis.

Creation of a DNI has at least five potential disadvantages:

• It gives still further responsibilities to the DCI. A major criticism of the present confederate organization is that the DCI is overloaded and cannot be expected to perform well the many functions now assigned to him. As noted, these include substantive advice to the President and to several high-level committees, day-to-day management of a large operating program, appearing as a witness before Congress, and running numerous sensitive collection and covert action projects. It should be noted, however, that with adequate staff and competent deputies, the Director should be able to delegate responsibilities and ease his task. Also, under this option, the DCI's power would be commensurate with his present responsibilities.

• This option could generate substantial resistance from the Secretary of Defense and the Joint Chiefs over the transfer of intelligence functions to a new agency. It would also necessitate fundamental changes in the National Security Act which might cause major congressional resistance and open debate on a range of sensitive national security issues.

• Even if all U. S. Government intelligence assets were transferred to the Director, there would remain the serious and continuing problem of finding ways to meet the intelligence needs of Defense without, at the same time, causing the Services to reconstitute their own intelligence activities, even at the expense of other programs.

• There could be adverse reaction from the news media and the public to a consolidation of such sensitive activities under the control of one man, even though so many of them already are controlled, in principle, by the Secretary of Defense.

• It is possible that this option will continue the present dominant influence of collectors relative to producers and consumers in the intelligence process.

A Director of Central Intelligence (Option #2), with a strong Presidential mandate and a substantial staff. NSA, NRO, and DIA would remain under present jurisdiction. The CIA would be divided—one part supplying the DCI staff and intelligence production component, the other part, principally current CIA collection organization, comprising a new agency under a separate director. The DCI would have senior status within the Government and would serve as principal intelligence adviser to the NSC. He would produce all National Intelligence Estimates and other national intelligence required by top level national decisionmakers, and would control the necessary production assets, including NPIC. This would include continued management of a national intelligence process that involved the participation, and inputs from, other intelligence production organizations.

Under Presidential directive, the DCI would review and make recommendations to the President on the Intelligence plans, programs, and budgets of his own office, a reconstituted CIA, and the Department of Defense. He would also present a consolidated intelligence budget for review by the OMB. By this means the Director would be able to guide resource allocation and influence community organization.

Although Option #1 offers the greatest promise of achieving the President's objectives, this option has advantages over it and over the present situation in the following respects:

- The DCI would be freed from the day-to-day management tasks incumbent upon the head of a large operating agency with major collection and covert action responsibilities. This would enable him to devote most of his attention to substantive intelligence matters, the tasking of collectors, and community resource management issues as they relate to his production activities.
- This option eliminates the present situation in which the DCI serves as both advocate for agency programs and judge in community-wide matters, a role which diminishes the community's willingness to accept his guidance as impartial.
- The reforms could be accomplished, without major legislation, by a reorganization plan and Presidential directives to the DCI, the Secretary of Defense, and the head of CIA.
- This option would offer improvements in efficiency and effectiveness without the major disruptions in the community required under option one.
- It would enhance the stature of the community leader while avoiding the potentially dangerous concentration of power inherent in option one.

Option #2 has several potential disadvantages:

- Responsibility for the community as a whole would be more diffuse than under option one.
- The ability of the DCI to supervise the detailed activities of the operating parts of the community would be weaker.

• The new DCI, compared to the DNI under option one, would have to rely on persuasion and the process of budgetary review rather than directive authority in order to eliminate redundant and duplicative activities, resolve trade-off issues, and reduce overhead.
• He would lack the ability to mobilize, deploy, and target collection assets in a time of crisis, unless given specific Presidential authority.

A Coordinator of National Intelligence (Option #3), who, under Presidential mandate, would act as White House or NSC overseer of the Intelligence Community, directing particular attention to:

• Intelligence resource and management issues.
• Representing the concerns and needs of national policy level consumers.
• Evaluating the suitability of intelligence output in light of consumer demand.

Under this arrangement, CIA, Defense, and State intelligence responsibilities would remain essentially unchanged. The Coordinator would express the views and concerns of the President and the National Security Council on product needs and quality; he would provide guidance on present and future collection priorities; he would critique and evaluate the current performance of the community, identifying gaps and oversights; and he would conduct studies of specific intelligence community activities as required. But he would not be responsible for the actual production of intelligence. Nor would he have any direct control over resources.

This option offers two advantages:

• The creation of this position would provide a means for more direct representation of Presidential interest in the Intelligence Community. Consumer representation in the intelligence process would be enhanced.
• No legislation would be required, and the President would be spared a number of bureaucratic battles.

The option has several marked disadvantages:

• There is the potential for unproductive competition between the Coordinator and the White House staff.
• Achievement of the President's management and resource control objectives is unlikely.

VII. Department of Defense Leadership

Although the President has indicated his desire to institute community-wide reform, changes within the Department of Defense alone could improve the allocation and management of resources and reduce the overall size of the intelligence budget. Provided that care is taken in making them, these reforms need not be incompatible with subsequent decisions about the governance of the community as a whole.

Within the Department of Defense, there has never been an individual with formal responsibility for management of all DoD intelligence activities. The Deputy Secretary of Defense historically has been charged with this task, but he has very little staff to assist him and can devote only a modest amount of time to the complex intelligence issues that arise within his domain. Consequently, if the problems of Defense intelligence are to be resolved in a fashion satisfactory to the President, it will be necessary either to create a Director of Defense Intelligence (DDI) with specific responsibility for the Department's collection assets, or provide the Deputy Secretary with major staff support in the form of an Assistant Secretary of Defense for Intelligence.

Neither of these posts would be incompatible with options two and three relating to community-wide leadership reform. However, the DDI concept conflicts with option one, in which the bulk of U.S. intelligence resources would be appropriated to a Director of National Intelligence.

A Director of Defense Intelligence would have the authority and responsibility to direct and control all Defense intelligence activities. He would allocate all the Defense intelligence resources, including those for tactical intelligence, the funds for the NRP, and budgets for other national programs under departmental jurisdiction. He would report to and represent the Secretary of Defense in all matters relating to the management of intelligence resources; review the need for, and conduct of, sensitive intelligence collection and operations; review all Defense intelligence "requirements" with resource implications in order to evaluate need and determine priorities; serve as the principal Defense representative on the USIB; and monitor other DoD programs which have clear implications for the collection of intelligence. Under this option the DDI would be able to reorder completely the Defense intelligence collection structure as deemed appropriate.

The DIA would be involved in collection management only if so directed by the DDI, and would concentrate on the production of finished intelligence for the Secretary of Defense and other national consumers.

It is important that the Director of Defense Intelligence be responsive to tasking by the community leader, who would be the principal substantive intelligence official of the Government. Both the community leader and the DDI should receive authoritative guidance about national consumer interests. This could be provided by a Council of Intelligence constituted within the NSC and with the Assistant to the President for National Security Affairs, the Secretary of State, and the Secretary of Defense as its members. The restructuring of USIB and revision of NSCIDs can help in establishing the appropriate DCI/DDI relationship:

The post of DDI has great prospective advantages:

- It would provide for the concentration of resource management authority in one individual, which would allow authoritative comparisons and decisions about competing collection programs.

• It would provide for the centralization of direction and control over all Defense intelligence activities, including conduct of sensitive intelligence collection operations.

But there are possible drawbacks as well, in that the position would:

• Concentrate great power at a single point in Defense. This could possibly diminish the community leader's access to information, as well as his ability to task collection systems in support of national intelligence production, and design balanced collection programs, in support of his production responsibilities.
• Superimpose a large staff over those of other major intelligence managers within Defense (the Directors of DIA, NSA, and NRO), although a reduction in various coordination staffs should be possible at the same time.

An Assistant Secretary of Defense for Intelligence (ASD/I) who would act as the principal staff assistant to the Secretary of Defense. His responsibilities would be similar to those of the DDI, except that he would not exercise direct control over Defense intelligence collection programs, and would not be a member of USIB unless the Board were reconstituted to advise the DCI on the allocation of collection resources.

This option has a number of advantages:

• It allows for effective cross-program analysis within Defense.
• It avoids the concentration of power inherent in the DDI option, if that is considered a danger.
• Compared to the DDI, an ASD/I would be more likely to respond to the needs of the present DCI or the community-wide leader established under either option two or three.

The post has a number of potential weaknesses in that, compared with the DDI, it would probably:

• Lack both the strong mandate provided to the DDI and direct authority over Defense intelligence activities, including those carried out by the program managers.
• Make the ASD/I vulnerable to "end runs" by major components within the Defense intelligence community who might wish to appeal directly to the Deputy Secretary of Defense.

VIII. Changing Functional Boundaries and Costs

During the past two years, the budget of the Intelligence Community has been reduced, measured in constant and current dollars, as shown in the following chart:

[*chart not declassified*]

To achieve further economies, particularly without major reorganization, will be difficult for several reasons.

• Savings that we foresee as immediately feasible are likely to be counterbalanced to a considerable degree by further pay and price increases.

• With the heavy R&D costs for proposed new systems, such as the nearly real-time photo satellite, [*less than 1 line of source text not declassified*] there already is built into the budget a strong upward bias which may prove difficult to control, particularly considering the intense interest in high-technology and expensive new systems for SALT and other purposes.

• The U.S. withdrawal from Southeast Asia will permit reductions in SIGINT and HUMINT resources, but they will only partially offset the above cost increases.

• Some of the largest savings can only result from shifting and consolidating current activities in such a way as to redraw the functional boundaries of the major intelligence organizations.

Despite these difficulties, it is the case that functional boundaries can be withdrawn without a major reorganization of Defense intelligence or the community as a whole. We should stress, however, that actions of this character will still leave a number of community-wide issues unresolved and at the same time arouse all the opposition of the military Services and the Joint Chiefs of Staff. Moreover, with the rapid evolution of technology, further changes in boundaries—and comparable upheavals—will probably have to follow in the future.

With all these cautions, there are a number of specific functional actions that can be taken at the present time. Among the most important are the establishment of NSA as a truly national cryptological service with authority over all signal intelligence, and the consolidation of a number of activities now operated separately by the military Services. The effect of these changes should be to achieve economies of scale, eliminate excessive duplication, and promote competition among like activities so as to weed out the less productive programs.

The following table of possible savings, while only an estimate, indicates what economies might be feasible as a result of redrawing functional boundaries, consolidating activities, and eliminating duplication:

	Estimated Savings (In millions of dollars)	
	FY 1972	*FY 1975*
Unify Defense mapping, charting, and geodesy activities	[*]	[*]
Form a single Defense Investigative Service	[*]	[*]
Establish a Defense Scientific and Technical Intelligence Center	[*]	[*]
Create a National Cryptologic Service	[*]	[*]
Assign NRP aircraft and satellite responsibilities to a single Defense manager	[*]	[*]
[*1 row not declassified*]	[*]	[*]
[*1 row not declassified*]	[*]	[*]
Subject Defense tactical intelligence to consolidated review	[*]	[*]
Assign ELINT authority to NSA	[*]	[*]

[* *entry in table not declassified*]

A major issue arises in connection with changes of such scope and magnitude. It is whether we should attempt to make the reforms now, or await more general reorganization and allow the head of the community to exercise his judgment and authority in instituting them. Our current judgment is that reductions of this magnitude should be attempted only after a reorganization has significantly improved the capabilities of the community to direct, control, and monitor program changes. We also believe that the economies should be effected over a period of years. Without these two conditions, the reductions could prove illusory or transient, and a heavy price in disruption and lowered morale might follow.

It should be noted that the anticipated savings come primarily from collection activities; major analytical and estimating capabilities are not affected. Their improvement is the subject of the next section.

IX. Toward Improvements in the Product

Much of the emphasis by the intelligence community and the bulk of its resources go to the high technology necessary to overcome barriers to information in the USSR and China. Yet this stress on the technology of collection—admittedly important—comes at a time when improved analysis is even more important.

Because of the keener competition from the Soviets, and the narrowing gap in relative resources devoted to defense, the U.S. must

refine its evaluation of foreign capabilities, intentions, activities, and doctrines rather than assume that it has the resources to insure against all possibilities. The community must also improve its current political estimates and find ways of becoming more responsive to national consumers and their concerns.

Important improvements in performance may be feasible without major reorganization. But preliminary investigation suggests that higher quality is much more likely to come about within the framework of a coherently organized community which is focused on improving output rather than input. Indeed, it seems a fair assumption that the President would be willing to rebate some of the potential savings from the community if he had any hope of improved performance as a consequence. As of now, however, he has no such assurance and may reasonably argue that, for current performance, he should at least obtain the benefit of lower costs.

Even if we knew how to measure the benefits of intelligence, it would be difficult to relate specific changes in programs to improvements in performance. Nonetheless, experienced observers believe that the following steps—all of them comparatively inexpensive—should increase the usefulness of the product to the national leadership:

- Major consumer representation to and within the intelligence community, perhaps through a restructured USIB, a high-level consumer council, or other institutionalized ways of communicating consumer needs, priorities, and evaluations to intelligence producers.
- Assessment of the intelligence product through quality control and product evaluation sections within the production organizations themselves.
- Upgrading existing analytical centers to increase the competition of ideas, including a DIA with improved organization and staffing as a major competitor to CIA in the area of military intelligence.
- Periodic reviews by outsiders of intelligence products of the main working hypotheses within the community, and of analytical methods being used.
- A net assessment group established at the national level which, along with the NSSM process, will keep questioning the community and challenging it to refine and support its hypotheses.
- Stronger incentives to attract good analysts, better career opportunities to hold them as analysts instead of forcing them to become supervisors in order to achieve promotion, and a more effective use of personnel already trained and experienced in intelligence.
- Increased resources and improved organizational arrangements within the intelligence community for research on improved methods of analysis and estimation.

It is probably premature to recommend the detailed measures necessary to improve the quality and scope of the intelligence product. In the near future, this issue should be considered at greater length by the leadership of a reorganized community. Indeed, the leadership should be specifically charged with the task of product improvement as a mat-

ter of the highest priority. What steps will prove feasible will depend on the particular type of reorganization selected, and, in the present circumstances, it may be well to be guided in the choice by considerations of economy in the use of resources. But it should be stressed, in conclusion, that improvement of the product at current budget levels is simply another way of achieving the efficiency that is so desperately needed within the intelligence community as it is presently constituted.

---

230. Memorandum From the Assistant Director, Office of Management and Budget (Schlesinger) to the Director (Shultz)[1]

Washington, May 11, 1971.

SUBJECT

Reorganizing the Intelligence Community

This memorandum is intended to apprise you of the several responses within the intelligence community to the Overview paper,[2] which has been distributed on a highly selected basis. Copies went to the DCI, DOD, State, and the Science Adviser. As might be expected, each agency tended to the protective of its own interests. In terms of resources, the critical response is that of the Department of Defense which was very cautious, though not negative. The other three agencies strongly endorsed the attempt to reform the community, to bring better management, and to achieve greater resource control. In the case of the DCI, the endorsement was qualified by his strong conviction that legislation should be avoided and that no restructuring require "the disembodying of the CIA." In addition, all of the members of PFIAB have reviewed the paper. The response from that quarter is less clear, as each member has somewhat different views. The next meeting of the PFIAB is scheduled for June 4, and there is a belief on the part of

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret. A copy was sent to Kissinger. In a May 17 memorandum to Kissinger, Wayne Smith provided a more detailed summary of the comments by CIA, DOD, State, and the Science Adviser, and he attached copies of the respective comments. (Ibid.)

[2] One of two attachments to Document 229.

the members that nothing will or should be done before they have a chance to meet with the President.[3]

Let me summarize the responses from the agencies.

• The State Department was unequivocally enthusiastic about the paper. The Department strongly endorsed Option 2, for a drastic strengthening of the management authority of the DCI over the community. The Department suggested that some experience should be obtained with a new style of organization before attempting to go to the Congress with a legislative package. State also emphasized its own interest and capabilities as a collector, producer, and consumer of intelligence products.

• Speaking as both the DCI and the Director, Central Intelligence Agency, Helms, not surprisingly, endorsed Option 2, which would strengthen his own influence in dealing with the rest of the community—particularly over the resources in the Department of Defense. Quite plainly, Helms would not like to move to the White House or to be separated from the facilities at Langley. Given the sentiment on the Hill, Helms has a genuine fear of approaching Congress at this time with any package that would open up Congressional criticism of intelligence operations. More directly in response to institutional interests, Helms also wishes to avoid splitting off the DCI's production activities from the Agency's responsibilities on the collection side. In the PFIAB and in OST, there is recognition that continuation of the competing activities of the CIA in the collection field would compromise the ability of the DCI to serve as a disinterested referee. The DCI does recognize the need for a focal point of authority on intelligence matters within the Department of Defense and endorses the establishment of a DDI. He fully appreciates the continued difficulty that the DCI would have in grappling with service interests, particularly in tactical intelligence, from the outside.

• The Science Adviser strongly endorses the position that the DCI–USIB structure should be separated from the institutional interests of the CIA. Consequently, Option 2 is endorsed with a number of amendments. The thrust of the suggested changes is to strengthen the role of the Ex-Com mechanism and to broaden its functions. Under no circumstances, it is argued, should the Ex-Com (on which the Science Adviser sits) be weakened. Given a strengthening of the Ex-Com, it is OST's view that an Assistant Secretary of Defense for Intelligence will provide adequate staffing for the Deputy Secretary in the attempt to get better control of Defense intelligence activities not within the purview of the Ex-Com at the present time.

• The Department of Defense is concerned about the authority of the Secretary of Defense over his own assets. This is hardly a surprising reaction. With respect to community-wide reform, therefore, the

---

[3] In an April 12 memorandum to Kissinger, Anderson reported that PFIAB had reviewed the OMB/NSC study at its meetings on April 1 and 2 and, while it reached no consensus, felt that the study's findings raised serious and far-reaching issues that deserved the most searching consideration. The Board members thus wanted personally to discuss the matter with the President during their June meeting or earlier. (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, 1971, Vol. VI)

DOD is prepared to go with Option 3, which is the weakest of the options, and barely more than a patch-up mechanism. With respect to reform within the DOD, the Department (speaking through Bob Froehlke) favors an "evolutionary" rather than a revolutionary approach. What this means is the establishment of an ASDI rather than a DDI with the ASDI being responsible primarily for fiscal guidance. Late last year Froehlke did a review for the Secretary of Defense on intelligence activities. He discovered that all of the managers of intelligence agencies within Defense were opposed to the establishment of a Director of Defense Intelligence to whom they would report. This was scarcely a surprising development, but it did convince Froehlke that DOD should be very cautious in establishing greater central control and authority over the various intelligence activities. It has been indicated to me that Mel Laird will do whatever the President wants. However, it is clear that Defense is somewhat reluctant to go ahead with major reform, and will have to be pushed. From other sources in the Pentagon I know that Laird feels that he has been badly burned on intelligence issues because of non-support from the White House. Before he goes ahead he would want to be sure that there will be strong support from the White House, when Service resistance (which will be formidable) is encountered.

All in all the response has been more forthcoming than might have been expected. Even the DOD reaction is less adamant than might have been predicted given the interests and the bureaucratic difficulties involved in a major restructuring. Quite plainly people in the community are aware that the President feels very strongly about this issue, and that something will have to be done. Under the circumstances, even the affected parties feel that they should be creative. The State Department, with the least vested interests at stake, and therefore the most disinterested, is most willing to embrace immediate change.

I suggest that you (and Henry, if he wishes to be involved) discuss with the President what he wishes to do next. A number of major tactical issues remain to be resolved.

• Does the President wish to send legislation to the Hill altering the role of the DCI and the CIA? If he does not, it will be possible to sit down with Helms and *to discuss the internal restructuring of the Agency to accomplish most of the President's* objectives. At a minimum the DCI would require an additional deputy for management of agency affairs. The DCI should be placed at a considerable distance from the activities of the clandestine services. Perhaps most important of all, a structure should be elaborated to prevent the promotional activities of DDS&T from biasing the recommendations of the DCI with respect to new systems to be developed and deployed. While less elegant than Option 2, most of our objectives can be obtained if we can discuss them seriously with Helms.

• Helms would be reluctant to make these concessions unless his role in dealing with the rest of the community is strongly enhanced. The President will have to decide whether he will inform the Secretary of Defense that the DCI will now have a major role in deciding how intelligence resources within the Department of Defense will be

utilized. The President would have to be exceedingly forceful on this issue, because the cooperation of the OSD will be essential in order to overcome the expected recalcitrance of the three Services.

• In this connection, the President should decide whether there will be a strong focal point within the DOD on intelligence matters. If so, he will have to inform the DOD to establish a DDI rather than an ASDI and to press the Congressional committees to provide an additional Level III slot.

• No formidable resistance is expected from Defense on this issue, but Defense could undercut the President's desires through its private negotiations with the Armed Services Committees. The establishment of a strong focal point within Defense with authority over the several intelligence activities within the Department—rather than DOD's preferred evolutionary approach—seems to me to be essential to achieving the reduction in resources going into existing programs, with minimal effect on output. A possible alternative is to discuss with Secretary Laird the use of the second Deputy Secretary slot now being requested from Congress for control over intelligence activities. Given the compartmentalization and sprawl of intelligence activities in the Department, whoever is responsible for management of intelligence activities will have to have considerable clout.

• As soon as a direction is charted, we should seek Mel Laird's agreement to sit down and talk to the managers of the Defense intelligence programs—Admiral Gayler, John McLucas, General Bennett, etc., as well as David Packard.

• What role is expected for the PFIAB? Should any announcement be delayed until the President has a chance to meet with the PFIAB. Such a meeting is likely to develop little that is new substantively, but may be essential for cosmetic reasons.

As you are aware, we have drawn up directives to implement the proposals in Option 2. These directives can, of course, be modified to achieve whatever changes and objectives the President now contemplates. We have prepared briefing books and other material, which we are prepared to use at short notice. What we need is a signal. However, you may wish once again to bring to the President's attention how strong the resistance from the JCS and the Services is likely to be to the recommended changes within the DOD. He will have to be prepared to overcome resistance from a quarter, where he may be disinclined to take on a major battle.

J.R. Schlesinger

231. Memorandum From the Director of the Program Analysis Staff, National Security Council (Smith) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, May 14, 1971.

SUBJECT

NIE 11–3–71, "Soviet Strategic Defenses"

Attached are:[2]

1. A memorandum from you to the President (Tab A) summarizing the national intelligence estimate on Soviet strategic defense forces. Your memorandum to the President also notes that, like the earlier NIE 11–8–70 on "Soviet Forces for Intercontinental Attack," this NIE is a considerable improvement over last year's effort, though additional work still needs to be done.

2. A detailed analytical summary (Tab B), for your reference, of the major points made in the NIE, with comments on the adequacy of the analysis and on the questions the NIE still fails to consider.

3. A copy of NIE 11–3 (Tab C).

4. A copy of my earlier memo to you and your memo to the President on NIE 11–8 (Tab D). The memo to you provides some background on the events leading to the changes this year (pages 3–7) and some comments on the difficulties we must overcome in order to get an even better product (pages 8–10).

Evaluating the NIE 11–3–70

As I indicated in your memorandum to the President, this NIE, like NIE 11–8, is a major improvement over last year's efforts. Richard Helms recognized last year's weaknesses and solicited comments from intelligence consumers. After getting the President's reaction, you provided comments and had your staff work closely with the intelligence community. The results, as reflected by these two NIEs, are encouraging:

—There is some frank, clear discussion of the characteristics and purposes of Soviet forces.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 360, National Intelligence Estimates. Top Secret; Ruff; Zarff; Umbra; Restricted Data. Sent for action. At the top of page 1 is written "Outside system" and, in Kissinger's hand, "Do note from me to Helms." A memorandum to Helms was signed by Kissinger on June 9.

[2] None of the attachments are printed.

—The discussion is backed by considerable detail which is presented in usually very clear ways (e.g., graphics) and which even spills over into a number of annexes.

—A wide range of sources is often used to advance the analysis.

—One of the best improvements is the development of a wide range of alternative force models based on assumed differences in Soviet objectives, the pace of Soviet technological developments, and the resources which the Soviets are willing to apply. This approach forces everyone to remember that estimates rely heavily on underlying assumptions. However, to avoid the real danger that any point along the wide spectrum would be undifferentiated from any other point, the NIE designates certain assumptions and their accompanying illustrative force structures as most likely.

—All the alternative force models are provided in considerable numerical detail which is essential for an understanding of the differences between the alternatives.

I believe that NIE 11–3 shows even greater improvement than found in the last NIE 11–8.

—It introduced and did a creditable job with a whole new section on Soviet ASW capabilities.

—It was more willing to discuss the strategic implications of facts. For instance, with very limited evidence at that time, it analyzed well the significance of the new missile system complex at the Sary Shagan test range.

—It considered in detail Soviet command and control which is so essential to effective use of strategic forces, especially for the complex mission of strategic defense.

More work is still required, however. The present NIE suffers from two serious weaknesses:

1. It fails to draw on all sources and research methods which could advance the analysis. The greatest emphasis is still on observed activity at test ranges, construction sites, and operational bases. However, a variety of other material could be useful—e.g., Soviet doctrinal and strategic writings, economic information, analysis of Soviet institutions.

2. The NIE often fails to estimate Soviet objectives and strategies, yet such information is fundamental to understanding present Soviet programs and estimating future ones. For instance:

—How sophisticated is Soviet strategic thinking? How do various individuals and groups define "parity" and "sufficiency?"

—What are the likely Soviet war plans? What are the Soviet views as to the possibility and outcomes of limited strategic war?

Obtaining Further Improvements

While I noted in the memo on NIE 11–8 that getting further improvements would not be easy, we are mounting an ambitious campaign.

1. Of course, the NSC/OMB work on reorganizing the intelligence community has as one of its objectives improving the intelligence product for consumers.

2. The earlier letter from the President to Richard Helms (Tab B of memo to the President)[3] congratulating Helms and the intelligence community for their work on NIE 11–8–70 has provided some positive feedback which should encourage them. Moreover, it identified the particular strengths of the NIE from your viewpoint.

3. As you directed on my memo regarding NIE 11–8, I will arrange a meeting in mid- to late May between Helms and you to discuss the new NIEs. We waited until NIE 11–3 was published so that you would have a larger sample to discuss.

4. We will continue to send for your signature directives to the intelligence agencies tasking them to do specific work which we are particularly interested in. Already:

—You have asked CIA (Tab E) to restart its in-depth study on the SS–9 focusing on Soviet decision-making processes. (Andy Marshall is now working with CIA at the staff level.)

—Your earlier memo (see Tab F) to Helms in response to the CIA study on the Soviet perception of the U.S. threat has resulted in an inadequate, but good-faith, answer from them. My staff is now working with CIA to improve their work further.

---

[3] Document 227.

---

232. Report Prepared by the President's Foreign Intelligence Advisory Board

Washington, June 8, 1971.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret; Handle via Comint Control Systems Jointly. 10 pages of source text not declassified in time for publication.]

233. Memorandum From Thomas Latimer of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Haig)[1]

Washington, June 26, 1971.

SUBJECT

Memo on President's 4 June 1971 Meeting with PFIAB

Jerry Burke has sent you PFIAB's memo on the above meeting (Tab A)[2] and I have prepared a note from you to Alex Butterfield forwarding that memo for the President's files.[3] A copy will also go in our files here.

Recommendation: That you sign the attached note to Butterfield.

FYI, at the PFIAB meeting, Admiral Anderson gave a summary of the Board's report on reorganizing the intelligence community.[4] He said that the Board could not substantiate OMB's findings that its proposals would effect significant money savings. He asserted that the Board's proposals, on the other hand, could increase the efficiency of the U.S. intelligence effort.

The President observed that the Board does not take as harsh a view of the U.S. intelligence product as OMB did in its report.[5] Admiral Anderson responded that although the Board is aware of mistakes made in the intelligence community, the Board nonetheless sees substantial progress.

Admiral Anderson went on to state that the Board does not concur in the two reorganization options proposed by OMB which would require seeking legislation from Congress. The President agreed that such a source of action would be inadvisable.

The Board proposed that in lieu of OMB's proposals, the U.S. Intelligence Board (USIB) be reconstituted along the following lines:

—USIB would be made up of the principal intelligence *users* instead of the producers as is now the case.

—USIB would serve under the DCI as a policy-forming entity and coordinator of the entire U.S. intelligence community.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, 1971, Vol. VI. Top Secret; Sensitive; Byeman; Contains Codeword. Sent for action.

[2] The 8-page memorandum is not printed. (Ibid.)

[3] Not printed.

[4] Document 232.

[5] Attachment to Document 229.

—The Board also believes that the Director of the National Security Agency should be a Presidential appointee in the rank of 4-star military officer or a civilian of equivalent rank.

Admiral Anderson also pointed to the serious gap in the collection of foreign intelligence in the United States.

—The President agreed and stated that he was well aware of the gap in the domestic collection of foreign intelligence which he attributed to a lack of working cooperation between the "good men" heading up the CIA and the FBI.

—The President observed that it was within his province to solve that problem and that he will take appropriate action in the near future.

Admiral Anderson also raised the problem of shortcomings in the field of collecting foreign economic intelligence and the President asked the Board to arrange to have a two-hour "Peterson briefing" after which he would like to have their specific recommendations for improving the U.S. economic intelligence effort.

Admiral Anderson mentioned his recent trip to West Germany and his discussions with General Goodpaster. As a result of those conversations, he has urged the Director of NSA to visit General Goodpaster to see what can be done to increase the productivity of U.S. SIGINT collection efforts against Soviet forces.

Finally, Dr. Land urged the President to personally intervene in the question of choosing a near real-time readout satellite reconnaissance system. Dr. Land, backed by Dr. Baker, advocates an electronic imaging system which can be read out through a relay satellite while the sensor is still over the target. The President promised to take a hard look at the matter.

234. Draft Memorandum From Wayne Smith and Andrew Marshall of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, July 30, 1971.

SUBJECT

Intelligence Reorganization: More Limited Options

If you do not want to recommend the reorganization and other measures the NSC/OMB study produced, there are more limited changes that would be useful and that would likely be supported by the PFIAB, OMB, and DCI. They are likely to produce little savings, at least originally, and reduce the chances for any major reforms in the operation of the intelligence community for the foreseeable future.

A minimal package would include:

(1) Net Assessment Group in the White House to review the intelligence community's output.

—Headed by a Senior Member of the NSC staff reporting directly to you.
—Total of 3–5 people.
—Charter to encompass review of NIEs, President's Quarterly Report on Strategic Forces, CIA studies, DIA studies, intelligence community's input required by NSSMs and other directives.

(2) Measures to enhance the authority and capability of the DCI to plan and guide the national intelligence program.

—Presidential directive spelling out changes in DCI responsibilities and objectives of changed community arrangements.
—Delegation of day-to-day operations of CIA so that DCI can concentrate upon national programs.
—Increased staff supporting DCI in this role as manager of community.
—DCI to prepare and present to OMB and President consolidated national intelligence program and budget. CIA and DOD to supply all information on their programs to allow this.
—Revision of NSCID 1 to make USIB advisory body and change structure to set up two major committees. One, essentially the current USIB, to assist DCI in producing substantive national intelligence. The other, a resources committee, to assist DCI in coordination of resource

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret; Byeman. Kissinger initiated the memorandum.

programs. This to be perhaps a combination of NIRB and Ex Com. Possible revision of other NSCIDs to clarify missions of major elements of community.

—Further development of focal point in DOD for control of intelligence resources. Perhaps assignment to one of the two Deputy Secretaries of Defense as a main responsibility and ASD/I reporting to him, creating point of contact for DCI.

(3) Measures to improve guidance to DCI and community on intelligence product.

—Set up NSC subcommittee chaired by the President's Assistant for National Security Affairs to review national intelligence product and give guidance to DCI and community.

—Your participation on subcommittee to be staffed by Net Assessment Group.

The strategy would be to task the DCI more clearly with management of community and enhance his status and management capabilities, leaving to him the job of working out the many problems of overlap and inefficiency in use of resources and improving the quality of the product. Some thought should be given to steps to be taken later in the process. Extensive revision of NSCIDs is one example. Another is to look beyond Helms' retirement and to do what can be done to get another John McCone, with strong management abilities, as the next DCI.

Implementation

You will take a good month or so for preparation in appropriate Presidential directive, drafting version of NSCID 1, etc. Plan needs to be made for working with DCI and other community elements. Also preferable not to present as a major reorganization, but as another step toward better management of the community. This limited change may not work. There are many sources of inefficiency and duplication it stands little chance of touching. By itself, it will not do much to improve the product since it will not insure the needed increase in resources devoted to production and to the development of improved intelligence analysis methods.[2]

---

[2] According to Haldeman's diary, the President expressed the following views on intelligence during a July 23 budget meeting. "On a general basis, the P said never has a country spent more for less defense than does America. Then he got to intelligence, said we've got to take the same approach there. The CIA tells me nothing I don't read three days earlier in the *New York Times*. Intelligence is a sacred cow. We've done nothing since we've been here about it. The CIA isn't worth a damn. We have to get out the symbolism; so a 25 percent cut across-the-board, get rid of the disloyal types. He told Henry to take a full month to do it, that it couldn't be done by Shultz or Weinberger. It must be in terms of strategy, not in terms of budget." (*The Haldeman Diaries: Multimedia Edition,* July 25, 1971)

235. Memorandum From the Director of the Program Analysis Staff, National Security Council (Smith) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, September 7, 1971.

