Notes on "Paper 3"

- Intelligence vs information

  what collect
  what produce

  what is it

-- Country's need for ~~information~~ intel means
   its need for --

   information
   analytic capacity

-- Covert action

-- US role in world
   -- non-ideological
   -- ideological

-- Sources
   techniques
-- Fruits

-- Informational needs
   -- pol
   - eco

-- analytic needs

- Covert

9 July 1975

MEMORANDUM FOR: L. C. Dirks, D/OD&E
[redacted] 25X1
G. A. Carver, D/DCI/NIO
[redacted] Comptroller 25X1
DDA

Herewith a draft of Paper I. In it I've tried to synthesize the ideas we've been talking about into something that might serve as the introduction to our study. You will note regurgitation of a number of your ideas, although usually in my own words.

I have misgivings about language too rhetorical, assertions too sweeping, judgments too facile, but perhaps for stage-setting purposes these sins are less heinous.

RICHARD LEHMAN

S-E-C-R-E-T

Paper I

R. Lehman
7/9

In recent months the American people have been waking up to the idea that they have an intelligence service, and they are clearly of two minds about it. Their ambivalence is rooted in the problems created by the secrecy of intelligence, and in a popular view of the United States in the world that is not in tune with reality.

The Central Intelligence Agency and a national intelligence system were created by the National Security Act of 1947. They grew out of a consensus among the national elite--in Congress, the Executive, and the national media--that wartime experience and the emergence of the United States as the first superpower required the creation of a permanent national intelligence capability--"No more Pearl Harbors." Moreover the elite accepted the traditions of total secrecy characteristic of other national systems, notably the British, as appropriate for an American system, and the Acts of 1947 and 1949 encouraged CIA to follow this traditional path.

In hindsight, this appears to have been a mistake, because it prevented the education of the public and all but a few Congressmen in the realities of intelligence, and because it protected intelligence itself from the oversight that would have required a greater sensitivity to public interests.

In these circumstances, intelligence had no constituency except a small group of senior Congressmen who both protected it from and blocked its access to their younger and more liberal colleagues. Thus when the national elite of the 1940-1965 period was discredited by the Vietnam War and by Watergate, and "our" Congressmen grew too few and too weak to maintain their control, intelligence was exposed to a rapidly growing new generation of national leadership--in Congress and the media--that shared neither its traditions nor its view of the world.

This new generation, rejecting many of the doctrines of its predecessors, has tended to return to the doctrines of an earlier generation yet. The more extreme of its members, rejecting any suggestion of realpolitik, would have us reestablish a foreign policy of goodwill to all except (some) tyrants. A public opinion deeply attracted by these doctrines rooted in our innocent past, and repelled by the realities of the present, find it increasingly difficult to believe in the threat posed by powerful enemies, and even more in the concept that another power, acting in its national interest, can do damage ours as to require us to respond.

By one who can deny the existence of evil, those who seem evil are seen merely to be ignorant. Thus comes the concept of foreign policy by example, or "do unto others--".

The tyranny of the Soviet Union is not true tyranny; it is Soviet reaction to our misguided abandonment in the 1940's of the foreign policy of goodwill. Since it is our own creation, we have a moral obligation to turn the other cheek.

To the revisionist intelligence seems of little value. Worse, secret intelligence sets a bad example. Thus many of the new elite in Congress and the media initially approach intelligence from a hostile position, and their hostility has a considerable impact on a public completely unsophisticated in intelligence matters.

The national turmoil that has fostered these new attitudes has had an especially damaging effect on intelligence security, and this in turn has fed public disillusionment with intelligence. Resistance to the Vietnam war led to some breakdown in intelligence discipline, as intelligence was leaked for advantage in partisan debate. Each leak encouraged another, until the security of all intelligence operations had been seriously eroded. When exposed to the investigative reporting in vogue since Watergate, the dyke gave way. Many intelligence activities were exposed for the sake of exposure, and many skeletons--real and imagined--were dragged from the intelligence closet. The disclosure

that a few of these activities had in fact been illegal and others injudicious gave ammunition to those hostile to intelligence itself, and a public conditioned by recent events to believe the worst of its government was inclined to accept at face value the wildest exaggerations and the most far-fetched imputation of impropriety to legitimate activites.

The American people have thus been confronted not with the full reality of their intelligence service but with its worst aspects. The Congress, also with a large admixture of the new generation, has reinforced the impression of wickedness by sanctimonious posturing and uninformed criticism. Public dismay, however, goes beyond shock at illegal mail openings or jackass experiments with LSD. It is at least as much an unease with the whole idea of large organizations working in secrecy among us to ends we do not understand. Moreover, the unease is as great with the "large" as it is with the "secret".

The intelligence officer must cope with the reality of the world about him whatever the popular attitude. For him, the idea of a foreign policy for the United States rising above national interests has been obsolete ever since the Industrial Revolution set the world on the road to strategic warfare, economic interdependence, and ideological struggle not matched since the Reformation.

He knows the United States needs intelligence, and he knows that today US intelligence systems must be both large and secret.

To the intelligence officer, if Pearl Harbor was a valid reason for creating a national intelligence system in 1947, the possibility of a Soviet first strike is an equally valid reason for strengthening it today. The argument that nuclear war is unthinkable, or that the construction of nuclear armaments is driven by action and reaction of military-industrial complexes, is to him largely irrelevant; as long as the USSR continues to build and improve its strategic forces, the US must know how and why.

To the intelligence officer, the knowledge that the world's resources are finite, and that population growth is rapidly overtaking supplies of food and energy, means that national interests once considered important will soon become vital. When there is not enough to go around, intelligence on the capabilities and intentions of producers and consumers becomes more essential to the survival of the United States than intelligence on Japanese intentions was in 1941.

To the intelligence officer, detente, until proven otherwise, must be viewed as a short-term tactic. He must assess Soviet political intentions against his

knowledge that the Soviet leadership has not deviated significantly in the ends it has sought since 1917, and that its professed desire to change the rules of its competition with capitalism has not changed its dedication to that competition. He recognizes that the political turmoil afflicting most of the world provides new opportunities for ideological competition to be conducted around or behind established governments, and he sees in this new demands for him to provide intelligence on the political and social upheavals in foreign societies.

While the framers of the Act of 1947 recognized a continuing need for a national intelligence system, they could not have foreseen the complexity or scale of such requirements as these. They probably did not envisage the difficulties we would meet in penetrating closed societies or in assembling and correlating the vast amounts of data that flow from open ones. Nor could they anticipate the management and organizational requirements of large technical collection systems. They believed they were creating a small coordinating organization on top of existing agencies, themselves drastically reduced from wartime strength. In fact, the system for which they laid the foundation has met these challenges with some success, but is probably larger in the peace of

1975 than it was in the war of 1945, and certainly much more complex and expensive.

Moreover, in 1947 the tradition of secrecy that the creators of CIA sought to maintain was primarily that of espi0nage. A break meant the loss of an agent or a net; this can be painful indeed in the short run, but need not be permanently weakening. They were only beginning to comprehend from SIGINT the greater risk in technical collection: a break in a system can cripple you forever. On the other hand, the existence of the agent and the system that supports him must be totally concealed if he is to survive; the "fact of" is a crucial consideration. Technical systems, however, usually cannot and therefore need not be concealed; only the degree of success must in all cases be kept secret. By 1975 it has become apparent that the requirements for security for human and technical collection are radically different. In this as much as in our response to public attitudes, the secrecy concepts of 1947 are no longer applicable.

This, then, is the dilemma for American intelligence in 1975. We see the nation's requirement for foreign intelligence as greater than ever, yet we have failed to hold public acceptance, partly because public

attitudes have changed, partly because our own secrecy has prevented us from educating the public to the need for intelligence and to the costs, moral and monetary, of getting it. Public and Congressional concern, however, is only part of the problem.

Since 1947 we have evolved procedures and developed techniques far beyond any conceived at that time. We have added a new dimension to the concept of intelligence, and have demonstrated to the satisfaction of the Executive--over a number of Administrations--that a copious flow of objective national intelligence is central to the conduct of national security policy in today's complex world. But our efforts have often been wasteful and our product sometimes mediocre, to a considerable extent because the organization and management of the national intelligence system have kept pace neither with the complexity of its techniques nor the scope of the requirements placed upon it. The Act of 1947 provides the DCI with authorities and administrative structure quite inadequate for the fulfillment of his assigned mission under the conditions of 1975. Rather, he attempts to fulfill it through an accretion of independent jerry-built structures, lacking statutory basis, in which he exercises varying degress of influence. In short, the act of 1947 would be out of date even if the system had total public acceptance.

The problem then has two parts. The system must be made more efficient, but it must also be made more acceptable. This means that efficiency cannot be achieved simply by rationalization and centralization of authority. Rather, it must be accompanied by provisions for external controls and internal checks and balances, perhaps at some cost to efficiency, in order to recover public confidence. The public must be satisfied not only that a computer-driven monster does not threaten the state from within, but that such a monster cannot be created. At the same time, the public must be brought to accept, and thus controls must be designed, to provide secrecy for those intelligence operations that cannot succeed without it.

This is not impossible. The public accepts--because it understands--the need for secrecy in a wide range of private and public matters, from the lawyer-client relationship to the protection of patents. It accepts--when it understands--the need to commit large public funds to purposes that give at best only indirect benefit to the taxpayer. We must seek to reestablish that understanding.

Paper #2 (Carver)

Declassified in Part - Sanitized Copy Approved for Release 2014/07/08 : CIA-RDP79R01142A001700010001-9

10 July 1975

MEMORANDUM FOR: [redacted] 25X1

Mr. Lehman
Mr. Dirks
[redacted] 25X1

SUBJECT : Paper 2

1. Attached is a rough draft of Paper 2. I apologize for its form, but thought getting it to you promptly by OOB Friday (11 July) was more important than taking the time for a clean run through the typewriter.

2. The language could stand much improvement, but I can polish the prose later. At this stage I am more concerned with getting the right ideas in the right order.

[redacted] 25X1

George A. Carver, Jr.
Deputy for National Intelligence Officers

Attachment

Next 19 Page(s) In Document Denied

Paper 2 - The United States' Future Need for Intelligence

(Paper to pinpoint kinds of substantive problems on which USG will continue to require analyzed, evaluated information and to explain why we believe these substantive areas must be of concern to the USG intelligence apparatus (specifically noting the fact that this includes both Defense and CIA, helping to establish the Community perspective of the paper). Add one or two first rate examples per category to illustrate our abstract words.)

Proper and essential intelligence functions for the future can be broadly categorized into six areas (following material is an attempt to combine the original Dirks draft with the Lehman draft of June 30):

1. Intelligence for Current Policy Support--Operations Center actions, current intelligence, SNIE's, some NIE's, NSSM contributions, some monographs, support of negotiations.

a. Foreign Intelligence Support for US Foreign Policy Formulation. This includes a broad range of political, economic and military matters which pertain to and influence US policy. Specific critical requirements at any one point in time are

Next 17 Page(s) In Document Denied

OUTLINE D

Paper 1 - US Intelligence in 1975

A. Setting the Stage - Two Themes in American History

Current discussions of intelligence are heavily influenced by two different strains of thought, one deeply rooted in American intellectual history, the other far older ~~but acknowledged as well.~~ nonetheless still potent. The first involves the myth of youthful, virtuous innocence and that of the efficacy of virtuous example. It is interwoven with the (sub-conscious) belief

~~The former holds~~ that we are a young country, imbued with the innocence of childhood and, accordingly, qualitatively different from the cynical, corrupt, "old" societies of Europe and the rest of the benighted world.

