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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

25 May 1977

MEMORANDUM FOR: See Distribution

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FROM :

[Redacted]

Director of Performance Evaluation and Improvement

SUBJECT :

PRM/NSC-11, Task 2

1. The Director of Central Intelligence will chair a meeting of the SCC Subcommittee on Task 2 of PRM/NSC-11 from 1300 to 1400 on Friday, 27 May 1977, in Room 6W02 of the Community Headquarters Building, 1724 F Street.

2. The purpose of the meeting will be to review the subject report (Tab B) and to provide guidance for final revisions.

3. Also attached (Tab A) is a proposed agenda of specific topics meriting review and guidance by the subcommittee.

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Attachment:

Tab A - Proposed Agenda

Tab B - [Redacted]

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Downgrade to UNCLASSIFIED upon removal of Tab B.

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TAB A

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PRM/NSC-11, Task 2

SCC Subcommittee Meeting  
27 May 1977

"The Roles of the DCI and US Intelligence:  
An Organizational Analysis"

Proposed Agenda of Topics for Guidance

1. FORWARD (Page iii)

The FORWARD makes the point that the tasked subject (focused on the DCI) and the drafting assignment of this report prevented full justice being done to the interests of other major authorities over US intelligence, particularly the Secretary of Defense. Is this caveat necessary or adequate? The Department of Defense has a short, but comprehensive paper on the views and concerns of the Secretary of Defense that might well serve as a parallel submission to this report.

2. EXECUTIVE SUMMARY (Pages iv-x)

This is new material, not previously reviewed by Subcommittee representatives.

3. SECTION II, Basic Criteria for Organizational Judgment  
(Pages 5-11) (See footnote on Page 5.)

Is this section necessary or useful? The Department of Defense believes not.

4. Arms Control Monitoring and Verification (Pages 22-23)

This new, previously unreviewed, subsection covers a gap in earlier drafts. It has been suggested that a clearer distinction should be drawn between monitoring, which is an intelligence function, and verification, which is more a matter of political judgment and, therefore, the responsibility of the President, the National Security Council, and the Director of the Arms Control and Disarmament Agency.

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5. Requirements, Planning, Programming, and Budgeting Intelligence for the Future (Pages 35-41); and parallel text submitted by the Department of Defense for this subsection (Pages 41a-41d)

The Intelligence Community Staff draft, partly responsive to Department of Defense comments, tends to focus critically on the structural problems presented to the DCI by arrangements before and after Executive Order 11905. The Department of Defense draft tends to be less critical, emphasizes the potential of pre-Executive Order 11905 arrangements and the role of DCIs' personal proclivities, and the disadvantages of giving the DCI greater resource management responsibilities that may conflict with his other roles and intrude on departmental responsibilities. Subsection IV. C. 2. of the Assessment, pages 74-81, returns to these issues.

6. ANNEX: Figures, following Page 81.

Ten previously unreviewed figures are provided largely to present organizational and other data to the less informed reader that would otherwise burden an already lengthy text. Only Figure 6 should be contentious; it attempts to depict differing levels of DCI authority in Community management.

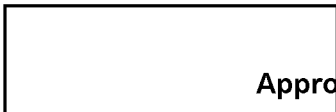
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TAB B



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The Roles of the DCI and  
U.S. Intelligence:  
An Organizational Analysis

FOREWARD . . . . . iii

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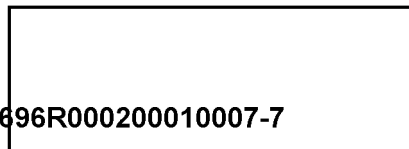
    E. Protector of Intelligence Sources and Methods . . . . . 48

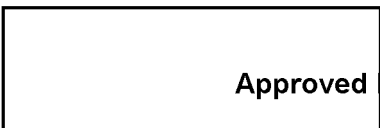
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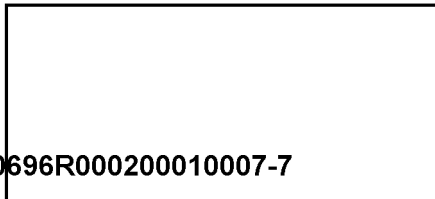
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ANNEX (Figures 1 through 10)





