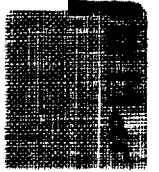


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COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-3
13 March 1976
Limited Distribution

Minutes of Third Meeting
Committee on Foreign Intelligence
East Building, at 1500 hours, 11 March 1976

Director of Central Intelligence
Mr. George Bush
Presiding

MEMBERS PRESENT

Mr. Robert F. Ellsworth, Deputy Secretary of Defense

Mr. William G. Hyland, Deputy Assistant to the President for National Security Affairs

ALSO PRESENT

Mr. Thomas Latimer, Principal Deputy Assistant Secretary of Defense (Intelligence)

Mr. Richard Ober, Director for Intelligence Coordination, National Security Council Staff

Mr. E. H. Knoche, Acting Deputy to the DCI for the Intelligence Community

Mr. Richard Lehman, Assistant to the Director of Central Intelligence

Classified by: [redacted]

Exempt from general
declassification schedule of E.O. 11652
exemption category 58(1)(2)(3)
Date Impossible to Determine

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MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT: Draft Minutes of the 11 March 1976 Meeting of the Committee on Foreign Intelligence

1. The minutes of the 25 February 1976 meeting were approved. Mr. Knoche noted that the action item in the 25 February minutes involving an ICS paper delimiting CFI, DCI and USIB-type concerns and responsibilities remains in process. It was also agreed that it will not be necessary to issue a CFI directive extending USIB temporarily since the action is reflected in official USIB minutes.

2. The Chairman followed the outline of agenda papers concerning his talks on the Hill with various Senators concerning Senate Budget Committee requests for budgetary information. Mr. Bush's basic approach has been to hold back on providing such detail pending Congressional resolution of how to arrange eventual oversight of the Intelligence Community. There was CFI agreement on this position.

3. There was a discussion of reprogramming rules in connection with the Chairman's report of his 4 March meeting with OMB Director Lynn.

4. There was a discussion of Mr. Latimer's concern about the level of detail contained in a "Top Secret SENSITIVE" classified budget annex prepared by OMB and intended for Congressional Oversight Committees' use in demonstrating awareness of Community-wide budgets. There was also brief discussion concerning an OMB allowance letter sent to Mr. Bush under date of 8 March.

5. [Redacted] of the IC Staff briefed on tentative plans for the reorganization of the ICS to meet functional responsibilities in support of the CFI, of the DCI, and of a USIB successor. Mr. Ellsworth said the plans were based on an assumption that the Director has three hats whereas Mr. Ellsworth's reading of Executive Order 11905 is that all of the Director's responsibilities derive from two roles: the executive head of CIA and the Chairman of the CFI. The CFI, Mr. Ellsworth noted, is assigned the responsibility for setting "policy priorities for the collection and production of national intelligence," and the Director's responsibilities amount to implementation of this CFI responsibility.

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Exempt from general exemption category 5B(1)(2), (3) Automatically declassified on Date Impossible to Determine

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The Director referred to the various responsibilities assigned to the DCI by the Executive Order, pointing out that many were, in his view, quite separate from CFI responsibilities. He said that the two-hat interpretation of Mr. Ellsworth would cause the DCI to carry out his tasks either through CIA or through CFI; that a USIB successor organization with advisory responsibilities would have to be folded under the CIA and this would seem clearly to conflict with the intent of the Executive Order. Mr. Hyland said the President expects the CFI to get hold of resource issues and controls and that the question of production of intelligence is the DCI's problem. Mr. Hyland saw that the ICS plans were based on trying to relate combined staff support to several tasks rather than to have separate staffs for each task. Mr. Ellsworth noted that most observers conclude there is a problem with the quality of the national intelligence product and that the three CFI members have a heavy responsibility in the fields of collection and production. Mr. Hyland said it is clear the CFI will have to evaluate these functions, but there is a need to get organized and on with the job. Mr. Bush agreed that the CFI will have to take looks at what needs improvement but he said there are some responsibilities he has that are separate from the CFI and require execution by the DCI. Mr. Ellsworth responded that he had problems with this view but in the interests of proceeding he would go along, with the record to show his reservations. The discussion concluded with the understanding that ICS reorganization plans had general approval for the purpose of getting on with staffing and manning. It was further agreed the ICS organization should clearly indicate a CFI focal point in each of the major components of the Staff.

6. The CFI was briefed on the status of current planning for the relocation of the ICS and agreed on the desirability of obtaining the downtown building described. The Chairman said efforts would be made to obtain it.

7. A proposed charter covering NRO/NRP was considered briefly. Following the discussion it was agreed that an alternative draft would be coordinated with the NRO Staff and a new version tabled at a subsequent meeting of the CFI. It was agreed that the charter might be issued as a CFI directive (CFID).

8. Proposed revisions to three NSCID's, drafted by a CFI working group, were deferred to the CFI's next meeting at the request of Mr. Hyland. CFI members agreed to press ahead with NSCID revisions as directed by terms of Executive Order 11905. Mr. Hyland asked the ICS to consider carefully the question of classification of revised NSCID's.

9. CFI members briefly discussed ways to improve oversight and production of intelligence judgments concerning the size of Soviet military expenditures. It was agreed that the subject is not one of direct CFI concern, but Mr. Bush directed Mr. Lehman to arrange for broadening of a CIA panel of outside consultants to include DoD nominees, for re-designating the panel as a joint CIA-DoD

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[Redacted]

panel and for extending its charter in order that it can suggest new methodologies to be employed in making intelligence judgments in this field. There was a brief discussion of a DoD desire to assess the "policy implications" of intelligence estimates of Soviet defense expenditures. Mr. Lehman said CIA felt this was not an intelligence matter, that it fit more properly within policy-makers' concerns. Mr. Hyland said he thought this would be a worthy task that might be covered by the NSSM process.

10. The meeting concluded after a short discussion of Item Three, (a proposed definition of the NFIP, options covering the process to be employed in CFI resource management and reprogramming guidelines) which will be considered at the next meeting.

[Redacted]

E. H. Knoche

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Attachment:

Summary of Actions

Adjournment: 1700 hours

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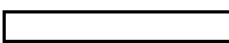
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SUMMARY OF ACTIONS

- (a) IC Staff to clarify with OMB re the necessity for reprogramming rules.
- (b) IC Staff to confer with OMB about level of detail in classified budget annex. Classification should be kept to SECRET level if possible.
- (c) IC Staff to circulate copies of OMB allowance letter.
- (d) IC Staff should continue to develop reorganization plans and developing proposals for staffing and manning.
- (e) IC Staff to coordinate alternative draft NRO/NRO charter with NRO Staff. New version to be tabled at subsequent CFI meeting. Charter to be issued as CFI directive.



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