The second myth, closely related, is heavily colored by romantic Eighteenth Century concepts of a pure state of nature which preceeded the corrupting influences of organized society. This myth denies the dark side of human behavior. It represents the flowering of the Eighteenth Century concept of rationalism and rests, ultimately, on a postulate that no humans are really wicked or evil; those who seem so are only ignorant or uninformed. Man is infinitely educable and, through education, perfectible. All he needs to become virtuous is the force of virtuous example. Thus, in international affairs, we should provide the example.

Both of these myths color our perceptions of foreign policy and the techniques and instrumentalities essential to its conduct. Both are nurtured by a misreading or misunderstanding of our history.

In point of fact, we are not now a "young" country. Indeed, we are now not only the wealthiest and probably the most complex nation on this planet, in a very real sense we are the oldest. We have a set of governing institutions that have evolved in size and complexity, but have not been radically modified--or overthrown--for almost two centuries. The only other country whose founding predates ours which has not had its governing system toppled and altered by war or revolution is Great Britain. However, Britain has undergone far more profound governmental change over the past two centuries than have we. Our only real structural change, courtesy of Mr. Justice Marshall, has been the establishment of the Judiciary as a branch of Government co-equal with the Executive and Legislative Branches. Britain has seen the complete atrophication of the monarchy as a more than symbolic, ceremonial institution; the eclipse of the House of Lords and the political power of the hereditary peerage; the consolidation of all effective governing power in the House of Commons, the evolution of the office of Prime Minister as the country's chief executive and the ~~advent~~ development of cabinet rule. Our Government in

1975 would be far more recognizable to George Washington and Thomas Jefferson than Harold Wilson's would be to William Pitt and George III.

With respect to foreign policy, our successful, relatively untroubled evolution into a major world power had precious little to do with our innate virtue or the force of our virtuous example. The fact is that during the first 165 years of our history we had little need for any foreign policy, let alone a consistent one. Our primary source of protection lay in certain accidents of geography, plus two extremely fortunate economic transactions--one Presidential, one done by the Executive Branch, both hotly challenged in Congress and both of doubtful domestic legality: Jefferson's purchase of the Louisiana territories from Napoleon and Seward's of Alaska from the Czar. It is not that our ventures into foreign policy were invariably successful but, rather, that we were cushioned from the consequences of folly or error by the fact that on our northern and southern borders we had weak neighbors incapable of posing any serious threat while on East and West we were shielded by two oceans--which it took days or weeks to transit--and the British Navy.

Despite their lack of historical, or other, substance these two myths are deeply rooted in our intellectual history, particularly

in the strain that runs from certain of our founding fathers (Jefferson, Sam Adams and Thomas Paine), through the Congregational and Unitarian divines of Greater Boston, the mid-nineteenth century northeastern--predominantly New England--literati (Henry Ward Beecher, Emerson and Harriet Beecher Stowe), later lay preachers such as William Jennings Bryan and Woodrow Wilson to those of our contemporaries who wear their Liberalism (capital-L) as a fashionable badge of honor and now that Walter Lippman is no longer available to show them the path of true religion, tend to regard the New York Times as canonical writ. Persons of this intellectual and ideological bent are often articulate and loom disproportionately large in the history of American letters--partly because of their talents but also because they tend to be something of a self-annointed, self-perpetuating elite which prefers to publish articles and books it finds doctrinally congenial than those which smack of heresy.

This cast of thought, and way of thinking, is prevalent in Congress, especially among the younger members, and even more prevalent in congressional staffs. It is predominant among those who write and edit our "national" publications--The New York Times, The Washington Post, Harpers, The Atlantic, The New Yorker, The New York Review of Books, Time, Newsweek, etc.--i.e., those publications from which

many opinion leaders are wont to take their ideas. Even more significantly, persons of this intellectual and ideological persuasion have an almost monopoly control over the production, treatment and content of the news and commentary broadcast over our major national television networks.

Within the framework of these myths there is no place for secret intelligence; and those who believe in these myths instinctively--if unconsciously--reject the reality of a world in which intelligence is necessary for national survival.

The National Security Act of 1947 implicitly rejected these myths and established the United States' Defense and intelligence organizations essentially as they exist today. This act acknowledged a different set of principals, more "realistic" and rooted less in the American tradition than in the origins of the nation state itself.

The evolution of the Greek city state into a nation state brought an expansion of the boundaries of that state's concern for its own security. The factors bearing upon its security were limited to those few items of direct

[illegible] to the state. Obviously, the nation state was concerned with the relative strengths of its capability to defend itself and its immediate neighbors' capabilities to attack it. Little concern was given to the military capabilities of nation states that would not have a means of direct access to the nation state. Thus, England in the 17th century was concerned with the military capabilities of neighboring France and Spain because both nations had access to England by means of the sea. England was not terribly concerned with the military capabilities of Russia which had no means of effectively attacking England and had little competition with England for those other things England considered important, such as trade routes.

The other matters that directly affected national security were those things which permitted the nation state to survive as a viable economic unit. The security of internal commerce, access to foreign markets if the nation state were not self sufficient, a source of appropriately skilled labor, access to an avenue for the carrying out of commerce. Occasionally the nation state would worry about protecting its boundaries from epidemics originating outside of its borders. Although the intrigues were numerous and the need for intelligence many and complex, they were concerned with neighbors near at hand and with their military capabilities, the political alliances that might develop, and the commercial benefits for the nation state.

In the second half of the twentieth century, the concept of national security has become very much more complicated.

Some of the world's nations are controlled by people committed (with varying degrees of intensity) to certain ideologies which they are anxious to spread--advancing their own or their group's interests in the process. This ideological consideration makes them regard the US as a natural enemy to be neutralized around the world and ultimately--if possible--either conquered or overtaken from within.

In addition, we are concerned with the widespread knowledge of nuclear technology with the implied threat of demented intelligence or an anarchistic organization being able to make their own nuclear weapons. Finite and diminishing energy resources make us view nations which are not super powers as possible threats to our national way of life and even our national survival. Shifting power in nations of formerly no apparent direct concern now affect energy, trade objectives or regional balances of power. In fact, even since 1947 the definition of national security has expanded considerably, and with this expansion the definition of intelligence has also changed to include targets in new areas. Economic intelligence may well grow as resources become scarcer, either through depletion or a managing policy of scarcity. Industrial intelligence may also become increasingly a matter of

national concern in order to maintain the competitive status of US industries in world markets, thus maintaining a high level of employment of humans and capital. (There may also be increasing national concern about the impact of the actions of multi-national corporations upon national goals.) Shortages of food which now exist may be exacerbated by climatological changes and shortages in fertilizer. These food shortages, real and potential, may be coupled with large population increases in the "have-not" nations. This suggests that agricultural and demographic intelligence will become of increasing importance.

B. Intelligence in an "Open" Society

The US exists in a world of nations with interests reaching beyond their own borders. Other states take actions and maintain capabilities to take actions which affect our interests. Some of these actions and capabilities are openly acknowledged; others are secret. In the past we have from time to time paid a heavy price for our failure to acknowledge this and to take appropriate steps to understand both the capabilities and the intentions of others with respect to us.

Extraordinary measures must be taken to gather information on and understand those activities and capabilities shrouded in secrecy by foreign state policy. Attempts by the United States to collect such information often involve violation of the laws of other nations. This is generally more true with respect to human and agent operations than it is in those areas where major technical systems do the collection task for us, although it is sometimes true for these systems as well. Thus, if information of this type is to be collected, espionage and other collection activities often need to be conducted in secrecy if they are to be conducted at all.

There has been a good deal of public discussion about the need to reconcile intelligence activity conducted in secret with the goals of an open American society.

It is not secrecy or "openness" per se that seem to be at issue. The need for secrecy is widely accepted in many areas of our society.

Outside of Government:

Lawyers and doctors maintain secrets conveyed by clients in priviledged communication. This is widely thought necessary and desirable to protect both the rights and privacy of individuals.

Business firms routinely deny their plans and trade secrets to their competitors or the public at large. There is little public call for "openness" in this regard, it being widely accepted that businesses have this "right."

Newsmen believe that both the "fact of" a relationship between the press and a source, and the identify of the source itself, must often be secret if newsmen are to continue to perform their function in a free society (though this right has come under attack in the courts).

Within the Government:

Important details of our nuclear weapons and strategic capabilities are widely acknowledged to require secrecy because to treat them otherwise would facilitate the efforts of others to develop counterweapons and/or countermeasures.

The Open Market Committee of the Federal Reserve Board protects its decisions from public view in order to help assure that individuals are unable to take unfair advantage of those decisions and to insure that others will not be able to take steps to reverse the decision's intended effect.

Grand jury proceedings are secret to avoid violating the rights of individuals or prejudicing the outcome of a legal proceeding.

Census data on individuals (not aggregate data) is protected from public disclosure to protect the rights to privacy of individuals.

Etc.

These examples should illustrate the point that as a society we rather easily accept the need for secrecy in a variety of areas. Secrecy per se is not antithetical to American values; indeed our value structure accepts secrecy in many endeavors as necessary and important. In intelligence, we face some erosion of public understanding of our function--fueled both by evidence of failure (Vietnam?) and by public discussion of activities once accepted as reasonable but now questionable (covert action in general?). At the same time, we are faced with a major decline in the credibility of those who have been responsible for oversight and control of us both in the Executive Branch and the Congress. Our most fundamental problems would seem to be to restore public understanding of the need for intelligence activities conducted in secrecy, eliminate those aspects of our program which no longer enjoy broad public support, and reestablish the credibility of those oversight budies which seem to reassure the public that we are not exceeding our newly redefined charter.

Paper 1 - The Future of Intelligence.

Our initial thoughts were set down in drafts and discussed 6/26/75. Based on the papers and discussion, basic themes of this paper probably include: some history explaining what intelligence assets the USG had before Pearl Harbor; major considerations included in the 1947 Act; the apparently changing role of intelligence in such areas as economics, terrorism/counterterrorism, world resource use, etc.; ghastly definitional problems which need clarification (national security, intelligence foreign vs. domestic, national vs. tactical, covert action, etc.); changed requirements for public accountability in the future; the need to be aware that we could be talking about creating an efficient apparatus with great potential for misuse; the need for some sort of balance of forces within the Intelligence Community to (minimize abuses? produce healthy competition?); the need to set forth the substantive areas in which intelligence will be expected to contribute; the need to build a more effective set of constituents for intelligence; the need to point out that our very dynamic society imposes special responsibilities on US intelligence; the need to point out that intelligence of the future will more often need to be focused on individuals and groups with great potential for destructive behavior; the probable need to continue to have an

Intelligence Community in which there is both an "objective" body with no policy/operational responsibilities as well as continued Defense participation in intelligence operations; the need to explore further the various leadership responsibilities of the DCI and CIA (including but not limited to the COS' coordination role, the DCI's responsibility for protection of sources and methods, the DCI's resource review role in the Community, the Agency's and the DCI's production "leadership" responsibilities, etc.).

Paper 2 - What is the Intelligence Community?

A descriptive piece explaining the various components of the Community; the production, collection, processing, R&D roles of the various components; and describing the management inter-relationships between the various components including the DCI's resource management responsibilities as set forth in the November, 1971, letter. 5 pages ultimately.

Paper 3 - The Management of Intelligence/CIA Leadership in the Community.