SUBJECT

Intelligence Community Reorganization

Attached is a self-explanatory joint memorandum from you and Shultz to the President on the reorganization and management of the intelligence community. It has been thoroughly reviewed by Shultz and signed. In my judgment, it represents a workable package, that meets both your and Shultz's major objectives within the parameters of no new legislation, achieving some savings, and making no fundamental organizational changes in DOD.

The accompanying package contains:

—Memorandum to the Intelligence Principals for the President's signature.
—Personal letter from the President to Helms.

The memorandum to the Intelligence Principals directs:

—(1) The DCI to assume leadership of the community and accept major responsibilities for:

—Planning and reviewing all intelligence activities and the allocation of all intelligence resources.
—Producing national intelligence.
—Chairing and staffing of all intelligence community advisory boards or committees.
—Reconciling intelligence requirements and priorities within budgetary constraints.
—The DCI to prepare and submit each year, through OMB, a consolidated intelligence budget.
—The revision of NSCID 1 to reflect the changed status of the DCI, in the course of which USIB to be made strictly advisory to him.

—(2) The revision of NSCIDs and DOD directives to establish no later than January 1, 1972:

—A unified National Cryptologic Service.
—A single Defense Investigative Service.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret; Byeman. Sent for action. Sent through Haig. The memorandum is marked "Outside System." A handwritten note states: "Handcarried memo for Pres. to Alex Butterfield on 9/8/71 pm." Other than Tab A (Helm's input), the tabs are not attached.

—A unified Defense Mapping Service with unification restricted largely to production activities.

—A restructured National Reconnaissance Office under DOD control.

—The transfer of full responsibility for all clandestine HUMINT collection to CIA.

—(3) The creation of an Intelligence Resources Advisory Committee, chaired by the DCI, including members from Defense, State, and CIA to advise him on the allocation of budget and resources to programs.

—(4) That USIB assist the DCI in the production of national intelligence and in the efficient allocation of existing intelligence assets.

—(5) Establishment of a National Security Council Intelligence Committee, chaired by you, with the Under Secretary of State, the Deputy Secretary of Defense, and the DCI as members, to give policy direction on intelligence needs and provide for a continuing evaluation of intelligence products.

—(6) The creation of a Net Assessment Group within the NSC staff responsible for reviewing and evaluating intelligence products and for producing net assessments.

These changes require no legislation and focus upon (1) enhancing the DCI's powers to give leadership to the community, (2) eliminating overlap and duplication in roles and missions and thereby achieving some savings, and (3) improving the review and policy guidance devoted to intelligence products.

These changes are more limited than those considered earlier in the NSC/OMB study but are significant and impressive as a total package.

The major savings anticipated result from the restructuring of NRO and the unification of the cryptologic services. Lesser savings are expected from unification of Defense investigative services and Defense mapping activities. All of these items are strongly endorsed by Shultz, however, and represent the only changes from the earlier package I forwarded to you in San Clemente. (At my insistence, OMB fell off a number of other such measures they originally wanted to include.) A Unified National Cryptologic Service and a restructured National Reconnaissance Office under DOD control are changes long overdue. I wonder, however, if the small savings involved in a single Defense Investigative Service and a Unified Defense Mapping Service are worth the inevitable screams we will get from the Services. I am reluctant to jeopardize our more fundamental objectives by including marginal items such as these. You may want to raise this point with Shultz.

The currently proposed reorganization greatly increases the status and capabilities of the DCI and points him toward the goals of:

—More efficient use of resources.
—Abolition of outmoded divisions of labor.
—Improvements in the scope and quality of substantive intelligence products.

The memorandum to the Intelligence Principals states these goals and gives further guidance to the DCI and other members of the community concerning the kinds of additional changes that may be required to attain them. Hopefully, the DCI will proceed as fast as possible to the achievement of these goals. However, to maximize the success of this reorganization, I believe that the following implementation process should also be used:

—As soon as you and Shultz are in basic agreement, Helms should be shown the proposed memorandum to the principals. At Tab A you will find an informal input regarding Helms' view of what is needed to make progress toward a more effective, efficient community in the near term. It is generally in line with the measures in the currently proposed reorganization. Some minor adjustments might be useful, if Helms felt strongly about them. A great deal is being staked on Helms' pushing toward the stated goals. He should be gotten on board as soon as possible.

—Issuance of the memorandum for the Intelligence Principals and letter to Helms after Presidential decision.

—Draft revision of the NSCIDs to be undertaken under the direction of NSC/OMB staffs. Helms' people ought to be involved in this, however. Each word and comma in the current version is freighted with meaning from past controversies. Initial drafts prepared in NSC/OMB should be submitted to Helms' staff for comment. Final drafts might be submitted to NSC Intelligence Committee for final action.

—Meeting of President, you, Shultz, and Helms to discuss the goals of the reorganization and to present to Helms the President's views on problems and issues that need priority attention. I will prepare talking points for this meeting.

—Meeting of Helms' staff and the NSC/OMB staffs to discuss major problems and issues. This meeting would parallel the one above. Its purpose would be to communicate ideas emerging from NSC/OMB study as to major areas of inefficiency and waste, improved staffing to assist Helms in his new role, details of consolidated budget preparation process, etc.

—Meeting of you, Shultz, and Helms with all interested parties, e.g., PFIAB, USIB, Packard, Alexis Johnson, Service intelligence chiefs,

OST representative to press home awareness of President's goals, his view of major problems, and to express support of DCI in his new role. Also, this is the forum in which to stress the need for the more efficient use of resources devoted to collection, the need for upgrading the quality of intelligence analysis, and the value of a multiplicity of vigorous, first-rate centers of intelligence analysis, feeding into an improved process for producing national intelligence.

—Review by NSC/OMB of Helms' plans for delegation of management of CIA, for an enhanced staff to assist him in reviewing, planning, preparing consolidated intelligence budget, and for improving substantive intelligence products.

Recommendations

(1) That you meet with Shultz to resolve any remaining issues.

(2) After you and Shultz agree, that you start the implementing sequence by discussing the memorandum for Intelligence Principals with Helms.

(3) After you have discussed the memo with Helms, that it be forwarded to the President.

---

236. Memorandum From the President's Deputy Assistant for National Security Affairs (Haig) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, undated.

SUBJECT

Your Luncheon with PFIAB, Thursday, September 9

Admiral Anderson has invited you and General Haig to lunch with PFIAB at 1:00 p.m., Thursday, September 9 (Tab F).[2] The staff has prepared the following talking points to cover the four topics with which PFIAB is most concerned at the moment.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, 1971, Vol. VI. Top Secret; Byeman. Sent for action.

[2] Attached but not printed.

1. Economic Intelligence

—The quality of economic intelligence on the reactions to the President's August 15 program has been excellent.[3] However, because it is so voluminous there is little time to synthesize it sufficiently so that it could be passed to the President. The intelligence community might, therefore, consider synthesizing economic intelligence, especially in the next several months when other nations are attempting to formulate a response to the President's new program.

—Also, because the analysis of different agencies is often colored by their policy viewpoint on such questions as the ability of our trading partners to revalue their currencies or institute reforms in the trade and monetary areas, it might be very useful for the CIA to develop analysis on this question. Specifically, we need more information on precisely how far our trading partners can go in revaluing and liberalizing what the effects on their economies of so doing would be, and what the political and economic implications (in the form of retaliation, export subsidies, and capital restraints) would be if we pressed them to do more than was reasonable.

[Omitted here are talking points for topics 2 and 3.]

4. Intelligence Reorganization

In a report dated June 8, 1971, the PFIAB submitted its unanimous findings and recommendations to the President regarding the management and organization of the U.S. foreign intelligence effort. The report is at Tab A.[4] In terms of organization, the report unanimously recommended:

—Making the U.S. Intelligence Board (USIB) the coordinating body of the intelligence community and altering the composition of the Board to give dominance to the users of intelligence rather than the collectors and producers. The Director of Central Intelligence (DCI) would continue to chair the USIB.

—Creating two new committees, an Intelligence Evaluation Committee and an Intelligence Resource Committee, under the USIB, each chaired by the DCI.

—Establishing an Assistant Secretary of Defense for Intelligence (ASD/I) to coordinate the intelligence resources of the Department of Defense.

—Relieving the DCI of his day-to-day management and administrative functions in CIA and giving the Director of the National Secu-

---

[3] Reference to Nixon's August 15 address to the nation concerning his "New Economic Policy," See *Public Papers: Nixon, 1971,* pp. 886–91.

[4] Document 232.

rity Agency increased authority over all government communications and electronics intelligence.

—Maintaining the current status of DIA.

—Removing mapping from the intelligence budget and transferring it to other DOD programs as directed by the Secretary of Defense.

—Authorizing the Chairman of the PFIAB to attend meetings of the USIB.

The report also contained recommendations regarding establishment of a community-wide information handling system, greater emphasis on economic intelligence, more use of embassy officials in intelligence reporting, and more use of FBI in the clandestine collection of foreign intelligence within the United States.

The PFIAB proposal and that developed by the NSC/OMB staffs (Tab B)[5] share many common features, but also have significant differences. Both agree that community-wide leadership is needed. Both agree that resources can be used more efficiently. Both agree that the quality of the product can be improved. Both agree that consumer requirements for intelligence must be an integral part of the process. Both agree that whatever changes are made should be accomplished without new legislation.

However, the NSC/OMB staffs do not believe that strong, continuing, and impartial leadership can be accomplished by a committee or series of committees. This requires the assignment of authority over community resources to a single individual. This is a fundamental requirement that no plan of reform should ignore. Committee-type leadership, in the form of the USIB, has historically failed to be effective. It is not clear, therefore, that a simple reorganization and strengthening of the USIB, is proposed by the PFIAB, would succeed in achieving the President's objectives.

The current proposal calls for five major changes:

—A strengthened community-wide management role for the DCI.

—A new NSC Intelligence Community established primarily to review the substantive intelligence product and to give policy guidance on intelligence needs to the DCI and the community.

—Two advisory groups to the DCI to support him in his stronger community-wide role:

—A new Intelligence Resources Advisory Committee which would advise him on the allocation of intelligence resources.

[5] Attachment to Document 229.

—A USIB which would be strictly advisory to him on the efficient use of existing collection assets and production of substantive intelligence.

—A new Net Assessment Group within the NSC staff for reviewing and evaluating all intelligence products and for producing net assessments.

—Limited functional realignment within Defense to accomplish certain consolidations (mapping, investigations); the assignment of full responsibility for clandestine HUMINT collection to CIA; and, a restructuring of the National Reconnaissance Office under DOD control.

These changes are designed to accomplish the President's four major objectives:

—Authoritative and responsible leadership for the community as a whole.

—A more efficient use of resources by the community in the collection of intelligence information.

—Abolition of outmoded divisions of labor within the community.

—Improvements in the quality and scope of the community's substantive product.

You may want to probe the members of the PFIAB regarding some of their recommendations. For example:

—Why do they believe altering the USIB is the best way to achieve better performance and increased efficiency in our intelligence system? Why not pin the responsibility directly on the DCI?

—What areas do they see where substantial savings can be achieved?

—Should the Director of NSA have direct authority over service COMINT and ELINT organizations?

—What are the areas of excessive duplication and overlap in collection activities?

—How can discipline regarding leaks in the community be enhanced?

—Why should the present structure of the NRO be retained?

—Why should mapping, charting and geodesy be removed from the intelligence budget?

—Why does the PFIAB support the establishment of an Assistant Secretary of Defense for Intelligence?

—How does the above square with their recommendation that requirements for tactical intelligence resources by Unified and Specified military commanders must be fully recognized?

237. Memorandum For the Record[1]

Washington, September 16, 1971.

1. Role of the AEC Intelligence Component

On 16 September 1971, I met with Jim Schlesinger, Chairman of the Atomic Energy Commission in his office in Germantown. The purpose of the meeting was to receive from him the observations about the Agency and the intelligence community gained through his years as an Assistant Director of BOB and OMB. Before getting into this subject, Schlesinger sought my views as to the role of the AEC intelligence unit. I told him that due to an almost complete lack of participation in USIB activities, I was unable to be helpful. I added that I had never heard any adverse comment about the AEC unit or Harold Brown, who has led it for the past several years. I suggested that the Director would be the best person to talk with about this subject. In the course of the conversation, it developed that he feels that the Atomic Energy Commission has played no role whatever in national security policy-making since John McCone left the Commission in 1961. Schlesinger feels that the Commission should play a role and I gather that he questions whether the AEC intelligence unit is now competent to do this. He tends to look upon their current performance as being helpful to CIA in spotting any personalities in various laboratories and really being rather limited in being able to brief the Commissioners on what is really going on in the world. It is apparently Jim's impression that on any subject of importance, they have to whistle up Dave Brandwein or some other CIA analyst to do the briefing. He indicated definitely that he would seek either an early morning or late afternoon appointment with the Director sometime soon to pursue this subject.

2. Community Reorganization

Schlesinger believes that as a result of all the recent deliberations about reorganizing the community that the President will shortly issue some proclamation which will give the Director a good deal more authority in the intelligence community than he now has. Just what form it will take, he is not sure but as a minimum, he thinks the Director will be required to weigh in on an intelligence community budget before it goes to the President. He opined that this proclamation couldn't hurt either the Director or the Central Intelligence Agency and might well

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–M01048A, Box 15, Folder 5, ExDir/Comptroller (Colby) Files, Intelligence Community. Secret; Sensitive.

do some good. He understands that Dr. Hall will be coming aboard very shortly to become the new Assistant Secretary of Defense for Intelligence. He has heard both good and bad things about Dr. Hall and has his fingers crossed, believing as he does, he will have a difficult time at best operating at the Assistant Secretary level. He speculated that a lot would depend upon the support he receives from David Packard for whom he has the highest regard but whose management style he characterized as "intuitive." He was emphatic as usual in believing that the first order of business is to get the intelligence problems in the Defense Department straightened out or at least on the right track. With regard to the community generally, he repeated that he thinks far too much is being spent on collection and particularly tactical and SIGINT and that not enough is being spent on analysis. With regard to the cost of the intelligence community, he feels very strongly that SIGINT has to be cut back and alleges that its costs are now understated inasmuch as there are costs such as training which aren't now included in their presentations. He regards the CIA analytical capability as being not only the best in town but really the only truly professional competence in town.

With regards what to do about the intelligence budget, he is convinced that you cannot maintain anything like the present level with sheer logic. Both the President and the Congress seem determined to reduce the size of the budget and Schlesinger's solution, at least in part, would be to find some way to put some of the things now included in the intelligence budget, *Mapping* for example, somewhere else. If this is the game, then we ought to start to play it.

3. CIA's Relationship with OMB

In general, Schlesinger is well disposed toward the Agency and believes that we have fared a good deal better because he has defended us than would have otherwise been the case. He describes the key personalities at OMB as follows: George Schultz is a very broad-gauged and able man who understands the President, doesn't take everything the President says literally and is the man the Director ought somehow to find a way to deal with. Weinberger takes everything the President says literally and is a bureaucrat with very little flexibility. The International Programs Division staff, with which we deal on a day-to-day basis (Frey, Strait, Taylor, Hurley, etc.) are very well disposed toward CIA except on the manpower front where they think we could stand further reductions. They are not, however, as influential in the new setup at OMB as they used to be. Ken Dam, who replaced Schlesinger, has not had any experience in this area and the danger lies in the possibility that he will take his cue from Weinberger. If he also takes his cue from the staff on manpower, we could be in for some pretty rough sledding.

All of the above was given to me in strict candor and also in strict confidence for obvious reasons. If Schlesinger is right about all this, and I am inclined to think he is, it is clear that we should find some way to deal with Schultz more than we have in the past and I think probably only the Director can do this. It is equally clear that the Executive Director-Comptroller, the Deputies, and other key officials should work as closely as possible with Dam.

LKW

---

238. Memorandum From the President's Deputy Assistant for National Security Affairs (Haig) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, September 24, 1971.

SUBJECT

Intelligence Community Improvement

I have discussed with Admiral Anderson FIAB's criticisms of the proposed memorandum to the Intelligence Community on Reorganization. At Enclosure 3 is a memorandum enumerating recommended changes and providing underlined copies of the directive and letter to Director Helms indicating changes. FIAB has compromised on some issues, the most important being accepting you as Chairman of the NSC Intelligence Community rather than the DCI, and made a number of improvements in language and streamlining.

Major Changes:

The following major recommendations of the FIAB appear to be acceptable:

—Retention of the present arrangement for the National Reconnaissance Office rather than making it a Defense instrumentality. The Deputy Secretary of Defense would continue as chairman of the Executive Committee of NRO and the Under Secretary of the Air Force would remain the Director of the NRO. (Wayne Smith feels that the changes proposed by Budget will prevent piecemeal management and

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 332, Intelligence Reorganization, Vol. I. Top Secret; Byeman. Sent for action. The enclosures are attached but not printed.

allow some cost savings over the long haul. [Wayne's arguments are presented in the paper at Enclosure 4.][2] The FIAB argues the NRO is doing an effective job and would lose its present flexibility if locked entirely in the DOD system. My own assessment of this problem is at Enclosure 5.)

—Addition of the Chairman, JCS and Attorney General to the NSCIC.

—Placement of electronics intelligence activities under NSA. FIAB prefers to specify that NSA will be responsible for unified direction of over-all communications and electronics activities and assessments. Our version had called for "a unified national cryptologic *service.*"

Among the FIAB recommendations which appear unacceptable are the following:

—The FIAB calls for the following membership on the Intelligence Resources Advisory Committee: DCI; Assistant Secretary of Defense for Intelligence; Directors of NSA, NRO and DIA; and Deputy Director of CIA. The earlier memo called for the DCI as chairman with senior representatives from DOD, State, OMB, and CIA. In my view the problem with the FIAB arrangement is that it adds special pleaders to the committee and eliminates the consumers and agencies which would be more likely to be interested in efficient allocation of resources.

—A representative of Treasury would be added to the NSCIC. (FIAB is focused on the importance of economic intelligence but improvements in this area could be accomplished more appropriately by building up CIA's assets.)

Enclosure 2 is a list of minor changes, many of which are acceptable improvements.

At Enclosure 1 is a draft directive which reflects the acceptable changes outlined above. If you agree with these modifications, the next step would be to obtain Director Shultz's concurrence. At this point, this should be done at your level. If he does not agree, then a split memorandum could be prepared for the President.

Recommendation

That at your earliest opportunity you discuss with Director Shultz these recommended changes and obtain his concurrence in the draft memorandum at Enclosure 1.[3]

---

[2] Brackets in the source text.

[3] Kissinger initialed the approval option.

239. Memorandum From the Director of the Office of Management and Budget (Shultz) and the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, October 15, 1971.

SUBJECT

Intelligence Community Improvement

Attached for your signature is a memorandum to the principal officers of the intelligence community announcing a series of changes in the organization and management of the intelligence community, designed to improve its responsiveness to policy-level intelligence needs, the quality and scope of its products, the efficiency of operations, and the allocation of resources. (Tab A)[2]

The changes are as follows:

1. *A strengthened community-wide management role for the Director of Central Intelligence.* This will require some changes in CIA management in order that the DCI can effectively delegate day-to-day operations of the CIA, and the creation of an analytic staff to assist the DCI in his leadership of the community. In this broader role, he would be responsible for planning, reviewing, coordinating, and evaluating all intelligence programs and budget. He would continue to be responsible for the production of national intelligence.

2. *A new NSC Intelligence Committee established primarily to review the substantive intelligence product and to give policy guidance on intelligence needs to the DCI and the community.*

3. *Two advisory groups to the DCI to support him in his stronger community-wide role:*

—A new Intelligence Resources Advisory Committee which would advise him on the allocation of intelligence resources.

—A United States Intelligence Board which would advise him on the efficient use of existing collection assets and production of substantive intelligence.

4. *A new Net Assessment Group within the NSC staff for reviewing and evaluating all intelligence products and for producing net assessments.* This will require some additional office space in the EOB and four new personnel slots.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 333, Intelligence Reorganization, Vol. I. Top Secret; Byeman; Comint.

[2] Document 242.

5. *Establishment of a unified National Cryptologic Command under Director, NSA.*

6. *Functional realignment within Defense to accomplish certain consolidations.* (Office of Defense Investigations and Defense Map Agency.)

These changes do not require legislation. They do not represent as sweeping a restructuring of the community as you considered earlier.

We anticipate many of these changes will be opposed by the Joint Chiefs of Staff and the military Services. We have not recommended a reorganization in top level Defense Department management of intelligence. However, the Secretary of Defense has already proposed (and Congress is likely to approve) the establishment of an Assistant Secretary of Defense for Intelligence (ASD/I) who would assist the Secretary of Defense in reviewing and evaluating intelligence collection resources. The ASD/I would not be responsible for substantive intelligence; nor would he be in a position to influence it significantly since, even with the reorganization we are proposing, DIA, NRO and NSA would remain separate bodies and the Joint Chiefs would remain responsible for DIA substantive output.

The proposals we are making will also deflect Senator Ellender's meat ax approach to reductions in the intelligence budget and give us time to identify the most marginal programs and make cuts where they are least harmful. Additional and more fundamental reorganization would require legislation.

To give the currently proposed measures the best chance to achieve your aims, we recommend that directives for the specific changes be accomplished by a strong statement as to your goals in making these changes. Thus you should also consider sending the attached letter to the DCI (Tab B)[3] stating your goals and your views as to which of his many new tasks should receive priority. A meeting with the DCI and other intelligence principals to press home your views might also be desirable.

If you approve these changes, the OMB and NSC staffs will prepare revisions of the NSCIDs to incorporate the changes and oversee the implementation of the changes.

Recommendations

That you sign the memo to the Intelligence Principals at Tab A and the letter to Helms at Tab B.[4]

Henry A. Kissinger
George P. Schultz

---

[3] Document 240.

[4] A notation on the memorandum indicates the President approved it.

240. Letter From President Nixon to Director of Central Intelligence Helms[1]

Washington, November 1, 1971.

Dear Dick:

The need for improving the intelligence product and for increased efficiency in the allocation of resources devoted to the intelligence effort is urgent. In order to achieve these improvements, I will look to you to provide the intelligence community with the strengthened and responsible leadership it needs. I have decided upon some changes that I feel will provide you with the enhanced status and support needed to do the job. They are described in my memorandum to the Intelligence Principals[2] which shall be your guide for implementation.

You should give the role of community leadership your primary attention and delegate, as much as is possible, the day-to-day management of the CIA. Four major responsibilities will require your priority attention.

—Planning and reviewing all intelligence activities including tactical intelligence and the allocation of all intelligence resources.
—Producing national intelligence required by the President and other national consumers.
—Chairing and staffing all intelligence community advisory boards or committees.
—Reconciling intelligence requirements and priorities with budgetary constraints.

While the formal changes I have directed are limited, I hope and expect additional changes in the functioning and management of the intelligence community. I particularly expect that you will work toward the attainment of three goals:

—A more efficient use of resources in the collection of intelligence information.
—A more effective assignment of functions within the community.
—Improvement in the quality and scope of the substantive product.

In your efforts to attain these goals, you will have my strong support. Should, in your opinion, further changes in the management and organization of the intelligence community be needed, they will receive prompt and sympathetic attention from me.

Sincerely,

Richard Nixon

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–M01048A, Box 15, Folder 5, Ex Dir/Comptroller (Colby) Files, Intelligence Community. Secret.

[2] Document 242.

241. Memorandum From the Deputy Secretary of Defense (Packard)[1]

Washington, November 3, 1971.

MEMORANDUM FOR

Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research & Engineering
Assistant Secretaries of Defense
General Counsel
Assistants to the Secretary of Defense
Directors of the Defense Agencies

SUBJECT

Assistant Secretary of Defense (Intelligence)

Effective immediately the authorized position of Assistant Secretary of Defense, currently designated Assistant Secretary of Defense (Administration), is hereby re-designated Assistant Secretary of Defense (Intelligence).[2]

The specific authorities, responsibilities and functions assigned to the Assistant Secretary of Defense (Intelligence) will be promulgated subsequently by a DoD Directive.[3]

All functions and personnel currently assigned to the Deputy Assistant Secretary of Defense (Intelligence) are transferred to the Office of the Assistant Secretary of Defense (Intelligence).

All other functions and personnel currently assigned to the Assistant Secretary of Defense (Administration) are transferred to the Office of the Assistant Secretary of Defense (Comptroller) and placed under a Deputy Assistant Secretary of Defense (Administration) in that office.

All existing delegations of authority to the Assistant Secretary of Defense (Administration) which do not apply to intelligence matters are re-delegated to the Assistant Secretary of Defense (Comptroller). Those delegations applying to intelligence matters are re-delegated to the Assistant Secretary of Defense (Intelligence).

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 Intelligence 1971. No classification marking.

[2] Albert C. Hall served as Assistant Secretary of Defense (Intelligence) from November 9, 1971 to March 25, 1976.

[3] Document 262.

Assistant Secretary of Defense (Comptroller) will initiate necessary personnel actions and directive changes to effect these realignments. He will also review those functions transferred to his office and recommend to me any further realignments that appear appropriate.

David Packard

---

242. Memorandum by President Nixon[1]

Washington, November 5, 1971.

MEMORANDUM FOR

The Secretary of State
The Secretary of the Treasury
The Secretary of Defense
The Attorney General
The Director of Central Intelligence
The Director, Office of Science and Technology
The Chairman, Joint Chiefs of Staff
The Chairman, President's Foreign Intelligence Advisory Board
The Chairman, Atomic Energy Commission

SUBJECT

Organization and Management of the U.S. Foreign Intelligence Community

I have recently reviewed and accepted recommendations on ways in which to improve the functioning of the intelligence community. This memorandum establishes a set of goals and directs organizational and management changes to attain them. It also expresses my concern about major resource management and substantive production problems as guidance to the community for further changes in the future.[2]

The need for an improved intelligence product and for greater efficiency in the use of resources allocated to intelligence is urgent. Resources available for use by the intelligence community will be increasingly constrained and may have to be reduced. At the same time

---

[1] Source: Central Intelligence Agency, Executive Registry Files Job 80–B01086A, Box 9, ER Files—DCI, 1971. Top Secret; Byeman; Comint. Copies were sent to Shultz and Kissinger.

[2] A November 5 public announcement of the reorganization of the U.S. intelligence community is printed in *Weekly Compilation of Presidential Documents*, November 8, 1971, p. 1482.

the product of the intelligence community will be of increasing importance to U.S. security and national interests as:

—the relative strength of Soviet and other potential military forces grows with respect to those of the U.S. where previously U.S. superiority was unquestioned;

—the international environment grows more complex; and financial, commercial and economic factors assume greater significance;

—the need for timely intelligence becomes greater.

I. Objectives

Among the major objectives that must be attained if the efficiency and effectiveness of the intelligence community are to increase substantially are:

—The responsiveness of the U.S. intelligence effort with respect to national requirements must be subject to continuing review.

—Authoritative and responsible leadership for the community as a whole must be assured.

—A more efficient use of resources by the community in the collection of intelligence information must be achieved. Utilization of the means available must be in consonance with approved requirements of U.S. security and national interests.

—Assignment of intelligence functions within the community must be reviewed and revised to eliminate inefficient, unnecessary or outmoded activities.

—The quality, scope and timeliness of the community's product must be improved.

—The provision of intelligence and its utilization must enhance the formulation of the foreign, military and economic policies of the U.S. Government and the planning for and conduct of military operations by U.S. forces.

II. The Necessary Conditions

A number of specific conditions are necessary to the achievement of these objectives.

—The Director of Central Intelligence (DCI) must delegate direct authority to the Deputy Director of Central Intelligence (as far as is possible without legislation) for the plans, programs, and day-to-day operations of the CIA, and must assume overall leadership of the community.

—More effective review of intelligence product quality and policy must be provided to the DCI, especially by high-level consumers of substantive national intelligence.

—Major issues within the intelligence community must be addressed in such a way that the DCI plays a major role in their resolu-

tion. The DCI must have an increased and restructured personal staff to allow him to discharge his augmented responsibilities.

—The DCI should be supported by two major committees of the intelligence community, each of which he chairs, with clearly defined advisory functions embracing his responsibilities related to the intelligence production and requirements on the one hand and to intelligence budget and allocation of resources on the other.

—Intelligence collection programs, largely financed and managed by the Department of Defense, must come under more effective management and coordination with other intelligence programs.

—The NSCIDs and DCIDs must be rewritten to reflect the changes directed herein and others as they occur, particularly to reflect reassignment of functions.

III. Measures Decided Upon

After careful consideration, I have decided that the measures listed below are to be taken now to move toward attainment of the stated objectives. They are designed primarily to: (1) enhance the authority and capability of the DCI to provide the required community leadership, (2) provide review and guidance regarding the substantive intelligence product, and (3) more effectively restructure intelligence activities.

—I am directing the Director of Central Intelligence to assume leadership of the community in planning, reviewing, coordinating, and evaluating all intelligence programs and activities, and in the production of national intelligence. I shall look to him to improve the performance of the community, to provide his judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence), and to recommend the appropriate allocation of resources to be devoted to intelligence.

He will thus assume four major responsibilities:

—Planning and reviewing all intelligence activities and the allocation of all intelligence resources.

—Producing national intelligence required by the President and other national consumers.

—Chairing and staffing all intelligence community advisory boards or committees.

—Reconciling intelligence requirements and priorities within budgetary constraints.

So that he can effectively undertake this community leadership role, I am requesting the DCI to submit to me within 30 days his plan for the appropriate delegation of his current operational responsibilities and for increased staff support for his new role.

—I am directing the Director of Central Intelligence to prepare and submit each year, through OMB, a consolidated intelligence program budget, including tactical intelligence. All information required from all departments and agencies of the Executive Branch is to be made available to him in order that he may provide me with an annual detailed review of the needs and performance of the intelligence community.

—I am creating an Intelligence Resources Advisory Committee, chaired by the Director of Central Intelligence, including as members a senior representative from the Department of Defense, the Department of State, the Office of Management and Budget, and the Central Intelligence Agency. This committee is to advise the DCI on the preparation of the intelligence budget and the allocation of resources among programs, ensuring that they are employed in accordance with approved requirements and that there is no unwarranted duplication.[3]

—I am also directing that the USIB be reconstituted under the chairmanship of the DCI including as members the Deputy Director of Central Intelligence (Vice Chairman); Director of Bureau of Intelligence and Research (INR), State Department; Director of National Security Agency (NSA); Director of the Defense Intelligence Agency (DIA) and representatives of the Secretary of the Treasury and of the Director of the Federal Bureau of Investigation and the Atomic Energy Commission (AEC). The USIB will advise and assist the DCI with respect to the production of national intelligence requirements and priorities, the supervision of the dissemination and security of intelligence material, and the protection of intelligence sources and methods.

—I am authorizing the DCI to call upon all departments and agencies of the Executive Branch of the Government to provide requisite information to these two committees and to invite additional participation in their deliberations as may be required in his judgment.

—I am also establishing a National Security Council Intelligence Committee (NSCIC). Its members will be the Attorney General, the Director of Central Intelligence, the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs, who will chair the committee. It will give direction and guidance on national substantive intelligence needs and provide for a continuing evaluation of intelligence products from the viewpoint of the intelligence consumer.

---

[3] In a May 30, 1972, letter to Irwin, Helms indicated that with the establishment of the Intelligence Resources Advisory Committee by the President's Directive of November 5, the functions of the National Intelligence Resources Board, which he set up in May 1968, had been taken over by IRAC and, "for the record, I think we should note that the NIRB is now officially dissolved." (Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 4, Folder 13, N–6, National Intelligence Resources Board)

—As a related matter, I am directing that a Net Assessment Group be created within the National Security Council Staff. The group will be headed by a senior staff member and will be responsible for reviewing and evaluating all intelligence products and for producing net assessments of U.S. capabilities vis-à-vis those of foreign governments constituting a threat to U.S. security.

—I am directing the retention of the present management structure of the National Reconnaissance Office.

—I am directing the Department of Defense to issue such directives as are required to establish no later than January 1, 1972:

- A unified National Cryptologic Command under Director, NSA for the conduct of USG communications intelligence and electronics intelligence activities.
- A single Office of Defense Investigations.
- A consolidated Defense Map Agency by combining the three Service mapping organizations under arrangements that permit optimum efficiency and economy in production without impairing legitimate requirements of the separate Services.
- The retention of the DIA to be fully responsive to tasking by the Joint Chiefs of Staff in matters involving essential intelligence support for military planning and operations.[4]

—I am directing staffs of the NSC, DCI and OMB, in consultation and coordination with the President's Foreign Intelligence Advisory Board to make appropriate revisions not later than December 1, 1971 to the NSCID's and other directives as needed to implement the provisions of this memorandum.

IV. Remaining Problems

The changes I have directed at this time are limited, but I fully expect further changes in the intelligence community consistent with maximum practicable attainment of my objectives.

By far the largest portion of the intelligence budget is devoted to collection. It is here that savings must be sought. Future assignments of roles and missions within the intelligence community cannot be made satisfactorily by compromises among agencies.

The need to make some savings is so urgent that I have directed the Office of Management and Budget, jointly with the DCI and

---

[4] In a November 10 memorandum to the Secretaries of the Military Departments, Chairman of the JCS, Assistant Secretaries of Defense, Directors of the Defense Agencies, and other DOD officials, Laird asked the Assistant Secretary of Defense (Comptroller) to develop plans by December 15 to carry out the President's directive in coordination with the DOD components concerned. (Washington National Records Center, RG 330, OSD Files: FRC 330 76 207, 350.09 1971) Seven DIA memoranda dated November 18 to December 2 that discuss alternative approaches to DOD organizational change are ibid.