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30 June 1977

NOTE FOR: Jim Taylor

1. I have made a few annotations on your draft. Herewith two additional points:

1) A thread which runs through several of your points is the definition of the DCI's authority. In the paper itself, the crux of this is in the short passage which talks of the check and balances provided by the right of appeal. In fact, this language is so permissive that it would permit any element in Defense to block, delay, or obstruct any initiative by the DCI that did not take its fancy, however small. What is needed is language explicitly stating what issues can be appealed at what level, and setting firm time limits. For instance:

a) The DCI's orders will be binding on all elements of the Community if an appeal has not been made and sustained as follows:

- In resource matters by the Secretary of Defense through the OMB to the President, within 30 days. (This goes with your Point 7.)
- In requirements matters to the "consumer-producer union," within one week.
- In tasking matters to the Assistant to the President for National Security Affairs, within 24 hours.

2) At various points in the paper it refers to physical separation of the production elements from CIA, organizational separation, legal separation, and de facto separation. Organizational and de facto are practical and in fact the DCI has already decided to do so. Legal and physical have all kinds of traps in them and the latter would be extremely expensive and time consuming. The less said on those two subjects the better.

Richard Lehman

1. It is important to focus on the historical background to the issues we are discussing today. Congress in 1947 created the DCI as the nation's senior intelligence officer. It did not, however, define what his role in wartime should be. This omission is the fundamental reason for our being here.

2. It is generally agreed that the DCI is responsible under the President for the production of national intelligence, and for the coordination of the collection and analysis effort that underlies that intelligence, in peacetime. It is also generally agreed that the Secretary of Defense is responsible under the President for the direction of the armed forces in wartime and for the maintenance of the necessary military capabilities in peacetime. But those military capabilities include many of the same intelligence capabilities that are essential to the DCI doing his peacetime job.

3. The Secretary of Defense is only doing his duty when he insists on the maximum control of these intelligence capabilities in peacetime, because only then can he be assured that they are properly organized and trained to carry out their wartime mission. The DCI is only doing his duty when he insists on the maximum control of these capabilities in peacetime because only then can he meet the national needs as he perceives them. It is only natural under these circumstances that there would be rivalry between their subordinates in CIA and DoD, and in fact, such a rivalry has persisted for decades.

4. With the maturing of the intelligence business, with the constantly increasing demands on it for more and better intelligence and intelligence on new and unfamiliar subjects, and particularly with the development of complex, centrally controlled technical collection systems, what had been a tolerable

condition of <sup>R</sup>fiction at the margin developed into sometimes bitter guerrilla warfare. In recent years, the increasing cost of these systems and the increasing constraints put on intelligence spending by successive administrations and by Congress have raised the conflict to the level of trench warfare on a broad front. This escalating rivalry has blocked the creation of a single coherent national intelligence collection system, one capable of serving both peacetime and wartime needs, for many years. But it is because we need to manage complex systems, to control costs, to produce better intelligence, <sup>that</sup> the creation of such a system is a national task of high priority.

5. In saying this, I have not yet alluded to our <sup>est</sup> great present vulnerability, the fact that we have no coherent way of moving from peace to war. Indeed, while we have not been tested since our coordination problems became acute, I believe that conflict would be greatly exacerbated during a crisis leading up to war and could seriously weaken our response to it. Under crisis conditions, the pressures from Defense for taking exclusive control at the earliest possible time will be greatest when the demands on the DCI for intelligence are also at a maximum and when judgment that encompasses other than military factors will be of utmost importance if war is to be avoided.

6. A single system, under single management, devoted to the continuum of peacetime, crisis, and wartime needs, stands a much better chance of meeting all of them efficiently than the present hodgepodge of committees, ad hoc arrangements, and bureaucratic conflict. I submit that it is time to cut this Gordian knot,

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Remarks:

**Please note sensitivity and make no additional copies without DCI approval.**

Executive Secretary  
 22 June 1977