This paper must grapple with the question of alternative management arrangements for the Intelligence Community. Here we will need

to describe DCI and CIA current leadership responsibilities and how they have developed over the years (both with respect to substantive and to resource matters). This will require focusing particularly on the production, collection and R&D responsibilities of the Agency and on the various mechanisms available to the Agency and the DCI to exercise leadership in the Intelligence Community including control over covert activities abroad, control of the estimates process, the various USIB committees with policy making responsibilities in functional areas, the November 1971 letter, etc. We will then have set the stage for whatever analysis/critique we care to make of existing arrangements and for defining a set of problems we think should be solved. A tentative list of these might include the facts that the DCI has a Community resource review responsibility but no authority; the DCI has a Community "sources and methods" responsibility but no authority; the DCI lacks full access to DoD collection and resource information, despite the law and a Presidential letter; etc.

Having defined a series of fundamental problems, we can then analyze possible alternative arrangements. In concept, these seem to fall into about four basic categories:

1. No Community resource management role for DCI at all, return to pre-1971 and focus only on a Community production role for Agency. (Comment: A step backward and probably undesirable.)
2. Consolidate all "national" (what are they?) programs under the DCI's command and control. (Comment: Politically unrealistic and probably not sensible in any event.)
3. Take certain minimum steps to expand DCI's effective authority to do better what he now does. (Example of such steps: Segregate out within Defense all resource decision making related to intelligence and establish a parallel review procedure involving the DCI. Comment: Worth considering further.)
4. Examine the joint management arrangements between CIA and NRO, isolate reasons why this arrangement is considered "successful" and consider whether the model could or should be applied to the SIGINT world, [redacted] 25X1 [redacted] etc. (Comment: A Colby favorite, with possibilities.) 25X1

Paper 4 - Secrecy and Intelligence.

The principal task is to explain what must always remain secret (if we are to do our job) in the Intelligence Community and to explain our legislative proposal on protection of sources and methods in this context. The "open budget" issue will need to be explored as well, though our position on this is quite clear.

On the other side of the coin, the DCI has asked that we pursue the issues surrounding secrecy of the "fact of" overhead reconnaissance, with the hope that certain basic activities in this area could be declassified. Probably there are other similar issues.

Basic to this paper is the need to reconsider where the line must be drawn on revelation of our activities, to examine critically whether that line must be drawn where it is now, and to see if clear guidelines can be drawn for the future.

Paper 5 - External Controls on the Agency and Community.

a. What are these controls and how do they work (with respect to covert action, clandestine and technical collection, and so forth)?

b. What additional controls did Rockefeller Commission recommend?

c. What additional controls might Congress recommend?

d. Recognizing Rockefeller Commission recommendations and probable congressional demands, what would we recommend, both within Executive Branch and with respect to Congress?

Paper 6 - Intelligence and the Congress.

(Paper to deal with substantive intelligence issues, not oversight and controls which should be treated above.)

What use is now made of intelligence by the Congress? Do we react to requests or do we have a conscious program? Where might Congress--if it could keep secrets--benefit from more intelligence information? What could we do to make more information more widely available to Congress? What problems would this cause? Is Congress likely to legislate a request that we make substantive information available to relevant members on a periodic basis? If they did, what ground rules for handling this should there be? 5 pages.

Paper 3 - The Future of Intelligence.

The USG's intelligence capability over the next few years should be marked by three fundamental characteristics:

First, it must continue to supply useful information for a wide variety of Executive Branch policy makers concerned today with:

- Strategic peace keeping involving the USSR.
- Other peace keeping efforts in explosive regional situations, (southern tier of NATO; the Middle East).
- Making macro-economic decisions.
- Understanding threats to stability in nations where we have important interests.
- Making resource decisions about the level and thrust of our national defense effort.
- World resource use.
- And other questions.

Second, it must continue to recognize the need both for an independent production capability (coupled with some

collection, R&D and other responsibilities) and certain production and collection activities carried out by the Department of Defense in support of that Department's principal mission--national defense. The former is required because policy makers must have access to information supplied by an objective organization without policy making or operational responsibilities. The latter is required because it is fundamentally unreasonable to require those charged with monitoring our military preparedness to do that without an element of control over information necessary to the accomplishment of their mission.

Third, it should continue to recognize the need for a central leadership responsibility within the Community to organize thinking on substantive issues, to eliminate redundancy wherever possible, and to facilitate a coordinated USG response to foreign governments on intelligence issues.

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26 June 1975

L.C. Dirks

FUTURE INTELLIGENCE FUNCTIONS

Proper and essential intelligence functions can be broadly categorized into seven areas:

1. Strategic military intelligence
2. Indications and warning intelligence
3. Tactical military intelligence
4. SALT MBFR verification
5. Foreign intelligence support to U.S. foreign policy decision making
6. Foreign intelligence support to U.S. economic policy decision making
7. Intelligence on foreign terrorist activities.

Strategic Military Intelligence

Intelligence needs falling under this heading are those pertaining to the strategic military posture, capabilities, related long range R&D, and intentions of potentially ~~advisary~~ adversary foreign governments. Intelligence on these matters support a range of military budgetary and policy issues. The most critical decisions involve long range U.S. decisions effecting the future military posture of the country. This issue is particularly critical given the long lead times required to

substantially change U.S. military capability. Closely related and perhaps equally important is the operational planning for force disposition and structure with available military resources. There are many other issues such as the long range research and development programs looking forward to future weapons systems, relationships of military capabilities to U.S. foreign policy, etc.

Indications and Warning Intelligence

The intelligence functions in this area pertain principally to providing indications of changes in military posture of potentially hostile governments and warning of imminent military actions against U.S. interests. Appropriate intelligence functions under this heading fall short of tactical warning, such as that provided by BMEWS and by the defense support program with regard to ballistic missiles launched against the continental U.S.

Tactical Military Intelligence

Tactical military intelligence is that required by field commanders engaged in military actions. There was a time when tactical could be cleanly distinguished and separated from strategic intelligence. However, the complexity of current and future weapon systems and the sophistication of technical intelligence collection capabilities lead to a situation where in practice tactical and strategic intelligence are impossible to separate. Almost all of the major technical collection systems developed primarily in response to strategic

intelligence requirements have significant tactical implications. At the same time, intelligence systems driven in the first instance primarily by tactical requirements, both in scope and sophistication, are rapidly approaching strategic intelligence capability. This is particularly true currently with regard to SIGINT. In recognition of this process, the President has charged the DCI with responsibilities for the total world of intelligence including tactical as well as the more traditional strategic. There is no doubt that in the future intelligence will have to be regarded as a whole without attempting to divide it into relatively non-interacting compartments.

SALT and MBFR Verification

Intelligence requirements in this area pertain both to supporting negotiations and the development of U.S. positions in future negotiations and in the verification of treaties or agreements developing from these negotiations. Even though SALT and MBFR matters pertain to military capabilities and equipment, intelligence problems are significantly different. Most notably the intelligence establishment must (1) be able to project future intelligence capabilities against a range of contingencies, (2) the Intelligence Community is called upon to make positive statements to the effect that certain events which might constitute a violation have not taken place. In addition some measure of confidence in these negative judgments must be associated with the process.

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25 June 75

NOTES ON "PAPER 3"

Before we plunge into the thicket of specific recommendations and concrete solutions to perceived problems, we ought to step back and sort out some of the central concepts indispensible to our deliberations. In these deliberations, we will have to use certain key words -- which are, actually, the "names" for these central concepts. Sterile endeavors to frame perfect definitions should be avoided, but we should be reasonably clear what our key terms denote and, especially, be sure that we are all employing these terms as names or labels for essentially similar concepts. If in using such words, we are privately -- and unknowingly -- using them in a sense different from that in which they are being used by our colleagues, little but confusion is likely to result.

-- Two terms I consider indispensible in our endeavor are "intelligence" and "information." To my mind, they are not the same. Information is what intelligence officers and services collect; intelligence is what they produce. Intelligence is amalgamated, collated and evaluated information refined and distilled by analysis -- i.e., by the intelligence process.

-- When you speak of a country's need for intelligence you are actually speaking of its need for (a) information and (b) an analytical capacity and organizational structure capable of refining that information into intelligence.

-- In normal discourse, the word "intelligence" also encompasses a different meaning or set of meanings -- namely the capacity to conduct what we call covert action. This is something different from the kind of intelligence just discussed and the distinction needs to be borne in mind, though covert action capabilities are also proper objects of consideration in any overall assessment of a country's intelligence needs.

-- As for the US, we start with the fact that ours is the wealthiest country in the world and that, given its size and its wealth, its actions -- or non-actions -- will inevitably have a major impact on events and situations beyond its borders, whether that impact be intended or not. Furthermore,

-- The wealth and potential impact of the United States inevitably makes it the target of other nations and political groups who would like access to its wealth and who want to induce it to behave in a way that enhances their own interests.

-- The preceding considerations are non-ideological. It is also a fact of international life in the last half of the 20th Century, however, that some of the world's nations are controlled by people committed (with varying degrees of intensity) to certain ideologies which they are anxious to spread -- advancing their own or their group's interests in the process. This ideological consideration makes them regard the US as a natural enemy to be neutralized around the world and ultimately -- if possible -- either conquered or overtaken from within.

-- The ideological struggle being waged is not unprecedented. In fact, it bears strong analogies to partially religious European wars and conflicts of the 16th and 17th Centuries. One important phenomenon in such a struggle is that those waging it do not take opposing governments or nations as givens. Instead, they try to go around, behind or over the heads of such governments to factions, groups or individuals within the target society who can somehow be co-opted and exploited to behave in a way that advances the interests of the crusaders. This fact, in turn, fuzzes and in some cases obliterates the boundary between foreign intelligence questions and those relating to internal security.

-- Given this international environment, the US does have certain basic intelligence-related needs which it will have to fulfill if it is to survive, let alone prosper.

-- First, it has informational needs. These fall broadly into two categories, which ought to be distinguished because the sources which can best service one are not necessarily those which can best service the other.

-- One cluster of informational needs relates to the capabilities of other nations or groups with whom we share this planet. To a significant extent, these informational needs can be met by an exploitation of overt sources augmented by technological collection which is essentially passive -- e.g., imaging or SIGINT satellites.

-- The other cluster of needs relates to the intentions of those whose actions can impact on the interests or the security of the United States. Questions of intent are closely related to questions of perception and are inextricably tied to questions of human attitude. These are not amenable to passive collection by sophisticated technical devices and servicing these needs is virtually impossible without the assistance of human sources.

-- Our government also needs an analytic structure capable of digesting the information that government garners and refining it into intelligence. If analyzed information -- i.e., intelligence -- is to have an impact on major policy decisions, however, it has to have the greatest attainable degree of objectivity. The goal must be an attempt to ascertain what the facts of a given situation are before making a decision on what course of action is most likely to serve the national interests in light of these facts. Humans being humans, this degree of objectivity -- or the closest possible approximation thereto -- is unlikely to be attained if the analysis is controlled by people who for departmental, budgetary, policy or other reasons have a vested interest in its outcome.

-- Also, if the US Government is to be able to protect its interests and frustrate the designs of its adversaries by means short of formal war it has to have a capacity for some form of covert action more efficacious than diplomatic rhetoric or verbal suasion.

-- If the US Government has the various types of intelligence needs outlined above, then there are three further requirements which have to be fulfilled if these needs are to be met:

-- The US must be capable of protecting and concealing (the two are not quite the same) its sources of information.

-- It must be capable of concealing its techniques of analysis, especially those which would inevitably provide clues as to the sources of information on which that analysis has to be based.

-- It also needs some capacity for protecting the fruits of its collection of analysis so that its adversaries will not necessarily know the full informational base on which US decisions are being made.