Secretary of Defense, to review the FY 1973 budget for intelligence and to submit specific reductions from current programs, with particular attention to tactical intelligence.

Significant improvement in the intelligence product is also needed. The NSCIC will afford improved guidance regarding consumer needs. Other changes in the consumer-producer relationship may be needed to achieve a more effective reconciliation of the demands from consumers with the limited resources available for intelligence production. It seems desirable in this connection, that resources devoted to analysis and production should increase and that a determined effort be made to upgrade analysis personnel and analysis methods. More rewarding careers for intelligence analysts, including the opportunity to reach high salary levels while remaining analysts, should be considered. An early task of the DCI should be the preparation of a comprehensive program focused upon improving the intelligence process and product.

Richard Nixon

---

243. Minutes of Secretary of Defense Laird's Staff Meeting[1]

Washington, November 8, 1971.

Attendees

Mr. Laird
Mr. Packard
Mr. Froehlke
Mr. BeLieu
General Palmer (for Gen. Westmoreland)
Governor Chafee
Mr. Warner
Admiral Zumwalt
Dr. Seamans
Dr. McLucas
General Ryan
General Chapman
Lt General Vogt
Dr. Rechtin (for Dr. Foster)
Dr. Hall
Mr. Henkin
Mr. Kelley
Mr. Moot
Dr. Nutter
Dr. Wilbur
Mr. Shillito
Dr. Tucker
Mr. Buzhardt
Mr. Wallace
Mr. Baroody
Mr. Johnson
Mr. Solomon
Dr. Walske
Mr. Friedheim
Mr. Peter Cook
B/General Pursley
R/Admiral Murphy
Colonel Furlong
Colonel Boatner
Mr. Livesay

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 028, Chron Files. Top Secret.

1. Attendance.

Mr. Laird began meeting 0932. He said he had asked Admiral Moorer to go to Thailand, Cambodia and Japan after their trip to South Vietnam. Admiral Moorer will be back this coming week-end. General Westmoreland is testifying this morning on the Okinawa Reversion Treaty; General Palmer is attending. Dr. Foster is meeting with his French and German counterparts; Dr. Rechtin is attending.

2. Secretary Laird's Trip to South Vietnam.

[Omitted here are reports on Vietnam.]

3. New Intelligence Organization.

Mr. Laird said the new Intelligence organization announced by the President over the week-end[2] has been worked on for 7 months. Before Mr. Froehlke left to become Secretary of the Army, he was working on the matter. He provided Defense comments on the report prepared for the President by Dr. Schlesinger, who was with OMB at that time.[3] The part of the new organization that bothers Mr. Laird is that they included tactical intelligence, which we had recommended against. OMB feels we have been wasting millions of dollars in the tactical intelligence field. They feel each service is duplicating collection of data. Mr. Laird feels some duplication is necessary in this area. He asked Mr. Froehlke to comment.

Mr. Froehlke said he hoped someone would explain to him what really happened. It is his guess that CIA Director Helms may not be pleased with his new assignment. Mr. Laird said one change that happened while he was gone to South Vietnam is that Helms was to be Chairman of the Net Assessment Group, but it is now in the NSC staff. Mr. Froehlke said he felt it was impossible to put Mr. Helms in charge of all budgeting. Mr. Laird said this was language Mr. Froehlke agreed to. He is not to get involved with our budget detail. The meeting set up for today concerns this. He does not want everyone going over to the meeting today. Mr. Packard said we plan to send Dr. Hall and Fred Buzhardt only. It is his understanding that Mr. Helms has agreed not to get into our organization and tell us what to do. Mr. Laird said he thinks that is the way it ought to be. We do not want to get into difficulty over this situation.

Mr. Packard said it was important for everyone here to understand we made some moves of our own in the Intelligence field, including the appointment of Dr. Hall, to improve management of our Intelligence resources. The steps we have taken are in the right direction. He wouldn't propose that OMB get into our business any more in the future than they have in the past. We will make the decisions. As far as

---

[2] Document 242.

[3] Printed as the second attachment to Document 229.

net assessment goes, he doesn't know how it will work and he personally doubts it will make any sense. We will continue to improve our ability to make net assessments, particularly net technical assessments. We want to provide better information to our services and commanders to improve their techniques and ways to deal with the enemy threats.

Mr. Packard said there are things directed to be done by the Department. We have been directed to consolidate the 3 services' mapping activities into one agency. We should be able to do this under a scheme which would enable the requirement for each service to be fully responded to as well as those for the JCS and Unified and Specified Commanders. This is a problem we will have to work out among ourselves. In the field of tactical intelligence there are questions which can not be dealt with outside of this building. This involves military matters, tactics, command, etc. As far as the investigative activities are concerned, we will handle them along the lines Mr. Froehlke and the Defense Investigative Review Council set up. These functions will be transferred over to the Assistant Secretary of Defense (Intelligence). He thinks we can work under the new over-all procedures consistent with what we previously planned. We will keep on course and consider our previous plans carefully. As he indicated at his press conference last Thursday, we need less not more White House involvement.

Dr. Hall said there were two things about the new set up that were bothersome depending on which way they go. Mr. Laird said they might change the idea of taking Mr. Helms out of the assessment business. Mr. Packard said he felt our course would be to continue our own capability of making assessments. Mr. Laird said he is sure some people had gotten the wrong idea about this reorganization, that it will result in saving a billion dollars in the Department of Defense budget. They should not read this into the matter and this reorganization should not be sold on that basis. Dr. Seamans asked how did this discussion compare with the newspapers reporting Mr. Helms becoming the czar of the intelligence field. Mr. Laird thought this was the problem of reading only the first few paragraphs of the release. Mr. Froehlke said the placement of net assessment organization certainly came as a surprise to him. Mr. Laird said he had released a statement on the intelligence reorganization last Saturday.[4]

[Omitted here are reports and discussion on nine additional subjects.]

The meeting adjourned at 1038.

R. Eugene Livesay
Staff Secretary

---

[4] A copy of the statement released to the press by Laird on November 6 is in the Washington National Records Center, RG 330, OSD Files: FRC 330 76 028, Chron Files.

244. Editorial Note

The White House announcement on Friday, November 5, 1971, of the reorganization of the intelligence community (footnote 2, Document 242) came as a surprise to two senior Democratic members of the Senate Foreign Relations Committee, Stuart Symington (D–Missouri) and its chairman, J. William Fulbright (D–Arkansas), both of whom publicly complained about the failure of the administration to consult the Congress. (Symington was also a member of the Armed Services Committee, which had a subcommittee on Central Intelligence chaired by Senator John Stennis (D–Mississippi).) A telephone conversation between Kissinger and Symington sometime in the morning of November 11, 1971, went as follows:

"K: For somebody I like so much you keep going after me.

"S: It's not you; it's the policy. You know that.

"K: I know. You are a good friend and when we are all out of here you will still be. I'm calling about the intelligence reorganization. First, you are absolutely right; I don't know why there was no Congressional consultation before. This wasn't done in my shop. My shop was part of the study . . . but that is no excuse. What I am going to do is to ask George Shultz to come up and see you next week when he gets back in town to explain the Office of Management point of view. Secondly, the purpose of this reorganization wasn't to enhance my office, but to give [get?] other members of the committee to state their aims. I can levy requirements now on behalf of the President; I don't need a committee to do that. It, if anything, limits me personally, but the major test of it isn't what it does to me. My role is marginal; it actually tends to enhance the role of Helms.

"S: Here is where we got off the track. Friday night it began to get around. People came to me and asked what was going on. I hadn't seen anything and I said I didn't know about it. That's embarrassing to have to say that, but you know this committee hasn't met once this year, and that has got to be changed. So I'm awakened in the morning by an early call from a reporter and I have to say I don't know anything about it. Then I read the morning paper. I came to the office. I called CIA and asked to speak to Helms. He was out of the country. There was no one there who would talk with me. I got upset about it. I got home and finally there was a call, and there was a member of the CIA staff who was kind enough to deliver the White House press release to me at my house on Saturday afternoon. I said 'what does it mean?' He said, 'we don't know. Henry, you can't run a railroad like that. By that time I was getting calls from all over my state.'

"K: I don't know what Helms told his people, but he was fully informed, as was the Foreign Intelligence Advisory Board. We ran it

through the intelligence community many times. But the members of the committee should have been informed. There's no excuse for it. And I'm not finding fault with what you said.

"S: I know you well enough to know you wouldn't have. There's no one in the Executive Branch I respect more than you. But if these people there aren't going to tell us what is going on, who is going to?

"K: I will have Shultz give you a briefing.

"S: What about my suggestion that Stennis call his committee together and give it to all them.

"K: Right. Because we ought to try to keep intelligence from being controversial if we can avoid it.

"S: Marchetti (?) said there is steadily increasing pressure . . . My closest friend was Truman's legal advisor. He left plans which assured that it couldn't be administered by the military. Then out comes this general who is a nice guy but as military as they come, who is going to operate it and Helms to coordinate it, and you've got a committee with the Joint Chiefs . . . and they go off to the races.

"K: Helms . . . to maintain control. If Helms is only coordinator then it's not doing its job. I would complain about that. Some people thought of moving Helms out of the CIA; I urged very strongly that he stay.

"S: He won't be a figurehead.

"K: No. We want him to have more of a voice in military intelligence.

"S: I spent more time with some people on Saturday—so it wasn't a jumping off of mine.

"K: No, you are not immoderate. These are reasonable concerns of a serious man. And I'll do what I can to get a briefing for the committee.

"S: And if the committee doesn't want it, then I want it for the Foreign Relations Committee.

"K: They should have it." (Library of Congress, Manuscript Division, Kissinger Papers, Box 370, Telephone Conversations, Chronological File. All ellipses are in the source text)

On the same morning at 10:40 a.m. Kissinger called Senator Fulbright:

"K: Two things I'm calling you about. You made some comments about the intelligence reorganization. I agree with you that the committee should have been briefed. This was a slip-up. It was done mostly in the Office of Management and Budget, and the Foreign Intelligence Advisory Board was involved. What I would like to do is when George Shultz comes back—he is out of town now—have him come up and brief you and Senator Symington. My role has not been enhanced by this at all.

"F: It reads that way.

"K: I know it does. And you are not unjust in your comments. Now reports have come to me on behalf of the President. We have got a committee of all the consumers, State and anyone interested, to establish broad guidelines. But the test is whether Helms, his staff and the boards reconstituted for him can get a hold on it and get an integrated approach. It's not to increase White House influence. You didn't make a big case of it, so I'm not complaining. George Shultz is out of town. Are you will to receive him next week to get a run-down on what his intention was?

"F: Sure. Certainly. Glad to.

"K: The second reason I'm calling is if you ever feel like having lunch, breakfast, or a meeting with me alone so I can answer any questions you might have which are harder to answer in the larger group, I am at your disposal.

"F: Good, thank you. A free lunch. I'll take you up on it.

"K: I'll even come to the Hill and let you take me.

"F: When I get this foreign aid off my chest I will be able to. They have me here from 9:00 in the morning until 8:00 at night. But it's almost over now; we are on the floor with it right now.

"K: I will let you go, but whenever you feel you have the time, let me know and I'll do it wherever it's most convenient for you." (Ibid.)

---

245. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, November 18, 1971.

SUBJECT

NSCIC Activities

You are scheduled to chair the first meeting of the NSCIC at 3:00 p.m., Friday, December 3, 1971. Talking Points for that meeting will be provided on December 1.[2]

---

[1] Source: National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973. Top Secret. Sent for information.

[2] Marshall's talking points, forwarded to Kissinger on December 3, are ibid.

It would be useful if we could meet to discuss how you prefer the NSCIC to function. Here are some ideas and issues to think about:

—A primary function of the NSCIC will be the issuing of authoritative guidance to Helms and the community with regard to the quality of the product and its responsiveness to high-level decision makers' needs.

—In addition, the NSCIC should supply its best judgments as to the major shifts in top level decision makers' needs over the next five years.

In the assessment of the quality and scope of current product, you should play a major role because of your position and your comparative advantage in drawing upon key sources for the assessment of the current product. These include:

—Evaluations of selected products, or product areas.

—Judgments of the NSC staff involved in the NSSM process as to the intelligence input they receive.

—Net Assessments undertaken by the Net Assessment Group should reveal specific intelligence deficiencies.

The other members of the NSCIC will probably designate some one to provide staff support to them for this committee. A matter for you to think about is whether you want me to meet regularly with these designated people to prepare for the meetings of the NSCIC.

The provision of top-level judgments regarding major shifts in future needs is important. The intelligence community has never received appropriate guidance on this matter. They have not substituted their own judgments, and in consequence have not done much forward planning focused upon intelligence production. Whatever planning they do appears to be driven by the major hardware elements of collection programs. The NSCIC should try to change this situation. A major question is how best to obtain the appropriate judgments. What sorts of studies might be useful as a basis for your or NSCIC judgments? How might they be done?

There are some other intelligence-related matters I would like to discuss with you. They could be addressed in the NSCIC, but might also be kept separate. They are:

—U.S. offensive cover and deception planning and operations.

—U.S. defense against foreign deception operations.

These are, I believe, currently neglected areas.

Procedural Issues

—How frequently to meet? Initially once a month would be useful.

—Additional attendees, at least at some meetings? Representations to attend have been received from Treasury, AEC, and OMB.

246. Memorandum From the Secretary of the 40 Committee (Jessup) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, November 22, 1971.

SUBJECT

Possible Ways to Improve 40 Committee Procedures

It does no harm to have a look at work in progress. In this connection, facing an election year, two summit-type visits, and who knows what unforeseen crises, it seemed worthwhile to examine what we have been doing in the covert action approval process and to determine if there is any way to streamline the procedures.

In any approach to the type of material discussed in these meetings, it should be emphasized that there is no other existing forum in which covert actions designed to remain nonattributable can be approved.

You, yourself, made it quite clear on 17 October 1969[2] that covert action proposals approved by the 40 Committee are automatically cancelled if not reviewed annually.

Therefore, in a sense we are in a box. To create another committee to handle non-urgent nickel and dime projects would hardly be efficient.

At Tab A is a list of pending approvals, mostly renewals, which fit the context of this memo.

At Tab B is a memo worked on by Colonel Kennedy and myself which analyzes the type of projects reviewed since 1 January 1970. Three additional breakdown charts are attached to that memo as Tabs C, D, and E.

However, I can recommend that we adopt the following step: On such routine matters as renewals and/or completely noncontroversial projects we could do the ground work in advance by clearing the paper through the other principals, getting their o.k.'s, determining whether they have any questions or reservations, then submitting a group of them to you with the normal NSC staff input, and you could sign off or resubmit as an agenda item as you saw fit, much in the same way as the monthly JRC reconnaissance schedule is handled.

---

[1] Source: National Security Council, Nixon Intelligence Files, 303/40 Committee Records, The 40 Committee. Secret; Eyes Only; Outside System. Sent for action. Sent through Haig. The tabs are attached but not printed.

[2] See Document 195 and footnote 2 thereto.

Such a system would save your time as well as the time of others and get the papers cleared more rapidly than now when less pressing items are just postponed from week to week. The meetings would have a lower tedium factor, and specific projects of more immediacy could be handled more promptly.

In other words, Action projects such as [*1 line of source text not declassified*] could take their place in meetings as Category 1 items, whereas obscure [*2 lines of source text not declassified*] et al could be packaged as Category 2 items in a folder for your consideration after all staff work is completed.

I would recommend we try this. Any member who disputes a paper (no matter how innocuous) would, of course, have the right to raise his objection in a meeting and provoke discussion. Dealing with a small intimate group of six persons well known to each other, this could be done easily.

Approve[3]

Disapprove

Other

[3] Kissinger initialed this option.

---

247. Memorandum From the Director of the Bureau of Intelligence and Research (Cline) to the Under Secretary of State (Irwin)[1]

Washington, December 1, 1971.

SUBJECT

Implications for the Department of the President's Reorganization of the Intelligence Community

The President's reorganization of the management of U.S. Intelligence activities is a hopeful and timely move toward strengthening the entire Intelligence Community. The Department of State is likely to benefit substantially from the improvements visualized, since most of the

[1] Source: Department of State, INR/IL Historical Files, Functions and Responsibilities, 1965–1986.

problems which intelligence agencies are trying to solve relate to key elements in American foreign policy and the conduct of our foreign relations. As you commented some time ago when this reorganization plan was under review, the Department of State ought to play an active role in helping establish the procedures and policies of the "new" system and should be better integrated at all levels in it than in the past.

The reorganization is designed, first, to provide a more positive means for the users of intelligence to define and obtain the intelligence they need in order to reach and implement policy decisions, and, second, to give the Director of Central Intelligence (DCI), under the guidance of the new NSC Intelligence Committee, greater responsibility and a stronger hand in the management of U.S. resources dedicated to the collection and production of intelligence.

I believe that this is a strong move toward making intelligence and policy truly "partners"—so that policy may become more informed and effective, and intelligence more purposeful and efficient. It will also give the State Department a greater degree of influence in the intelligence process, influence that it requires if it is to play the role of leader of the foreign affairs community. It is not yet clear how the skeleton structure created by this reorganization directive is to be fleshed out or how the elements in the structure will in fact perform their new roles. This very uncertainty, however, gives the Department an opportunity to act as a catalyst in bringing about much needed improvements if we seriously address ourselves to the task.

The Department's stake in getting and using high-quality raw and finished intelligence is great. Much of what we need is collected and produced by the Department of Defense and CIA, but State itself is an active collector (foreign political and economic reporting) and producer (INR Notes and Studies). It is also a prime user. In many of its activities, for example in preparing for SALT or responding to NSSM's, the Department is obliged to measure carefully the impact of intelligence on its own preferred policy positions and on the proposals of other participants in the national planning process. The intelligence input in this process often serves to define the problem and the environmental conditions under which the problem must be attacked, thereby automatically limiting the range of feasible policy options. The Department cannot afford to rely on the judgments of others on what intelligence to collect or what conclusions can be drawn from it.

State needs good intelligence not only as a basis for its own policy proposals but also for sophisticated interpretation (and, if necessary, rebuttal) of information cited in support of other policy proposals. The cheapest and most effective way to obtain what the Department needs is to make the entire interdepartmental intelligence apparatus

work in a coordinated effort with a strong input from State. Unfortunately, the more limited the role State plays in the work of these interdepartmental groups, the more dominant will be the intelligence judgments and preferences of CIA, of Defense, and of other larger, more bureaucratically aggressive elements. Influence in policy-making and the skillful use of intelligence go hand in hand. In everything related to foreign affairs, State should take a leading role. This principle dictates a strong performance by State in the entire new structure established for the management of intelligence activities.

State's Role in the Intelligence Community Today

Following World War II, the intelligence programs grew for many years at a steady rate, and funds were available for most intelligence needs. More recently, this situation has changed. We are faced with sharply rising intelligence costs when our political leaders are demanding a sharp reduction in the cost of the total intelligence program. Those in need of intelligence to meet their responsibilities must now prepare to fight for programs in which they have a vital interest, whether these programs are managed by Defense, CIA or State.

State today is a user of intelligence, a collector, and a producer. State must perform well in all three spheres, not only for the welfare of the Department but also for the benefit of the government as a whole. State is a major collector of intelligence in that its political and economic officers in foreign posts are a primary source of intelligence on the countries in which they are posted. A recent survey estimated that each year State invests 1065 man years in this activity, and this figure does not include those involved in embassy support activities. These resources, viewed in comparison with the resources of other agencies, need to be taken into account in determinations of the effectiveness and balance of the total U.S. collection effort.

Making sound judgments about U.S. intelligence collection programs requires State to do some serious analysis of the problems involved. Some collection capabilities are so flexible they can be redirected in a matter of hours, but many require advance preparations ranging from months to years. Consequently, sophisticated judgments must be made on need and political feasibility far in advance of actual employment of these capabilities. Such judgments rest in turn on planning assumptions about the location, nature, and severity of threats to our security, on the state of our relations with various countries, on the opportunities for U.S. initiatives in support of our objectives, and on the various types and availability of operating facilities that can serve our intelligence needs. State's views on these questions ought to weigh heavily in decisions on what intelligence to collect, how to collect it, and how much to collect. If State does not have views to put forward, it will in the end get less of what it needs and more of what others want.

State today is also a producer of finished intelligence. By Presidential directive, State has long had primary responsibility within the Intelligence Community for political and sociological intelligence, worldwide, and for economic intelligence on the free world. Over the years, CIA has also developed a capability to produce both political and economic intelligence. CIA production staffs in these areas of State's primary responsibility have grown to sizes much larger than those in State. We are fast approaching a situation, if we have not already reached it, in which the NSC staff and the President depend on CIA and the DOD for the analysis of most of the political and economic activities of foreign nations. These areas of intelligence production traditionally belong to State, since State is the main collector and evaluator in these fields. Usually the quality of our personnel is superior and more experienced, but the greater manpower resources of other agencies sometimes outweigh our efforts.

State sometimes usefully plays another role in the Intelligence Community. It often has an opportunity to provide the political and foreign-policy guidance which helps to determine the appropriate size and focus of collection and production programs. In this process, it is necessary to ensure that there is an effective interaction between intelligence program directors and end users. An input reflecting the knowledge of users at policy and operational levels in the Department of State, carefully weighed against existing and potential intelligence capabilities, is crucial for the effective guidance of collection and production.

Though State is a principal user of intelligence and has important collection and production responsibilities, State's budget for intelligence is small. INR spends less than [*dollar amount not declassified*] a year. The total annual expenditure by State for intelligence, if we include most Foreign Service reporting, would be considerably less than [*dollar amount not declassified*]. The Defense intelligence budget specifically so identified runs to about [*dollar amount not declassified*] and other tactical intelligence activities would greatly enlarge this total if they were included. These intelligence systems managed by Defense provide information of vital importance to the conduct of international affairs, and thus to the Department of State. Today State's influence on the allocation and management of resources in this large Defense program, as well as those in the somewhat less costly CIA program, is by no means commensurate with State's interests in ensuring an optimum intelligence data base for foreign policy planning and the conduct of foreign affairs.

Opportunities Offered by the Reorganization

While the precise impact of the reorganization of the Intelligence Community will not be clear for some time, I am confident that the

new organization offers State an important opportunity to strengthen its role in the whole broad spectrum of intelligence activities. In fact, the potential gains for State are of such importance that we should make a special effort to ensure effective implementation of the new plan.

You are to be a member of the most important of the new committees, the *NSC-Intelligence Committee (NSCIC).* This body will provide general guidance to the Community as a whole, and will make final determinations on assessments of the intelligence product in terms of current and potential contributions to the formulation and execution of national policy.

The *NSC-Net Assessment Group (NAG),* supporting this committee, will be charged with responsibility for making assessments of U.S. foreign and military policy. It is intended for these net assessments to be made in such a manner as to bring to the same table both planners and intelligence officers familiar with the subjects under review, a procedure that some planners and intelligence officers have long recommended. It has the principal advantage of forcing realism upon the planners and requiring relevance from the intelligence officers. As you know, State already has a net assessment project underway and is the only department that has actual current experience with this method of policy analysis. This experience should enable State to approach the work of the NSC Net Assessment Group from a position of strength.

The reorganization will give the Director of Central Intelligence a larger and stronger personal staff. We understand that it will be composed of the *Office of National Estimates and an expanded National Intelligence Program Evaluation group (NIPE),* including a comptroller. I believe that the NIPE staff will play an important role in working out the imbalances and duplications of the past. I am developing within INR a group capable of establishing an effective interface with that staff at all levels, for it is there that we can do some of our most useful work. We are of course already very closely involved in the work of the Office of National Estimates.

The role of the *United States Intelligence Board (USIB)* seems likely to be narrowed and, if so, it will no longer be the highest intelligence group of the land. It will now have a sister committee, the *Intelligence Resources Advisory Committee (IRAC),* responsible for advising the same person, the DCI. We do not yet know how these two boards will function in relation to each other, but we do know that we now have two more-or-less equal bodies, one responsible primarily for matters of substance and the other for intelligence resources. Membership on the Resources Committee should give us an opportunity to strengthen our influence on intelligence programs of vital importance to our own intelligence analysis and to the development and implementation of our foreign policy.

State Organizational Measures in Response to the Reorganization

Interim Response. I propose getting an early grip on emerging issues involved in the reorganization so that State can influence the formative growth of these new institutions. I have instructed a small group of INR officers presently assigned to interagency relations to stay in close touch with the NSC and DCI staffs and to report to me any opportunities or requirements for a State input. I am designating other officers to discharge new planning and liaison functions stemming from the reorganization. For the time being, they will operate as an ad hoc Special Intelligence Studies Group attached to my office. The head of this group will be our principal point of contact with your staff for planning and carrying out the responsibilities we will share with it and with other elements of the Department, particularly S/PC, whose views will be essential inputs to the solution of intelligence management problems.

Long-Term Response. Generally speaking, I foresee a response from State to this reorganization on three levels. You may wish to set up, perhaps in your own staff or in S/PC, a net assessments group that would be responsible to you for global and regional policy analysis and for working closely with the PARA guidance group. The work of this group would also help INR to define systematically the intelligence needed by State for foreign policy purposes, and would work with INR to provide support for you in the NSC Intelligence Committee.

The new structures and processes of this reorganization will benefit from active participation by many elements of the Department. Because of the need for careful orchestration of a variety of activities, and the specialized nature of much of the subject matter and programs, it is my belief that you should place primary responsibility in INR, which already is very active in certain aspects of this work. We will need some strengthening in numbers and capabilities, but I feel fairly certain that it would be the most effective manner in which to meet this challenge.

I cannot overemphasize the fact that for the Department to achieve effectiveness in the new organizations, it will be necessary for us to go deeply into the analysis of intelligence systems and capabilities, alternative allocations of effort, and potentials of new systems. Experience has shown that we cannot successfully provide direction and guidance for intelligence programs by reviewing and expressing information requirements in the abstract. We need to formulate our needs in full awareness of the wide variety of intelligence collection systems, existing and potential, which might satisfy them.

We need to express these requirements not only in ways that will reflect our policy and operational needs, but also in ways that can be directly translated into the nature and scope of intelligence collection and production. The Department will need to provide its own judgments

in the whole interacting process between guidance of intelligence capabilities and the end-use of intelligence. We will need in INR a few more staff officers with the required expertise in (a) assessing intelligence programs in terms that are meaningful for policy and operational end-users, and (b) applying policy and other end-use considerations to intelligence programs.

State will also need to strengthen its capability to produce finished intelligence in the political and economic fields. It is a deficiency that has been highlighted in the Management Survey of INR of this year, and I anticipate that the NSCIC can profitably address itself to this problem. The Management Survey estimated that INR ought to have 20% more positions (67) in order to carry out our present responsibilities effectively. We have used the Survey's recommendations as the basis for our budget request for FY '73. The additional responsibilities imposed by the reorganization may require us to expand this number somewhat, but I recommend we wait until we get some working experience with the new structure before planning anything beyond our FY '73 request.

If, on the contrary, INR remains understrength in critical areas, it is doubtful that the Department will be able to play the active role it should. In the early days of the reorganization, we have no choice but to work with the people we now have, but we should be able to grow as the work does and as it is possible to recognize our accomplishments on behalf of sound foreign policy planning and efficient management of foreign affairs.

Recommendations

In the light of the foregoing analysis, I recommend:

1. That the Department of State play a leading role in providing sophisticated guidance for the management of U.S. foreign intelligence activities.
2. That INR take primary staff responsibility for energizing Department efforts and coordinating Department inputs in this interdepartmental process.
3. That for this purpose INR be exempted from the 5% cut.
4. That for this purpose INR be permitted to recruit, by outside hire if necessary, the additional skills and experience it requires, on a case by case basis.
5. That to support these activities and to carry out the President's injunction to improve intelligence analysis, INR next year be enlarged along the lines of the Management Survey's recommendations as spelled out in our FY '73 budget submission—if necessary going to the NSCIC to get slots assigned to State at the expense of other intelligence agencies.
6. That you establish a net assessments group somewhere in the Department to collaborate with INR in capitalizing on the experience we are now gaining in this approach to policy planning and to assist INR in its work with the NSC Net Assessments Group.

248. Editorial Note

The President's memorandum on the "Organization and Management of the U.S. Foreign Intelligence Community" (Document 242) directed the staffs of the National Security Council, the Director of Central Intelligence, and the Office of Management and Budget, in consultation with the President's Foreign Intelligence Advisory Board, to make appropriate revisions in the National Security Council Intelligence Directives no later than December 1, 1971. On December 1 Kenneth Dam, Assistant Director of OMB, forwarded the revised versions of NSCIDs numbers 1 through 8 to Henry Kissinger, President's Assistant for National Security Affairs. He noted in his covering memorandum that the revisions were the product of a tripartite joint effort and accommodated "to the greatest extent possible" the views and suggestions of the Departments of Defense and State. (National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973) Andrew Marshall of the NSC staff forwarded the revised NSCIDs to Kissinger under cover of a December 2 memorandum in which he noted that the Departments of Defense and State still had concerns about the revised NSCIDs; Marshall also raised a concern of his own. (Ibid.)

Under cover of a February 11, 1972, memorandum, Dam forwarded newly revised NSCIDs to Kissinger. After noting that NSCIDs numbers 2, 7, and 8 had not been changed since December 1, he explained the revisions made in NSCIDs numbers 1 and 3 through 6 and appended relevant memoranda from the Departments of State and Defense and the President's Foreign Intelligence Advisory Board. (Ibid.) Marshall forwarded the revised NSCIDs to Kissinger under cover of a February 11 memorandum in which he recommended two final revisions, which Kissinger accepted. (Ibid.)

The revised NSCIDs became effective February 17: #1. "Basic Duties and Responsibilities," #2. "Coordination of Overt Collection Activities," #3. "Coordination of Intelligence Production," #4. "The Defector Program," #5. "U.S. Espionage and Counterintelligence Activities Abroad," #6. "Signals Intelligence," #7. "Critical Intelligence Communications," and #8. "Photographic Interpretation." (Ibid.)

249. Memorandum From Director of Central Intelligence Helms to President Nixon[1]

Washington, December 3, 1971.

SUBJECT

Organization and Management of the U.S. Foreign Intelligence Community

REFERENCE

The President's Memorandum of 5 November 1971[2]

In referent memorandum you requested that I submit to you within thirty days plans for the appropriate delegation of my current authority for the management of the Central Intelligence Agency and for increased staff support in my new role as outlined in that memorandum.

I attach hereto a copy of the kind of delegation of authority to the Deputy Director of Central Intelligence which would seem to be in keeping with your directive.[3] When General Cushman's replacement is sufficiently indoctrinated, I will sign such a paper for him. You are of course familiar with the concerns Senator Stennis has about this delegation. The action vests in the Deputy Director of Central Intelligence all of the authorities necessary for managing and directing the plans, programs, and day-to-day operations of the Central Intelligence Agency, including certification of the expenditure of confidential funds. In fact, the only significant authority not delegated is the extraordinary authority, as set forth in Section 102c of the National Security Act of 1947, as amended, to terminate the services of employees in the national interest, which my General Counsel advises I may not delegate. The Deputy Director of Central Intelligence may, of course, exercise this unique authority when he is Acting Director of Central Intelligence.

I am also submitting herewith a tentative organization chart,[4] setting forth our thoughts about how to organize for the new role you have given me. I will plan to build on the small staff which heretofore

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 333, Intelligence Reorganization, Vol. I. Secret. Copies were sent to Shultz and Anderson. Odeen and Marshall forwarded Helms' memorandum to Kissinger under a December 14 covering memorandum that stated: "The general direction Helms' plan takes appears adequate and appropriate. Andy Marshall will continue to monitor the staffing for Helms' new role. All appears to be going well so far." A notation on the covering memorandum indicates that Kissinger saw it. (Ibid.)

[2] Document 242.

[3] Attached but not printed.

[4] Attached but not printed.

has been helping me with various intelligence community responsibilities and which will form the nucleus for the expanded structure. As you will see from the chart, I am planning to set up a staff the elements of which will be focused on the several objectives and tasks outlined in referent memorandum, along the following lines. A community comptroller's office will be established, supported by a staff which will maintain year-round contact with the management of the various programs which comprise the U.S. intelligence effort. This office will assist me in drawing up the consolidated intelligence program budget and will provide the essential staff support for the Intelligence Resources Advisory Committee. This office will perform all the usual functions of planning, programming and budgeting for the over-all program. Another section, which will work very closely with the comptroller's office, will be concerned with planning and program evaluation to assist in reaching decisions on the optimum makeup of our foreign intelligence program and in looking ahead to future needs. This will include an element which will monitor and evaluate the community's research and development program to insure that it is properly focused and in support of the objectives of the total intelligence effort. In this section I would expect to have performed the detailed analysis and evaluation of programs from which to make decisions on the most effective combinations to produce the intelligence required. The third component of the staff will serve the dual function of acting as the contact point for the evaluations of the community product stemming from the National Security Council Intelligence Committee and the Net Assessment Group, and examining ways and means to improve the community's production capability. Through this component I would expect not only to monitor community performance with respect to individual intelligence tasks, but also to examine the various intelligence organizations to see where their procedures and methods might be improved. In all this, the essential goal will be to improve the quality, scope and timeliness of the community's product. These, together with the expanded United States Intelligence Board and its important subcommittees, should provide the structure needed to discharge my broadened community responsibilities.

