

6 April 1976

Mr. William P. Bundy
Foreign Affairs
58 East 68th Street
New York, New York 10021

Dear Bill:

Just a belated note to thank you for the lunch. I have given George a memorandum on our conversation, and I think he will take your views seriously. So far, we are making haste slowly.

I hope you were able to make the most of Florida. Batteries get depleted this time of year.

Sincerely,

Richard Lehman

26 March 1976

MEMORANDUM FOR: The Director

SUBJECT : Conversation with Bill Bundy

1. Following up your exchange of letters with Bill, I had lunch with him in New York yesterday. He has some very firmly held ideas, and ones that you should take seriously.

2. As a member of the Board of National Estimates during the period of its strength in the late 1950's, he believes strongly in the value of such an institution. He is aware of its deterioration in later years and believes that, if it is reestablished, devices such as fixed terms of membership should be used to avoid ossification. He emphasizes, however, that for such a Board to do its job, it would be necessary to recruit people of national reputation, and he cautions that this would be extremely difficult to do in the last few months of an administration.

3. Bill is also convinced of the value of a drafting staff. This, too, is based on his experience of a number of years ago, and he has not had any exposure to the analytic organizations since they matured. I would therefore not put too much weight on this advice.

4. Bill's overriding concern is to rebuild the links between the national intelligence assessment organization and the intellectual world outside the Community. He is aware, as are we all, that these links have sadly deteriorated in recent years. The Community has no monopoly on wisdom or knowledge. He believes that the close association of the organizations responsible for national assessments with clandestine activities is at the root of the present antagonism. An entirely separate organization, a "Federal Assessment Administration," would be able to deal with the academic world without the "albatross" of espionage and covert action around its neck.

5. I explored how his proposals could be adapted to the position in which the Executive Order puts you as the senior national intelligence officer. Bill thought that a Board, if the proper people could be recruited and if it answered directly to you (as you have already decided), could provide the foundation on which a new relationship could be built. He would go much further, however. He would also separate the DDI from CIA and make it a national assessment organization answering directly to you. This in effect is a Model VI that carries Model V to its logical conclusion. It is, I understand, one of the proposals of the Senate Select Committee. The arguments against it are, of course, that it is expensive, would break up fruitful working relationships within CIA, and might open the door to further dismemberment of the Agency.

6. We also discussed an alternative, removing the DDO from the Agency and establishing it in some independent manner. I argued strongly against this on the grounds that there were few volunteers for carrying the albatross, and he did not dispute me on that.

7. We ended with his urging that you go slowly in this field and that you try to do as little as possible this year. I think this is good advice as far as recruitment of stars for a Board is concerned, but in the present situation, because the decision on how everything is to be done has been dumped in your lap, you cannot say "Let's do it the old way" without effectively committing yourself. You do not have to do everything at once, but you have to decide where you are going. I agree wholeheartedly with Bill's view that the isolation of the Community from the outside world must be ended. We shall become increasingly introverted and decreasingly useful if we do not stay in the mainstream of American intellectual life.

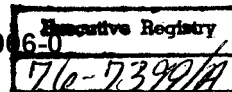
RICHARD LEHMAN

TRANSMITTAL SLIP		DATE
		12 March 1976
TO: Dick Leyman		
ROOM NO.	BUILDING	
REMARKS:		
Thought you might be interested in this.		
FROM: DCI		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)



CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

March 12, 1976

Dear Bill,

How thoughtful it was of you to take all that time to write me that comprehensive letter on March 2nd.

We are busily at work implementing the President's Executive Order reorganizing the Intelligence Community. I read with interest your suggestion about divorcing the overt activities of the Agency from the true clandestine services. This was given a great deal of thought over the past several months by various elements of the Intelligence Community. In the final analysis, no one could find a better home for the covert operations than CIA.

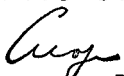
It is my view that covert operations will be sparingly approved and will not be used in the future as widely as they have been in the past. I do believe that a covert capability is necessary.

We have much ongoing reorganizational work and your letter gives me much food for thought. I happen to agree with your point about the difficulty of being in the position of "both judge and prime operator." Maybe after we do our fundamental reorganization job we can find an answer for this one.

You mention morale at the Agency. I am sure there is some kind of a problem, but it's not near as significant as I thought it would be. I agree with you about the pendulum-like swing of public opinion, but I have told our people here that we cannot hunker down and be less than responsive to change, just because a certain amount of reason is returning to the scene.

As you more than most understand, this is a whale of a challenge and I appreciate your kind words of support.

Sincerely,


George Bush
Director

William P. Bundy
Foreign Affairs
58 East 68th Street
New York, New York 10021

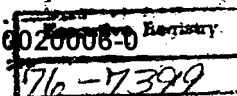




FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

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WILLIAM P. BUNDY
EDITOR

March 2, 1976

JAMES CHACE
MANAGING EDITOR

The Honorable George Bush
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear George:

Our brief meeting a month ago was hardly the occasion to express myself about your appointment, and I am catching up by this letter. In a word, I want to congratulate you most warmly on the spirit of public service that has led you to take on this extremely difficult task at this particular moment, and to say that if there is anything that an old alumnus of the estimate side can do to help, I shall be only too happy to do it.

I think you are off on the right foot with the reorganization plan, which should give you much more formally and explicitly a power that was always intended but never perhaps properly exercised, to coordinate all the agencies in the business. I would myself be inclined to go further and to divorce the overt activities of the agency, evaluation, scientific collection in terms of satellites and such, and the domestic collection from interests overseas, from the true clandestine services. But that is something that you would do well to brood over for some time, and is perhaps not this year's business in any way. My own feel is that the top man in the intelligence community should be the head of the overt organization, while having very strong directing powers over all the supporting organizations, of which clandestine intelligence would then be one. My thinking is only partly prudential, in the sense that any kind of association with clandestine activities may for the time being be a drawback on the necessary recruitment for the overt side. But more basically I do think there is a very considerable separation between the way the two types of activities work, and that a separation would in itself contribute to better control of clandestine intelligence and of any clandestine activities that continued, and would prevent the director from being in the difficult position of being both judge and prime operator.

But this is for the future. For the time being, I should think that restoring morale and getting the organization back at concert pitch would absorb all of your energies and talent, and that

you are a man with the character and experience to do this. In the volatile swings of public opinion back and forth, I should judge that opinion is now moving toward support of the basic functions of the agency, including clandestine intelligence and at least the very occasional covert action. But it would be unwise to count on public opinion staying level at any time, and the only answer, as always, is to do the job as honestly and straightforwardly as you know how, in trust that the results will commend themselves to men who have any objectivity.

In any case, my main purpose is to congratulate you and to wish you all the best in a very tough job.

With warm regards,

Yours ever,

Bill

William P. Bundy