26 June 75

The Place of Intelligence in the U.S. from 1975 Forward

The intelligence process is defined as "Intelligence gathering involves collecting information about other countries' military capabilities, subversive activities, economic conditions, political developments, scientific and technological progress, and social activities and conditions." The intelligence process assumes that there are actions which can be taken by the policy leaders of the U.S., based upon this intelligence, which can affect the course of events either favorably, or less unfavorably, in terms of U.S. national security interests.

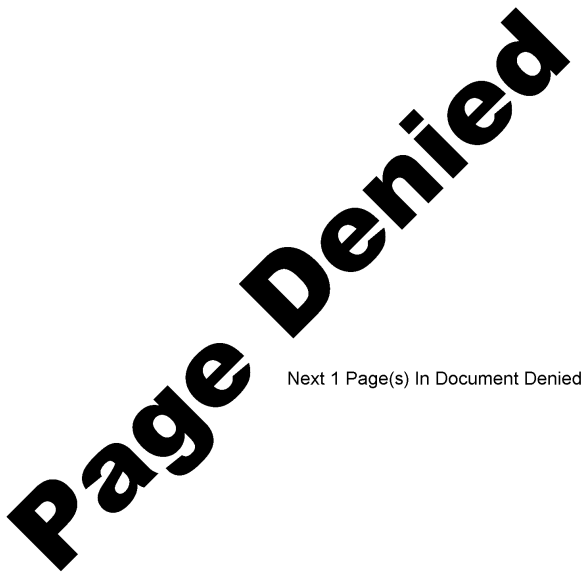
It is likely that the forthcoming years will see the definition of national security rewritten in broader terms to account for all of the economic, political, and social factors present in other countries which threaten or could threaten the existence of this country. Such a broadening of the definition of national security implies a change in the definition of intelligence to include targets in new areas. Economic intelligence may well grow as resources become scarcer, either through depletion or a managing policy of scarcity. Industrial intelligence may also become increasingly a matter of national concern in order to maintain the competitive status of U.S. industries in world markets, thus maintaining a high level of employment of humans and capital. (There may also be increasing national concern about the impact of the actions of multi-national corporations upon national goals.) Shortages of food which now exist may be exacerbated by climatological changes and shortages in fertilizer. These food shortages, real and potential, may be coupled with large population increases in the "have-not" nations. This suggests that agricultural and demographic intelligence will become of increasing importance.

The aftermath of Watergate has resulted in the desire on the part of the American people for greater accountability in its officials, both public and private. This desire for accountability will undoubtedly be increased in terms of the intelligence structure as a result of various allegations

made relative to this Agency and to other members of the intelligence community. This could well lead, during the period in question, for a demand from the American public for access to much of the information obtained by the intelligence community, which is perceived as being in areas of interest to that public.

It would appear obvious that the intelligence process of the U.S. must be made more efficient, less costly, and extremely selective in what it is used for. The analytical process needs for study and more attention to achieve this end. The mere existence of a technological capability should not call for its massive employment.

Paper #3 (Dirks, Carver)



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Notes on the Intelligence Community

The "Intelligence Community" is a collective name for those components of the US Government which collect and produce foreign intelligence. The key to its membership is the membership of the United States Intelligence Board, though here (as is frequently the case) appearances are slightly deceptive.

a. The "full" members of the Community are the CIA, NSA and DIA.

b. The three service intelligence components (ONI, ACSI, AFCIN) are also Community members but the relationship between DIA and the three services is one of the complications in the Community's organization.

c. Actually, the role of the Defense Department, some of whose components are members of the Community, to the Community,as a whole, is another complicating factor. NSA is clearly a member though, in the [redacted] command line, the Director of NSA reports to the Secretary of Defense. Whether the Assistant Secretary of Defense for Intelligence is a Community member is a matter of considerable dispute, as is the precise relationship between that office (and its head) and the DIA.

d. State shows a similar anomaly. Its Bureau of Intelligence and Research is a full member of USIB, but

whether Foreign Service Officers are or are not part of the US Government's intelligence collection mechanism is also a disputed subject.

e. The FBI has a liaison relationship, being represented on the USIB by a member who usually abstains -- and quite properly -- since most of USIB's deliberations deal with foreign topics which are outside its jurisdiction.

f. ERDA's position (inherited from the AEC) is similarly anomalous. Its representatives at USIB used to abstain as a matter of normal practice on most Estimates, but the current representative (General Giller) is much more prone to an activist participatory role than were his predecessors.

g. Treasury is analogous to State in the Community but not really of it.

The management and relationship problems affecting the Community's organization include the following:

a. The precise role of the DCI, particularly in his capacity as Chairman of IRAC (as well as Chairman of USIB).

b. The organzation and allocation of responsibilities within the intelligence components of the Defense Department and the way they relate to the concept of a Community head -- in some fashion -- by a DCI who is not subordinate to the Secretary of Defense.

c. A perhaps temporary but at this writing very real problem is whether the Community, through the DCI, reports to the President, the "NSC" or the President's Assistant for National Security Affairs, who happens also to be the Secretary of State. (The latter causes considerable heartburn to the Secretary of Defense, a former DCI, who is prone to regard the Intelligence Community as often functioning as an instrument of the Secretary of State and, hence, an organization not geared to serving the needs of the Secretary of Defense.)

d. The responsibilities of the Community, and the DCI, to Congress and where the border line comes between its responsibilities to Congress and its responsibilities to the Executive Branch.

e. The extent to which the Community has an obligation to make intelligence information available to the Press and the general public and who within the Community has what proprietary rights over intelligence information, including the right of veto or at least consultation before any other Community components -- including the DCI -- releases information in which the initial component thinks it has a proprietary interest.

f. The whole question of the management and tasking of certain national assets [redacted] 25X1

[redacted] 25X1

g. The whole matter of budgetary responsibility, guidance and command direction.

h. The Concept of "National Command Authorities"

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26 June 1975

The Intelligence Community

As I noted yesterday, I am somewhat puzzled by the various authorities for the existence of intelligence agencies. The Central Intelligence Agency and the National Security Council are, to the best of my knowledge, the only ones assigned responsibilities and safeguards by law. Other members of the community exist by executive intent (most frequently expressed by Executive Order) or by departmental regulation. Setting aside the question of the desirability of an intelligence community, shouldn't all members have the same level of authority as the basis for their being?

Should consumer elements whose interests in intelligence are relatively narrow (infantry battalions, patrol boats) be represented in the intelligence community?

Maybe limiting the forum of the intelligence community to the collectors and primary consumers of national intelligence would serve a purpose.

Is the Intelligence Community Staff a worthwhile management mechanism or is it merely window dressing which is necessary politically to the DCI in his "community" role?

I think our discussion of 26 June 1975 ended in the consensus that it is undesirable in our democracy to have a single intelligence agency controlling collection, analysis and production. But perhaps it would be useful to assign roles within the community more precisely and to a fewer number of participants.

If the Intelligence Community Staff serves a useful purpose to the nation, should it be physically housed within the CIA?

This obviously raises the question relative to the DCI and gets back to his dual identity.

Should he be the leader of the community, with authorities in this regard or should the DCI stand removed from the community?

Does the R&D Council accomplish anything of value to the national intelligence interest?

Could the National Security Council be revitalized and redefined by legislation to become a legal, effective intelligence directing and controlling body?

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27 June 1975

WHAT IS THE INTELLIGENCE COMMUNITY?

1. Although this is not my area of knowledge, I understand the Intelligence Community to include elements of the National Security Council, the intelligence community of the NSC chaired by Secretary Kissinger, the members of the United States Intelligence Board, elements of the Defense Department and OMB. I have no experience in just how these organizations interrelate and how they are drawn together under the new KIQ system. My knowledge, therefore, is pretty much that contained in the Schlesinger report of March 1971.

2. It strikes me that other organizations ought to be included in the Intelligence Community. I assume, for example, that ERDA is. The Department of Commerce probably also should be represented. As a consequence of our discussion yesterday, I believe we should discuss Congressional representation. Some means of judicial notification (if not actual representation) because of FOI and possibly some mechanism to the individual States should also be considered.

3. As for the functions of the Intelligence Community in miniature, specifically the CIA Station abroad, and its relationships to military intelligence, this story is properly part of the paper I will prepare on the CIA Station.

What is (should be) an Intelligence Community?

One current operational definition of an Intelligence Community is those agencies, projects and programs funded from the four major intelligence budgets [redacted] 25X1

[redacted] Unfortunately this definition does not include some 25X1
organizational entities which for the "R" part of the)?
Intelligence Community; e.g., State, and does include some organizations which do more than intelligence related activities; e.g., NSA. Using the USIB as an operational definition for the Intelligence Community has problems including organizations which have a very real interest as users of intelligence, but do not contribute to the generation of intelligence product; and excluding other organizations which have major tributary roles; e.g., NRP.

The principal organizational entities which should be included under the heading of Intelligence Community are CIA, State, DIA, NSA, service intelligence organizations (FTD, MIA, NSK, etc.) and the service cryptological agencies (NSG, ASA, and AFSS). The AEC, now ERDA, occupies a peculiar role and historically has been an important member of USIB and some USIB committees. I am not clear why this has been or should continue in that they are not a user of intelligence, but rather represent a unique and exclusive body of information and technology which bears on the important strategic intelligence

questions. I also have some trouble understanding the FBI participation in the USIB environment. Again, in this case there needs to be a close and unique relationship between the Intelligence Community and the FBI, but I do not see why that requires in any sense the FBI to be a member of the Intelligence Community. Commerce and Treasury are different cases and no doubt have real requirements for intelligence support, but to date make relatively minor contributions to the intelligence process and therefore do not satisfy any of the usual criteria for full membership in the Intelligence Community as such. Perhaps good working criteria for community membership are organizational entities which are predominantly occupied with the collection, processing, analysis and production cycle.

At the current time the above Intelligence Community entities are linked together in an almost ad hoc manner with no uniform or consistent pattern of relationships among the associated entities. DIA, for example, is responsible for administering [redacted] and includes an assortment of people and organizations and projects strewn through the three services and several civilian agencies. On the other hand, DIA is not responsible for significant pieces of the GDIP; e.g., the [redacted]

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The service cryptological agencies are parties to the Intelligence Community only through the loose and involving process of NSA coordination and review under the new NSCID charter. IRAC seems to be helping, particularly through its IR&D Council, but significant resources are being developed, deployed and operated in a manner which is not generally visible to the Intelligence Community at large and the product of which frequently does not flow into the available community data bases.

I think it is extremely important to take advantage of the current opportunity to restructure the community and rationalize the management both in the aggregate and in the component parts.

Paper #4

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Paper 4 - Managerial, Organizational, and Prodecural Assumptions about the Future of the USG's Intelligence Apparatus

This paper should be assertive in tone, setting forth a series of policy assumptions which will form a basis for the analysis and recommendations in Paper 5. It should include an explanation of our reasons for making these assumptions. Assumptions include but are not limited to:

a. The USG's continuing need for certain basic capabilities (apart from their exact dimensions) such as overt collection by radio monitoring and personal contact overseas and in the US, SIGINT collection, overhead photography, a clandestine collection/operations apparatus, and the analytic capability referred to below. Emphasize the continuing desirability of an overseas clandestine collection apparatus (theDDO) despite technical collection improvements, with certain capabilities

[redacted] 25X1

[redacted] including separate communications 25X1

channels. Reasons why.

b. The continuing need for Defense participation in, or operation of, many important programs and the unrealistic

nature of proposals to put the entire Intelligence Community under the command and control of the DCI. Reasons why.

c. The continuing need for an organization, independent of the NSC, State, Defense, Treasury, or any other governmental entity with a policy making role or major operational mission, devoted to the analysis of information from a variety of collection sources. Reasons why.

d. The need for leadership within the Community from this "independent" organization with respect to the tasking of collection systems, the production of intelligence, and certain resource matters and the need for this organization to have access to all data collected in the Community. Reasons why.

e. The need to simplify and clarify (at the very least, to avoid further complicating) the very complex interrelationships between CIA and Defense with respect to responsibility for resource, production, and tasking matters.

f. The need for a committment to excellence in the quality of the Community's people, in the institutional arrangements within which people work, in the management of our programs, and in the product ultimately delivered.