The present estimate is that this increased staff will be on the order of 80 professional and clerical personnel. They will be drawn from the Central Intelligence Agency, from various elements in the community and, in a few cases, from the outside.

Dick

250. Memorandum From the Under Secretary of State (Irwin) to Secretary of State Rogers[1]

Washington, December 3, 1971, 3:12–3:35 p.m.

SUBJECT

NSC Intelligence Committee Meeting (NSCIC)

The first meeting of the NSCIC was held this afternoon.[2] It was devoted to a generalized discussion of what the Committee would attempt to do, and how it would operate. In brief, it was agreed that, consistent with the President's directive establishing the Committee, it would attempt to "give direction and guidance on National substantive intelligence needs and provide for a continuing evaluation of intelligence products" from the point of view of the policy maker/consumer. Each agency was asked to provide a list of those intelligence requirements which should be accorded highest priority, as well as identify those intelligence activities which are of marginal importance to it. This exercise is to be completed in about 10 days, with the next Committee meeting to take place in approximately two weeks.[3]

There was also some discussion of the desirability of identifying "tactical intelligence" (that is, intelligence utilized by the military commanders in the field) and keeping it outside the intelligence budget, i.e., in the military services budget as it has been in the past. Dick Helms indicated that Senator Ellender was pressing hard for this procedure so that the consolidated intelligence program budget would not look so large. There was a general expression of agreement in principle to this approach. Henry asked Defense for a paper describing its conclusions on how to deal with some of the tactical intelligence programs.

It is obviously too early to judge how useful a contribution this new Committee can make. It could provide the Department with a forum, which it has to some extent lacked in the past, for expressing our views on requirements which we have as well as identifying areas of

---

[1] Source: National Archives, RG 59, Central Files 1970–73, DEF 1 US. Secret. Drafted by Weiss on December 3, cleared by Cline, and forwarded to Rogers on December 4. The date and time of the meeting are from Kissinger's Record of Schedule, December 3. (Library of Congress, Kissinger Papers, Box 438, Miscellany, 1968–1976, Record of Schedule) For another record of the same meeting, see Document 251.

[2] Although the memorandum is dated December 4, the meeting actually took place on the afternoon of December 3.

[3] The NSCIC did not meet again in 1971 or 1972.

negligible interest. In any event, I have instructed INR and S/PC to handle this matter on the most restricted basis possible, consistent with an active State participation in this Committee. Until we learn more about its operation and utility, I think it sensible to keep those in State who are involved, to a minimum.

---

251. Minutes of Meeting[1]

Washington, December 3, 1971, 3:12–3:35 p.m.

NSC INTELLIGENCE COMMITTEE

PARTICIPANTS
Chairman—Henry A. Kissinger
State—John N. Irwin, II
Ray Cline
Seymour Weiss
Defense—David Packard
Dr. Albert C. Hall
J. Fred Buzhardt
JCS—Adm. Thomas H. Moorer
V/Adm. John P. Weinel
CIA—Richard Helms
Thomas Parrott
Justice—John N. Mitchell
NSC Staff—Philip A. Odeen
Andrew Marshall
Jeanne W. Davis

Mr. Kissinger: This group has been given the task of providing direction and guidance on the substantive requirements for intelligence and for an evaluation of intelligence products from the point of view of the consumer. I believe there is a lot of preliminary work that needs to be done, and I propose that this be undertaken by a Working Group chaired by a representative of the Director of Central Intelligence, in his new capacity. All the agencies here would be represented. This group would consider what work needs to be done. Budgetary questions will be handled in other groups.

We have also created within the NSC staff the Net Assessment Group which Andy Marshall will direct. Some of the issues, of course, will be brought to this group for an overall look. Our principal purpose today is to see if anyone has any other ideas. I suggest that each

---

[1] Source: National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973. Top Secret; Codeword. The meeting was held in the White House Situation Room. Davis forwarded the minutes to Kissinger under cover of a December 14 memorandum. (Ibid.) For another record of the same meeting, see Document 250.

agency prepare a statement of what they believe our intelligence requirements should be. If we can have those in ten days, we would plan to meet again in about two weeks. We can look at the requirements and make them the charter for the Working Group. After that has been done and the Working Group commences its operations, this group could meet again in about two months.[2] I see no need for this group to meet too frequently. Is that a reasonable approach?

Mr. Helms: Indeed it is. This group need not meet too frequently. At its first substantive meeting, however, it might consider what the government needs in the way of intelligence and what we can do without.

Mr. Kissinger: You all want to give up countries, not intelligence.

Mr. Helms: We can bring suggestions and have them accepted or not accepted. All the right people are in this group and each has a vote.

Mr. Kissinger: I suggest at the next meeting each agency be prepared to state what they think is dispensable. That would be important to determine. There may be no consensus, but that in itself is good to know.

Mr. Packard: I think that's an oversimplification, but it is an issue that we should address. We can't just make a list of things, but there are certain things which should be brought up.

Mr. Kissinger: I agree. We obviously can't decide at the next meeting that X number of assets are no longer needed, but we should look at categories. Tactical intelligence, for example, needs looking at. The Working Group can address these issues systematically.

Mr. Packard: They can prepare a plan of action—what needs to be done.

Mr. Kissinger: Both for requirements and for things that might be changed.

Mr. Cline: Are you speaking in terms of subjects or programs?

Mr. Kissinger: I mean what it is we need to know about each part of the world.

Mr. Cline: We've got a lot of material on that. But, after agreeing what we want to know about Pakistan, for example, we have to consider whether we want it badly enough to expend the necessary funds and resources.

Mr. Kissinger: We will develop a work program at our next session.

Mr. Helms: There are several references in the paper to tactical intelligence. Senator Ellender wants to get tactical intelligence out of this machinery. He considers it an embarrassment on the Hill, since it in-

[2] The NSCIC did not meet again in 1971 or 1972.

creases the size of the intelligence budget and the Congress can't do anything about it. He wants to put it back in the Services.

Mr. Packard: That's what we want, too.

Mr. Kissinger: That is certainly a subject to be discussed. I have no fixed view on it.

Adm. Moorer: But the general approach, with its centralized control in Washington, zeroes in on tactical intelligence. It simply won't work. Field commanders need real-time intelligence, and centralization in Washington just means trouble. We went through this same thing on logistics in Vietnam, and it took us two years to get the responsibility back to the field where it belonged. You create a real danger to combat readiness when you degrade tactical intelligence.

Mr. Kissinger: But this plan doesn't move tactical intelligence closer to Washington.

Adm. Moorer: There are some moves in that direction.

Mr. Packard: What about the Sosus system—is that tactical intelligence or not? That should be left to the Services.

Mr. Cline: That's a warning system.

Mr. Kissinger: We believe tactical intelligence should be in the hands of the people who use it. One argument for this organization is that it will help avoid some duplication in the name of tactical intelligence. This doesn't have to be done here.

Mr. Packard: There are some issues that should be addressed. For example, we have two different groups in Japan and one in the Philippines, all trying to get tactical intelligence on Cambodia.

Mr. Kissinger: We want to find some mechanism to examine the question. I am told some of these recce missions I approve every month are new tracks. I can't define the existing tracks and I don't know the reasons for each track. I look for some special situation. I am told some of these requirements were established in the fifties and that no one receives them regularly. I don't know if that's true.

Adm. Moorer: It's not exactly true. I had started all commands on a detailed review of each track with a view to reducing them. This work is almost finished. Then we will come to the point of judging the risks of changes—whether we can accept the risk of overlooking some vital intelligence.

Mr. Kissinger: I remember when the EC–121 was shot down,[3] we considered reviewing all the tracks, but it was never done on an independent basis. (to Moorer) Let's get your report, including some gross judgments on the number of tracks, the reasons for them, etc. Then we can make some political judgments.

---

[3] See *Foreign Relations*, 1969–1976, volume XIX, Japan and Korea.

Mr. Packard: Our intelligence mission around the perimeter of the Soviet Union was largely in support of our bomber mission. In the last two years we have greatly increased our capability through COMINT and ELINT satellites. We've also increased our photographic ability. We should consider whether the satellites can replace some of our flights.

Adm. Moorer: [*3 lines of source text not declassified*] I also want to take a strong position on the question of operational control of platforms. NSA is a technical outfit—they can't control the platforms. These aircraft have other missions—air-sea rescue, some defense, etc. NSA should have SIGINT operational control but not of the platform.

Mr. Packard: You're talking about the idea of a National Cryptological Command.

Adm. Moorer: I'm just taking advantage of the presence of everyone here to express my views. There is some evidence in the paper that you're talking about NSA command of the whole operation.

Mr. Kissinger: Let's plan to meet again in two weeks. Let's try to have your papers in by a week from Monday (December 13) on your view of the requirements, what areas of possible duplication we should look into, the relation of tactical intelligence. I see no reason why tactical intelligence can't be broken out of the budget.

Mr. Mitchell: I agree.

Mr. Helms: The Senate is starting to get up tight about this. We'll have a bad enough time without forcing more dollars into the intelligence basket.

Mr. Kissinger: Since we're all here, do we have a late report on Mrs. Gandhi's speech? For the Paks to attack four airfields at dusk doesn't look like a general Pakistan attack.

Mr. Helms: I agree, but it's what Mrs. Gandhi is hanging her hat on. It's just an excuse.

Mr. Kissinger: That's too irrational. I hate to think what India would do without their tradition of non-violence!

Mr. Cline: The Indians hit back about 15 minutes after the Pak air attacks on the airfields were reported. That's a pretty fast reaction.

252. Draft Memorandum From the Assistant Secretary of Defense–Comptroller (Moot) to Secretary of Defense Laird[1]

Washington, undated.

SUBJECT

Establishment of a Central Security Service

Background

By his 5 November 1971 memorandum on organization and management of the intelligence community,[2] the President directed the establishment of a consolidated cryptologic command. This memorandum was subsequently amplified and clarified by the 1 December re-draft of National Security Council Directive No. 6.[3] The Directive creates a Central Security Service (CSS),[4] under the Secretary of Defense, to conduct all DoD SIGINT collection operations.

A number of different options to accomplish this purpose were considered, the more important of which were:

1. Create a command organization at NSA Headquarters to supervise the SIGINT and COMSEC operations of the military departments and the commands. This involves minimum change to present arrangements.
2. Consolidate all DoD SIGINT and COMSEC organizations and dedicated SIGINT mobile collection platforms into a single cryptologic service. Of the options considered, this involves the greatest degree of change.
3. Consolidate SIGINT and COMSEC monitoring operations, as a Central Security Service, under a single operational chain of command, while preserving departmental administrative command, logistic, training, readiness and support responsibilities for their SIGINT and COMSEC organizations. Leave command organizations of dedicated

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971. Secret. Hall forwarded the draft memorandum to Packard under cover of a December 8 memorandum in which he stated that the draft memorandum was prepared by his staff and edited by Cooke and himself. Hall also sent a copy to Haig on December 8, who forwarded it to Kissinger. (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 229, Defense, Vol. XIV Nov–Dec 71)

[2] Document 242.

[3] A copy is attached to Marshall's December 2 memorandum to Kissinger. (National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973) NSCID 6 was reissued on February 17, 1972.

[4] This was not our choice of titles; we would have preferred "Cryptologic Support Service," if given the option. [Footnote in the source text.]

SIGINT mobile platforms as is, but make the operation of these platforms subject to CSS mission control.[5]

Of the above, we recommend Option 3 as the most feasible way of carrying out the purposes of the President's directive within the existing framework of the DoD organization and command structure. There is one overriding issue between ourselves and OMB and that is the definition of operational control as it appears in draft NSCID 6. OMB would have it include total control of the SIGINT activities and the platforms, with extremely limited delegation of operational control by NSA under emergency conditions. Our position is that a non-dedicated platform should be controlled normally by the appropriate military commander and that under certain emergency circumstances control of the SIGINT assets should be delegated to the tactical commander. We have not yet fully resolved this point with the OMB and NSC staffs. We are working on it.

Concept

Under this concept, a Central Security Service (CSS) will be established under the Director, NSA, who would concurrently be designated as the Chief, CSS. As he does in his capacity as DIRNSA, the Chief, CSS would report directly to you. The Services and the JCS have recommended that the Chief, CSS report to you through the JCS. We feel that a direct reporting relationship to you is the proper one, for reasons, which appear to us to be compelling. Your executive agent responsibilities for national SIGINT transcend those of the Chiefs or DoD alone. The CSS must serve as your operating arm for those responsibilities. The recommended relationship parallels the existing DIRNSA–SECDEF relationship as well as that now existing between DIRNSA and the SCA's. It would be contrary to sound management principals for DIRNSA to report directly to you in one capacity and report through an intermediary in another as Chief of the CSS.

For the purpose of direction, control, and conduct of their operations, all SIGINT and COMSEC monitoring organizations and units of the military departments and the commands would be designated as subordinate elements of the CSS, while retaining their departmental identity for administrative command, logistics (including COMSEC logistics), training, readiness, support, and wartime expansion. Under this arrangement, the chiefs of the military department SIGINT organizations would concurrently be designated as chiefs of their re-

[5] Mission control is defined as the authoritative direction of operations, by tasking, target assignment, and allocation of effort, and the authoritative prescription of those uniform techniques and standards by which SIGINT information is collected, processed and reported. [Footnote in the source text.]

spective Service elements of the CSS, but the tasking channel would run directly from the Chief, CSS to individual operating activities, much as it does now from DIRNSA to present COMINT intercept stations of the Services.

Under its chief and a two star deputy, the CSS would be responsible for conducting all DoD SIGINT and COMSEC monitoring operations, including the provision of direct service and direct support to operating commanders, as directed by the Secretary of Defense. Specific provision would be made for military commanders in the field to put overriding tasking on CSS units in satisfaction of emergency requirements, or, where essential, to conduct their own emergency SIGINT operations in satisfaction of emergency situation requirements.

The Chief, CSS would have authority to exercise mission control (operational and technical control) over CSS subordinate elements, to direct short-term shifts of manpower among elements as the situation requires, to establish the mission requirements for SIGINT mobile platforms not under the CSS, and to prepare concurrent/fitness efficiency reports on the commanders of CSS subordinate elements.

This concept is somewhat similar to that of a unified command. The Chief, CSS has operational responsibility and authority and control over his subordinate elements in very much the same sense as does the commander of a unified command over his components; the parent departments retain administrative and logistic responsibility in both cases.

Impact on Current Arrangements and Procedures

Establishment of a CSS will have its strongest operational impact in the field of ELINT operations, which will come under single operational control and management, in contrast to the present fragmented ELINT structure. COMSEC monitoring also passes from the military departments to the CSS operational structure, with administrative and logistic COMSEC functions staying in the departments. The provision of direct support units becomes the responsibility of the Chief, CSS, supplanting the individual military departments.

Essentially, there is no change in the process for submitting and responding to national SIGINT requirements, and in the tasking of SIGINT units to respond to these requirements, except that the CSS now becomes the vehicle for tasking and response, via a strengthened chain of direction and control. We do propose to introduce specific provisions for the CSS to respond to emergency requirements of the DoD at any level of command on an override basis. As regards fiscal control procedures, DIRNSA will need to exercise a somewhat closer management over current year resources of the military departments than he now does. This can be accomplished within your current policy on intelligence resource management.

Similarly, little if any change is anticipated in training, logistics, and other functions of a non-operations nature.

We envisage a more active role for NSA in ELINT RDT&E, both as coordinator and participant.

In personnel management, we have provided that the Chief, CSS, submit concurrent fitness/efficiency reports on the commanders of his subordinate elements. This will enable him to appraise their effectiveness in accomplishing the operational portion of their mission, and is totally in consonance with his position as director of DoD SIGINT operations.

Anticipated Improvements

Establishment of a CSS as proposed herein is expected to produce significant benefits in management of SIGINT, particularly ELINT. A far more coherent ELINT effort is expected to result in more efficient ELINT operations, tangible savings in resources, and a more responsive output.

Finally, the creation of a CSS, having a military organizational relationship with its operating elements and the power to evaluate performance of the commanders of those elements, will correct an anomaly of long standing, in that it will provide an organizational structure which is in proper consonance with operational responsibility.

Proposed Implementing Directive

We propose that the directive provisions covering the CSS be ultimately incorporated in a comprehensive directive covering the National Security Agency, the CSS, and the functions of both, replacing the current NSA charter. However, for the purpose of the immediate review of specific directive provisions to establish the CSS within the time limit set by the President, a draft directive for this purpose, and embodying the concepts expressed herein, is attached at Tab "A."[6]

Schedule for Implementation

As provided in the implementation paragraphs of Tab "A," we propose that the directive become effective on publication, to meet the President's desire for an effective issuance by 1 January. However, the CSS should not be established until you have approved a time-phased implementation plan for this purpose, as prescribed by the NSCID. Accordingly, our proposed directive charges DIRNSA to prepare and submit such a plan for your approval, and delays establishment of the CSS until you approve the plan.

---

[6] Attached but not printed.

I recommend that you approve the concepts and proposals in this memorandum and approve in principal the draft directive at Tab "A."

Robert C. Moot[7]

[7] Printed from a copy that bears this typed signature.

253. Memorandum From the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird[1]

JCSM–546–71 Washington, December 10, 1971.

SUBJECT

Department of Defense Organizational Change—Central Security Service (U)

1. (U) Reference is made to a memorandum by the Deputy Assistant Secretary of Defense (Administration), Office of the Assistant Secretary of Defense (OASD) (Comptroller), dated 6 December 1971,[2] subject as above, which requested review, coordination, and comment by the Joint Chiefs of Staff on a proposed plan, and supporting rationale, for consolidation of Defense signal intelligence (SIGINT) activities.[3] The plan, if implemented, would establish a Central Security Service (CSS).

2. (S) The Joint Chiefs of Staff do not concur in certain of the organizational concepts and command relationships described in the draft DOD directive nor in certain of the rationale supporting these proposals, as outlined in the draft memorandum to the Secretary of Defense, for the following reasons:

a. It is believed that the intent of the President's directive[4] is to establish an organization to provide a cryptologic support service rather than to establish a unified or specified command in the accepted sense of that term. The intent is believed to be placement under one organization of the separate SIGINT collections reserved for the individual

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 0197, 350.09 SIGINT 1971. Secret.

[2] Not found.

[3] See Document 252.

[4] Document 242.

Service cryptologic agencies (SCAs). The SCAs would in essence be components of this organization. It is considered that there was no intent to transfer military operational control of the collection platforms, installations, and personnel currently assigned to unified and specified commands. This control should be retained by the commanders of the unified and specified commands in their respective theaters.

b. The Joint Chiefs of Staff do not agree with the organizational alternative proposed in the draft DOD directive which would have the Chief, CSS, report directly to the Secretary of Defense. In order to insure appropriate responsiveness to military requirements, the Chief, CSS, must be required to report to the Secretary of Defense through the Joint Chiefs of Staff. Therefore, it is recommended that the CSS be established under the Director, National Security Agency (DIRNSA). DIRNSA as Chief, CSS, would report to the Secretary of Defense through the Joint Chiefs of Staff; as DIRNSA, he would report directly to the Secretary of Defense. This alternative would not include the Joint Chiefs of Staff in the chain of command on nonmilitary SIGINT matters, yet it would provide for their guidance on matters which directly affect military requirements, capabilities, and operations. Implementation will neither denigrate nor dilute the purpose or intent of the Presidential directive. Rather, it will serve to strengthen the integrity and posture of the US cryptologic structure. The preponderance of US SIGINT effort is directed toward military needs and, as such, should be subject to prudent guidance by the Joint Chiefs of Staff.

c. One of the stated objectives in the President's memorandum is, "The provision of intelligence and its utilization must enhance the formulation of . . . military . . . policies of the US Government and the planning for the conduct of military operations by US Forces." Placing the Joint Chiefs of Staff directly in the chain of command for military matters will provide a ready mechanism for the rapid and orderly transition from peacetime to crisis or combat conditions when required. The organizational and structural nucleus of SIGINT capable military forces must be retained and must be readily available to insure immediate responsiveness to the direct support requirements of all military commanders.

d. The functions of the CSS should be restricted to SIGINT control, defined as follows: "The authoritative direction of SIGINT operations by tasking, and allocation of effort, and the authoritative prescription of those uniform techniques and standards by which SIGINT information is collected, processed, and reported." No activity other than communications intelligence and electronic intelligence (ELINT) should be incorporated within this organization, since these were the only two functions addressed in the Presidential memorandum. Communications security (COMSEC) matters are not considered to be within the scope of the proposed directive.

e. The CSS should not be responsible for "conducting" all SIGINT operations. Specifically, collection normally should be performed by the SCAs under SIGINT control of the CSS. The Joint Chiefs of Staff agree that establishment of the CSS will have its strongest operational impact in the field of ELINT operations. However, the Joint Chiefs of Staff do not agree that this reorganization will result in a "far more coherent ELINT effort, more efficient ELINT operation, and a more responsive output." The nature of noncommunications electromagnetic radiation activities requires that certain detection and intercept activities be integrated, or, as a minimum, be in direct-dedicated support to weapon systems and/or decision making requirements of operational commanders. Reaction time alone dictates this requirement. Removing these vital activities from the operational control of an operational commander will seriously inhibit his combat readiness.

3. (U) The Joint Chiefs of Staff have reviewed the draft charter directive, and their comments and recommendations are contained in Appendices A and B hereto.[5] A line-out/line-in version is presented in Appendix A, and a clear version is contained in Appendix B.

4. (S) The recommended changes to the draft DOD directive reflect the issues discussed above and provide a viable organization responsive to both national and military SIGINT requirements.

For the Joint Chiefs of Staff:

T.H. Moorer

[5] Appendices A and B are attached but not printed.

254. Memorandum for the Record[1]

Washington, December 16, 1971.

SUBJECT

The Central Security Service

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971. Secret. The memorandum was prepared in Hall's office but does not include drafting information. A notation on the memorandum indicates Packard saw it.

In commenting on the proposed plan to establish the Central Security Service,[2] the Military Departments and DIA support the JCS views and objections. However, of the Departments, Air Force finds the concept the most objectionable, Navy supports completely the JCS position, and Army is the least vocal in their objections. In fact, Mr. Froehlke does not concur with the Army staff concerning placing the JCS in the chain of command between the CSS and SecDef.

NSA does not attempt to do a rewrite of the proposed Directive, but enunciates certain principles with which they assert the draft Directive is not consistent. In a nutshell, NSA would prefer to form a National Security System under DIRNSA, comprised of the NSA, the SCAs, and all other SIGINT activities and functions. DIRNSA would then respond to all requirements, and would meet the needs of military commanders as he (DIRNSA) determines to be the most effective means. He would maintain close liaison with the JCS and subordinate commanders, but any decision regarding the use of any SIGINT resources would be made by DIRNSA, as the single manager.

The major issues surfaced by the JCS, DIA and the Services involve the chain of command, direct support, mobile platform control, ELINT, and COMSEC monitoring. A rack-out of these issues is listed below:

A. *Chain of Command.* Except for Mr. Froehlke, the JCS, DIA and the Services strongly urge that the Chief, Central Security Service report to SecDef *through the JCS* to insure responsiveness to military requirements and to provide for rapid and orderly transition from peacetime to crisis or combat conditions. With this command structure JCS could also measure the military effectiveness of the CSS. Navy pointed out the need for centralized military direction to avoid *Pueblo*-type incidents.[3]

B. *Direct Support.* Directly related to their desire to place the JCS in the chain of command over the CSS is the Services' fear that direct support will not be responsive to or available for their requirements. Air Force, recognizing that COMINT is the single most important source of intelligence, believes that the CSS structure would, instead of bringing the COMINT producer and the principal consumers closer together, actually reduce the interface between the cryptologic community and the military authorities, thereby reducing responsiveness to the needs of tactical commanders. Navy emphasized that direct support is essential to a military commander's successful prosecution of his mission, but agreed that technical control is best exercised by a central cryptologic authority.

---

[2] See Document 252.

[3] See *Foreign Relations,* 1964–1968, volume XXIX, Part I, Korea, Documents 212–331.

C. *Mobile Platform Control.* The Air Force urges that the Chief, CSS *recommend to the JCS and appropriate military departments* (vice *specify*) deployment, scheduling and mission profiles of mobile SIGINT collection platforms. The JCS and Navy recognize that the Chief, CSS will exercise SIGINT control of these platforms, but agree with the Air Force that deployments, etc. should be only in the form of recommendations. As reasons, the Air Force cites operational constraints and basing requirements and capabilities, while the Navy mentions functions of command and peculiarities of Navy operations.

D. *ELINT.* Quoted herewith is the JCS view:[4]

"The CSS should not be responsible for 'conducting' all SIGINT operations. Specifically, collection normally should be performed by the SCAs under SIGINT control of the CSS. The Joint Chiefs of Staff agree that establishment of the CSS will have its strongest operational impact in the field of ELINT operations. However, the Joint Chiefs of Staff do not agree that this reorganization will result in a 'far more coherent ELINT effort, more efficient ELINT operation, and a more responsive output.' The nature of noncommunications electromagnetic radiation activities requires that certain detection and intercept activities be integrated, or, as a minimum, be in direct-dedicated support to weapon systems and/or decision making requirements of operational commanders. Reaction time alone dictates this requirement. Removing these vital activities from the operational control of an operational commander will seriously inhibit his combat readiness."

In addition, Air Force supplies a background paper on Service requirements for ELINT which recommends divorcing COMINT thinking from ELINT thinking in view of the completely different content, use, and interested audience for the two products.

Army, on the other hand, offers no comments, since Army employs ELINT resources only within its Service cryptologic agency.

E. *COMSEC Monitoring.* JCS, DIA, and the Services recommend deletion of any mention of COMSEC monitoring activities, primarily because the President's memo of 5 November[5] addressed only COMINT and ELINT. Also COMSEC monitoring is an integral part of Operations Security (OPSEC), which is a military commander's responsibility. This is a point well taken; however, none of the Services comment on the fact that the SIGINT direct support unit resources actually perform the COMSEC monitoring activity as well. The Navy pointed out that NSA must provide COMSEC advice to the military departments. NSA makes no comment on COMSEC.

F. *Title.* DIA would prefer "Defense Cryptologic Service" or "Defense Security Service" since the CSS is intended to be predominantly associated with military activities and staffed overwhelmingly by

---

[4] See Document 253.

[5] Document 242.

military personnel. No mention is made of the CSS national SIGINT collection responsibility.

In summary, the JCS, DIA, Army, Navy and Air Force try to accommodate the establishment of the Central Security Service with the least change possible in the current manner in which the SCAs do business within their departments, and by insuring strong military (JCS) control over all CSS activities. NSA would prefer to take over everything, do the job, and perhaps report to the President, if he so directs. Except for NSA, no one wants to think SIGINT—it is still COMINT and ELINT.

---

255. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Deputy Assistant for National Security Affairs (Haig)[1]

Washington, December 16, 1971.

SUBJECT

NSCID #6 and Establishment of Central Security Service

Key issues have been

—JCS desire that new SIGINT command or service report through them.

—Arrangements for the control of SIGINT activities and platforms as between the new service and local military commanders.

Surprisingly there has been little overt reaction to any change in the review and control of programming and resource planning. This is expected to be central in the new ASD(I) office. OMB has been waiting for Al Hall's charter to be agreed upon within DOD to see how adequately this aspect of reorganization will be handled. They expect, and Al expects, that what can be done will be done.

The situation is still evolving. Roger Jones believes that

—The JCS will give up on the reporting issue, there is no support elsewhere for this position.

—The operational control problem will be solved as the specifics of the arrangements are spelled out and compromised upon.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 333, Intelligence Reorganization, Vol. I. Top Secret; Sensitive. Sent for information.

Moot wants to put off any final considerations by Laird of the issues until after the holidays. He believes that by that time an essentially fully agreed position can be presented to Laird. Jones believes this will be the outcome.

I think we should wait until after the holidays and review the situation again at that time.

---

256. Memorandum for the Record[1]

Washington, December 16, 1971, 2:30 p.m.

SUBJECT

Meeting Notes on the First Meeting of the NSCIC Working Group, December 13, 1971 (1430)

MEMBERS PRESENT

Mr. Bronson Tweedy—Chairman

NSC Staff
Mr. Andrew Marshall

State Dept.
Dr. Ray Cline, Mr. Seymour Weiss

Defense Dept.
Dr. Albert Hall (ASD/I), Vice Admiral John Weinel (J–5/JCS), Lt. General Donald V. Bennett (DIA)

Justice Dept.
Mr. Robert C. Mardian

CIA
Dr. E.W. Proctor, Mr. Carl E. Duckett, Mr. John W. Huizenga

OTHERS PRESENT

Mr. Richard Curl (State Dept)
Capt. James S. Brunson, USN (J–5)
Mr. Paul Walsh (DDI/CIA)
Mr. T. Parrot (NIPE Staff)
Mr. W.E. Seidel (NIPE Staff)

---

[1] Source: Department of State, INR/IL Historical Files, NSCIC–NSCIC Working Group (1971–1974). Secret. The minutes were drafted in CIA on December 16. Tweedy forwarded a copy to Cline under cover of a December 17 memorandum. (Ibid.)

Mr. Tweedy opened the meeting with a review of the NSCIC meeting of 3 December.[2] Particular attention was directed to three items.

1. Dr. Kissinger's request that each NSCIC member prepare a statement of his organization's requirements for intelligence.
2. The feedback from Consumer Product Evaluation and the mechanisms and processes to achieve it.
3. The question of tactical intelligence.

Mr. Tweedy directed the group's attention to the first two items and asked Mr. Marshall to open the discussion and provide the group with his views.

Mr. Marshall stated that the initial problem was to devise some systematic method of arriving at consumer needs. He pointed out that consumer need can be (1) a broad area related not only to an expression of the country and subject involved but also to an expression of the policy problems associated with the need, (2) some idea of how the consumer would like the intelligence to be presented in terms of outline or format, and (3) the depth of analysis required.

Mr. Marshall also pointed out that one may want to consider not only current needs of consumers but also the expectations with respect to policy problems and needs over the next four or five years.

Mr. Marshall concluded this discussion of consumer needs by stating that he had no fixed views with respect to the manner in which consumer needs were to be reported and monitored. He felt that there were two basic approaches, the first a systematic cataloging of needs by consumer with some expression of the consumer's view of the relative importance, and second, an approach which selected specific needs and provided a detailed treatment.

With respect to product evaluation, Mr. Marshall discussed the subject briefly as it related to the needs question and noted that a detailed study of the production function and how it worked might be of considerable use.

The discussion which followed dealt with different aspects of the consumer need and product evaluation problem.

Dr. Hall asked if a definitive statement of the need input could be structured. He suggested a review of product output with respect to specific need, and/or postulating two or three changing situations with respect to need with an attempt to measure the impact of the intelligence apparatus directed against the change.

Mr. Tweedy remarked that one approach might be by type of product such as NIE's with specific consumer feedback as to the change desired.

---

[2] Document 251.

Mr. Huizenga said that a system already exists to solicit identification of gaps and new areas of effort desired in the NIE's. He pointed out that DIA and INR also had such mechanisms. Mr. Huizenga also mentioned that the Military NIE's had been restructured considerably in the past year in response to consumer requests. He suggested that this NIE output should be reviewed in terms of how well it met consumer needs.

Mr. Tweedy observed that the Presidential memo[3] indicated some dissatisfaction with the intelligence product and stated that one would hope the group could devise a process to specifically identify areas of dissatisfaction.

Dr. Proctor suggested that the body of NIE's and NSSM responses was a good place to start, analyzing them for both strong points and shortcomings.

Mr. Huizenga proposed that Mr. Marshall might find it useful to make a survey of dissatisfaction in specific product cases.

Mr. Marshall said that in general much of the criticism dealt with a lack of depth in the response and analysis. He indicated as an example, the Soviet decision making analysis approach.

Admiral Weinel stated that the group ought to be specific in identifying the consumer, particularly with respect to echelon. He suggested that NSCIC consumer needs did not relate to third and fourth echelon staff officers but did relate to the Department Secretaries as an example. Admiral Weinel noted that lower echelons had a tendency to inflate needs considerably.

Mr. Tweedy said that he would also include the echelon immediately below the Secretary. For example, the Assistant Secretaries.

Mr. Cline said he had spent 30 years in intelligence attempting to determine what consumers wanted. He noted that merely asking a consumer, "What do you want?" is of little or no value. Mr. Cline suggested that the entire problem of consumer need and product response and evaluation should be built around a case method which would not only offer a problem-oriented capability but would also result in a body of experience and precedents for dealing with specific problems. Mr. Cline suggested that the group recommend to NSCIC the use of this problem-oriented approach as opposed to an abstract process which merely classified the types of needs and products.

Mr. Duckett felt that a matrix might be constructed with evaluations based upon (1) product type, (2) geographic orientation, (3) subject orientation, and so forth. In this manner, Mr. Duckett noted, one could find the highest degree of dissatisfaction in such product type areas as

---

[3] Document 242.

current intelligence, weapons system intelligence, political intelligence, etc. The same could be done for the other variables in the matrix. Mr. Dickett said he believed one had to pick the problem areas first in such an approach and gave the example of the India-Pakistan problem.

General Bennett stated that product evaluation should deal with outputs related to the validity of the evidence and the validity of the analysis. They should, he urged, contain definitive statements—"I don't like this because—." He noted the needs of feedback in the case of the JSOP and short term objectives (six months).

Dr. Hall pointed out that the Defense effort had a primary interest in future consumer needs and the intelligence capability to cope with those needs.

Mr. Marshall suggested that the group review current efforts in the community dealing with consumer needs such as (a) the draft DCID 1/2 on Objectives and Priorities, and (b) Lloyd Belt's Project Alpha.

Mr. Weiss suggested an exercise which pulled together community requirements and described (1) what they are, (2) how obtained, (3) whose they are and, (4) what is done with them?

Mr. Cline inquired if each consumer represented on the group was going to submit an expression of his needs. He stated that the State Department was preparing such a needs list along with an expression of its dissatisfaction with the response to date.

Mr. Tweedy proposed that, all consumers on the group submit such an expression of their needs. It was agreed.

Mr. Tweedy also requested that the producers input some aids as to what it is they wish to see critiqued and evaluated. It was agreed.

(Admiral Weinel and Dr. Hall were obliged to leave at 1540 hours and were not present for the remainder of the meeting.)

Mr. Tweedy turned to the Tactical Intelligence problem and distributed a memorandum to the Working Group (see attachment A)[4] for their consideration.

Mr. Weiss noted that the memo appeared to leave no role to the NSCIC in dealing with tactical intelligence. He stated that there was a feeling on the part of NSC policy makers that tactical intelligence has escaped from any control. Tactical intelligence, he said, is felt to be a competing activity relative to national intelligence and should be subject to some broader purview such as the NSCIC. Mr. Weiss stated that this was not a desire on the part of any policy maker to directly control tactical intelligence but merely a desire to look at the problem. Mr. Weiss indicated that he believed this was the view expressed by

[4] Attached but not printed.

Mr. Kissinger at the 3 December meeting. Mr. Marshall agreed to this view.

Mr. Cline suggested that a requirement ought to be added to the memo requesting the Secretary of Defense to present a review of the entire tactical intelligence program to the NSCIC.

Mr. Tweedy offered the view that the group propose that NSCIC request the Secretary of Defense to make tactical intelligence judgments available to NSCIC.

Both Messrs. Cline and Weiss agreed that their principal would like to be informed on the tactical intelligence effort and its rationales.

Mr. Tweedy, in preparing to adjourn, reiterated, (1) Consumer Need Statements were to be submitted before January 17, 1972, and (2) the producer members would submit information on current requirement systems and their desires with respect to product evaluation before January 17, 1972.

Dr. Proctor suggested that the group also solicit consumer need inputs from Commerce and Treasury. Mr. Tweedy said this was desirable but, not before the group had organized its own effort.

Mr. Marshall agreed to communicate with Mr. Tweedy on Mr. Kissinger's plans for an NSCIC meeting. It was agreed that the Working Group would meet as soon as possible following Mr. Marshall's return to Washington on January 17, 1972.

The meeting was adjourned at 1630.

WE Seidel

---

257. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, December 22, 1971.

SUBJECT

Establishment of a Unified National Cryptologic Command (The National Security Agency and the Central Security Service)

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971. Secret. The memorandum was coordinated with Cooke and General Counsel J. Fred Buzhardt, Jr.

By his 5 November 1971 memorandum on organization and management of the intelligence community,[2] the President directed the establishment of a unified national cryptologic command under the Director, National Security Agency, and the corresponding revision of the National Security Council Intelligence Directives including No. 6 on Signals Intelligence (SIGINT).[3] In consultation with the staff, Office of Management and Budget, who are responsible for incorporating basic policy changes in the revised National Security Council Intelligence Directives, we have agreed that the President's desires can be accomplished by the establishment of the Central Security Service.

There are still some areas of disagreement between your staff and that of OMB in regard to, (1) the extent to which SIGINT-related equipment integral to weapons systems is to be included in SIGINT operations and, (2) the manner in which a unified National Cryptologic Command is to be achieved. This disagreement stems from an apparently strong OMB concern that there will not be a truly unified direction of *all* SIGINT operations, which they believe is essential if cost savings are to accrue. We believe that our approach is currently the most feasible and practicable.

Under this concept, a Central Security Service (CSS) will be established under the Director, NSA, who would concurrently be designated as the Chief, CSS. As he does in his capacity as Director, NSA, the Chief, CSS would report directly to you.

For the purpose of direction, control and conduct of their SIGINT operations, all SIGINT organizations and units of the military departments and the commands would be designated as subordinate elements of the CSS, while retaining their departmental identity for administrative and logistic support.

Under its chief and a two star deputy, the CSS would be responsible for conducting assigned SIGINT collection, processing and other SIGINT operations. Military commanders will retain normal command responsibility for providing and operating primary mobile SIGINT collection platforms, but the Chief, CSS, will have clear, unambiguous authority to specify (not recommend) the deployment and scheduling for such platforms, subject to the review and supervision of higher authority.

The Director, NSA, will be the program manager for *all* SIGINT resources, except for that equipment which is integrally a part of a weapons system. Establishment of the CSS leads to the strengthening of the functions of RDT&E, procurement and training.

---

[2] Document 242.

[3] See Document 248.

This concept closely follows the structure of the unified combatant commands in the Department of Defense, in that the Chief, CSS exercises operational control over his components, but the parent military department retains administrative and logistic support. In this fashion it is expected to optimize flexibility of the management of his operational resources. In regard to mobile SIGINT collection platforms, these play the role of "supporting forces"; that is, they respond to the SIGINT direction of the Chief, CSS, but the platform operating procedures remain the responsibility of the parent military Service.

Additionally, the directive makes provision for appropriate approval by the JRC and the 40 Committee of sensitive missions.

However, there are two major ways in which this concept for the unified SIGINT organization differs from that of a unified combatant command. First, the Chief, CSS, reports directly to you, rather than through the JCS. This is necessarily so, since you are the Executive Agent for the national SIGINT program, the NSA/CSS is your operating arm for this responsibility, and your responsibilities transcend those of the JCS. A second significant point is that the same individual, in his dual capacities as Chief, CSS and Director, NSA fuses the authority of operational control and resource management, thus creating a management structure for multi-Service operations which will be as strong as any such other structure within the DoD. From a practical standpoint it would be unworkable to have the same man report directly to you as Director, NSA and report to you through the JCS as Chief, CSS.

The new directive will have its strongest impact in the field of ELINT operations, which will come under a single manager, in contrast to the present fragmented ELINT structure.

Essentially, there is no change in the process for submitting and responding to national SIGINT requirements, and in the tasking of SIGINT units to respond to these requirements, except that the CSS now becomes the vehicle for tasking and response, via a strengthened chain of direction and control. I do propose to introduce specific provisions for the CSS to respond to emergency requirements of the DoD at any level of command on an override basis, and this problem will be addressed in the implementing plan.

On 6 December, a concept for a Central Security Service was circulated for comment to the JCS, DIA, NSA, and the military departments.[4] With the exception of those from Mr. Froehlke and the NSA, all responses urged that the Chief, CSS report to you *through the JCS* to

[4] See Document 252.

insure responsiveness to military requirements and to provide rapid and orderly transition from peacetime to wartime. In their opinion, such a reporting channel would also insure positive direct support, the dilution of which the Services fear under any other arrangement. For the reasons outlined above, the reporting channel must run from Chief, CSS, to you. Provisions for adequate support are made in the proposed directive.

Control over SIGINT mobile platforms and the conduct of certain ELINT operations were also major issues raised.

The JCS, DIA, and the Services believe that the Chief, CSS, should only make recommendations for the deployment and use of SIGINT mobile platforms. To satisfy fully the intent of the President's memorandum, the Chief, CSS, would have to be in a position to control collection resources across the board. The directive, as written, provides the Chief, CSS with SIGINT operational control but requires him to issue movement requirements through appropriate military channels and leaves command and operation of the platforms with the military commanders.

Also, as a result of the military Services logical opposition to including Communication Security monitoring activities under the authority of the CSS, this feature has been removed from the proposed directive. Existing NSA COMSEC authority is not changed.

The contents of the proposed Directive, which set forth the responsibilities of Vice Admiral Gayler in his dual role as Director, National Security Agency and Chief, CSS, have been staffed informally with the Chairman, JCS, and Director, National Security Agency.

Attached at Tab "A" for your signature is the proposed DoD Directive to accomplish the establishment of an effective "unified cryptologic command."[5]

As provided in the implementation paragraphs of Tab "A," I propose that the directive become effective on publication, to meet the President's desire for an effective issuance by 1 January. However, the full establishment of the CSS will require the preparation and execution of a time-phased implementation plan, provision for which is made in the redraft of NSCID No. 6. Accordingly, this proposed directive charges Director, National Security Agency to prepare and submit such a plan for your approval.

---

[5] Reference is to DOD Directive 5100.20, December 23, attached but not printed.

Attached at Tab "B" for your signature is a memorandum to the President outlining your action taken in response to his 5 November memorandum.[6]

Attached at Tab "C" for your signature is a memorandum to Vice Admiral Gayler elaborating on conceptual guidance for him to follow in preparing his plan for the establishment of the Central Security Service.[7]

Albert C. Hall

---

[6] Tab B is attached but not printed. In his December 23 memorandum to the President, Laird stated that, in addition to signing the directive establishing a unified SIGINT collection organization, he planned to issue implementing directives for the Office of Defense Investigations (see Document 259) and the consolidated Defense Mapping Agency before the end of the year. (National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 333, Intelligence Reorganization, Vol. II) Laird's memorandum and directive establishing the Defense Mapping Agency, dated January 1, 1972, are in the Washington National Records Center, RG 330, OSD Files: FRC 330 74 45, Signer's Copies January 1972.

[7] Not printed; signed by Laird and dated December 23.

---

258. Memorandum From the Chairman of the Joint Chiefs of Staff (Moorer) to Secretary of Defense Laird[1]

JCSM–565–71 Washington, December 23, 1971.

SUBJECT

The National Security Agency and the Central Security Service (U)

1. (U) Reference is made to the draft DOD directive on the above subject.[2]

2. (S) The Joint Chiefs of Staff have reviewed the new draft DOD directive[3] concerning the National Security Agency (NSA) and the Central Security Service (CSS) and can accept the directive with the following understandings:

a. There is no intent to transfer military operational control of the collection platforms, installations, and personnel currently assigned to the unified and specified commands. This control will be retained by

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971. Secret. A notation on the memorandum indicates Laird saw it.

[2] See Document 252.

[3] See Document 257.

the commanders of the unified and specified commands in their respective theaters. Removing these vital resources from the operational control of the operational commanders would seriously limit their combat readiness and effectiveness.

b. It is intended that military resources within the CSS will be subordinate to the Chief, CSS, for all matters involving SIGINT operations but will remain a part of their parent Service for all other matters. These resources would not become components of a unified or specified command in the military sense of such commands.

c. It is intended that provisions will remain in effect to provide for the delegation of SIGINT control (tasking authority) over assets required for the direct support of military commanders to the commanders being supported. Areas of conflict between the Military Services and the Director, NSA, would be resolved by you.

d. It is intended that the present system for the control and approval of reconnaissance operations, which include SIGINT operations, will remain in effect.[4]

For the Joint Chiefs of Staff:

T.H. Moorer

[4] Hall forwarded to Laird a proposed reply under cover of a December 30 memorandum in which he stated that "provision is made in the directive for handling three of the issues raised by the Chairman, and I believe these constitute no real obstacle. The fourth issue, that of whether the Service cryptologic agencies will be components of the CSS in a manner analogous to the components of a unified command, is not addressed explicitly in the directive" but "I believe this type of arrangement is essential if we are to be responsive to the intent of the President's memorandum." (Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971) See also Document 260.

259. Memorandum by Secretary of Defense Laird[1]

Washington, December 29, 1971.

MEMORANDUM FOR

Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Director of Defense Research and Engineering
Assistant Secretaries of Defense
General Counsel
Assistants to the Secretary of Defense
Directors of Defense Agencies

SUBJECT

Establishment of the Defense Investigative Service (DIS)

REFERENCES

(a) Presidential Memorandum dated November 5, 1971, subject: "Organization and Management of the U.S. Foreign Intelligence Community"[2]
(b) SecDef Memorandum of November 10, 1971, subject: "DoD Organizational Changes"[3]
(c) DoD Directive 5200.26, February 17, 1971, subject: "Defense Investigative Program"[4]

By reference (a), the President directed establishment of a single office of Defense investigations. In reference (b), I directed the ASD(Comptroller) to develop a plan to accomplish this reorganization.

I have reviewed the plans presented by him and have decided to approve a time-phased course of action creating a Defense Investigative Service (DIS) as a separate Defense Agency reporting directly to the Secretary of Defense. This will be accomplished in three phases:

—On 1 January 1972, the DIS will be established and will function initially as a planning group charged with making necessary arrangements to commence operations on 1 April 1972.

—On 1 April 1972 the case control staff functions of the Military Departments will be consolidated under the DIS, which will assume control of all Personnel Security Investigations (PSI) within the Department of Defense, tasking the Military Department investigative agencies for the field investigative effort. Investigators will remain with the Military Departments. On the same date, the DoD National Agency Check Center (DODNACC) and the Defense Central Index of Investigations (DCII) will be incorporated in the DIS.

---

[1] Source: Washington National Records Center, RG 330, OSD/ISA Files: FRC 330 74 083, 310.1 Oct 1971. No classification marking.

[2] Document 242.

[3] See footnote 4, Document 242.

[4] Not found.

—On 1 October 1972, all PSI field investigative resources will be transferred from the Military Departments to the DIS and investigators will be assigned directly to the DIS.

I will appoint a Director of the DIS.

The Assistant Secretary of Defense (Comptroller) will provide policy guidance and staff supervision for the DIS and is delegated responsibility under the provisions of reference (c) to direct, manage, and review the Defense Investigative Program.

Each Military Department will provide as soon as possible to the Director, DIS, five professional and two clerical personnel on a temporary basis to assist the Director in developing organizational structure, program plans, and operating procedures for the DIS. Direct liaison between the Director and appropriate officials designated by the Secretaries of the Military Departments is authorized to effect cross-servicing agreements for the permanent transfer of personnel to the DIS to proceed with the operations of the agency as set forth herein.

The Secretaries of the Military Departments and Director, DIS, through liaison with appropriate Military Department personnel, jointly, will ensure that effective performance of personnel security investigations continues during the 1 January–1 April transition period.

In the near future, I intend to appoint a Study Group with a view toward determining whether the DIS functions should be expanded to include counterintelligence and criminal investigation.

Effective 1 July 1972, the ASD(Comptroller) is assigned Program Manager responsibilities for the Counterintelligence and Investigative activities, now vested in the Director, DIA.

The ASD(Comptroller) will assist the Director, DIS, as necessary, and monitor the progress of implementing actions contained in this memorandum.

Melvin R. Laird

260. Memorandum From the Deputy Assistant Secretary of Defense for Administration (Cooke) to the Secretary of Defense's Military Assistant (Murphy)[1]

Washington, January 4, 1972.

Dan:

I have reservations about the Secretary signing Al Hall's proposed reply to the Chairman in response to the latter's request for clarification of the NSA/CSS directive.[2]

The directive papers over some issues that will surface when the implementation plan comes up for approval. One of these issues is precisely what is intended by paragraph VI A 3 of the new directive which states:

> Exercise SIGINT operational control over SIGINT activities of the U.S. Government to respond most effectively to military and other SIGINT requirements. In the case of mobile military SIGINT platforms, he shall state movement requirements through appropriate channels to the military commanders, who shall retain responsibility for operational command of the vehicles.

It is quite likely that Noel Gayler's idea of what constitutes "SIGINT operational control" will conflict with the Chairman's concept of "operational command of the vehicles."

Furthermore, the Chairman raised the issue with respect to "collection platforms (not necessarily mobile) installations and personnel." The proposed reply deals with only "mobile collection platforms." It is silent with respect to "installations and personnel." I am certain this ambiguity will be interpreted differently by the Chiefs and by Noel Gayler.

In short, the detailed reply proposed will serve to shift the argument from what was meant by the directive to what was meant by the reply and tend to lock the Secretary in. This would serve the boss no useful purpose. He should preserve all his options at this time. I, therefore, suggest a short response—essentially the first sentence of the proposed reply.[3]

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 76 197, 020 NSA 1971. Secret.

[2] See Document 258 and footnote 4 thereto.

[3] Laird followed Cooke's advice and replied to Moorer in a brief January 5 memorandum that "the general intent should be clear in the directive, and the details will be clarified by the implementation plan which I have asked the Director, NSA to prepare for my approval." (Washington National Records Center, RG 330, OSD Files: FRC 330 74 045, Signer's Copies January 1972)

If he decides to go with the detailed proposed reply, there is a technical correction that should be made in the third paragraph. A specified command does not have components because it consists of elements of one Armed Force e.g., SAC. A unified command is composed of elements of two or more Services. Therefore, "specified" should be changed to "unified."

Doc

---

261. Letter From Secretary of Defense Laird to Director of Central Intelligence Helms[1]

Washington, January 12, 1972.

Dear Dick:

Our discussions of our mutual problems at the Friday ExCom luncheon were very helpful, and I want to follow up on the suggestion that you join us periodically at our intelligence breakfast meetings. We have these breakfast meetings each Friday at seven-thirty, and while other attendance varies somewhat with the subject, Don Bennett, Noel Gayler, Al Hall, and either Dave or I (and often both) have almost invariably attended. We don't use these meetings as decision meetings, but as a forum where a subject can be discussed informally and views exchanged. They have been most helpful in keeping us on all on the same wavelength.

I felt that you might join us, perhaps once a month, for a discussion on a particular subject in which you would be interested. We can arrange this at your convenience, and you can join in the discussion or just listen, as you feel appropriate. Al Hall runs these meetings, and will proceed along these lines if you have no objections.

On a related matter, I will soon approve the charter of our new office of Assistant Secretary of Defense for Intelligence,[2] and want to reaffirm to you that I regard one of his major responsibilities is to represent the Department of Defense in presenting our intelligence programs to you and to serve as a focal point for whatever support you need from us to meet the requirements that the President has asked you to

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–B01086A, Box 5, Folder 164, DOD. No classification marking.

[2] Document 262.

undertake. I am sure that by working closely with you we can eliminate the need for new staff echelons and still provide you with the reviews you may need to assure yourself of the validity and priority of our programs. I know Al Hall is eager to support you, and he certainly has my full backing.

Sincerely,

Mel

---

262. Department of Defense Directive 5115.1[1]

Washington, January 18, 1972.

SUBJECT

Assistant Secretary of Defense (Intelligence)

REFS

(a) DoD Directive 5100.30, "World-Wide Military Command and Control System (WWMCCS)," dated 2 December 1971[2]
(b) DoD Directive 5105.39, "Director of Net Assessment," dated 6 December 1971
(c) DoD Directive 5000.19, "Policies for the Management and Control of DoD Information Requirements," dated 2 June 1971

I. General

Pursuant to the authority vested in the Secretary of Defense under the provisions of Title 10, U.S.C., one of the authorized positions of Assistant Secretary of Defense is hereby designated Assistant Secretary of Defense (Intelligence) with responsibilities, functions, and authorities as prescribed herein.

II. Responsibilities

The Assistant Secretary of Defense (Intelligence) is the principal staff advisor and assistant to the Secretary of Defense for the management of intelligence resources, programs, and activities, including those for intelligence, warning, reconnaissance, and other related areas which

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 020 Intelligence 1972. No classification marking.

[2] Copies of directives are maintained by the Department of Defense, Washington Headquarters Services, Directorate for Correspondence and Directives, Pentagon.

may be designated by the Secretary of Defense. His responsibility specifically includes equipment, systems, and activities in the above areas which are organic to military forces or units. He is also responsible for staff supervision of the intelligence aspects of command and control, as provided for in Reference (a).

III. Functions

Under the direction, authority, and control of the Secretary of Defense, the Assistant Secretary of Defense (Intelligence) shall perform the following functions in his assigned field of responsibility.

A. Recommend objectives, priorities, plans, and planning guidance for intelligence resources.

B. Review proposed intelligence resource programs and recommend resource allocations to those programs.

C. Monitor approved intelligence resource programs and supervise their implementation.

D. In conjunction with the Assistant Secretary of Defense (Comptroller), formulate budget estimates for the intelligence portion of the DoD budget.

E. Establish requirements for intelligence support of all research and development programs of the Military Departments and Defense Agencies.

F. Ensure that R&D project managers are provided intelligence information needed for effective direction of R&D programs.

G. Review the RDT&E intelligence programs of DoD; recommend funding levels and sources of funds for such programs.

H. Recommend to the Secretary of Defense RDT&E requirements and priorities for systems whose primary mission is intelligence and also for those systems for which intelligence should be a secondary mission.

I. Recommend policies for the management of intelligence operations, including operational requirements and priorities.

J. Coordinate intelligence activities within DoD and coordinate, as appropriate, intelligence programs for the DoD with other US Government entities.

K. Provide for DoD representation for international and interdepartmental intelligence organizations and activities.

L. Recommend appropriate steps (including the transfer, reassignment, abolition, and consolidation of intelligence functions) which will provide in the Department of Defense for more effective, efficient, and economical management of intelligence resources, eliminate unnecessary duplication, and contribute to improved military preparedness. Monitor and evaluate approved actions in these areas.

M. Recommend to the Secretary of Defense requirements and priorities for net threat assessments of US versus opposing foreign weapons systems. Provide for the development of terms of reference and the preparation of net threat assessments insuring the best available intelligence information is used by DoD Components in the process. Inform the Director of Net Assessment (Reference (b)) of the analyses and conclusions derived from such assessments.

N. Perform other functions as the Secretary of Defense assigns.

IV. Relationships

The Assistant Secretary of Defense (Intelligence) shall advise and develop recommendations for approval of the Secretary of Defense, or, as directed, act for the Secretary of Defense in the performance of the functions which are assigned herein or which may be otherwise assigned. In the performance of these functions, he shall:

A. Coordinate actions, as appropriate, with DoD Components having collateral or related functions.

B. Make full use of established facilities in the Office of the Secretary of Defense and other DoD Components rather than unnecessarily duplicating such facilities.

C. Maintain active liaison for the exchange of information and advice with DoD Components as appropriate.

V. Authorities

The Assistant Secretary of Defense (Intelligence), in the course of exercising staff functions, is hereby specifically delegated authority to:

A. Issue instructions and one-time direction-type memoranda, in writing, appropriate for carrying out approved policies and for establishing management procedures for his assigned fields of responsibilities in accordance with DoD Directive 5025.1. Instructions to the Military Departments will be issued through the Secretaries of the departments or their designees.

B. Obtain such reports, information, and assistance from the Military Departments and other DoD Components, subject to the provisions of Reference (c), as may be necessary for the performance of his assigned responsibilities and functions.

C. Communicate directly with the Secretaries of the Military Departments, the Joint Chiefs of Staff, Commanders of Unified and Specified Commands, and the Directors of Defense Agencies. Keep the Joint Chiefs of Staff informed of all communications with the Commanders of Unified and Specified Commands which have strategic or military operational implications.

D. Arrange for DoD participation in those international and interdepartmental intelligence programs for which he has been assigned primary staff cognizance.

E. Communicate directly with all government agencies participating with DoD in those interdepartmental programs for which he has been assigned primary staff cognizance.[3]

VI. Effective Date

This Directive is effective upon publication.

Melvin R. Laird

[3] In response to Laird's January 3 request for comments on the directive, Secretary of the Air Force Seamans stated in a January 7 memorandum that the "proposed ASD(I) charter surfaces once again the question of centralization. It seems to run counter to the changed environment of delegated authority which you brought to the DoD. It is a difficult balance in management to achieve, but I an convinced that overcentralization in the DoD can inhibit a feeling of real responsibility among the Service secretarial offices and the top military echelons. The personnel in supervisory positions today feel that they are sharing the burden of the complex DoD management problems and are conscientiously applying themselves to these problems. I have reservations that the wording of the charter does not adequately provide for meaningful participation by other members of the DoD intelligence structure." (Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 020 Intelligence 1972)

263. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, February 15, 1972.

SUBJECT

Taking Stock

In your memorandum of February 3, 1972[2] you asked me to take stock of the programs and areas for which I am responsible, assessing past performance and projecting the probable future. Here are my thoughts on each of the questions which you put to me.

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 095, 020 DOD 1972. Secret. A notation on the memorandum indicates Laird saw it.

[2] Not printed. (Ibid.)

Key Issues During the Past Year

These were, in brief:

—The requirement to implement the President's directive of 5 November on intelligence reorganization.[3]

—The impact of the [*dollar amount not declassified*] Congressional reduction of DoD intelligence programs for FY 72, enacted late in the fiscal year.

—The need to improve our processes for intelligence resource allocation, and to bring the intelligence community into better interface in these processes.

Major Accomplishments

I believe our major accomplishments in intelligence over the past year were these:

—Prompt implementation of the President's directive on intelligence reorganization, particularly in regard to the complex area of Signals Intelligence. The conceptual structuring and planning for the new Central Security Service as the unified operating arm for U.S. SIGINT collection in the time prescribed was a major achievement which should bring about major management improvement and resource economies in this area.

—Our reduction, in the program review process, of the FY 73 intelligence program by some [*dollar amount not declassified*] from fiscal guidance to Congressional submission without loss of effectiveness, and our success in minimizing the combined effects on this program of (1) the carry forward of the FY 72 Congressional cuts, and (2) the additional [*dollar amount not declassified*] reduction directed by the President during budget review. Through these efforts, we have retained what I believe to be a sound and balanced DoD intelligence program at the requested levels of [*dollar amount not declassified*] and [*less than 1 line of source text not declassified*] manpower spaces for FY 73. I should add that improvements in our program and budget review process were a material factor in these successes.

—For the first time this year, we extended intelligence's fiscal review to include tactical intelligence assets, not included in Program III. Through this review we reduced Service requests for tactical programs by [*dollar amount not declassified*] and, were able to be immediately responsive to the requirement in the President's memorandum for attention to the tactical intelligence area.

---

[3] Document 242.

Major Objectives Not Achieved

We have fallen short of our goals in the following significant respects:

—*Credibility with Congress.* Congressional opinion still appears hostile. The Conference Report on the FY 72 Defense appropriation cited "a disenchantment with intelligence." From other statements, it would appear that influential members of Congress apply this blanket comment to both intelligence products and management of expenditures.

—*A 7-Year Intelligence Resource Plan.* You directed development of this plan in your original assignment of intelligence management responsibilities to the Assistant Secretary of Defense (Administration) on 1 August 1969.[4] Congress noted the lack of progress last year. From my perspective, lack of progress seems attributable to (1) more pressing demands on staff manpower, (2) lack of an understanding as to how to develop a meaningful plan, and (3) the number of independent variables involved, including those not under DoD control.

—*Compartmentation and Classification of Intelligence.* In your memorandum of 1 August 1969 you tasked the ASD(A) to see what could be done about over-compartmentation and over-classification of intelligence. Over the next two years, substantially no progress was made. This has primarily been due to the position of USIB and the DCI, who have responsibility for this area. DIA proposals to the USIB to relax compartmentation of imagery have not been seriously considered. A series of leaks of sensitive intelligence has also tended to harden Executive Office views against any relaxation of controls.

—*Intelligence Career Development.* DoD intelligence career opportunity, both military and civilian, continues to be unsatisfactory in comparison to other career areas, except in the case of National Security Agency, which appears to have enhanced the effect of special legislation with an enlightened personnel policy. Even here, however, CIA policy is in advance of NSA. White House staff statements to the media, promising improvements related to the 5 November directive, have so far not been accompanied by corresponding initiatives for performance.

Key Issues and Problems Over the Next Five Years

There are several of these; they include both substantive problems and management issues.

Substantive Problems

—*Crisis Management.* We need to tune the intelligence system better to give clear and prompt warning of impending major international

[4] Document 193.

crises and to provide timely intelligence needed for decisions on crisis abatement and solution.

—*SALT.* Verification of any strategic arms limitation agreement will almost certainly depend on intelligence means. Any further SALT talks will continue to require highly responsive intelligence inputs. For both aspects, we must work to bring the intelligence system to peak effectiveness.

—*R&D.* We have two problems in regard to R&D—intelligence support to our weapons RDT&E, and better R&D for intelligence itself. I believe that we can improve the first by better control of intelligence operations and products, tailoring these more closely to the real needs of the R&D community. In regard to intelligence RDT&E, the requirement is for better planning and closer supervision to insure that we focus on those new systems and technologies which are most applicable to the genuine needs of intelligence for improved performance.

—*Improving Relevance of Intelligence Products.* We can't afford to continue intelligence operations which result in products we don't really need or can get along without. Our needs for finished intelligence depend on our basic national security posture; we must realign production (and its associated collection and processing) more closely to the needs of this posture. This means stopping or cutting back some programs, regardless of their traditional position, and moving the resources into what we need most.

Management Problems

—*Keeping A Balanced And Adequate Intelligence Program.* This is going to be our hardest job. Costs—both manpower and technical—are going on up. Congress continues to believe that intelligence is both inefficient and ineffective, and that we can stand more cuts. In point of fact, however, our projected fiscal level for FY 73 brings key programs to minimum levels of investment at which they can remain effective. Further cuts would necessitate stopping some of these programs, and would badly unbalance our overall program. Another factor of fiscal pressure will be the emergence of large new intelligence systems. If cost increases continue, the procurement and operating costs of these systems are almost surely to be higher than we are now projecting. Absorbing increased costs under the probable tight ceiling on overall intelligence resources would be very difficult, since flexibility for tradeoffs will be largely eliminated by previous reductions.

If we are to preserve a sound and adequate intelligence effort, I believe we must progress in the following specific ways:

—Convince Congress that the levels we request for intelligence are necessary and that we are using intelligence resources effectively and successfully.

—Use technology to lessen dependence on manpower.

—Upgrade the quality of the intelligence manpower force, particularly production analysts. Career incentive is the key to this problem.

—Get a better understanding of the relationship between intelligence investment and the usefulness of intelligence products.

—Improve the usefulness of national intelligence resources to tactical forces and make fuller use of tactical intelligence resources for national needs.

—*The continuing problem of over-compartmentation.* Unless they are eased (which seems unlikely), the limitations which this problem places on the use of intelligence will continue to be a source of complaint from key customers. I do not plan much emphasis on this problem now, however.

—*Interface with the DCI.* The strengthened role of the DCI raises questions of his future relationship with the DoD resource allocation process, access to information, participation in resource decisions, etc. A lengthy period of adjustment in this new relationship appears in prospect, and substantial effort in my office will be needed.

How Could We Improve Our Capability or Chances to Deal With the Outstanding Problems

I think our posture of DoD intelligence organization—present and intended—provides a sound base for attack on these problems. In regard to my own situation, I believe that I have the necessary authority and means to move forward.

I am taking the problem of credibility with Congress as a personal assignment. I regard this problem as pivotal to our success in continuing to get the intelligence resources we need. Our objective will be to convince Congress that:

1. You do, in fact, have a focal point for the management of DoD intelligence.

2. Your office is indeed cutting out or reducing efforts that are marginally productive.

3. Your office is providing leadership to develop new means of intelligence collection and analysis to meet the needs of the coming decade.

Albert Hall

264. Memorandum by the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, February 16, 1972.

MEMORANDUM FOR

The Attorney General
The Under Secretary of State
The Deputy Secretary of Defense
The Director of Central Intelligence
The Chairman, Joint Chiefs of Staff

SUBJECT

NSCIC Working Group Proposed Studies

The NSCIC Working Group has proposed two product evaluation projects. One is a study of intelligence support in political-military crises, beginning with a case study of the India/Pakistan crisis. The other is a study of intelligence support of the NSSM process.

I recommend that we approve the two studies. They will be directed by Andrew Marshall of the NSC staff. In order for these studies to be carried out, access to data and to individuals for interviews will be crucial. All Departments and Agencies will, I am sure, give full support. There will also be a requirement for assistance in manning the study efforts.

Both these studies, and others like them, focus mainly upon the performance of the Intelligence Community in supporting high level decision makers. Some lessons regarding the formulation and expression of needs may result. But these studies may not help us very much in better expressing our needs. Therefore, I urge the Working Group to continue its efforts to design a work program that will assist us in all of our tasks.

Henry A. Kissinger

[1] Source: National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973. Secret.

265. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, February 23, 1972.

SUBJECT

Staffing of the Office of Assistant Secretary of Defense (Intelligence)

Based upon experience since my appointment in November and a review of functions of the office to implement my Charter,[2] I have developed some convictions about the staff efforts that have priority and the staffing levels and qualifications required to conduct them. This memorandum summarizes the situation as I see it.

In addition to certain management functions which are implicit in the establishment of the ASD(I) office and which will be discussed below, there are two which derive from the President's policy stated in his 5 November 1971 memorandum.[3] The first of these is the matter of DoD coordination with the DCI on intelligence matters. I believe that this will require particular care if it is to be done effectively. There should be a focal point for DoD support to the DCI and his staff, if your management of DoD intelligence resources is to remain unambiguous.

The second function deriving from the President's memorandum, which is new and which I believe it is necessary to address explicitly, is the matter of necessary staff support for the OSD representation on the NSCIC. The purpose of NSCIC is to provide a means of objectively evaluating the intelligence product from the point of the consumer rather than that of the producer, and although this function is not new, a case can be made that it has not been carried out very effectively. I believe this function could be strengthened by conducting studies on the use that intelligence has served in specific situations, and as you know, I have proposed such a study of crisis situations. While such studies should be few in number, they must be professionally carried out if we are to learn lessons that we can use.