Paper #5

Declassified in Part - Sanitized Copy Approved for Release 2014/07/08 : CIA-RDP79R01142A001700010001-9

Paper Zero - Fundamental Considerations - Intelligence in an "Open" Society

The US exists in a world of nations with interests reaching beyond their own borders. Other states take actions and maintain capabilities to take actions which affect our interests. Some of these actions and capabilities are openly acknowledged; others are secret. In the past we have from time to time paid a heavy price for our failure to acknowledge this and to take appropriate steps to understand both the capabilities and the intentions of others with respect to us.

Extraordinary measures must be taken to gather information on and understand those activities and capabilities shrouded in secrecy by foreign state policy. Attempts by the United States to collect such information often involve violation of the laws of other nations. This is generally more true with respect to human and agent operations than it is in those areas where major technical systems do the collection task for us, although it is sometimes true for these systems as well. Thus, if information of this type is to be collected, espionage and other collection activities often need to be conducted in secrecy if they are to be conducted at all.

There has been a good deal of public discussion about the need to reconcile intelligence activity conducted in secret with the goals of an open American society.

It is not secrecy or "openness" per se that seem to be at issue. The need for secrecy is widely accepted in many areas of our society.

Outside of Government:

Lawyers and doctors maintain secrets conveyed by clients in priviledged communication. This is widely thought necessary and desirable to protect both the rights and privacy of individuals.

Business firms routinely deny their plans and trade secrets to their competitors or the public at large. There is little public call for "openness" in this regard, it being widely accepted that businesses have this "right."

Newsmen believe that both the "fact of" a relationship between the press and a source, and the identify of the source itself, must often be secret if newsmen are to continue to perform their function in a free society (though this right has come under attack in the courts).

Within the Government:

Important details of our nuclear weapons and strategic capabilities are widely acknowledged to require secrecy because to treat them otherwise would facilitate the efforts of others to develop counterweapons and/or countermeasures.

The Open Market Committee of the Federal Reserve Board protects its decisions from public view in order to help assure that individuals are unable to take unfair advantage of those decisions and to insure that others will not be able to take steps to reverse the decision's intended effect.

Grand jury proceedings are secret to avoid violating the rights of individuals or prejudicing the outcome of a legal proceeding.

Census data on individuals (not aggregate data) is protected from public disclosure to protect the rights to privacy of individuals.

Etc.

These examples should illustrate the point that as a society we rather easily accept the need for secrecy so long as the reasons for secrecy are understood and generally accepted. In intelligence, we face some erosion of public understanding of our function--fueled

both by evidence of failure (Vietnam?) and by public discussion of activities once accepted as reasonable but now questionable (covert action in general?). At the same time, we are faced with a major decline in the credibility of those who have been responsible for oversight and control of us both in the Executive Branch and the Congress. Our most fundamental problems would seem to be to restore public understanding of the need for intelligence activities conducted in secrecy, eliminate those aspects of our program which no longer enjoy broad public support, and reestablish the credibility of those oversight budies which seem to reassure the public that we are not exceeding our newly redefined charter.

Paper 5 - Fundamental Intelligence Issues - Analysis and Recommendations

(This paper should be analytical in tone and should build upon the descriptive material in Paper 3 and the assumptions in Paper 4 to set forth analysis, alternatives, and recommendations on the issues we believe require Presidential consideration.) I suggest the following major topics for analysis and recommendations:

A. External Controls/Credibility/Public Support for Intelligence

B. Management and Organization of the Intelligence Community

1. Leadership in the Production of Finished Intelligence

2. The DCI Role in the Collection Management Problem

3. The DCI Role in the Review of Community Resource Needs

4. Summary of Recommendations

C. Congress and (Substantive) Intelligence

A. External Controls/Credibility/Public Support for Intelligence. Paper should focus on what the President ought to want in this area, based on the "Problems and Prospects" paper, the Rockefeller Commission Report and the Murphy Commission report. (I recognize the feeling of the Group that these are problems which "will be solved for us"

and that for this reason we need take little account of them in our paper. I agree with the first half of this proposition but feel that the paper will lack credibility if it make a series of recommendations for change in the Intelligence Community, many of which may involve enhancing the DCI's role, without somehow acknowledging that we are under fire and offering some thoughts on how we propose to accommodate ourselves to that fire. I welcome your thoughts on how to face this issue.)

B. Management and Organization of the Intelligence Community. In Paper 3 we have made the point that the Intelligence Community is really several communities: a community of entities with an interest in production; a different community of concern to the DCI in his resource review role; a community of collectors of intelligence; and a community of consumers of intelligence (which generally lies outside the Intelligence Community). In this paper we should develop the theme that the DCI/CIA properly and reasonably has a leadership role to play with respect to the first three of these areas and that future changes in the organizational/management structure of US intelligence should provide for these responsibilities and give the DCI/CIA tools with which to carry them out.

B1. Leadership in the Production of Finished Intelligence. Review history of the development of CIA responsibility for production including factors which led up to passage of the 1947 Act. Briefly explain the existing organizations in the Community which work in the topical areas identified in Paper 2 as being of continuing interest; explain mechanisms available to DCI to carry out production process (NIO's to organize estimates, DDI to write them and other materials--NID's etc.). Discuss the need for CIA access to all raw information collected in the Community, discuss periodic problems in this regard and the need for a mechanism (probably outside CIA and the DCI) to solve questions of this type short of the President; consider the organizational split within the Agency between a DCI-related apparatus (the NIO's) and the regular line production components and explore whether this distinction is important and whether it should be preserved in present form; explore relevance of the idea of competing analytical centers as set forth in the Schlesinger report in specific functional areas (economic, strategic, etc.) and analyze what one can expect to achieve with such competition and the factors which would need to be present to bring it off; and make recommendations related to the above.

History

The DCI is in the best position on substantive judgment. Here there is an established mechanism for focusing Community resources through USIB and the NIO's, the authority for the DCI to override (with footnotes, as is proper), and a reputation for objectivity.

The 1947 Act assigned to the Agency, not to the DCI, the task of coordinating, evaluating and disseminating "intelligence relating to the national security," using existing agencies where appropriate. It authorized other agencies to produce, etc., departmental intelligence. As "national intelligence" Congress clearly had in mind intelligence on foreign military intentions and capabilities, and probably to some extent political intentions in the case of hostile powers. It did not envisage the inclusion of economic intelligence, except as this intelligence bore on the vulnerabilities and military production capabilities of hostile powers.

As a practical matter, neither the DCI nor CIA had the clout in the early years to do any of this. Since OSS/R&A was assigned in 1946 to State, CIA had to start from scratch with the formation of ORE, and ORE had to compete with strong existing organizations in Army, Navy, and State. Moreover, ORE from its inception was a feckless organization that squandered its resources on secondary projects for which there was no established need.

Only with the arrival of General Smith was it possible to create a coherent Community organization. Personally, he had the clout. He, and Allen Dulles, were considerably more the first among equals in USIB and its predecessors. But to bring order out of chaos they in effect had to apply the allocation of "services of common concern" principle to the production of finished intelligence. The DCI was to correlate and evaluate through BNE and ONE. CIA was only to produce economic and scientific intelligence in the Soviet bloc. The Services were to produce military intelligence, and State was to produce political and non-Soviet economic. There was one anomaly, however. President Truman had required Smith to give him a daily current intelligence report. ONE declined the responsibility. Thus CIA was able to keep an embryo political and military production organization in OCI.

During the fifties and early sixties the following trends can be discerned:

--An effective National Estimates apparatus and process, fully integrated with the policy-making apparatus that existed through the Eisenhower Administration.

--An increasing national appetite for current intelligence, resulting in the growth of a strong political capability in OCI.

--An ORR gradually spreading from Soviet affairs into third world trade-and-aid matters.

--An inability on the part of the services to rise above departmental viewpoints in military intelligence, forcing the beginnings of a military intelligence capability in CIA/ORR and OSI.

Again, in the Kennedy and Johnson Administrations, these trends were modified.

--The appetite for current intelligence became insatiable, and OCI prospered thereby. As this tendency became recognized, there were pressures to produce "national current intelligence,: that is, to permit State and Defense to have a say in service to the national authorities.

--Over the period, ONE lost contact with the policy apparatus, and came more and more to be operating in a vacuum.

--The weakness of the service agencies was recognized in the formation of DIA, but they on the one hand hid their assets and DIA on the other was unable to overcome its antecedents.

--In the face of increasing technological challenge, CIA formed DDS&T and, especially, FMSAC.

--Under similar pressures, DDI formed OSR.

--INR, ignored by successive Secretaries of State, atrophied.

--ORR, now OER, moved not only to fill the vacuum left by INR, but also to meet new needs of the Federal Government for macroeconomic analysis of foreign countries that no traditional arm of the US Government was able to provide.

The Nixon and Ford Administrations:

--The isolation and obsolescense of ONE became apparent, and it was replaced with the NIO apparatus. One important element in the change was to give a larger role, under the DCI, to other agencies, and to reduce, at least nominally, the influence of CIA.

--The demand for economic intelligence became insatiable, and could be met only by OER.

--DIA, under Graham, reasserted its rights in military intelligence, and began to develop a claim to support of the national authorities

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in crises that goes beyond departmental bounds.

--CIA in effect institutionalized its role in military matters in the reorganization that produced OWI and the .

--National Current Intelligence, if there can be such a beast, was also institutionalized and DIA retired at least temporarily from the field. ?

--Longer range political research was given a home in CIA with the formation of OPR.

--INR continued to decline, nearly to extinction, until the arrival of Bill Hyland. Hyland, first of INR directors to have the confidence of HAK, was able to employ at least some of his assets in support of the Secretary. Hence INR, to the extent it is active, is devoted to departmented ends. Unfortunately, because HAK wears two hats, these tend also to be national ends.

The present situation in production of national intelligence.

Functionally:

--Political intelligence is produced mostly by CIA/OCI, secondarily by State/INR, thirdly (by design) by CIA/OPR.

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--Economic intelligence worldwide is produced by CIA/OER, very much secondarily by State/INR.

--Military intelligence on important national questions is produced in parallel and to some extent in competition by CIA/OSR and OWI and by DIA with some support from AF and Navy. (Individual service activities have finally given way to the budget.) On routine matters (O/B on lesser countries) DIA does it all.

By category:

--Estimates, etc., are produced under the NIOs, with CIA bearing most of the drafting load except in the military area, where it is shared with DIA.

--Current intelligence is primarily assigned to CIA/OCI, with economic and military inputs from other CIA components, and occasional contributions from other agencies. The NIB is fully coordinated. The NID is somewhat less so.

Three other matters not directly touched on so far:

--NSA. NSA is a full member of USIB, yet is supposed to confine itself to collection and to its own source. This produces bizarre results when NSA attempts to produce finished intelligence.