In addition to the above two activities related to the Presidential memorandum, the following functions are to be undertaken in my office to fulfill the role which you have assigned it.

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 020 Intelligence 1972. No classification marking.

[2] The Charter is Document 262.

[3] Document 242.

1) Net Threat Assessment

Your decision to highlight the function of Net Assessment and your assignment of the role of Net Threat Assessment to my office will require a few highly competent people assigned to this endeavor. We should, from this office, develop policies and methods of thinking to insure that the intelligence community involves itself in net threat assessments to a far greater extent and more competently than it now does. My staff should review what is being done in this area now, determine what effort is needed and its priority, and encourage the development of this capability broadly in the intelligence community. This will require sponsoring directly certain studies which would serve as models to be followed elsewhere. If we are successful in carrying out this function, we should be able to provide you with more meaningful estimates, support other elements of DoD involved in making *net assessments,* improve the quality of intelligence support to the R&D community, and uncover intelligence needs and hopefully do something about them.

2) Warning and the WWMCCS Council

The DoD Directive 5100.30[4] provides that the ASD(I) will be a member of this council and be responsible for the function of warning. To contribute to this vital need, a continuing review of current requirements and existing system capabilities is needed. We have a number of Defense systems now involved in this role, some essential and some which appear to be less so. Some of the systems may require modifications to improve their timeliness or reduce their vulnerability.

In addition to the above new functions, there are several functions which need to be strengthened that have existed in one form or another, either in my office or elsewhere in OSD. The three most important follow:

1) Technical Evaluation

I believe that our intelligence product, our collection resources, and our analytical capability need to be reviewed much more thoroughly. We need to review the intelligence product provided by DIA and NSA to satisfy ourselves that they conform to the highest standards of professionalism. We should determine which of our collection resources are providing the most important information, and if other resources may no longer be essential.

---

[4] "World-Wide Military Command and Control System (WWMCCS)," December 2, 1971; see footnote 2, Document 262.

2) R&D Reviews

I believe that the R&D effort in our intelligence programs needs to be reviewed particularly carefully to insure that we foresee our needs and work on projects which will lead to operational systems. Two general objectives, for example, which may be particularly important, are to find means to strengthen our tactical forces with better intelligence support and to find means by which we can improve our capability to foresee and handle crises. Dr. Foster has agreed that this function of R&D reviews should be carried out in my office and we, in turn, should support his need to have an overall review of the DoD R&D program.

3) Congressional Relations

It seems clear that substantially greater effort must be placed on this function by my office than heretofore. The underlying reasons are an apparent congressional suspicion of our intelligence efforts and the different role of DCI to Congress. To remedy this situation, we need to develop (and coordinate) principal and supporting testimony to appropriate congressional committees that convinces them that the different components of the intelligence budget are in balance and directly relatable to tangible intelligence needs.

The following is a summary of the personnel requirements to carry out the functions described above.

	GS–16 & above PL–313	*General Officers*	*GS–15 & below*	*Military 06 & below*	*Admin. Support*	*Total*
Required	10	2	14	15	25	67
Allocated	4	1	6	8	11	30
On-Board	3	1	6*	7	12	29

*Plus two on loan from NSA

Albert Hall[5]

[5] Printed from a copy that indicates Hall signed the original.

266. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, March 15, 1972.

SUBJECT

Net Assessments

I. Issues for Discussion

You and I should meet soon to discuss a number of issues arising out of the NSC Net Assessment Program:

—The nature of net assessments.
—The functions of the NSC Net Assessment Program.
—The program I favor.
—The appropriate division of labor between your Program Analysis Staff and the Net Assessment Group.
—The appropriate strategy to follow in carrying out the program.

II. The Nature of Net Assessments

It is important that we be clear as to just what kinds of net assessments you want. You have a number of options from which you can choose:

—Traditional intelligence reporting which focuses on the intentions and capabilities of other countries.
—The more recent work of systems analysis which tends primarily to compare systems in terms of cost and effectiveness, and to define problems rather narrowly (using the technique of suboptimization).
—The NSSM studies which try to measure various military balances of power (as in the NATO Central Region) by assessing the outcome of hypothetical military engagements.
—More extended analyses which look not only at current balances, but also at the competition itself, the competitiveness of the U.S., and the factors that influence our standing as well as other nations' perceptions of the future status of the great powers.

My own view is that, while all of these efforts should go forward, your net assessment staff should focus on the development of the fourth option—the more extended analyses. You will find a further discussion of this issue at Tab A.

---

[1] Source: National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973. Top Secret. Sent for information. Kissinger wrote on page 1 of the memorandum, "I want to see Marshall soonest." Haig wrote, "Coleman, schedule Tues or Wed, send to *Andy*." The tabs are attached, but not printed.

III. The Functions of the NSC Net Assessment Program

If you agree that the NSC should foster the more extended analyses, a second issue concerns the functions that we should establish for ourselves. Here again, there is a range of possibilities:

—Monitoring of net assessments performed in other parts of the government, but mostly in OSD.

—Setting intellectual standards for this new and developing area of analysis.

—Improving the product by encouraging the development of needed methodology and providing critical feedback to suppliers of important data inputs, especially the intelligence community.

—Producing net assessments on selected key problems through a small high quality program based on interagency working groups.

—Providing you in streamlined, well organized and indexed form summaries of the most up-to-date net assessment work.

Depending upon my ability to acquire suitable staff and office space, I believe that we should perform all five functions.

IV. Current Plans

Currently, because my staff resources are virtually non-existent, I cannot say that we actually have a net assessment program underway. You have indicated, in any event, that you may wish to indicate the nature and types of assessments that we should undertake. You will find a listing of possible assessments at Tab B. We need to select from this menu.

My own preference is to proceed with three major endeavors:

—A general survey of the scope and quality of net assessment work currently available or underway, and an evaluation of the organizations that do it. A start on this project is already being made by Pat Parker acting as consultant to Al Hall in OSD.

—A major study of the comparative efficiency with which the U.S. and the USSR produce, maintain, and develop major military capabilities. This study should test the hypothesis that the U.S. is becoming an excessively high-cost producer of military capabilities; it should also explore the ability of the two powers to mobilize for more intense competition.

—A net assessment of the strategic nuclear balance and the perceptions of it by various international actors.

These three studies are discussed further at Tabs C, D, and E.

V. The Division of Labor

In conducting studies of this character, it is clear that my work has the potential of overlapping with that of Phil Odeen. I am eager not only to avoid a duplication of effort within the NSC staff, but also to prevent our making redundant demands on the intelligence community, DOD and State.

Since there is more than enough for all of us to do, we should have no trouble in working out a reasonable division of labor. I propose that Phil and I deal with the issue on a case-by-case basis in a way that gives you maximum support. At some point, however, you may want to give a more general definition of our respective responsibilities.

VI. Strategy of Implementation

There are several issues concerned with implementing a serious net assessment program which you need to resolve:

—Pat Parker's appointment as my deputy for net assessments is still up in the air. It simply cannot be left there much longer.[2] One way or another, I need a decision on his future.

—My own view is that the production of really innovative net assessments will require a long-term and sustained intellectual effort. I am inclined, therefore, to invest the bulk of our resources in studies whose payoffs will come a year or more in the future. You may have a different preference.

—Since net assessments will require new analytical techniques, affect important bureaucratic interests, and cause controversies, it is important that some independent, innovative and relatively objective centers of analysis exist. There may be some role for the Federal Contract Research Centers (FCRCs) in this new area; another possibility is to promote several assessment groups within industry (as the intelligence community has done with Earshot and Westwing). The role of the NSC effort may have to be confined to persuading others of the need to sustain existing capabilities and the creation of new analysis assets. But some NSC contracting may be essential.

—I have mentioned to you that State and DOD were starting net assessment efforts of their own. State has now dropped its program as the result of recent personnel cuts and is confining itself to liaison with whatever we do at the NSC. DOD, by contrast, is embarking on a major, three-level effort.

- A program in DDR&E devoted to assessment of the technical threat and focused on U.S.-Soviet R&D programs.
- A new effort under Al Hall, the ASD/Intelligence, directed toward an assessment of U.S. and Soviet weapon systems performance.
- A project reporting directly to Laird on overall force comparisons between the U.S. and USSR.

In part, the DOD interest is natural; but it is also defensive and intended to preempt the NSC net assessment effort. Exactly how we should deal with these programs is an interesting issue. I believe that we should try very hard to establish a cooperative relationship with the DOD staff and attempt, at least initially, to influence their work through informal persuasion rather than official direction. The general survey suggested above can probably be accomplished without a for-

[2] Kissinger put a question mark in the margin next to this sentence.

mal directive. You may prefer another approach. To the extent that official direction does become necessary in connection with our studies, it may be useful to differentiate the net assessment process from the NSSM process by the issuance of especially designated National Security Assessment Memoranda (NSAMs). You may also wish to issue a NSDM establishing the charter of the NSC Net Assessment Group.[3]

[3] Marshall sent Kissinger a follow-up memorandum on March 21 in which he noted that "some decisions are needed" and restated the net assessment program listed under "IV. Current Plans" in his March 15 memorandum. At the top of page 1 of the March 21 memorandum is written, "AM says issues settled orally 31 March 72." (National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973)

267. Aide-Mémoire From the Director, National Security Agency (Gayler) to Director of Central Intelligence Helms[1]

Washington, March 16, 1972.

SUBJECT

NSA Plan for a Central Security Service

As possibly useful background in your discussions with Defense and the Congress I want to outline the status of actions relating to the formation of a Central Security Service (CSS).

As requested by Mr. Laird, I submitted on 1 February an organization plan for the CSS. Mr. Laird sent the proposal to the JCS for comment. After much intensive study and discussion, including several conversations between the Chiefs and myself, and some revisions to the original proposal,[2] the Chairman yesterday notified SecDef of JCS concurrence in the plan. It is now with him for approval.

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–B01086A, Box 12, Folder 386, NSA/Central Security Service. Secret; Handle Via Comint Channels Only.

[2] In a February 29 memorandum Hall notified Laird that Gayler's plan for the establishment of CSS was received on February 1 and referred for comments to the JCS, the military departments, and selected offices within Laird's staff. "In general, reactions to the plan to date are negative. On 18 February, the JCS recommended the plan be returned to Admiral Gayler for rework, and this morning his revised plan was received." (Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 020 NSA 1972)

The plan provides for:

• a unitary SIGINT system, with centralized management and decentralized or centralized operations, pragmatically decided;
• functional division of responsibilities among NSA, CSS, and the Service Cryptologic Agencies;
• mission and staff responsibilities to be assigned on a nonduplicating basis: NSA to manage, task, and produce; CSS to operate; SCA's to provide men, equipment, and facilities which constitute the CSS;
• a joint staff serving the Chief, CSS; staff functions absorbed largely from previous SCA operations staffs;
• added emphasis to serving specific needs of the tactical military commanders;
• improved system-wide coordination of planning and programming, logistics, RDT&E, and specialized SIGINT communications;
• improved system-wide coordination of both military and civilian career programs;
• improved system-wide coordination of cryptologic training;
• added attention to system design and operations research;
• procedures for improved dialogue between SIGINT producers and SIGINT users.

The CSS will consist largely of the present field operating stations of the SCA's. The CSS Chief and his staff will direct field operating elements authoritatively. Advantages accrue from consolidation of various staffs into the Joint Staff of the CSS, improved interface between the SIGINT system and its users, and a better potential to zero in on the specialized needs of the military commander.

I have attached for reference a copy of the Executive Summary to the Plan as originally proposed.[3]

Warm regard

Noel
Vice Admiral, U.S. Navy

[3] Not attached.

268. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, April 13, 1972.

SUBJECT

Report on Intelligence Activities

When we last met, you asked for a report on my activities related to intelligence. This memorandum supplies that report.

It also recommends several actions:

—As chairman of the NSCIC that you task Helms to prepare and submit to the NSCIC a draft statement of his view of major political, military, and economic trends affecting the world environment over the next five years. Such a draft would provide the NSCIC with a starting point from which it might produce a statement of top level decision makers' needs. It might also be useful as a basis for preparation of the President's 1973 foreign policy statement. A memorandum from you to Helms is attached at Tab A.[2]

—That an effort be made, under my direction, to prepare a classified statement which you might issue giving your views as to major trends in the world environment and the major policy issues likely to concern top level U.S. decision makers. A proposal on how a draft for your consideration could be prepared is included.

Background

I assume that my basic objective is to get you and your staff better, more useful intelligence. I am attempting to do so by working toward the development of a long term program of improvement in intelligence products through:

—Efforts to make sure that the implementation of the President's intelligence reorganization by the DCI adequately reflects concern for product improvement.

—Participation in NSCIC Working Group activities, in particular the direction of NSCIC studies.

—Efforts unilaterally to obtain for you and the NSC Staff improved intelligence products.

---

[1] Source: National Security Council, Nixon Intelligence Files, Log Numbered Series, 1971–1973. Top Secret; Sensitive. Sent for action. Kissinger wrote the following message to Marshall on page 1: "See my notes. I also want to discuss ASAP." The memorandum was returned to Marshall through Haig who initialed it.

[2] Document 269.

The underlying causes of the numerous deficiencies in intelligence products you and I perceive cannot be overcome in the short term. Within current intelligence capabilities, selected product areas can be made more responsive through improved communication of your needs and critical review of products, with feedback to the analysts. But to obtain major improvements across the board will require significant changes in intelligence community programs and practices. Key problem areas are:

—Overload of analysis resources. The budget allocation for intelligence analysis is probably too low as compared with the collection budget. Since intelligence is a free good to consumers, the response of the producers is to emphasize volume output at the expense of quality.

—Career incentives for analysts are insufficient to attract and hold good people.

—Training in intelligence analysis is limited and ineffective. Essentially intelligence analysis is in the craft guild stage—people are trained through apprenticeship.

—There is almost no research and development on new analysis methodologies within the intelligence community.

Current Activities

Monitoring the Reorganization Implementation

Let me express my concern to you about the pace of the implementation. Helms has been proceeding very slowly and cautiously. There appears to have been a decided shift in responsiveness to the President's goals in the period from mid-December to mid-January. In mid-December things seemed to be moving along fairly well. In mid-January the view of Helms's people changed to "tell us what is wrong and we will change it," rather than one of "we see the President's objectives, we are looking for opportunities to improve and are taking action." The process of creating the staff to support Helms in his new duties slowed appreciably. Also, the goals as to staff size and activities were reduced. For example, the part of the new staff devoted to product improvement, which had been advertised in December as having ten people, is now more likely to have four or five people. Even now the final TO&E of the group is not established.

I have supplied you with a memorandum to Helms asking for a six month progress report on May 5. When we have his reply, we can decide how best to proceed toward the President's goals. Until recently Helms has had some basis for holding back. Since the first of the year he has had no Deputy at CIA, although that post has now been filled. Packard left and the relationship of Helms to the Deputy Secretary of Defense is a key one. Rush has been fully on board only a relatively short time. But basically the problems lie elsewhere. In my judgment we probably will have to put some pressure on Helms to get more rapid progress toward the President's goals.

NSCIC Activities

I have begun two series of studies that you authorized as Chairman of the NSCIC:

—Studies of intelligence support to high level decision makers in times of political/military crises, and
—Studies of intelligence support to the NSSM process.

Two of these studies are now underway, one on the Indo/Pak crisis, the other intelligence support to NSSM–69 (Asian strategy).[3] The Indo/Pak crisis study should be available in preliminary form by early May, and the NSSM–69 study by the middle of May. I plan to start additional studies on other crises and NSSMs as resources become available.

Thus far I have been unable to get the NSCIC Working Group to focus on what appears to me to be its primary and most important task—that is, to prepare materials that would assist the NSCIC in formulating and issuing useful guidance as to the intelligence needs of high level decision makers. To move the system, I think it would be important to attempt to provide the intelligence community with a picture of the emerging trends in the world situation, as seen by you and the NSCIC, and the major policy problems that may result. Actions are recommended below.

Communicating Your Own and NSC Staff Needs[4]

The following efforts have been undertaken:

—Review of the new DCI guidance as to national intelligence objectives and priorities. Helms sent this document to you for comment. A memorandum from you to Helms is being prepared.
—Interviews of NSC staff as to perceived quality of intelligence in their areas. When finished I will write them up in a form that will permit feedback to the intelligence community.
—Organized occasional meetings of NSC staff with intelligence community representatives. For example, Sonnenfeldt and Hyland and Soviet analysts, and Odeen et al with National Estimates staff to review plans for the next series of Soviet military NIEs.
—Initiated a preliminary study by CIA and DIA of Soviet perceptions of U.S. forces, military programs, and activities. What do the Soviets notice and react to most strongly?

---

[3] NSSM 69, "U.S. Nuclear Policy in Asia," July 14, 1969. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Boxes H–159–161, National Security Study Memoranda, NSSM 69.

[4] Kissinger wrote the following note adjacent to this section: "One of my troubles is that I may not know what my needs are. But let us discuss immediately. I am very interested in psychology of foreign leaders. I once set a psychiatrist to work on it."

How Best to Help you in the Future?

I propose to continue to try to:

—Communicate your needs.
—Review and criticize selected intelligence products.

To do a good job on the first function I need to know more about your views as to your needs. I am preparing my own views as to what is wrong with some of the products. You will receive soon a memorandum on those views and a questionaire eliciting your views.

I am reviewing a special SS–9 study produced by CIA, at your request, as a follow-on to my work for you in early 1970. I did not report to you on this product, which was finished in September 1971, although some of Phil Odeen's people made use of some of the results. The study did not meet the goals set for it. It is now under critical review by a panel of people from DIA, CIA, NSA, and INR. I will chair a review meeting next week to get their assessment and produce proposals on how best to continue this effort.

Recommendations

Since the NSCIC Working Group seems unwilling to address the problem of how best to supply guidance to the intelligence community, I recommend that the two following measures be taken:

—As chairman of the NSCIC, you task Helms to draft, for NSCIC consideration, comment, and revision a document, comparable in scope and size to the President's Foreign Policy Statement, that gives his views as to the major political, military, and economic trends affecting the world environment of importance to national policy. This draft to be available in September for NSCIC consideration and comment.[5]

—A draft be prepared expressing both your own views as to the changing world environment and the attendant U.S. policy issues top level decision makers will be concerned with over the foreseeable future. This statement to take as its basis the current version of the President's Foreign Policy Statement.

The draft prepared by Helms, if it can be revised to be acceptable to you, could then be issued as NSCIC guidance to the intelligence community and used in preparing the President's Foreign Policy Statement for 1973. If it is unacceptable, you will become aware of the divergences that exist between your judgments as to the world environment over the next five years and those of the DCI and his staff. We will then have a very concrete basis for demanding improvements in the intelligence product, and even changes in the allocation of intelligence resources.

---

[5] Kissinger wrote in the margin next to this paragraph, "That's really *very* ambitious."

The draft of a statement by you would complement the DCI effort because it would focus primarily upon the policy issues likely to engage the attention of top level U.S. decision makers in the future. I would propose to borrow a young State Department officer, Robert Crane, to prepare the NSC draft. If the effort fails the draft can be discarded.

I therefore recommend that:[6]

—You sign the attached memorandum to Helms asking him to draft a report to the NSCIC giving his views as to future trends in the world environment.

—That I undertake to have prepared a draft of a statement by you of trends in the world environment and major policy issues facing the U.S.

I plan to ask for a few special studies by the intelligence community, with the objective of producing some interesting material for you, as well as offering an opportunity, through critical review of study drafts, to make the community more aware of the quality of product we would like to have. The following is a list of possible topics, please indicate your preferences:[7]

—Soviet Military and Political Strategy toward its Southern Asia Arc (Iran to Japan).

—Soviet capabilities for flexible and discriminating use of strategic forces.

—Soviet Nuclear Technology as related to possible comprehensive test ban issues.

—Soviet Naval missiles.

[6] Neither option is marked.

[7] None of the topics is marked.

269. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to Director of Central Intelligence Helms[1]

Washington, April 13, 1972.

SUBJECT

Report on Implementation of President's Reorganization of Intelligence Community

Will you please prepare by May 5, 1972, a report of the progress achieved so far in implementing the reorganization of the intelligence community and of steps taken to achieve the President's major objectives as stated in his memorandum of November 5, 1971.[2]

In particular the report should cover actions and progress toward:

—Preparation of a consolidated intelligence program budget.
—Related measures to achieve a more efficient use of resources.
—Development of a comprehensive program focused upon improving the intelligence process and product.

In addition, I would appreciate your views on the major issues which should occupy your attention during the next six months in the areas of:

—More efficient use of resources.
—Improved quality, scope and timeliness of intelligence product.
—Development of an increased and restructured personal staff to support you in your new responsibilities.

Henry A. Kissinger

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 7, HAK Administrative and Staff Files—Memoranda Dispatched from WB, Sept. 1971–1974. Secret. Drafted by Marshall. On April 14 Helms forwarded the memorandum to Tweedy with the following comment on the routing slip: "I don't know whether this is cause and effect yesterday, or the clanking machinery of the bureaucracy clanking." (Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 4, Folder 2, I–23, Intelligence Community Reorganization)

[2] Document 242.

270. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon[1]

Washington, April 28, 1972.

SUBJECT

Foreign Intelligence Advisory Board Report on Economic Intelligence

In June 1971 you asked the Foreign Intelligence Advisory Board (PFIAB) to study U.S. economic intelligence. The Board believes economic intelligence has not received sufficient attention since World War II, a reflection of the economic dominance of the U.S. and the priority granted political and military matters. The underlying situation has changed drastically in recent years and the U.S. can no longer afford to neglect economic intelligence in their view.

The Board recommends that:

—Economic intelligence should be treated as an essential element of national security.

—The DCI take the lead in developing a broad new concept of economic intelligence, and see that collection priorities and intelligence resource allocations be altered accordingly.

—A review of the quality and quantity of economic representation and reporting abroad be undertaken.

—The Council on International Economic Policy develop procedures to provide information and assistance to business and commercial organizations.

—Treasury and Commerce should consider establishing intelligence offices or bureaus.

The Board's report has been sent for comment to State, Treasury, Commerce, DCI, OMB, and the Assistant to the President for International Economic Policy. All agree with the Board's general diagnosis of the increased importance of economic intelligence and the less than adequate attention given to it in the past. Measures are being taken to improve the situation.

For the moment the Board is, I believe, satisfied by the progress being made. The newly created NSC Intelligence Committee Working Group is surveying current developments in the economic intelligence area. I will report any important findings to you.

Attached as Tab A is the full report should you care to read it.[2]

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, Vol. VI. Secret; Sensitive; Noforn. Sent for information. Drafted by Marshall. A notation on the memorandum indicates the President saw it.

[2] Tab A is attached but not printed. Copies of the agency comments on the PFIAB report and Marshall's April 18 memorandum discussing the report are ibid.

271. Memorandum From Director of Central Intelligence Helms to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, May 4, 1972.

SUBJECT

Report on Implementation of President's Reorganization of Intelligence Community

REFERENCE

Your Memorandum of 13 April 1972[2]

1. Since my first, 30-day, progress report to the President of 5 December last,[3] I have been concentrating on the following areas in connection with the President's original charge to me concerning the intelligence community:

a. Build-up and reorganization of personal staff to get the essential work done;

b. After the initial meeting of the National Security Council Intelligence Committee (NSCIC),[4] to launch its working group and begin a program to focus upon improving the intelligence process and product;

c. To organize the Intelligence Resources Advisory Committee (IRAC) and establish an IRAC working group to assist and advise me in the preparation of the consolidated intelligence program budget;

d. To establish the necessary procedures with the balance of the intelligence community to obtain the information I need to carry out the President's directive.

2. Let me give you a more detailed account of what has been involved in the four areas listed above:

a. Although the process is not entirely complete, I am satisfied that I have now restructured my personal staff to provide the necessary support. Some attention has been given to getting fresh blood into it, and diversifying its capabilities by adding qualified people from CIA, DIA and NSA. The Community Comptroller Group, for example, which has the main responsibility for supporting me in the preparation of the consolidated program budget, is headed up by the former Director of Planning, Programming and Budgeting of CIA and he is

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. II. Top Secret.

[2] Document 269.

[3] Document 249.

[4] Documents 250 and 251.

assisted by the former DIA Comptroller and the former Chief of Staff at DIA. A senior officer from NSA on loan from Admiral Gayler also has been added. This staff as a whole, organized as I outlined in my progress report to the President of 5 December last, is now in a position to assist me in the various tasks set forth in the 5 November directive.[5] With few exceptions, additional people will be added only as I see the work load absolutely requires it. The staff includes individuals whose primary responsibility is to maintain contact throughout the community with individual program managers and their staffs and to participate on a fairly intimate basis in their planning and budgetary reviews and cycles.

b. After the initial meeting of the NSCIC, a working group was set up, chaired by my representative as you requested, my deputy for intelligence community affairs. This group, as you know, has now met several times and is drawing up a work program designed to improve the intelligence product and to provide guidance and comment on the production process of the community. As a result, a series of studies has already been produced providing an inventory of activities in the community in various substantive areas. These have included narcotics, economic reporting, the community's production resources and others. These are intended to assist the working group in deciding what studies need to be undertaken. Studies are under way on the community's performance during the recent Indo-Pakistan crisis and on the intelligence annexes to the National Security Study Memoranda, and preliminary work is being done on a study of regular intelligence publications, their need, quality, duplication, etc. In view of the objectives of NSCIC, the working group has been established and is being maintained at quite a senior level. Membership includes the head of the Net Assessment Group of your staff; the Assistant Secretary of Defense for Intelligence; a representative of the Under Secretary of State's office; a representative of the Attorney General; the Director, J–5 (Plans and Policy) of the JCS representing the Joint Chiefs of Staff; the Director, DIA; the Director of Intelligence and Research at the Department of State; the Chairman of the Board of National Estimates and the Deputy Directors for Intelligence, and Science and Technology of CIA.

c. After an organizational meeting of the Intelligence Resources Advisory Committee, a working group was set up chaired by my representative, the chief of my Community Comptroller Group. A program is being developed by the working group to identify major issues in the intelligence community, whose solution will have important impact on national intelligence program resources (money and manpower) and on substantive product. The aim, for now, is to identify

[5] Document 242.

issues whose solution can affect the preparation of the FY 1974 consolidated program budget and also for immediately succeeding years. A series of issues are now under study under various community auspices and they include the review of various aspects of the world-wide atomic energy detection system, programs and sensors devoted to missile re-entry, peripheral air reconnaissance, reconnaissance drones, warning systems, deep space collection and others.

d. An essential preliminary step to increased involvement in supervision of the community has been the setting up of procedures and the arrival at understandings with the other members of the community. As I find it will be essential for me and my staff to follow closely the planning, programming and budgetary cycles of all the programs in the national effort, I have concentrated on participating in these and identifying the information needed to formulate judgments on the program as a whole. I see this as being an evolutionary process for quite a considerable period, as we all learn from experience what will work, what is essential and what is superfluous. There is no quick way of achieving this and my concern is that the experimental period also produce results. As you might imagine, much of this has to do with working out arrangements with the Department of Defense, specifically with the Assistant Secretary for Intelligence. We have already come a good way but it will take at least the passage of a full annual programming and budgetary cycle before we can evaluate the result. Another aspect of this is my appearance before the appropriate subcommittees of the Senate and the House to explain and defend the national intelligence program for FY 1973. I have prepared a presentation which relates intelligence substance and product to the whole program, and which explains how the individual pieces combine to produce the necessary intelligence and how they must be interrelated. I shall be appearing before Senator Ellender on 5 May but the date for my presentation before Chairman Mahon has not yet been fixed.

3. Insofar as I can look forward over the next six months, I anticipate my emphasis will be on refinement of what is presently being done. In the field of resources, I am anxious to see how the studies now under way come out and what lessons can be learned from them. I am very conscious of the fact that the study of major issues, involving large expenditures and sizable manpower, takes time to complete and requires experienced and qualified people to work on. Because of this necessarily heavy investment in time and valuable manpower, I am continually seeking ways to achieve comparable results, in which both I and the community can have confidence, on a more economical and timely basis. It is too early to say how successful this effort will be but I am convinced we must move in this direction if we are to develop an effective and continual system of cross program analysis. In the area of intelligence product improvement, the NSCIC working group will

continue its present efforts, with particular emphasis on devising means, for your consideration, by which senior consumers of intelligence at the policy level can provide the community with the type of guidance and comment it needs before it undertakes any substantial revision of the product. There is still much experimental work to be done in this area and if we come up with ideas, I shall be grateful for your views and assistance. Finally, and as I reported earlier in this paper, I believe the restructuring of my personal staff has largely been completed. I would merely emphasize that my views on the makeup of the staff remain flexible and I am quite prepared to modify it as need and experience seem to dictate.

Dick

---

272. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, May 15, 1972.

SUBJECT

Issues Arising from the Presidential Intelligence Reorganization

You will recall our recent discussion of the several issues on external participation in the DoD planning and review cycle for intelligence programs[2] which have arisen since the President's memorandum of 5 November.[3] The attached memorandum to Dick Helms[4] represents the essence of the approach I discussed with you. It has been coordinated with Bob Moot and Gardiner Tucker and includes their suggestions. The issues that I see are the following:

Dissemination of the Fiscal Guidance. This is essentially an internal DoD planning document, but it is part of the data base needed by the DCI if he is to play a meaningful role in program review. I, therefore,

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 350.09 (March–Dec) 1972. Secret.

[2] The discussion followed an April 24 memorandum from Hall to Laird concerning "Issues Arising from the Presidential Intelligence Reorganization." Hall's memorandum and an April 27 memorandum commenting on it from Moot to Pursley (which Pursley forwarded to Laird) are ibid.

[3] Document 242.

[4] Document 276.

propose that we send the intelligence fiscal guidance document to him, for information, and make no other outside dissemination.

Program Managers' Review. In the past, OMB and DCI staffs have attended some of these reviews. I propose that this practice not be continued, as the reviews are internal and preliminary in character and are too early a forum for debate with outsiders. They are designed to assist the program managers and should be limited to this purpose. The DCI staff can be expected to object to this position. If the DCI, himself, objects strongly, we could fall back from this position.

POMs and Other Preliminary Documentation. I recommend that we do not release these or other subordinate documentation not reflecting your decisions outside the DoD, and that we not fall back from this position.

The CDIP Review and the PDM on Intelligence. The DCI requires an input from us as the basis for the DoD portion of his National Intelligence Program Memorandum, which is his recommendation to the President on all national intelligence programs, and which he submits to the President via OMB. Because of the timing, he cannot wait for your DoD budget submission to the President, but must use the earlier PDM as input. If he is to do so, he should participate in the CDIP review which develops the PDM, in order to understand its rationale. A more important reason for his participation is that he is required by the President to review all of the intelligence programs, and this forum permits him to do this. Finally, his assistance is valuable in assessing the substantive effects on intelligence of the resource issues we will address.

I propose, however, that the OMB not participate in this review if the DCI staff participates. We may have to fall back on this issue with OMB, but I believe it is the conceptually proper stand to take.

Budget Review. This is OMB's traditional arena, and OMB has a staff responsibility to the President for review of the resulting DoD budget submission. On the other hand, since the major resource issues should have been resolved during the CDIP review, there is no need for DCI participation in the fiscally-oriented budget review process. Our position should be that OMB should be the sole external participant in that review.

Role of the Intelligence Resources Advisory Committee (IRAC). The DCI has developed a concept paper for the IRAC which does not enmesh that body in the DoD intelligence resource planning and review cycle. From this standpoint, the concept is acceptable, and I propose to tell the DCI so.

Review of the Special Air Force and Navy Programs. The proposed memorandum states (without making it an issue) that we will handle *all* DoD intelligence programs, including the Air Force and Navy spe-

cial programs, in the same way in the budget cycle. This means that fiscal guidance will be issued to the special intelligence programs, these programs will be considered during the CDIP review, and decisions involving these programs will be included in the Program Decision Memorandum. I believe that this is the only feasible way of managing our DoD intelligence program in its entirety, but it leaves untreated the role of the ExCom. The issue may not be raised by Dick Helms, but it is likely to be raised by the managers of the special programs when this year's CDIP review is initiated. A possible answer could be that, if the program manager is concerned about an issue, he could request the Deputy Secretary of Defense to consider it in the ExCom arena before the PDM is signed by the Secretary of Defense. In any case, I recommend that we proceed in a common way for all programs.

I will appreciate receiving your guidance on the memorandum to Dick Helms. You may wish (1) to alter some part of the memorandum, (2) to have me send it without a commitment on your part, or (3) to sign it yourself.

Albert Hall

---

273. Memorandum From President Nixon to his Assistant (Haldeman)[1]

Washington, May 18, 1972.

One department which particularly needs a housecleaning is the CIA. The problem in the CIA is muscle-bound bureaucracy which has completely paralyzed its brain and the other is the fact that its personnel, just like the personnel in State, is primarily Ivy League and the Georgetown set rather than the type of people that we get into the services and the FBI.

I want a study made immediately as to how many people in CIA could be removed by Presidential action. I assume that they have themselves frozen in just as is the case with State. If that is the case I want action begun immediately, through Weinberger, for a reduction in force of all positions in the CIA in the executive groups of 50 percent. This reduction in force should be accomplished by the end of the year so

[1] Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Personal Files, Box 4, Memoranda from the President, 1969–1974, Memos—May 1972. No classification marking. A copy was sent to Malek.

that we can then move to get in some better people. Of course, the reduction in force should be accomplished solely on the ground of its being necessary for budget reasons, but you will both know the real reason and I want some action to deal with the problem.