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[redacted] 25X1

--The NMIC. DIA has created [redacted] with 25X1
the stated intentions of supporting the "National Command Authorities" in "crises." Its definition of "crisis" subsumes anything beyond total tranquility, and demands that all national collection assets come under its control once "crisis" is declared. Neither the Secretary of State nor the DCI are included among the National Command Authorities. The basic issues have not been resolved, and are the most important that would be facing the DCI under any other circumstances than the present ones.

--The DDI. As George pointed out, the DDI (and OWI and OSI) are in an anomalous position. They are a unique national asset (none of our critics would like to turn the military foe back into the chicken coop and there is no alternative to OER) but they are not the national correlating and evaluating agency, as the Act of '47 specifies, nor are they departmental.

B2. The DCI Role in the Collection Management Problem. There exists no mechanism by which the DCI can exercise "collection management," which might be defined as the allocation of collection resources across systems to specific targets. There do exist a number of separate arrangements, developed ad hoc, but sometimes quite elaborate, whereby particular systems are targeted--viz COMIREX. But these arrangements are not interrelated and some [redacted] are weak at best. The paper should identify these ad hoc arrangements: COMIREX, whatever it is that "tasks" DDO, attaches, Foreign Service, CCP, etc., and show which work effectively, which do not, and why. The paper should explore competition between Defense components and us as to requirements to be pursued. Based on analysis above, develop ideas about what is required to make the mechanisms work effectively, and recommend how this task might be better approached. Consider whether such mechanisms ought to be written into a new law. Explore possibility that some kind of EXCOM arrangement between CIA and various other programs in the Community might facilitate solutions to these problems. Consider the question of how, even if formal requirements for tasking mechanisms are set forth in a new CIA statute, such requirements would be enforced in the absence of line control.

25X1

B3. The DCI Role in the Review of Community Resource Needs.

Describe existing responsibilities as set forth in the Schlesinger letter; the organizational arrangements (the IC Staff and the IRAC) set up to carry out these responsibilities; and the effectiveness of this process to date in doing the assigned tasks. Explain nature of CIA's resource review role with respect to CIA, the EXCOM programs, and the other DoD programs (see below); rethink the boundaries of the DCI's resource review task (i.e., should the whole CCP be included, all of the GDIP, Tactical?); rethink the nature of the DCI's responsibilities with respect to the EXCOM programs, the CCP, the GDIP, etc. (What is the importance to anyone of having a DCI view on whether there should be a new DIA building? Shouldn't the DCI comment on aspects of programs which impact on substantive capabilities in the Community leaving other resource problems to OMB?) Analyze problems inherent in the DCI role as conceived by the Schlesinger report (poor access to needed information, problem that Defense must look at intelligence in the context of the whole DoD program and intelligence and the DCI's interest in it get lost, fact that DCI given a responsibility by November 1971 letter but no real authority). Recommend changes in scope and nature

of DCI role. Explore idea that resource review task envisioned by November 1971 letter ought to be carried out by line organizations within CIA with substantive competence; the problems inherent in such a concept; the organizational implications for the directorates, the DCI, and the IC Staff. Explore notion that production components with access to knowledge about which collection programs are contributing best to production should have a role in resource task and suggest how this might be accomplished.

Basic Description of Resource Review Process and DCI's Role in It.

Resource Review of the CIA Program.

(Much like normal Federal agency. DCI makes decision, OMB reviews as with normal agency. Congress reviews.)

Resource Review of the NRO Program.

The NRP EXCOM meets regularly in November, April and July of each year with typically several additional sessions during the course of the year as required. While the OMB does not have a formal member on the EXCOM, there is always at least one OMB representative present at EXCOM meetings. Since Mr. Colby assumed chairmanship of the EXCOM, he has broadened participation in the EXCOM deliberations

and decision making and regularly includes the Director, NSA; Director, DIA; DD/S&T; Chairmen of the SIGINT and the COMIREX; a representative from NSC; Director, IC Staff; and others as appropriate.

The NRP EXCOM reviews and approves all NRP budget line items. The EXCOM pays particular attention to the early pahase of new programs and usually specifically reviews and approves each step, including definition of new programs as well as initiation of major new system acquisitions. The EXCOM also addresses a range of policy issues and keeps closely appraised of the ongoing process of all NRP developmental and operational programs.

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[redacted]

As a matter of practical fact, the NRP budgets go forward to the President as submitted by the Secretary of Defense. While the OMB from time to time attempts to influence the EXCOM on particular actions vis-a-vis certain programs, any major budget issues quickly become a matter for Presidential decision.

Resource Review of CCP Budget.

(Explain briefly how this works; explain DCI role and limitations.)

Resource Review of GDIP Budget.

(As above.)

B4. Summary of Recommendations. This paper (to be written later) will pull together the recommendations covered in Parts A and B and show how the 1947 Act might be amended to carry out our recommendations.

Amendments to the
The National Security Act of 1947

Amend the National Security Act of 1947 (as amended) to preserve Section 10 establishing and defining the National Security Council but to retitle and rewrite Section 102(a) to apply to the Intelligence Community instead of CIA. In addition, this revised section should:

a. Specify DCI's role in Intelligence Community with respect to production of intel, tasking of collection mechanism, and consultation on resource matters.

b. Modify existing provisions of law which specify what kind of individual should be selected for DCI and DDCI positions.

c. Reestablish CIA's "termination of employment" authority (and write this provision into law for other Community elements as well?).

d. Rewrite Section 102(d)(1-5) referring to the duties of the Agency to emphasize the duties of the Community.

e. Improve the language of 102(e) relating to DCI right of access to information collected elsewhere.

f. Define the Intelligence Community.

Amend the CIA Act of 1949 to:

a. Preserve the Agency's administrative authorities (Sections 1-4) and clarify who (DCI?) should exercise them.

b. Preserve the Section 5 transfer and other authorities.

c. Assign the sources and methods authority to individual elements of the Community.

d. Preserve appropriations authorization language of Section 8.

C. Congress and (Substantive) Intelligence. Explore what Congress may need and what it may want; how we might be helpful; effect of this on relations to the Executive Branch. Break problem down into substantive areas such as suggested in Paper 2 to illustrate (for example) fact that problems in making information on economic matters available to Congress are probably different from problems with respect to sharing information on SALT monitoring. The four papers of 3 July contain most of the points that need to be made but all concentrate on problems inherent in providing intelligence to Congress. At the least we could state what we now do in this area--a good deal. Perhaps also there are additional opportunities?

Paper #5.a.

NOTE: The introduction to 5A2 will be a revised and shortened version of "The Production of Finished Intelligence Within the Community", 6/27.

R. Lehman
15 July 1975

Paper 5A2

Issues

I. The membership and functions of USIB. Papers 3 and 5A1 discussed some of the anomalies in the present makeup of USIB. This is not strictly a production question, but should be briefly addressed here if discussion of the production issues is to make sense. The options would appear to be:

A. Enlarge USIB's membership and scope to include all the players and management problems for US intelligence.

B. Leave it as it is.

C. Divide it into a collection board and production board, with appropriate membership.

D. Eliminate it, at least as in its production role, giving the DCI line authority for national intelligence support to the President and the NSC.

The DCI's position as production manager would appear to be the same under Options A,. B, and C, although it would be somewhat more complicated by his other duties, under Option A than at present, and considerably less so under Option C. We have therefore transferred discussions of the production aspects of this question to Issue II, where variants of the USIB or production Board arrangement show up as Option II A-D, and Option ID becomes II E.

Discussion of other aspects of USIB organization will come at appropriate points later in the study.

Henceforth, we assume the primary production members of USIB, or of a national intelligence production board, to be CIA, DIA, and State/INR. We recognize the contribution made by the Service intelligence agencies and therefore would include them as observers as long as their status relative to DIA is unchanged. We believe, however, that Treasury is more a consumer than a producer of intelligence and would therefore make it only an observer in a production board.

NSA presents a special problem for a production board. National intelligence is all-source, and NSA is one-source. Occasionally, for operational use or for highly specialized analysis problems, NSA's product can stand by itself, but NSA has neither the analytic resources nor the access to information that would put it in a class with the three primary producers. On the other hand NSA is more than a collector and processor; in this its situation is not unlike that of NRO/NPIC. The traditional view of the producing analysts has always been "just give us the facts. NSA will diagram the nets. NPIC will count the trucks and buildings. We will integrate these into a national product." Under budgetary pressure, however,

and faced with ever-larger amounts of data, the analysts have given way, and are in fact looking for help. They are now encouraging NSA and NPIC to go much deeper into such subjects as order-of-battle, ~~leaving~~ reserving for themselves only the final aggregation and analytic interpretation. Moreover, they now recognize that an NSA analyst develops a feel for his source that enables him in a fact-moving and complex situation to draw useful intuitive conclusions that are beyond the competence of the analyst farther removed from the traffic. For these reasons we recommend that NSA too be an observer to a production board ~~and that~~ perhaps the contribution of the photointerpreter could be similarly recognized.

II. The DCI as Production Manager. We have already noted that the DCI is better equipped to handle this job than any other.

His statutory powers include the Act of 1947, which is more explicit on the "Correlation and Evaluation" of intelligence than on any of his other duties, and the President's letter of 1971, which makes USIB advisory to him. More important than either of these, however, is his de facto position as Presidential adviser: he has some access to the President and he represents the intelligence apparatus on the NSC and participates in all its

subcommittees. While he accepts and encourages dissents, he nonetheless himself gives the briefings to these bodies, and he controls the estimates and major current intelligence publications that serve their membership.

If the DCI is in fact so well in control of production, why consider changes? One answer is that the major structural changes we are considering are not primarily directed at production, but can affect it a great deal. The existing strengths of the production system must not be lost. Another is that because production is handled better than other intelligence matters does not mean that it is handled well. There are major problems between the DCI and the DOD, and lesser ones in regard to NSA. The NIO system has solved many problems but created others.

The structural changes we are considering in the first instance concern the DCI's three roles.

Option A. No changes. The DCI retains his present powers and continues simultaneously as Presidential adviser, head of the Community and DCIA.

Pros:

--No disruption

--Continuation of a working production system

Cons:

--Maintaining this structure means no job other than production is done well.

--The system is frozen

--The DCI has a powerful public image that is not support in fact.

--His responsibilities to Congress are confused.

Option B. The DCI continues as Presidential adviser, and as Chairman of USIB, with a separate DCIA. Option B has three variants: the DCI has a small staff responsible only for production review; a somewhat larger one responsible for production only for the NSC and its sub-Committees; the full production components of the DDI and DDS&T, (in which case DCIA probably does not belong to a production board, but might chair a collection one).

Pros:

--The DCIA is separated from the DCI as Presidential adviser, and hence appears less powerful.

--Under the second variant a small elite staff could provide a rather special policy-oriented product. Problems of feed-back and of access to policy information would be minimized.

--Under variants 2 and 3 the DCI is able to concentrate his attention on his primary job.

--Under all hree variants product review, collection management, and resource review are under the same control and hence can work in a coordinated manner.

--The possibly divergent interests of "central intelligence: and of CIA are recognized.

Cons:

--Under variant 2 another intelligence production organization is created which can be at odds with the present ones.

--Under variant 1, the DCI has no tools for effective substantive leadership.

--Under variant 3, the DDI etc. is put in a superior position which, regardless of statute, might create additional problems with the other agencies.

Option C. The DCI serves only as Presidential adviser. The DCIA serves as Chairman of USIB, or of a production board, and is the substantive intelligence officer on the NSC. There are two variants: the DCI out of the production business entirely; the DCI with responsibility for product review and the staff to do it.

Pros:

--the DCI is taken completely out of the public line of fire.

--He can concentrate on management problems and, being in the White House, can most easily exercise budgetary control.

Cons:

--He does not have sufficient control of product to exercise properly the three inter-related elements of control.

--In variant 1 he has two sides of the control triangle but not the third.

Option D. Each of the three DCI's is a separate officer. Variants: the DCI reviews product and has a staff for it, Chairman USIB controls CIA production and sits in the NSC, (and DCIA is not in the production act); the DCI is not involved in product at all, Chairman USIB controls CIA production, and reviews product, etc; Chairman USIB has a product review staff only, and DCIA is very much a member and sites on the NSC.

Pros:

--Further diffusion of DCI power

--Maximum managerial attention at each level

Cons:

--Cumbersome

--Fragmentation of controls

Option E. The DCI has line authority over the production elements of CIA and line responsibility for national intelligence support of the NSC and its supporting structure. (Note that this is not the DNI concept.)

Pros:

--Maximum flexibility

--Maximum control for DCI over production structure.

Cons:

--Public image frightening

--Exclusion of legitimate military and State interests.

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Paper #5.b.

(Carver)

5B

25X1

30 June 1975

The Management of Intelligence

This piece has two assumptions. One, there is an intelligence community. Two, this intelligence community should be managed. We seem to agree on Friday that there is an intelligence community, although the discussion seemed to focus upon that community serving, among other things, as a forum for the forwarding of parochial interests. Obviously, there is more to the present role of the intelligence community than that.

I have the impression that as presently constituted, that thing which we call the intelligence community is a mishmash of collectors, producers, and to a certain extent consumers. Not all consumers are represented on the USIB, although the Defense Intelligence Agencies do represent departments which are consumers. Likewise, to a certain extent, INR represents the Department of State, which is a consumer of intelligence. The Department of Treasury would have to be viewed as primarily a consumer, as would ERDA and the FBI. In the interactions of the members of the intelligence communities, each agency has several roles to play, but in the formal mechanics of the USIB or the

the various committees, the actual representation of the Agency may come from only one facet of the Agency's interests.

There is a need for management of resources in all areas. Since the collection methodology involves the largest expenditure of funds, this might be an initial starting point. But, can we start to manage the collection process and the resources devoted to collection unless we have some control over requirements? Are requirements presently generated by consumers or are the requirements essentially created by the intelligence community itself? The consumers, I would think, should be in the institutions that are responsible for generating requirements. It is their perceived need for intelligence which should be a prime determinant in our collection targeting. Do we presently receive such guidance from consumers? Presumably, the KIQ's represent input from consumers, including the President and the Assistant to the President for National Security Affairs. How are these requirements gathered? How are they written? Do requirements appear on the KIQ's as a result of agreements among the consumers, taking into account resource availability, or are consumers' requirements floated on the air to be collected by the Intelligence Community Staff and solidified into KIQ's without further resource to consumers?

The same types of questions can be asked of the other elements of the intelligence process. Do collectors gear their efforts to the demands of the consumers of intelligence or are they driven by the capability of the technology to collect information which the consumer does not yet perceive a need for? If the technology permits a given type of collection, does the collector believe that the need for the information will eventually develop so that he goes ahead to establish the collecting mechanism in anticipation of the requirement? In the same light, how is R&D managed and controlled? How much effort should be devoted to pure, far-our research to anticipate collection needs which will arise ten years hence?

The production world appears to be the one which has the least capability of misuse of technical capabilities. But at the same time, it is obvious that the production area is the one which has the opportunity for the most disastrous misapplication of intellectual talents. Consensus opinions among producers can be dangerous. Lack of dissent can distort the balanced flow of intelligence to the policy-makers. The production mechanism should be one which provides the opportunity for intellectual dissent, but not at the expense of overredundancy. It should permit individual analysts the arena for voicing the conclusions of his

analysis without forcing that analysis to be submerged in a desired unanimity.

The foregoing merely says in my mind that there is a need for managing various aspects of the intelligence community. Who should manage the intelligence community? In the November 1971 Presidential letter to the Director of Central Intelligence, the President directs him to take an active role of leadership in the community. At the same time, the fact that the bulk of intelligence funds are located in the Department of Defense budget limits the leadership role of the DCI. His efforts to lead lack the power base of resources and must be based upon intellectual suasion and the impact of the Presidential letter. Inevitably, in such a world, the DCI's role is limited to that of managing acceptable compromises.

What real tools does the Director have available to him within the Central Intelligence Agency to permit him to establish a leadership role? Firstly, he has the responsibility for the protection of intelligence sources and methods. To date, the leadership role here has been aimed primarily at ferreting out the sources of leaks. The report of the Rockefeller Commission would limit the DCI's authority in this regard to protecting the Central Intelligence Agency's sources and methods and not those of the community. That is viewed against the backdrop of active surveillance of

personnel to determine if they are the source of leaks. But the DCI could assume an aggressive leadership role in defining intelligence sources and methods, in establishing the standards for protecting such sources and methods, and in pursuing legal remedies to prosecute violators of the protection of sources and methods. There are some efforts under way in this regard. For example, OGC is presently attempting to define those things which the Central Intelligence Agency considers sources and methods. But they're still on a limited basis and do not affect the community except inferentially.

The effect of the National Security Act of 1947 and various Presidential statements and letters is to make the Director the principal for/eign intelligence officer of the government. In this regard, he is the Chairman of the United States Intelligence Board charged with establishing the necessary policies and procedures to assure adequate coordination of foreign intelligence activities and reviewing those activities to assure efficiency effectiveness and avoiding undesirable duplication. It is apparent from that part of the law aimed at the DCI and in the subsequent supplementing authorities granted by various presidents, that the intent is for the DCI to become the focal point of foreign intelligence matters with the right of inspection of intelligence as part of the DCI's function.

Essentially, the terms of operation of the intelligence community are such as to limit authorities, particularly to the DCI drastically. Obviously, this was done deliberately when the community was established. The question is now, can the DCI establish leadership in the intelligence community without legislation. My first reaction is no. The only real arrow he has to his bow is that of sources and methods and that has been inferentially limited to the protection of sources and methods of his own Agency. Even if he can assume the intellectual leadership in this particular area of endeavor, it does not avail him much.

Legislation could be a way of improving the DCI's role and since we are going to be getting legislation whether we like it or not, we might as well endeavor to get the right kind of legislation. But should we seek legislation which will enhance the DCI's role or should we seek legislation which redefines the role of the National Security Council and the relationship of the intelligence community to that body? If we are going to do anything with the National Security Act, probably the membership should be modified to provide for those other than the secretaries who are already primarily concerned with national security matters. Indeed if we could come up with a membership which was not tied into vested interests this might be a workable solution.

The DCI could then be a creature of the National Security Council and responsible to that body for the management of the intelligence community. The legislative enactment relative to the Agency would make him responsible to the President and to the legislature for the management of this Agency. This would call for the National Security Council to be some kind of a mix probably of those of the present membership and a new membership faction and would call for a professional staff of its own. The Security Council could then be the representative of the consumer in defining requirements and could be the evaluator in assessing the success of the collectors against those requirements. We might be able then to tie the Security Council in with a legislative oversight to provide the kinds of feedbacks in which Congress is interested.

It is unlikely in today's political world that there is going to be much desire to enhance the role of the DCI or of the Central Intelligence Agency. Given that, and also given what is probably a large distrust of the intelligence community as a whole, it might be best to envisage an arrangement which identifies in some public fashion by legislation or executive order the intelligence organs of the intelligence community and make those responsible either through their chain of command or outside of it

to the National Security Council. That body then becomes accountable both to the Executive and the Legislative Branch and ultimately to the public for the performance of the intelligence community.

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1. If one takes as the primary function of the DCI (leaving CIA aside for the moment) as one of assuming the provision of foreign intelligence to the President and the National Security Council, then it follows that he must exercise authority in three basic areas, resources, "collection management", and substantive judgment.

2. In simpler terms, if he is to supply judgment to the primary consumer, he must be able to collect what he perceives is the information necessary to enable him to arrive at that judgment. If the collectors are to be responsive to his requirements, then in the real world he must have budgetary control over them.

3. His need for at least some influence on resource allocations was recognized in the President's letter of November 1971 and the subsequent formation of IRAC. This is not my line of work, but it is my impression that the arrangement leaves much to be desired. Can such authority extending across agency lines really be exercised at any level below the White House?

4. There exists no mechanism by which the DCI can exercise "collection management", which might be defined as the allocation of collection resources across

systems to specific targets. There do exist a number of separate arrangements, developed ad hoc, but sometimes quite elaborate, whereby particular systems are targeted--viz COMIREX. But these arrangements are not interested - RELATED and some [redacted] are weak at best. 25X1
Thus the DCI would have no efficient mechanism for directing these responses to his purposes, even if he had the authority to do so.

5. The DCI is in the best position on judgment. Here there is an established mechanism for focusing Communist - Community resources through USIB and the NIO's, the authority for the DCI to override (with footnotes, as is proper), and a reputation for objectivity.

6. We might find it useful to ~~get~~ Look at these elements a different way. Is there really one Community, or is this one of the reasons that we are trapped in a traditional framework? We could make a case for three Communities:

Collectors. NSA.
NRO and [redacted] 25X1
CIA/DDO, OEL, FBIS
State/FS
DIA/Attaches, etc.
FBI?
[redacted] 25X1

--Producers CIA/DDI, OWI, OSI

DIA/DI

(Services? FTD?)

State/INR

ERDA?

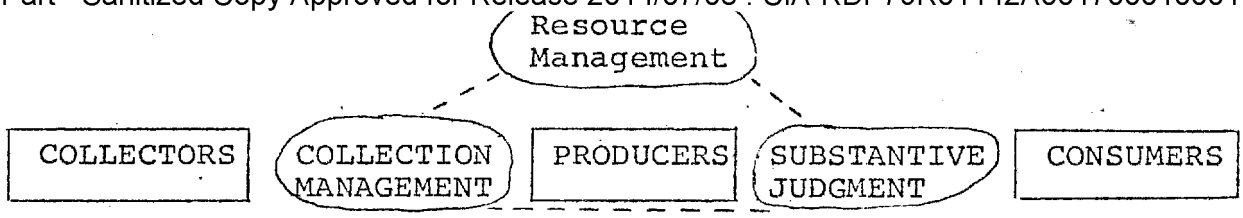
--Consumers President

NSC and its Subcommittees*

7. At present, USIB more or less combines the first two of these, while NSCIC is supposed to represent the third. (But we should remember that NSCIC has met twice(?) altogether since 1971). Would it be more efficient to separate them?

8. If one could buy the idea of ~~those~~ THREE Communities, two interesting ideas emerge. The first is that a pluralistic intelligence organism is far less alarming than a monolithic one. The second is that the authorities postulated for the DCI deal with the relationships among these communities rather than with line authority over the communities themselves, or even any of the components of the communities.

*~~When~~ HERE we are talking about the 40-50 senior officers of State, Defense, Treasury and NSC Staff who really make national security policy (the ~~relationship~~ READER of the NID).



9. Such an arrangement would not necessarily provide the DCI with the troops to provide independent ~~briefing~~ BACKING for his substantive judgment, and he would need such backing if he is to be the principal substantive intelligence adviser to the NSC. But need he be? Could he be thought of rather as a consumer and monitor of the quality of output, while another officer representing the producers sits in the NSC? Thought: if the DCI were substantive adviser, and had the troops to go with it, but ~~even~~ PLACED in a parallel position with the Director of OMB, he would be shielded from Congress by executive privilege. The producer community could keep the congress informed without raising the constitutional questions THAT now both ER us.