In another area of recruiting I want you to quit recruiting from any of the Ivy League schools or any other universities where either the university president or the university faculties have taken action condemning our efforts to bring the war in Vietnam to an end. We are totally justified in doing this anyway because the government simply has too many Ivy League people in relationship to the percentage of Ivy League graduates compared with the total number of college graduates in the country.

In filling our needs I want you to give first priority to those schools who have presidents or faculty members who have wired us or written us their support of what we have done in Vietnam. Have the mail checked very carefully to see which ones these are. After you get past those you can then go to other schools in the Midwest, in the South, and even possibly some in the far West (not, of course, including Stanford or Cal) where we would have a better chance to come up with people who would be on our side. Retired military people are also good for this purpose.

---

274. Memorandum From President Nixon to the Chairman of the President's Foreign Intelligence Advisory Board (Anderson)[1]

Washington, May 19, 1972.

SUBJECT

Human Source Intelligence

One of our major requirements in the intelligence field is to obtain better and more timely information on the doctrine, strategy, plans and intentions of so-called "hard" target countries. Human source collection is one of the few ways to acquire such information.

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 276, President's Foreign Intelligence Advisory Board, Vol. VI. Top Secret; Sensitive. The Board drafted the memorandum for the President at his request following his meeting with the Board on May 5. (Memorandum from Latimer to Haig, May 12; ibid.)

Accordingly, I would like the Board to study the full capabilities of the U.S. Government in the field of human source collection and related activities in order to advise me whether the prospects for procuring this intelligence can be improved and, if so, how.

Because of the special sensitivity of this method of collection, the study is to be conducted exclusively by the Board with assistance from appropriate consultants as deemed necessary by the Board.

Your report, with its recommendations, should be transmitted to me alone, through my Assistant for National Security Affairs.

I recognize that, in order to conduct this study properly, the Board will have to receive the total cooperation of the senior intelligence officials of the government and that the Board will require full access to the most sensitive kinds of information and documentary data. So that they may be clear as to my interest in this effort, you are authorized to show this memorandum, with appropriate caveats, to the officials involved.

Richard Nixon

---

275. Memorandum From the President's Deputy Assistant for National Security Affairs (Haig) to the President's Assistant for Domestic Affairs (Ehrlichman)[1]

Washington, May 29, 1972.

SUBJECT

Overview of the FBI's Domestic Collection of Foreign Intelligence, Counterintelligence and Counterespionage

As you know, we had several exchanges with John Mitchell while he was Attorney General about the possibility of putting the overview of certain internal security programs under the NSC. However, we were unable to reach a final agreement as to which programs could best be conducted under the aegis of the NSC.

It occurs to me that now might be a good time to consider taking steps both to improve our counterintelligence and counterespionage

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 7, HAK Administrative and Staff Files—Memoranda Dispatched from WB, Sept. 1971–1974. Confidential. Sent for action.

programs and to improve coordination and cooperation between the FBI and CIA. One step might be to add an FBI representative to the new NSC Intelligence Committee which would then add to its responsibilities the overseeing of the FBI's counterintelligence and counterespionage activities. It would also make certain that there is an effective FBI program for the collection of foreign intelligence domestically. The NSCIC would also be in a position to ensure full coordination between the Bureau and the Agency in these matters.

I would appreciate having your views on this suggestion.

---

276. Letter From the Assistant Secretary of Defense for Intelligence (Hall) to Director of Central Intelligence Helms[1]

Washington, June 5, 1972.

Dear Dick:

In the six months that my office has been established, we have had a number of discussions relating to how the intelligence activities within the Department of Defense may be more systematically managed and how we can be responsive to the intent of the President's memorandum of 5 November 1971.[2] These discussions have been held with your staff, with the intelligence program managers in Defense, with those other elements of the Department of Defense that are responsible for our planning and budget preparation, and with the Secretary. As a result of these considerations, I would like to put forth how I believe it would be feasible for us to proceed to handle the intelligence planning and budgetary actions of the Department of Defense in a better way and how I see these actions supporting your responsibility as DCI. If you feel that the plan meets your needs, I will discuss it with OMB as well, since, as you know, the staff there has views in this area. In any case, I hope you will review it as a proposal, and although it has had a good deal of consideration here, it could well benefit from your suggestions.

I have structured the plan around certain key events which are related to the DoD planning, programming and budgeting cycle;

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 350.09 (March–Dec) 1972. Secret.

[2] Document 242.

however, there are other actions, since they are dominantly yours and fall outside the DoD cycle, that I will discuss in the same context.

1. *Planning Guidance for the Forthcoming Five-Year Program.* It is customary in the DoD plan for policy, force planning and fiscal guidance to be issued in the January–February time frame for the five fiscal year period beginning approximately eighteen months later. My office is responsible for recommendations to the Secretary regarding this guidance within the intelligence area, and Systems Analysis is responsible for recommendations regarding the overall force planning and fiscal guidance for the DoD program. In past years, guidance in the intelligence area has been largely limited to fiscal guidance, whereas other DoD programs have been receiving increasingly substantive policy and planning guidance. This year, for the first time, the Secretary included substantive guidance along with the fiscal recommendations and intends to strengthen this effort next year. In preparing fiscal recommendations and substantive guidance to be issued during the planning cycle, the Secretary will consider the problems and trends in DoD, including the planning guidance that I understand you will issue about three months preceding this time frame. The Secretary's guidance covers all four DoD intelligence programs. I will provide you or your staff with the guidance issued, and will welcome the identification of any problems you perceive.

2. *The Program Cycle.* During the spring, it is DoD procedure for the Service Secretaries, having received SecDef fiscal and substantive guidance, to analyze their forces and to prepare for OSD review Program Objective Memoranda (POMs) reflecting their proposed programs for the next five fiscal years. During this time frame, the DoD intelligence program managers analyze their programs and submit POMs for OSD review. While these POMs must implement the guidance, the program managers are encouraged also to identify issues which lie outside the fiscal and substantive guidance they have received. The program manager reviews are held as internal proceedings, primarily for the assistance of the program managers. Although there has been participation in the past from outside DoD, I believe that these analyses should in the future be conducted without outside participation, in keeping with their internal character. The subsequent Program Objective Memoranda will also be treated as internal and given internal dissemination only.

3. *Consolidated Defense Intelligence Program Review Conducted in the July–August Time Frame.* This review, which I will continue to lead, is the substantive review in preparation of the Program Decision Memorandum approved by the Secretary of Defense. I plan to review all four DoD intelligence programs at this time. The product of this review will be an Intelligence and Security Issue Paper presenting a broad range of alternatives on major issues. This Issue Paper will go to the

Secretary for his decisions. I propose that your office submit options for incorporation in the Issue Paper. The Secretary's decisions will be recorded in a Program Decision Memorandum (PDM) in early August. A copy will be provided to your office. I suggest that this could be the basis for the DoD input to the preparation of your National Intelligence Program Memorandum (NIPM).

4. *Budget Review to Prepare Program Budget Decision.* Beginning in October it is customary for the Comptroller to chair a budget review leading to preparation of the Program Budget Decisions for the first fiscal year of the five year program. Ideally, there should be a minimum of substantive issues at this point, and the bulk of the effort directed toward insuring that the smaller questions are settled and the budget is accurate. This review will continue to be chaired by the Comptroller, and on intelligence matters, my staff will be represented. The only other representative outside DoD would be OMB, which customarily reviews the situation at this point. I will provide you with the PBD (Program Budget Decision) which reflects the Secretary's decision on intelligence matters. I will at the same time solicit your comments and observations on the PBD, for consideration by the Secretary. Occasionally, there are last minute issues which are important, and this did occur last December. I would propose to handle these questions as we did those. When a real-time decision is required for the budget, I would proceed to take the action necessary, but not implement the actions until the matter was reviewed carefully—and I would, of course, seek your advice.

Finally, in December there is a final NSC meeting on the Defense budget which treats all unresolved issues, including Intelligence. Your inputs to this meeting will also be solicited.

I will be happy to discuss this subject with you when you wish.

Sincerely,

Harold G. Bowen, Jr.[3]

[3] Printed from a copy that indicates Deputy Assistant Secretary Harold G. Bowen, Jr., signed for Hall.

277. Memorandum From the Deputy Director of Central Intelligence for the Intelligence Community (Tweedy) to Director of Central Intelligence Helms[1]

Washington, June 7, 1972.

SUBJECT

Al Hall's Letter of 5 June[2]

1. Hal Bowen penned a note to me to a copy of Hall's letter to you. The note mentions that although Hall is currently away, the letter has his approval and that it is "our response to your letter of 21 April." To refresh your memory, I am attaching a copy of the 21 April letter I sent Hall, together with the proposed operating plan on which John Clarke and I briefed you before its dispatch to Hall.[3] I merely mention this background because it typifies the thrust of Hall's letter, which is that it is *not* a response to mine (there is no reference to it anywhere) and it reads as if the ASDI office has finally got around to drafting a proposal for cooperation with the DCI, as if no other water had flowed under the bridge since November last. You will note, as my letter says, that considerable care was taken to consult with Hall's office (and the DoD Comptroller's) during the formulation of the operating plan and these offices had seen the final text before I sent it to Hall. I do not mean by this that Hall had to accept what his subordinates and another office had generally found workable, but he was given a detailed proposal which clearly had as its base what we conceived to be the DCI's needs to discharge his community responsibility. None of this is so much as acknowledged in Hall's letter.

2. I do not know specifically what has happened since 21 April. Shortly thereafter, we heard from Bowen's staff that Hall was going to consult Laird on our proposal. I can only assume that he hardly asked Laird to read the letter and the attachment in detail, but that he had suggested perhaps that the proposal needed some tightening up and that he would deal with the matter. Perhaps it happened that way or perhaps Laird gave Hall much more detailed and exact instructions. I do not know, but I do know that if this latest letter is taken literally we are back on square one and at a time when the reality of our working with Hall's office and the program managers is a totally different thing.

---

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–R01284A, Box 4, Folder 2, I–23, Intelligence Community Reorganization. Secret.

[2] Document 276.

[3] Neither is attached.

What Hall's letter basically does is to pay lip service to the need for Defense to work closely with the DCI and to assist him in carrying out what he has been told to do. The thrust is that the ASDI and the Secretary will do all the work, make the decisions and do a spot of coordinating with the DCI at a few symbolic milestones during the course of the planning cycle. For example, in paragraph 1 of Hall's letter he talks about fiscal guidance. Fiscal guidance is what basically drives the whole Defense program. The letter states that you or your staff will be provided with the guidance issued and the identification of any problems you perceive will be welcome. This is a meaningless gesture. If you do not participate in the philosophy and the planning assumptions which lie in back of the recommended fiscal guidance, your comment on it after it is issued will be largely a waste of time. It is a fact, for example, and we learned it after the event, that the recommended fiscal guidance for 1974 had options in it which would have delayed [*less than 1 line of source text not declassified*]. These options, of course, were not taken up, but if they had been and the guidance issued by Laird, your attempts to change it would have resulted in a mess at best because the guidance goes out immediately to every last nook and cranny of DoD and the overseas commands. In other words, fiscal guidance, when issued, is not constructed to be modified.

3. It is tempting to recommend to you that we ignore this letter, as ours have been in the past, and continue on with the Defense intelligence community at the merry and satisfactory clip that now prevails. Unfortunately, this letter is too specific to be ignored and, more importantly, it appears to reflect a state of mind which needs to be disabused. Although I have not fully thought the program through, I am not inclined to suggest that you, or I, send him a reply. What is needed, it seems to me, is a discussion with him which attempts to impress on him, once and for all, what the realities of your responsibilities are and what you conclude you require to discharge them. I think emphasis must be placed on the fact that what we are talking about are national programs, which, for quite practical reasons, have been placed under the Secretary of Defense's auspices and whose product is designed to serve the President and the National Security policy structure; that they are not in Defense primarily to serve the military's needs, although they are important, and that what you have been asked to supervise is no part of any military force structure. In other words, if the logistic and budgetary problems were tolerable, this whole program would be in civilian hands, probably your own. Such a conversation might smoke out what the problem is, i.e., whether it is Laird or Hall, or a combination of both; in any event it would make quite clear how you view your role and what you believe you must do to fulfill the combination of instructions and expectations you have received from the executive and legislative branches. In an ideal world, I would like to

conduct this conversation myself—but I really wonder if that is the effective way to do it. The alternative and the one I presently favor is for you to do it either alone with Hall, or with Bowen and me present.

4. Perhaps the above can serve as background for discussion before we decide on tactics.

Bronson Tweedy[4]

[4] Printed from a copy that indicates Tweedy signed the original.

278. Memorandum From Thomas Latimer of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Haig)[1]

Washington, June 21, 1972.

SUBJECT

FBI Participation in NSC Intelligence Committee

John Ehrlichman has responded (Tab A)[2] to your memorandum of 29 May (Tab B)[3] asking for his view on adding an FBI representative to the NSC Intelligence Committee. Your memorandum also suggested that the NSC Intelligence Committee: oversee the FBI's counterintelligence and counterespionage activities; make certain that there is an effective FBI program for the collection of foreign intelligence domestically; and ensure full coordination between the Bureau and CIA in these matters.

In his memorandum to you, John Ehrlichman agrees with the idea of inviting an FBI representative to participate in the NSC Intelligence Committee in order to improve coordination and cooperation between the CIA and the FBI.

He believes, however, that it should be made clear that the oversight responsibility of the Intelligence Committee extends only to the

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 242, FBI, Vol. IV, 26 June 1970–27 July 1973. No classification marking. Sent for action.

[2] Ehrlichman's memorandum of June 10 is attached but not printed.

[3] Document 275.

cooperation and coordination aspects of the CIA and FBI counterintelligence and counterespionage activities and not to the activities themselves.[4] This, he says, will ensure the fullest participation by both.

Ehrlichman also suggests that David Young sit in on meetings of the Intelligence Committee which deal with these matters since he has been doing some work in this area.

It is clear from Ehrlichman's memo that he does not want HAK overseeing FBI activities now that there is a new leadership in the Bureau. Nevertheless, his agreement that HAK oversee coordination between CIA and the FBI leaves plenty of room to make sure that there is some improvement in that whole area.

Our next step probably ought to be to put the subject of FBI–CIA coordination in counterintelligence and counterespionage on the agenda of an NSC Intelligence Committee meeting and ask Acting Director Gray to bring along an FBI representative to the meeting. Russ Ash, Andy Marshall and I should be able to provide HAK with some talking points for such a meeting.

Recommendation

That Andy Marshall, in coordination with Russ and myself, prepare an item for the Intelligence Committee on this subject.[5]

---

[4] David Young, who drafted Ehrlichman's response to Haig, told Ehrlichman that "he was not so sure the Committee should have such broad oversight responsibilities" as Haig envisioned in his May 29 memorandum and therefore he had drafted the response "to make it clear that the FBI's participation should be limited to improving *coordination* and *cooperation* between the FBI and the CIA in the described areas." (Memorandum to Ehrlichman, June 1; National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, David R. Young, Subject Files, Box 3, NSC Intelligence Committee)

[5] Haig checked the approve option.

279. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, June 30, 1972.

SUBJECT

Accumulated Intelligence Issues

This memorandum summarizes some intelligence issues that have accumulated over the last couple of months. These include:

—You owe Helms a reply to his request that you review DCID 1/2, the DCI's current effort to provide guidance to the intelligence community as to national intelligence objectives and priorities.

—Helms has responded to your request for a six month progress report on the implementation of the President's intelligence reorganization. You may want to comment on Helms' report. Before addressing these and other issues it will be useful to:

—Summarize what has been happening in the intelligence area since my last report to you.

—Raise the question as to the best strategy for:

- Effectively carrying out the President's reorganization.
- Getting you a better product.

What Has Been Happening

My assessment of progress in implementing the President's reorganization is the same as I gave you in my memorandum of April 13.[2]

—Slow progress because of a cautious and limited approach to implementing the President's directive.

—Considerable resistance and defensiveness on the part of CIA to efforts to evaluate past performance, or to suggestions as to ways in which intelligence products might be improved. (I have attached your copy of my April 13 memorandum at Tab C. It has some marginal notes and an indication that you wanted to discuss it with me.)

---

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. II. Top Secret; Sensitive; Codeword. Kissinger wrote on the first page: "Andy—Please see me. Dick [Campbell of the NSC Staff] *before* that I want to reread this memo plus attachments." The memorandum has four covering notes, three of them undated, which include the following comments: Jonathan Howe of the NSC staff wrote Haig, "If we intend to take Helms on, it may be preferable to discuss these issues with him orally"; Haig wrote Kissinger, "We should meet with Helms and avoid paper donnybrook"; Haig told Campbell on July 10 to "set up meeting *next* week"; Campbell later wrote Marshall that he had been holding Marshall's memorandum "for the meeting we were going to have between you and HAK which never came off."

[2] Document 268.

Intelligence Reorganization

Helms' response to your request (see Tab D) for a six month progress report on the implementation of the President's intelligence reorganization is at Tab E.[3] It is a misleading statement of the state of affairs. While it describes steps taken, it does not assess the progress made in achieving the President's goals. Indeed, not much progress has been achieved. Some of the steps have been more limited than portrayed. For example:

—Helms' staff has been restructured, but there are few additional people to assist him carrying out his new responsibilities.

—The only substantial work accomplished by the NSCIC Working Group likely to be useful to the NSCIC, are the studies I have directed on intelligence support of the Indo/Pak crisis and NSSM–69.

—There appears to be no intention to develop the comprehensive product improvement program asked for in the President's memorandum. The attitude is that if after laborious study some defects in intelligence products are exposed, then appropriate changes will be made. In other words, there is no initiative coming from Helms to improve the product.

Helms is still working out his approach to the preparation of a consolidated intelligence budget. At the moment the plan is that he will merely collect together the DOD, CIA, and other budget components and present them, along with a National Intelligence Program Memorandum (NIPM). The latter will be modeled after McNamara's DPM's. It will set a context for program decisions, present the rationale for FY–74 intelligence program decisions, and perhaps raise outstanding issues. It will be available in mid-October. Helms will also issue planning guidance to the community in December. Attached at Tab F is the current outline of Helms' planning guidance.[4] It will attempt to describe the future political-military-economic environment of the U.S. 1975–80, highlight key policy issues in that time period, major intelligence problems, and give appropriate planning guidance to major program managers. Both of these documents will offer an opportunity for comment and guidance to the community. Both should be reviewed by the NSCIC after they are issued, perhaps before, and Helms would resist the latter. Helms will, in fact, be doing what I urged you to ask him to do in my April 13 memorandum.

---

[3] Tabs D and E are printed as Documents 269 and 271.

[4] Attached but not printed.

NSCIC Working Group Activities

The product evaluation work of the NSCIC Working Group is moving forward, though too slowly to suit me. The Indo/Pak crisis study is finished[5] and the NSSM–69 essentially done. Additional studies in these two series will be started soon. There has been a lot of foot-dragging on the part of Helms' representative and the CIA members. Despite prodding by me there has been almost no progress in developing a program of work to assist the NSCIC to carry out its other main functions—giving guidance as to substantive intelligence needs to the community. I have some proposals as to what to do about this below. Later this year, as indicated above, Helms' NIPM and planning guidance will offer opportunities to give guidance. Although intelligence people say they want guidance from users, they really like the current situation that keeps outsiders out of their business.

What is the Best Strategy

Before recommending specific near-term actions, I want to raise the question: what is to be our basic strategy dealing with Helms and the intelligence community for the rest of this year? Al Haig and I discussed this recently. The conclusions I drew were:

—Assume Helms will retire the end of next March at age 60.
—Major showdown unwise and likely to be unproductive.
—Pressure should be continued in key areas so as to keep things moving; e.g., NSCIC Working Group product evaluation studies, asking Helms to present NIPM and planning guidance document to NSCIC for comment, etc.
—Make known your views as the important characteristics of the new DCI.
—Stockpile ideas as to specific actions the new DCI might take to achieve the President's goals.[6]

Can we discuss the details of your preferred strategy sometime soon?

Specific Actions

Response to Request to Review DCID 1/2

You owe Helms a reply to his February 24, 1972 request for your reactions to DCID 1/2 which purportedly describes U.S. intelligence objectives and priorities. A proposed memorandum for you to Helms is at Tab A. Helms' request and a copy of DCID 1/2 are at Tab G.[7]

---

[5] See Document 286 and footnote 2 thereto.

[6] Neither the agree nor disagree option is checked.

[7] Tabs A and G are attached but not printed.

DCID 1/2 is supposed to provide guidance for resource allocation decisions to managers in the intelligence community. He invited guidance from you with respect to the 71 objectives, nine sub-objectives, and the numerical priorities (running from one to eight) attached to each objective in each of 116 countries. Specifically, he asked:

—How well the listed objectives reflect White House and NSC requirements.
—How appropriate you find the assigned priorities.
—What suggestions you have for adding or deleting objectives and changing priorities.

In his letter, Helms indicates that since the other relevant agencies participated in the statement and review of the priorities, he already has their approval of the document and thus is asking only you to comment. It is doubtful, however, that the other principals in the NSCIC were ever involved in the process or even knew about it; consequently, the subject of intelligence priorities, if properly formulated, could be profitably discussed in the NSCIC in the future.

Unfortunately, DCID 1/2 does not fill the bill. I have reviewed the document and elicited comments on it from other members of the NSC Staff. While the responses have varied in detail, I think it is fair to say that all of us agree on one point: whatever the utility of this document to the intelligence community, it is so sweeping and general in character, so divorced from any consideration of how resources will be allocated, and so devoid of explicit issues and choices, that neither you nor the NSCIC could possibly review it, much less respond to it, with any meaningful guidance.

The immediate and ostensible issue is how to respond to the Helms' request for guidance. The more fundamental and serious issue is how to extract from the DCI a document, or series of issues, that will present you and the NSCIC with an appropriate basis for effective response and provision of guidance as to your priorities and needs. As I have indicated, DCID 1/2 and its supplements do not perform that function. They simply serve up a smorgasbord of objectives, with something for everyone on the tray. It may be that DCID 1/2 is of some use within the intelligence community, but even that is open to doubt.

Under these circumstances, it seems to me that you have a choice from among three basic replies to Helms:

—A bland thank-you note.
—A rather more skeptical response which asks what difference this listing will make, and question how priorities can be productively discussed independently of resource allocations.
—An even more pointed reply which indicates that you are puzzled by the document and requests that he provide you and the NSCIC

with specific issues and/or documents better designed to allow discussion and issuance of guidance as to intelligence needs.

Recommendations

I believe that you should exercise the third option. As matters now stand, the NSCIC Working Group—with its heavy representation from the intelligence community—simply is not developing a comprehensive and interesting set of issues for consideration by the principals. In particular there is little underway that will assist the NSCIC in what is its principal task—guidance to the community as to intelligence needs.

The burden of developing issues is being placed entirely on the consumers, whereas in my view the DCI should be taking some initiative in presenting specific substantive reports, and issues to the NSCIC, and devising ways that make it as easy as possible for the NSCIC to give him guidance as to what is needed. There is nothing equivalent to consumer or market research undertaken by the intelligence community. They show almost no real effort to understand what the consumers need.

Helms should be asked to:

—Prepare a more suitable document that you and the other NSCIC members could more easily and fruitfully respond to later this year.

—Explore additional ways in which the provision of guidance from the top level consumers could be facilitated.

—Present the National Intelligence Program Memorandum and the Planning Guidance, you understand he is preparing, to the NSCIC for comment at an appropriate time.

The attached memorandum at Tab A makes these points. I recommend that you sign it.[8]

Response to Helms' Six-Month Progress Report

Earlier in this memorandum I characterized the nature of Helms' report:

—Covers steps taken but does not assess progress.

—Illustrates slow pace envisaged by Helms; e.g., indicates that assuming of new budgeting and programming responsibility as an "evolutionary process."

—Makes product improvement measures a delayed response to the results of NSCIC Working Group studies and subsequent NSCIC guidance, rather than the DCI assuming a major responsibility to produce some initiatives in this area.

[8] Neither the agree nor disagree option is checked.

While there is no requirement for a response to Helms' report, you may want to remind him of the responsibility laid on him in the President's memorandum to prepare a comprehensive program of product improvement. Such a reminder may:

—Put more steam behind the few efforts underway in the newly created Product Review part of his staff to study the current allocation of intelligence analysis resources, the career problems of analysts, etc.

—Cause him to increase the size of that part of his staff, which is small. It now consists of three people.

There is almost no R&D on intelligence analysis supported by the intelligence community. There is plenty of room for a display of initiative on his part. Prodding may not produce results, but can do no harm.

At Tab B is a memorandum noting Helms' responsibility for a major role in product improvement and asking him to tell you in more detail what could be done.[9]

I recommend that you sign the memorandum.[10]

[9] Attached but not printed.

[10] Neither the agree nor disagree option is checked.

280. Memorandum From the Deputy Director for Plans, Central Intelligence Agency (Karamessines) to the Executive Director—Comptroller (Colby)[1]

Washington, August 10, 1972.

SUBJECT

Presidential Letter

Dear Bill:

1. I am delighted to see that you share my view that we need to get a Presidential letter to Ambassadors instructing them to give our representatives in the field greater support and to discontinue the practice (which some of the Ambassadors actively pursue) of actually placing

[1] Source: Central Intelligence Agency, Executive Registry Files, Job 80–M00165A, Box 21, Folder 446, State/Letters to All Ambassadors. Secret.

unnecessary impediments in our way.[2] I touched on this in talking to Ken Dam, I have briefed the PFIAB full secretariat along these lines, I have given Gordon Gray a specific suggestion along these lines, and I have mentioned it to the DCI whose reaction was that I was perhaps being overly optimistic. He certainly is in favor of a try.

2. With respect to your draft, I really do not believe it serves the purpose. I am afraid that any Ambassador reading it would see it as a further order from the President to bear down on CIA and to call for more direct participation and control in what we do. I think much of the language in your draft would be useful in impressing Ambassadors with the importance of the collection of national intelligence, but I would be interested in seeing such a letter define more clearly the fact that much of our activity in many countries overseas is so-called "third country" operations. This could be spelled out in more definitive terms since I know at least two or three Ambassadors who would not understand it otherwise.

3. I have taken another look at the roger channel message which went out on December 17, 1969 as a Top Secret supplement[3] to the President's letter to Ambassadors of December 9, 1969. That message was the best we could get from the Department at the time. What we need now, I believe, is a shorter, simpler Presidential communication which stresses the importance of national intelligence collection, makes clear that the President must look primarily to the Director of Central Intelligence and his overseas representatives for this intelligence, and reminds Ambassadors that their full support and that of their missions is essential to the accomplishment of this national task. The one specific item which should be covered would be the "third country" operational item mentioned above. Normally, Ambassadors are quite content with our internal operations which support their local interests but take a dim view of our maintaining additional personnel in order to do our counter-intelligence work and our Soviet, ChiCom, Satellite and related activities both within and beyond the host country. This is the area on which the State Department has been zeroing in in an effort to get us to lay it all out in black and white and in great detail for the Ambassadors. I do not believe that it would serve our best interests to accede to this kind of enlargement of State and Ambassadorial direct interest in the details of our operational activities.

---

[2] In an August 8 memorandum to Karamessines, Colby reported that he suggested to Helms "the possibility of a Presidential letter to Ambassadors to obtain their full support of the intelligence effort," and Helms "indicated interest in the idea." (Ibid.) Colby attached a draft of the letter, which he viewed as a counterpart to President Nixon's December 9, 1969, letter to Ambassadors (Document 310).

[3] Document 311.

4. We made a copy of your draft letter and will see if we can come up with something that incorporates some of the thrust of your proposal as well as some of the thrust of my augmentation above.

Tom

---

281. Memorandum for the Record[1]

Washington, August 16, 1972.

SUBJECT

Lunch with Helmut Sonnenfeldt of the NSC Staff

At Sonnenfeldt's suggestion I had lunch with him today at the Federal City Club and we covered the following topics:

1. To my question as to how many of our TDCS reports he sees, Sonnenfeldt replied that he read all such reports that we slug for the White House. He added that he discusses the most important ones with Kissinger and also writes summaries of a series of reports dealing with a particular subject for Kissinger's attention. He explained that Tom Latimer also makes a selection from our TDCS reports for Kissinger on a daily basis.

2. Sonnenfeldt is responsible to Kissinger for keeping up on the Soviet Union, Eastern and Western Europe and Soviet activities elsewhere in the world. As to the value of the CS reporting, he was high in his praise of our coverage of the West German political scene, Japanese/Soviet relations, and he noted an improvement in the Eastern European coverage. He implied that Kissinger shared his opinion and added that Kissinger finds our reporting more useful than the usual National Intelligence Estimate. He commented that, as Kissinger has come to know personally and negotiate directly with the Soviet leadership and other world leaders, he has naturally come to be less rather than more dependent on the estimates except where they deal with complex technical subjects.

---

[1] Source: Central Intelligence Agency, DDO Files, Job 80–00037, Subject Files, Box 8, Folder 7, U.S.–6, NSC, 1972. Secret; Eyes Only.

3. To my question as to how we could be sure that very important reports from completely reliable sources were brought to his attention and to Kissinger's, he admitted that in the mass of work he has to do he might fail to see the significance of such a report and suggested that I call him directly when we receive such a document.

4. He suggested we have lunch from time to time in the future.

Cord Meyer, Jr.
Assistant Deputy Director for Plans

---

282. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Deputy Assistant for National Security Affairs (Haig)[1]

Washington, September 6, 1972.

SUBJECT

HAK's Intelligence Needs

You and I should get together again soon to review strategy toward the intelligence community. I have been proceeding down the course we discussed in our last meeting. In addition I would like your reactions to some views of HAK's needs sketched below.

Unless we can supply the intelligence community with clearer guidance as to HAK's intelligence needs, it will not be possible to get him improved products. I am now trying to put together a picture of those needs. For example, I am putting together his views of the changing nature of the world environment, the nature of top level decision-making, the role of key leaders, etc. I have attempted to characterize the nature of his day to day problems.

Diagnosis

My understanding is that Henry does not read much of the material put out by the intelligence community. There is a good flow of current intelligence material to him, and the NSC staff/Sit Room daily

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Marshall, Andrew, Vol. II. Top Secret. Haig initialed the memorandum and wrote on the first page: "Andy we still need to get together, hopefully Tues or Wed next week."

report gives him a very useful product. Most of the rest of the intelligence output is less satisfactory. Most reports are too long, given the time pressures he is under. Latimer provides good summaries for them.[2] But most of the output is not focused on his real needs, and the analysis in many cases is mediocre. Moreover there are numerous presentational problems. Some products are written using a kind of Delphic writing; the aim is to be not caught out rather than to clearly communicate with the reader.

What sorts of things, then, does HAK need? I suggest the following:[3]

—Solid, factual daily news.

—Specialized material that would help him in the tactical management of people and of situations; for example, personality studies of foreign leaders, information on the major players and the state of play in the decisionmaking processes of a foreign government, etc.

—In depth studies on key problem areas, governments and nations, that provide new insights into the likely evolution of the Soviet missile programs, the decision processes of foreign governments, the context within which foreign leaders operate and decide, etc.

The material he is getting is satisfactory in terms of the daily reporting, but it is not helping with the really big issues. For example, the intelligence community has not yet supplied, in my opinion, a well researched, thoughtful analysis of Soviet SALT policy. Nor is it helped with the tactical problems HAK has; for example, by supplying first rate studies of the decisionmaking processes or behavior patterns of governments he and the President are trying to influence, etc. The level of the analysis of governments and of political leaders is pretty much at a journalistic level. The U.S. intelligence organizations do not often supply kinds of expertise, kinds of judgments that he cannot obtain elsewhere, or produce out of his own experience.

What are the Community's Problems in Perceiving and Responding to HAK's Needs?

First, I believe they do not perceive the nature of the game that Henry and the President are engaged in. Moreover, they do not take account of the alternative sources of information available to Henry and the President through their contacts with ambassadors, with our embassies, etc.[4] They have not undertaken a diagnosis of their comparative advantage:—what is it that they can do better than anyone else for Henry and the President? They tend to vacillate between acting as universal pundits and supplying fragmented details.

---

[2] Haig put a check in the margin next to this sentence.

[3] Haig put a check in the margin next to each of the three items that follow.

[4] Haig put a question mark in the margin next to this sentence.

The community does not appear to be reacting to the changing world environment as HAK perceives it, nor to the changing focus of top level problems. However urgent the continuing need for good intelligence on Soviet-Chinese military forces, the need for political and economic intelligence will increase relatively. The kind of world that HAK believes we are moving into requires more complex political maneuvering and skillful balancing in games with three, four, five and more players. Information on friends and allies will be as valuable as that on the Soviets in many situations. In the economic area (where I feel Henry should be more interested than he is) there will be recurring currency and trade issues, and looming in the future is the energy and raw materials crisis. This will have an impact not only on the U.S., but on our allies. It may be a major factor in determining their behavior in the international area.

What I am Doing About it

Henry says that he cannot tell me what he wants and needs, but can recognize it when he sees it. In part my strategy is to produce experimental products of possible interest to him. I have something going in the following areas:

—Sample products using a new way of communicating uncertainties in intelligence judgments and estimates. A set of products giving numerical betting odds with regard to specific events in the Mid East (produced by DIA) should be available in about four to six weeks.

—Psychiatric personality studies of leading foreign leaders tailored more specifically to his needs. He expressed interest in products of this type.

I made a partially successful effort (April 1970–September 1971) to get CIA to produce an in depth study of the evolution of the SS–9 program. The objective was to pioneer a new type of intelligence analysis that would give us more insight into the multiple interest groups and organizations influencing that program. I have never surfaced it for Henry because it did not fully succeed. I will try to produce studies with similar objectives, as soon as the CIA has on board some new people with appropriate backgrounds.

I will call you soon. Let's try to cover:

—Strategy vis-à-vis the community.

—Your views on HAK's needs and diagnosis of the major problems in the community's products.

—Your ideas as to useful areas for experimental products.[5]

---

[5] Haig wrote below this sentence: "Good, let's try."

283. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, October 10, 1972.

SUBJECT

DoD/DCI Relationships

You will recall that under the provisions of President Nixon's 5 November 1971 memorandum directing changes in national intelligence management,[2] Dick Helms' intelligence community-wide responsibilities were given special emphasis.

In their efforts to respond to that memorandum, Dick's intelligence community staff has made efforts to participate in all stages of the Intelligence Planning-Programming-Budgeting cycle. I believed at the time that the appropriate role of the DCI with respect to Defense intelligence resources should be primarily one of aggregate advisorship, but with full participation in the Consolidated Defense Intelligence Program Review which preceded the development of the Intelligence PDM. I discussed these matters in April and May with Gardiner Tucker and Bob Moot. They shared my views and I also discussed those views with you. On the basis of that discussion, I sent a letter coordinated with Mr. Moot and Dr. Tucker to Dick Helms which formalized the Defense position with regard to DCI participation in DoD intelligence PPBS activities. The letter is attached.[3]

Recently Bronson Tweedy, Dick's assistant for community matters, again raised the question of DCI participation in the form of a specific request to participate in our forthcoming FY 74 budget hearings. When I advised him that I did not believe DCI participation to be appropriate or in accordance with the policy we had discussed, Bronson indicated that Dick might raise the issue with you.

I believe the existing DoD/DCI arrangements have been and remain appropriate. They provide the DCI with full opportunity to review and comment on DoD intelligence matters. They also preserve the internal DoD character of the PPBS in the important areas of POM preparation and budget development. I recommend that we maintain the arrangements originally briefed to you.

Albert Hall

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 0094, 350.09 (March–Dec). Secret. Copies were sent to Rush and Moot. A note on the memorandum reads: "OBE—29 Dec 72."

[2] Document 242.

[3] Document 276.

284. Editorial Note

Following President Nixon's re-election on November 7, 1972, the President and his closest advisers turned their attention to replacing key administration officials for the second term. During a dinner discussion with President's Assistants H.R. Haldeman and John Ehrlichman on November 9, President's Assistant for National Security Affairs Henry Kissinger raised the possibility of replacing Director of Central Intelligence Helms with James Schlesinger, then Chairman of the Atomic Energy Commission. The next day Haldeman reported the discussion to the President, who responded that replacing Helms with Schlesinger was a "very good idea." (*The Haldeman Diaries: Multimedia Edition*)

On November 20 the President met with Helms, told him he was going to make a change at CIA, and offered him an ambassadorship. According to Haldeman's diary entry for November 20, "Helms lobbied for Iran, P responded very favorably and agreed to hold Iran open until Helms decides whether he wants it or not. He urged Helms to take it." Helms "pushed" William Colby or Thomas Karamessines as his successor. (Ibid.) The next day Helms sent the President a memorandum again urging consideration of the two men and providing detailed information on their careers. (National Archives, Nixon Presidential Materials, White House Special Files, Confidential Files, Subject Files, FG 6–2) That same day the President met with Schlesinger. According to Haldeman's diary entry for November 21, "P made him the pitch on wanting him to consider CIA, asked him how he would go about it. Schlesinger had some ideas. Agreed with P's view that it needed to be changed and that the DIA was even worse, and that the Director of Central Intelligence should exercise overall control of both but does not now." Haldeman noted further that Schlesinger "obviously wants the CIA job and is perfectly willing to leave the AEC. He did suggest holding it until March, when Helms becomes sixty and would logically retire, which would also give him time to get cleaned up at the AEC." (*The Haldeman Diaries: Multimedia Edition*)

On November 22 the President had Haldeman call Helms "to tell him we want to make the change in March when he reaches sixty, but we want to make the announcement earlier, and that we'll keep Iran open for him." However, on November 28 the President indicated he wanted "Helms to move sooner, rather than waiting till March if he will." That same day Helms told Haldeman that "he would be delighted to take the Iran post." (Ibid.) The President appointed Schlesinger Director of Central Intelligence on December 21. He was confirmed by the Senate on January 23, 1973, and was sworn in on February 2, the same day that Helms resigned. Helms was appointed Ambassador to Iran on February 8 and presented his credentials on April 5. He served as Ambassador to Iran until December 27, 1977.

285. Memorandum for the Record[1]

Washington, November 15, 1972.

SUBJECT

State/CIA Relations

Alex Johnson met on November 13, 1972 with Ray Cline, Dick Davies, Tony Ross, Rodger Davies, Bob Beaudry, Ed Peck and the undersigned,[2] to consider means by which the Department could gain more adequate notification than it now receives on certain CIA clandestine collection activities. Recent Agency attempts to persuade diplomats of the Governments of Yugoslavia and Turkey to report to CIA on third country targets, which were the subject of protest by these Governments, had not, to the Department's knowledge, been coordinated either with affected Ambassadors or in Washington.[3] A previous uncoordinated collection activity in Port Louis had already been made the subject of representations by the Department to CIA.[4] Alex said that he had already raised the Yugoslav and Turkish incidents with Dick Helms, and expressed State's concerns.

The discussion confirmed that notification on such activities was spotty; that on occasion notification was made to Alex; that on sensitive activities in communist countries notification was often made through EUR; that in some other areas notification had been made to the Department or an overseas mission; but that there was no pattern indicating a) consistent notification; or b) notification through established channels.

The concerns expressed on notification centered not on a desire to know specific details but on the general scope of programs, though it was noted that in the case of certain foreign individuals advance notice should be provided on any planned approach. The discussion disclosed that much of the Department's concerns had to do with activities directed toward third countries, regarding which notification was

---

[1] Source: Department of State, INR/IL Historical Files, State/CIA Relations, 1970–1972. Secret. Drafted by William McAfee, Deputy Director, Directorate for Coordination, Bureau of Intelligence and Research.

[2] Richard Davies, Rodger Davies, and Claude Ross were Deputy Assistant Secretaries of State. Robert Beaudry and Edward Peck were Johnson's Special Assistants.

[3] Cline discussed this incident in an October 31 memorandum to Johnson. (Department of State, INR/IL Historical Files, State/CIA Relations, 1970–1972)

[4] McAfee discussed this incident in an August 18 memorandum for the files and a September 11 memorandum to James Gardner (INR). (Ibid.)

frequently not made to an Ambassador since his host government was usually not directly concerned. It was agreed that an operation, for example, against the USSR, conducted through a third country source involved political sensitivity for the third country as well as for the USSR.

In a letter of 17 July 1972[5] Dick Helms confirmed to the Deputy Secretary an understanding concerning notification to State on clandestine activities indicating that consultation would normally be arranged with or through the State Department representative on USIB. In order to insure that one central point in State is in a position to monitor the range of CIA activity coordinated with the Department, it was agreed that if policy bureaus are apprised by the Agency of sensitive clandestine collection activities, they are to advise INR, normally through DDC, of the essential information on the projected activity.

It was agreed that Ray Cline would discuss with Dick Helms the Department's concerns on matters such as the Turkish and Yugoslav incidents, pointing to the agreement reached last summer in the exchange of correspondence on NSCID 5, which called for notification to the Department normally through the State member of USIB. Ray will discuss with Dick the Department's desire to be notified of broad programs and of approaches to sensitive individuals and will seek to establish which type of activity should be discussed with the Department, which with the Ambassador and which with both.

[5] A copy of the letter is in the Central Intelligence Agency, DDO Files, Job 80–00037, Box 9, Folder 2, US–7, State 1972.

286. Action Memorandum From the Director of the Bureau of Intelligence and Research (Cline) to the Deputy Secretary of State (Irwin)[1]

Washington, November 15, 1972.

NSCIC CONSIDERATION OF WORKING GROUP CASE STUDY ON INDIA–PAKISTAN CRISIS

Henry Kissinger's office has asked for your comments on the NSCIC Working Group's Case Study of the India–Pakistan Crisis of 1971.[2] The recommended response is attached (Tab A).[3]

This case study is the first of several planned by the Working Group to illuminate problems in the relationship between the Intelligence Community and its prime consumers. The study was prepared in the spring of 1972 by a three-man team from CIA, DIA and INR under the supervision of Andrew Marshall of the NSC staff. Curtis Jones, Director of INR's Office of Research and Analysis for Near East and South Asia, served as team leader. The team examined CIA, DOD and State files and a summary of WSAG minutes, and interviewed some of the policy makers directly concerned with the India-Pakistan crisis.

The study reaches conclusions about the performance of the Intelligence Community and poses issues related to these conclusions. It does not examine how policy makers used the Community's products or offer recommendations for action. The key conclusions are:

1. Most intelligence products are produced by a single agency but the products of different agencies are often very similar. Only National Intelligence Estimates (NIE or SNIE) and items in the daily Current Intelligence Bulletin published by CIA are coordinated.

Issue: What is the optimum mix of coordination with timeliness and responsiveness to departmental needs?

---

[1] Source: Department of State, INR/IL Historical Files: NSCIC–NSCIC Working Group, 1971–1974. Secret. Drafted by Berry and concurred in by Kux and Laingen.

[2] "Intelligence Support in Political-Military Crises: A Case Study of the India–Pakistan Crisis of 1971," June 15, 1972. (National Archives, RG 59, Central Files 1970–73, POL 27 INDIA–PAK) Kissinger asked for comments on the study in anticipation of a meeting of the NSC Intelligence Committee on November 29, which would have been the committee's second meeting and first since December 3, 1971, but the meeting did not take place. Marshall's agenda for the meeting, dated November 27, is in the Library of Congress, Manuscript Division, Kissinger Papers, Box CL 301, Intelligence Committee, 1971–74.

[3] Attached but not printed.

2. Some intelligence collection was very timely, pertinent and accurate, but for some periods, places and topics there were no satisfactory collection facilities.

Issue: What collection capabilities ought to be maintained for use in possible contingencies of this regional crisis kind?

3. Many intelligence estimates and judgments were impressively correct. On other points the Community was silent, wrong, or contradictory. Some correct key judgments were expressed once and not repeated even though much of the Community still considered them valid. A clandestine report relating to Indian intentions was presented to the NSC early in December in unevaluated or uncoordinated forms and policy makers could have formed the erroneous view that the Community accepted the report without reservation.

Issue: How can the Community most effectively keep policy makers aware of its current coordinated positions?

4. Members of the Community reported to policy makers voluminously and, for the most part, separately. Caution, volume, brevity and variations caused by agency requirements muffled the Community's message, but the Community members had no way of knowing whether an intelligence finding reached any individual policy maker or whether he understood and accepted it.

Issue: Through what channel and in what format or volume can the Community most effectively communicate with policy makers and, in critical cases, get some feedback on the usefulness of reporting?

5. INR, CIA and DIA often lacked information on policy sessions and high level exchanges with other countries. Generally these intelligence producers felt isolated from policy makers and usually they had to decide for themselves what intelligence might be relevant to policy making. Some comments and actions by policy makers indicated the latter were not aware of intelligence judgments or not persuaded by them.

Issue: Can intelligence effectively support policy making if intelligence producers are not informed on the nature and basis of policy problems?

The Chairman of the NSCIC Working Group, in forwarding the Case Study to NSCIC, reported that the Working Group will make a detailed analysis of lessons learned in this study and recommend improved procedures. To facilitate this process he also suggested that after NSCIC members had reviewed this study the Committee might seek to bring the lessons and issues more sharply into focus and discuss some implications for the interface between policy makers and the Community. He highlighted three problem areas in which NSCIC might consider giving guidance to the Community:

1) how policy makers tell the Community what their intelligence needs are;
2) how the Community tells policy makers what its judgments are;
3) how well the Community's response satisfies policy needs.

The Working Group Chairman also suggested some specific measures or questions that NSCIC might consider, much along the lines of our listing of key conclusions above. Would a focal point for developing, coordinating and transmitting consumer needs provide a satisfactory balance between the usefulness of formal statements of intelligence needs and requirements for rapid response? How can top priority intelligence data and judgments be flagged so that they come to the personal attention of key top officials during a crisis? What kinds or forms of intelligence are wanted by consumers during crises? For example, should raw intelligence be provided or should it always be supplemented by intelligence evaluation or comment? Are more frequent NIE's or other forms of coordinated intelligence desired? Should intelligence briefings normally be either coordinated or multi-agency? Should the Community periodically restate judgments that remain valid?

The team that conducted this case study had difficulty in determining how intelligence reached top decision makers, what intelligence reached them, and what impact it had. The study could therefore not reach firm conclusions on the effectiveness of the Community's performance or on the changes most likely to make it responsive and effective. The Working Group Chairman has suggested that NSCIC members may wish to consider planning a real-time study of the handling and use of intelligence at the NSC level during an actual crisis.

All of these problems, questions and issues ought to come before NSCIC in some fashion, as well as the more extensive exposition and voluminous detail contained in the Case Study itself. We do not, however, know that any NSCIC member intends to press for resolution of any of these specific issues within the NSCIC at this time. In view of the Chairman's statement that the Working Group will undertake a detailed analysis and recommend improved procedures, it is not necessary for NSCIC to settle these detailed questions now.

We recommend that NSCIC take note of the Chairman's statement and ask the Working Group to continue its exploration of these issues and of ways to deal with them, of course bringing to NSCIC any proposals requiring decision at that level. The Working Group is unique in combining a wide range of consumer and producer interests and it is a most appropriate body to examine the complications of present arrangements and the implications of changes. Indeed, it may be found that the Working Group itself can perform a useful planning function

in emerging crises to help ensure better interaction between policy makers and the Intelligence Community.

Nonetheless, NSCIC exists to provide high level consumer guidance to the Intelligence Community and the purpose of Working Group studies and proposals is to evoke such guidance. If NSCIC members have firm and clear views on any of the questions raised by this Case Study, the next NSCIC meeting will provide an opportunity for expressing them.

Recommendation

1. That you sign the attached memorandum for Mr. Kissinger.

2. That INR prepare a briefing for you on this Case Study and on the intelligence issues it raises, to be scheduled once a date is set for the next NSCIC meeting.[4]

[4] Neither option is marked.

---

287. Memorandum From the Director of the Net Assessment Group, National Security Council (Marshall) to the President's Assistant for National Security Affairs (Kissinger)[1]

Washington, November 24, 1972.

SUBJECT

Net Assessment Group, The Next Four Years

The purpose of this memorandum is to give you my views as to appropriate goals for the next four years and important near-term actions you should take. Net Assessment Group responsibilities fall into two relatively separable areas:

—Conducting national net assessment studies.
—Improving intelligence community performance, through:

[1] Source: National Archives, Nixon Presidential Materials, NSC Files, Name Files, Box 825, Andrew Marshall, Vol. II. Top Secret; Codeword; Handle via Byeman Talent Keyhole Channels Only. The memorandum is marked "Outside System." Sent for information. The tabs are attached but not printed.

—Monitoring the implementation of the President's reorganization of November 5, 1971.
—Staff support to you as chairman of the NSCIC.
—Direct efforts to obtain improved products for you and the NSC staff.

Background

The establishment of a national *net assessment* process and the initiation of work on the first of our studies has been delayed by Laird's sharp resistance over the past few months. We are prepared to start discussions with DOD, State, and other agencies as soon as we are directed to do so. These discussions should:

—Establish an NSC view of the nature and scope of national net assessments.
—Define procedures for carrying out national net assessments.

Candidates for the initial net assessments have been developed, in particular:

—A study of the comparative economies of U.S. and Soviet military establishments aimed at clarifying the question: —Are we pricing ourselves out of the continuing military competition with the Soviets?
—A study of the national security implications of the energy crisis.

Major problems in net assessment are:

—Lack of generally accepted definition of net assessment.
—Lack of clearly defined methodology.
—Diminishing credibility of the national net assessment effort as time passes and none are produced.

The solution to these problems is to get started soon on national net assessment.

The intelligence area has been more active. The first year under the President's reorganization directed on November 5, 1971 is now behind us. For the first time Helms has produced a consolidated budget, called the National Intelligence Program Memorandum (NIPM).[2] He will soon produce a Planning Guidance document. The NSC Intelligence Committee Working Group has underway eight studies of the performance and product of the intelligence community. I have taken a number of initiatives to improve the products coming to you and the NSC staff.

[2] See Documents 242 and 288.

Major problems, however, are:

—The slow pace of improvement in intelligence community management in dealing with persistent problems, e.g., no long-range planning, marginally effective budgeting systems, etc.

—Lack of drive to improve intelligence products, to develop a product improvement program, or to become more sensitive to consumer needs.

Net Assessment: Goals and Actions

Major goals of the net assessment effort over the next four years are:

—Firmly establishing a national net assessment process directed from the NSC staff.

—Producing a number of high quality studies that will:

—Raise issues requiring national level attention.

—Clarify the appropriate scope and nature of national level net assessments.

—Demonstrate methodologies for doing net assessments.

Our preliminary view is that net assessments should focus upon the diagnosis of problems or opportunities in some aspect of national security. The analysis in most cases will emphasize comparisons with Soviet capabilities and programs, and will be comprehensive, including non-military factors not normally considered in past forms of analysis. At Tab A is a more complete discussion of the opportunities and goals we perceive for net assessment.

Near-term actions you should consider are:

—Issuance of the NSSM now awaiting your signature creating an ad hoc group to proceed with the definition of the national net assessment process.

—Initiation of national net assessment of:

—The comparative economics of U.S. and Soviet military establishments.

—National Security implications of the energy crisis.

Intelligence: Goals and Actions

Major goals with regard to the intelligence community management and intelligence product are:

—Improved intelligence community management, especially as regards budgeting and program planning.

—Development of the NSCIC into an effective source of guidance on top level decisionmakers' intelligence needs and a source of critical evaluation and feedback on the quality of intelligence products.

—Instituting within the intelligence community continuing programs for improvement of intelligence products, e.g., programs for R&D on improved intelligence analysis methods, for product quality

control, for consumer and market research, for training in analysis and management, etc.

Near-term actions for you to take are:

—Should Helms be replaced now or asked to retire on his 60th birthday in the Spring, an early meeting with the new DCI should be arranged. The meeting should focus on your views concerning current and future intelligence needs, improving communication between top level intelligence consumers and intelligence producers, etc. I will provide talking points.

—Meet with the NSCIC to discuss the first completed study of intelligence community performance (during the Indo/Pak Crisis),[3] to review the NSCIC Working Group's efforts to date, and to direct a review of appropriate portions of Helms' National Intelligence Program Memorandum and Planning Guidance.

—Request the DCI to report on progress in implementing the President's reorganization after the first of the year. It should present a basis for guidance from you as to the priorities attached to the President's stated goals for the reorganization.

—Communicate your views of the quality of intelligence products you and your staff receive and how well they are focussed on your needs. Helms in the past has taken your and the President's comments literally; largely favorable words from you have made it difficult to get across some deficiencies in the products. I will prepare a summary of the views of your staff on the intelligence materials they receive for transmittal to the DCI under your signature after the first of the year.

At Tab B is a more complete diagnosis of current problems, description of goals for the next four years, and set of near-term actions for you to take. I share, I believe, your doubts that the intelligence community bureaucracy can even routinely produce the high quality intelligence analysis you would find satisfactory. But they can do a lot better than they are now doing.

Early next year you and I should discuss goals and priorities, and a general strategy for dealing with the intelligence community.

---

[3] See Document 286 and footnote 2 thereto.

288. Briefing Memorandum From the Director of the Bureau of Intelligence and Research (Cline) to the Deputy Secretary of State (Irwin)[1]

Washington, November 28, 1972.

SUBJECT

NSCIC Consideration of National Intelligence Program Memorandum (NIPM)

It is not clear what action the NSCIC is expected to take on the National Intelligence Program Memorandum (NIPM), which Dick Helms recently submitted to the President through the Office of Management and Budget. Dick provided a copy to you for your information.[2] I was consulted by his staff in the course of its preparation.

In any case I believe that it is appropriate for the NSCIC to review the NIPM. We felt from the beginning of the intelligence reorganization that NSCIC should receive concrete intelligence program proposals as well as illuminating case studies like the India–Pakistan crisis report[3] as a basis for formulating realistic policy guidance to the intelligence community.

Background of NIPM

The NIPM is the first document of its kind. It incorporates all programs that are considered by Helms to be a part of the "national" intelligence budget proposals for FY–1974.

You will recall that one of the responsibilities given to the DCI by the President's intelligence directive of 5 November 1971[4] was the preparation of a "consolidated intelligence program budget," which was to be presented to the President through OMB. As Helms makes clear in his first NIPM, the program and budget processes of the government have not as yet, at least, been modified in a way that would enable the DCI to prepare a true "consolidated budget." The Department of Defense, which programs most of the assets for national intelligence activities, has continued to follow procedures which Helms characterizes as "uneven and largely input-oriented and are preoccupied with fiscal levels rather than performance and output." During the past year Helms and his staff have established closer contact with intelligence program managers in

---

[1] Source: Department of State, INR/IL Historical Files, NSCIC Documents, 1972–1974. Top Secret; Ruff; Zarf; Umbra; Handle via [*codewords not declassified*] Byeman Talent Keyhole Comint Channels Jointly. Drafted by Cline and Richard Curl (INR/DDC).

[2] Helms forwarded a copy to Irwin on October 18. (Ibid.)

[3] See Document 286 and footnote 2 thereto.

[4] Document 242.

Defense, but have not been able to conduct the reviews and assessments necessary for detailed budget recommendations. One obstacle to consolidated budget review has been the difficulty of dealing with resources which affect national intelligence programs but which are not a part of those programs. For example, the DCI himself has deferred to the Secretary of Defense on proposals for "tactical intelligence" in support of military commanders; yet, as the NIPM shows, the line between "national" and "tactical" is sometimes fuzzy, and resource issues in one area can materially affect those in the other.

In spite of these limitations on the DCI's program and budget role, the NIPM is a useful and well presented first effort to bring together a descriptive analysis of all national intelligence programs. While it does not contain sufficient information for policy judgments on particular intelligence projects or expenditures, it does provide an excellent overview of proposed allocations of effort, areas where changes are taking place or are desirable, and key issues requiring resolution in the future.

Highlights

The NIPM is summarized in the first 12 pages. The programs are then analyzed from the standpoint of substantive goals or targets, functions of the intelligence community, and resources management.

[*4 paragraphs (18 lines) of source text not declassified*]

Helms favors a hold-the-line proposal—that is, maintaining the overall fiscal size of the intelligence program as being adequate to fulfill the national intelligence mission for the next several years, except perhaps for costs resulting from legislative pay increases. The effect of such a holding-the-line policy would result in a forced absorption of over [*dollar amount not declassified*] annually, due primarily to inflation.

The proposed Defense Intelligence Program is [*dollar amount not declassified*] below the FY–1973 level, resulting largely from a transfer of certain activities (e.g., mapping, Advanced Range Instrumentation Ships) into non-intelligence programs. Helms points out that some of these activities, such as the instrumentation ships, will continue to be needed for intelligence collection.

The CIA program request is [*dollar amount not declassified*] the FY–73 program, resulting mainly from expanded clandestine agent and covert action operations, support to narcotics control, R&D, and modest enhancement of production, communications and processing capabilities.

Helms states that the strengthening of the Bureau of Intelligence and Research is an important operating goal in the National Intelligence Program.

When addressing the subject of sources, Helms concludes that a number of technical collection projects, including the near-real-time photographic system scheduled to begin operation in October 1976, are so

essential for SAL and other monitoring of Soviet strategic special weapons programs that their capabilities should not be degraded or their dates of availability delayed.

Helms also emphasizes the continued importance of human source collection not only to meet the needs for political, economic, and narcotics intelligence but also to supply information on strategic weapons. He states that "one of the most prolific sources of intelligence is the Foreign Service, which is quite properly not included in the National Intelligence Program." In stressing the need to avoid using the CIA Clandestine Service to collect information about host governments which should be collected instead by the Foreign Service, Helms suggests that more effort should be given to assigning specific responsibilities to the two services, perhaps at the mission level, to improve efficiency. He expresses the need for qualitative strengthening of the Defense Attaché system, where he finds "no world-wide professionalism comparable to that found in the Foreign Service or in CIA's Clandestine Service."

Helms asks for critical review of several Defense programs, including certain aspects [*less than 1 line of source text not declassified*] in which there are new and costly system proposals. He strongly questions the value of an expensive radar system, [*2 lines of source text not declassified*].

Helms also calls special attention to the costs and growing demands for information processing in the community, including the costs of processing information from advanced collection projects, particularly photographic and SIGINT overhead systems. Helms proposes IRAC studies of this as well as several other intelligence resource areas.

Talking Points

You may wish to say the following when the NIPM is discussed:

1. The NIPM is a useful document, providing an overview of intelligence program requests for FY–1974 and also identifying issues which in the future should receive coordinated attention both from policy makers and the intelligence community.

2. We believe this is the kind of document that should be reviewed by NSCIC. It is an indispensable tool for NSCIC to employ in formulating guidance on consumer needs. These needs have to be expressed in the context of the entire intelligence community program and in the light of concrete proposals for specific systems and projects.

3. We agree generally on the objective of holding the line in the overall cost of the intelligence program, at least until it becomes clear that inflation is driving the program below the threshold of minimum assurance of national security. For the next few years, in the face of tight budgets and inflation, we will need to give greater attention to cross-program adjustments, such as between collection and production and between various targets.

4. We agree that intelligence objectives need to be better articulated. We believe that improved statements of objectives should be based on more thorough assessment of the existing and potential usefulness of individual intelligence systems as well as on changes in substantive emphasis at the decision-making levels.

5. The NIPM calls attention to manpower costs, which comprise about half of the budget devoted to the US intelligence effort. Substantial manpower cuts have been made over the last ten years. We must continue our efforts to make additional cuts and especially to keep overseas presence to a minimum essential level.

6. Beyond the question of manpower, we agree on the need for more intensive study of other key resource issues outlined by Dick Helms, such as the levels of effort to be devoted to various kinds of satellite surveillance. State would welcome the chance to participate in preparing detailed analytical studies of this kind.

7. We note that decisions about national reconnaissance programs of great significance in relation to the feasibility of international negotiations and agreements (SAL I, e.g.) are made by an Executive Committee (EXCOM) without any representation from the State Department.[5] State Department views on priorities to be attached to various elements of the reconnaissance program ought to be useful in EXCOM deliberations and State believes it should be asked to provide a representative for this group.

[5] SAL is in reference to the Strategic Arms Limitation talks.

289. Memorandum From the Assistant Secretary of Defense for Intelligence (Hall) to Secretary of Defense Laird[1]

Washington, December 27, 1972.

SUBJECT

National Security Agency/Central Security Service Organization Plan

In your memorandum of 14 April 1972[2] on the above subject, you directed me to conduct an in-depth review, with the participation by the JCS, to assess the adequacy of the NSA/CSS organization plan to respond to the needs of the Joint Chiefs of Staff and military commanders. This review, which included team visits to EUCOM and PACOM, has been completed.[3]

You asked six specific questions in your memorandum of 14 April 1972. The observations of the review team relative to these questions are summarized at Tab "A." The team's full report is at Tab "B." The JCS comments, which concurred in the team's recommendations, are at Tab "C."[4]

While there are further actions needed, I believe that DIRNSA, with my support, is moving to take these actions. I do not believe that further guidance from you is needed now. We will continue to follow the implementation of the CSS, and if additional Sec Def action is needed I will provide you with recommendations.

Albert Hall

---

[1] Source: Washington National Records Center, RG 330, OSD Files: FRC 330 77 094, 020 NSA 1972. Secret. A notation on the memorandum indicates Laird saw it.

[2] Not found.

[3] In an October 17 memorandum to Laird, Hall requested a postponement of the review until April 1973 because his staff had learned through interviews with senior officials of the CSS headquarters staff that "the CSS organization is evolving, but it is not yet fully operational. The headquarters staff is currently about 60% manned in the key areas, and the major staff effort at this time is being devoted to aligning missions and functions and establishing staff policies and procedures with the NSA organization and with the CSS operating elements overseas. In the field, military commanders are just beginning to get acquainted with the CSS area headquarters organizations." Laird commented that this "would seem all the more reason to have early review." (Washington National Records Center, OSD Files: RG 330, FRC 330 77 094, 020 NSA 1972)

[4] Tabs B and C are attached but not printed.

Tab A

1. Is the new system improving SIGINT support to local commanders?

Military commanders are generally satisfied with the peacetime support they are receiving. However, they do not yet recognize any distinction between NSA and CSS and do not attribute improved SIGINT support to creation of the CSS. They believe that the quality and timeliness of support has improved during the past year, mostly as a result of the creation of a number of new Cryptologic Support Groups (CSGs), which had been planned before CSS was established, and to expansion of National SIGINT Operations Center (NSOC) capabilities.

2. Should responsibility for SIGINT tasking control be delegated to lower echelons to improve responsiveness to local commanders' needs?

Military commands are convinced that tasking authority over direct support elements must be vested in the commander they support during exercises, contingencies and wartime.

3. Have personnel savings been made from combining and/or eliminating staffs?

NSA/CSS indicates some savings have been made, but the actual numbers are not yet known.

4. Should additional tasking authority be transferred from NSA to CSS?

No SIGINT tasking authority has yet been transferred to CSS.

5. Is it feasible to collocate the headquarters operational elements of the SCAs, CSS and NSA?

It is desirable and feasible to collocate the headquarters. However, the availability of space at Fort Meade is the determinant.

6. Is dual hatting of senior NSA officials to CSS positions effective?

Commands in the field have noted no effect of dual hatting and hold no opinion on the question. SCA commanders view the dual hatting concept as having thus far proved ineffective and believe that it has complicated organizational relationships.

290. Transcript of a Memorandum to the President's Assistant (Haldeman) Dictated by President Nixon[1]

Washington, December 27, 1972.

[Omitted here is the first part of the memorandum.]

I am attaching to this memorandum a very good memorandum I received from Ehrlichman[2] on the intelligence community. Schlesinger's report[3] is brilliant, and must be implemented in a number of directions.

Here, however, you have a very delicate responsibility. What you must do is to convince Henry of the necessity of my appointing Schlesinger as the top White House man responsible for reorganizing the intelligence community and in charge of intelligence activities. It's of course going to be in Henry's shop, but Schlesinger must be the man in charge.

I say this for a number of reasons, of which the following are the most important:

1) The Congress is particularly jealous of its authority in the intelligence field. If they got the impression that the President has turned all intelligence activities over to Kissinger all hell will break loose. If on the other hand I name the new Director of CIA Schlesinger as my top assistant for intelligence activities we can get it by the Congress.

2) Henry simply doesn't have the time to spend which is needed, to spend on this project which is needed. The fact that I have been bugging him and Haig for over 3 years to get intelligence reorganized with no success whatever proves that point. For example, just read Schlesinger's report of 2 years ago and note it has not been implemented in any respect and you can see what the problem is.

3) Henry cannot move in this field [unclear], due to his very close contact with Haig. Haig with all of his superior qualities is after all a part of the present system.

4) Hanging over this whole intelligence question is FIAB. It is a prestigious group, but instead of really being independent, being an independent advisory group, it really represents various segments of the status quo in the intelligence community. FIAB will vigorously oppose many of the attempts to reorganize intelligence.

---

[1] Source: National Archives, Nixon Presidential Materials, White House Tapes, Oval Office, Conversation No. 828–6. No classification marking. The President dictated the memorandum in the Oval Office sometime between 10:12 and 10:44 a.m. The editors transcribed the portion of Nixon's remarks printed here specifically for this volume. A copy of the memorandum has not been found. Nixon's verbal instructions for punctuation and paragraphing have not been transcribed.

[2] Not found.

[3] Printed as the second attachment to Document 229.

With all these problems, you can see that it's going to take some pretty skillful management. I am now suggesting that you sit down at a time when everybody is in a very congenial frame of mind with Kissinger and with Ehrlichman and also with Schlesinger. The four of you then should have it out with regard to how this intelligence problem should be handled. In the meantime Ehrlichman's recommendation that Ash conduct an independent study with regard to the management side of intelligence is right on the mark. Let's get that going immediately. Once Ash has his teeth dug into this thing, he should also sit in with the rest of you and develop a recommendation for me on the intelligence matter.

There is one weakness in the Schlesinger memorandum which I want you to have corrected in your discussions. He [unclear] points out that we have to get rid of the overlapping, etc., and particularly to cut down on the enormous expenditures of the Defense Department for intelligence. On the other hand he does not emphasize as much as I would like the need to improve *quality* as well as reduce *quantity* of top intelligence people in the CIA itself. The CIA, like the State Department, is basically a liberal establishment bureaucracy. I want the personnel there cut in at least half—no, at least by 35 to 40 percent—and I want a definite improvement in so far as attitudes of those in CIA with regard to our foreign policy. There are some very good men there, but the great majority are the old [unclear] Georgetown crowd. [The last few words before the tape ends are unintelligible.]