10. Our problem is to define a DCI who has the authority to create order and to make the best use of finite resources, and at the same time does not scare the pants off the body politic (much less pose a genuine potential threat to civil liberties. An arrangement that limits the DCI's authority to the interfaces, (GOD ~~had~~ saved the word) and excludes him from line authority over most elements of intelligence, could meet this prescription.

11. This dicussion has not touched on the DCI's present secondary functions: provision of intelligence to lower echelons of government, CA, and CI, nor has it addressed the tactical questions. The first of these is easy, because such intelligence is usually the by-product of national intelligence. As to CA and CI, need they be responsibilities of this sort of DCI at all? Tactical is another matter. This has been tackled primary in budgetary terms and has been slippery indeed to get hold of. But if it ~~was~~ were tackled from the collection management end, the problem might be stated in terms of the share of national collection systems to be devoted to tactical purposes. Thus the ~~"~~Two's~~"~~ of SAC, CINCEUR and CINCPAC could be viewed as members of the producer community.

Paper #5.b.1.

Paper #5.b.2.

[redacted]

Paper #5.b.3.

Declassified in Part - Sanitized Copy Approved for Release 2014/07/08 : CIA-RDP79R01142A001700010001-9

aper #5.b.4.

The National Security Act of 1976

Amend the National Security Act of 1947 (as amended) to preserve Section 10, establishing and defining the National Security Council but to retitle and rewrite Section 102(a) to apply to the Intelligence Community instead of CIA. In addition, this revised section should:

a. Specify DCI's role in Intelligence Community with respect to production of intel, tasking of collection mechanism, and consultation on resource matters.

b. Modify existing provisions of law which specify what kind of individual should be selected for DCI and DDCI positions.

c. Reestablish CIA's "termination of employment" authority (and write this provision into law for other Community elements as well?).

d. Rewrite Section 102(d)(1-5) referring to the duties of the Agency to emphasize the duties of the Community.

e. Improve the language of 102(e) relating to DCI right of access to information collected elsewhere.

f. Define the Intelligence Community.

Amend the CIA Act of 1949 to:

a. Preserve the Agency's administrative authorities (Sections 1-4) and clarify who (DCI?) should exercise them.

b. Preserve the Section 5 transfer and other authorities.

c. Assign the sources and methods authority to individual elements of the Community.

d. Preserve appropriations authorization language of Section 8.

Paper #5.c.

3C

Paper 4f - The Congressional Role in Substantive Matters

In an ideal world, problem of what intelligence we would supply to Congress would be rather simple. We would simply examine the substative problems that Congress deals with, to some degree reflected in its standing committee structure, match that up with the substantive areas in which we produce intelligence, then let the information flow. That we cannot do this as neatly as suggested is a reflection of two fundamental real world problem. First, members of Congress cannot be depended upon to understand our great concern about divulging sources and methods to the public. (DCI is charged by law with protecting these two aspects--not because he likes the idea that no one should be told what his sources are but because he cannot do his job if he does not control this information.) This means that the flow of intelligence information to Congressmen must often be tempered by a requirement to state that information in a way that does not reveal sources. (The nature of the particular topic being discussed and the sources of information about the topic obviously dictate the extent to which this is a problem.)

Second, intelligence has classically been viewed in the US as a service to the President and the Executive departments to be used in arriving at policy judgments. As such, it involves the provision of information which constitutes almost always only one of several factors which the Executive must consider in arriving at a decision--and the ultimate decision reached may or may not reflect the intelligence reviewed or be consistent with it. When an Administration policy judgment is fully consistent with an intelligence appraisal of the facts, there is no problem (except as may relate to sources and methods) in sharing our appraisal of a given problem or situation with the Congress. When the policy decision reached is inconsistent with the facts as we see them, sharing our view of the situation with portions of the Congress can effectively put us in the position of undermining an Administration policy, a position no Executive agency wishes to be in. In the real world of course the issues are seldom so clearly drawn, though there are enough recent real examples to support the point.

Within existing understandings of the role of intelligence in the decision-making process we have little alternative but to live with the dilemma. In point of fact, the dilemma is not significantly different

from a similar problem faced constantly by any Federal agency. Each year all agencies request funds from OMB/the President for the coming year. After decisions on the budget are rendered, each agency head is expected to defend his agreed-to budget before the Congress. This often means that agency head "X", who has argued strongly with the President that California must have a $1B earthquake prevention program, must ultimately tell the Congress that no such program is desirable or even needed. In the practical world this dilemma is solved very easily, with agency head "X" stating "for the record" that the program is not needed while quietly telling the relevant Committee Chairman that he had thought such a program was vital but had been overruled.

One can, however, argue that all of this is beside the point, that the answer to all these problems is simply to rewrite the CIA's charter so that it reports substantive intelligence to both the Executive Branch and the Congress. This, it is argued, would solve the problem by eliminating the Agency's loyalty to any particular master, thereby guaranteeing its independence. Beyond the constitutional issues raised by this dilution of Presidential control over the foreign policy process, there are two principal problems with this approach.

First, knowing that information collected in the field by a wide variety of collection systems would find its way to the Congress in some form, collectors would from time to time deny the CIA access to basic information. If this problem were not overcome, the utility of CIA to either the Congress or the Executive would be severely reduced. To overcome the problem could well require that all collection be placed under CIA control. Even if not a legislative impossibility, such a structure might be unwise in that it would probably produce strong pressures for a parallel apparatus under Defense or other control. This general problem has already risen in connection with distribution of NID's to Congress and State's views on the contents of those NID's.

Second, and related to the above, there would arise the question of feedback from Executive Branch consumers of intelligence with respect to ongoing current negotiations and the US policy interest in them. This question of "feedback"--the information that intelligence analysts get from policy makers as to what they are trying to do about a given situation and therefore what information they need--is difficult enough under the best of circumstances. We can foresee that that "feedback" which does exist would disappear entirely if Executive

Branch policy makers begin to perceive that this information was finding its way to the Congress in unpredictable ways. This, too, would severely damage the intelligence process--further limiting its relevance to both Executive Branch and Legislative consumers.

5C

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3 July 1975

CONGRESSIONAL

RELATIONS

1. The interest of the Congress in intelligence is not very clear. At first blush it would appear that Congress wants to be sure there is an establishment which produces information to help the nation avoid another Pearl Harbor.

2. Individual Congressmen, particularly Senators, are sometimes interested in area briefings, or briefings on problems which really affect their constituents, such as the Vietnam war. It has been my experience, however, both

[redacted] 25X1

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3. Similarly, those briefings of Congress given by the DCI over the years which I have been privileged to read, have struck me as superficial. I have also given Congressmen briefings in the United States which have paralleled those in the field. All in all nothing in my experience demonstrates much interest on the part of Congress, collectively or individually, in foreign intelligence.

4. It is clear, however, the Congress has an interest in the Central Intelligence Agency. Neither the National Security Act nor the CIA Act requires that the Agency or the DCI report to Congress, even on an infrequent basis. Therefore it was presumably not the intent of Congress to insist that the CIA or the DCI keep it informed. Congressional interest to date appears to center on two concepts: oversight, that is, investigating to see if CIA has done anything wrong, and simple curiosity about what CIA has been and is doing. There are, of course, some foreign areas which concern specific Congressmen for political reasons affecting his constituents. Congressmen from New York City are interested in affairs in Israel, Greece, and Italy. The Congressman

from Fall River, Massachusetts is interested in Portuguese affairs, and so forth.

5. Oversight: I think we should draw up some proposals for Congressional oversight going somewhat beyond the simple desire to have a convenient joint oversight committee. Congressional oversight suggestions might include:

-An annual audit review of Agency expenditures.

-An annual presentation of the DCI of the overall plan for IC collection activitiy including that of the CIA (in addition to the current "State of the World" briefing).

-A periodic review, perhaps once very five years, of the enabling legislation for the intelligence community.

-Selected briefings of committee chairmen on actions to be taken by elements of the intelligence community in areas of interest to that committee.

6. Curiosity: Congressional curiosity, which may or may not have political roots, but which is most certainly heightened by what they see and hear in the media, might be satisfied by two actions. With very little editing the NID could be made available to the Congress in a classified version. Frankly, I think it could be joined with the FBIS material in a new publication. Congress receives, like the average American citizen, virtually no media coverage of

foreign media, either from Communist or the non-Communist areas. Our daily newspapers are in most parts advocacy journals and limited available overseas coverage is heavily edited to the requirements of advertising. The FBIS product is an excellent translation job but is presented in a way which demands a most rigidly disciplined readership. A wedding of the FBIS summary with the NID would produce a true newspaper and might develop a lively readership in Congress.

7. In addition to publications, the intelligence community should be prepared to present the individual Congressman with specific briefings at the request of the Congressman. We are obviously prepared to do this now to some extent but we definitely lack a public relations mechanism which responds quickly and easily to either Executive or Congressional branch requests. Our PR is nearly all bad simply because we have done nothing about it. The way to satisfy legitimate Congressional curiosity is to make some attempt to sell our product to Congress. This can be done without violating sources and methods.

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NOTES ON CONGRESSIONAL RELATIONSHIPS

1. Collective nouns are tricky. When we speak of dealings with "Congress," it is easy to slide into the trap of thinking of "Congress" as a kind of corporate being with a single personality and a single will. This, of course, is nonsense. Congress has 535 Members, each different from the others and at times its main problem is that it seems almost incapable of acting with any collective cohesion. Thus, we are talking about a large set of individual problems as much as or more than a single task.

2. Over the past two decades there have been certain profound shifts in Congress which need to be recognized and which have a major impact on our relationships with the Senate and the House.

-- The way Congress is led has changed markedly. Even though the seniority system still exists, it has been diluted and the Chairmen of major committees have not a fraction of the clout they used to enjoy. In the 1950s and 60s there was something that could be meaningfully called Congressional leadership -- i.e., if you could get a commitment or an endorsement from the Speaker of the House and the Minority leader, the Majority and Minority leaders of the Senate and the Chairmen

and ranking Minority members of a few key committees (say around a dozen people), they were capable of delivering whatever it was they had promised to deliver. This is no longer so.

-- Another phenomenon of the past two decades, intensified over the past five years, has been a proliferation of personal and committee staffs and a rapid rise in the real influence of the staffers, many of whom are not really controlled by the Senators or Congressmen they purport to serve. Furthermore, this burgeoning staff structure has personal links and loyalties within itself which, in many instances, transcend a staff member's loyalties to his or her respective nominal master.

3 July 1975
LCDirks

Congressional Role in Substantive Matters

1. There are at least three major legislative and appropriation areas where congress has a need for intelligence inputs and/or generate a good rational for needing such inputs: 1) defense budget, 2) foreign policy, 3) U. S. economic and resource policy.

2. The debate in substantive issues surrounding the annual defense appropriation is heavily dependent upon military intelligence estimates. The U. S. defense posture is routinely and appropriately rationalized and measured by perceived threats to U. S. security either real or potential. The Executive in defending its defense budget proposals relies heavily upon the spectre of foreign military powers and their military capability and hostile intent. This debate involves not just general force structures of foreign military establishments but frequently specific and detailed weapon systems characteristics, e.g., Soviet MIRV configurations and performance characteristics, such as weapons yields and delivery accuracy. In addition to hostile military capabilities foreign strategic plans and policies are frequently debated by inference from military capabilities. This debate dips deep into detailed technical intelligence issues and frequently focuses on issues surrounding long range intent

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