

FOR COMMCENTER USE ONLY

IMM
PRECEDENCE

~~CONFIDENTIAL~~
CLASSIFICATION

FROM: THE SITUATION ROOM/HAK 82
TO: BREMER/COVEY/RODMAN
FOR THE SECRETARY

DEX _____

DAC 064

GPS _____

LDX _____

PAGES 13

TTY _____

CITE _____

INFO:

DTG: 011449Z

RELEASED BY:

GE

TOR: 011522Z

SPECIAL INSTRUCTIONS:

TO HAK 82

TO: HELSINKI

EXCLUSIVELY EYES ONLY

75 AUG 1 AM 11:26

WHITE HOUSE
SITUATION ROOM

NSS review completed.

VIA WHITE HOUSE CHANNEL

TO HAK 82

CONFIDENTIAL/EXCLUSIVELY EYES ONLY

August 1, 1975

TO: Jerry Bremer/Peter Rodman
FOR: Brent Scowcroft
FROM: Bud McFarlane *BM*

Attached is a redo of the joint memo to the President on follow-up actions on the Rockefeller report. It follows the approach recommended in TO HAK #34. Subject to your comment, I will finalize coordination here and send it on to Connor for submission to the President.

I have one lingering misgiving. You will recall that Connor (Rumsfeld) believed that the non-controversial recommendations could be implemented by fiat and that it was unnecessary for the President to review and approve the internal implementing memoranda developed by the DCI and the AG. That is the way this memo is written, requiring only that they submit info copies of their implementers to the President. I suppose what bothers me is that it presents the image of the President directing the fox to police the chicken coup. Please advise.

[Send text of attached]

Warm regards.

CONFIDENTIAL/EXCLUSIVELY EYES ONLY

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER
PHILIP BUCHEN
JAMES T. LYNN

SUBJECT: Implementation of Recommendations
of the Commission on CIA Activities
Within the United States

We have reviewed the report and recommendations of the Rockefeller Commission on CIA Activities within the United States and the recommendations of the departments and agencies which you asked to comment on the report. These are summarized at Tab A with more detailed comments provided at Tab B. It is now appropriate to take action designed to correct failings identified in the report.

Summary of Recommendations

The recommendations may be divided into two categories. The first category of recommendations either require legislation, structural changes in the Congress or Executive bodies, or are not supported by some or all interested agencies and thus require further work prior to taking corrective action. These include:

- (1) Revisions to the National Security Act which would clarify CIA's authority, and strengthen its internal organization and management;
- (2) Changed Congressional organization and procedures on the review of intelligence and CIA's budget, and
- (3) Changed Executive Office procedures on oversight of intelligence and contact with CIA.
- (4) Revised procedures on the handling of security violations and investigations.

While we do not necessarily disagree with either the objectives or the specifics of these recommendations, they reflect only a partial treatment of far broader questions on intelligence organization, including areas examined in depth by the Murphy Commission or being examined by the Senate Select Committee. They relate to, but are only a part of, several basic issues which are at the heart of Congressional and national interest in the future organization and functioning of the intelligence community. These basic issues are posed in the following questions:

- What is the role of intelligence in the national policy process? How should the intelligence community be organized to fulfill this role? Should there be a supra-agency Director of National Intelligence? If so, what should be his charter vis-a-vis the community in terms of resource allocations, intelligence budget development, and management of the CIA? What should be his relationship to the President?
- What are the role of the NSC and OMB in providing guidance to and management of the community?
- What are the roles of the NSC, the PFIAB and the Congress in oversight of the intelligence community?
- What is the Administration's policy on the conduct of covert actions?

-- What are the limits of CIA authority to conduct activities within the United States?

To date, the public emphasis of the Senate Select Committee has been on abuses; that is, the treatment of effects as opposed to causes. It is clear, however, that the staff effort is directed toward the development of legislative proposals that will include fundamental changes in the structure and functioning of the intelligence community. We must be prepared to cope with such proposals by having addressed these basic issues and by having developed a comprehensive proposal which will maintain the initiative within the Executive Branch and provide the substantive basis for preserving a strong intelligence system in the United States.

We propose that, in order to tackle these broad issues, you establish a task group comprised of the Counsel to the President, the Attorney General, the Secretary of Defense, the Assistant to the President for National Security Affairs, the Director of the Office of Management and Budget, and the Director of Central Intelligence. This group would present by September 1 a thorough analysis with recommendations and options for your consideration before decisions are made on these broad structural, management and oversight issues. A memorandum which would establish the Task Group is at Tab C.

The second category of issues to be addressed includes the majority of the Rockefeller Commission recommendations. These are relatively noncontroversial, are supported by all interested agencies with minor reservations, and may be implemented promptly.

The necessary corrective action would take the form of new guidelines, coordination procedures, and controls to govern the internal operation of the CIA and, where appropriate, the Department of Justice. Insofar as possible, these regulations and directives should be unclassified so as to be available to the Congress and the public. In addition, we believe that existing CIA regulations should be reviewed for conformity with the Commission recommendations and declassified if possible. A memorandum for this purpose is at Tab D. Specifically it directs:

- (1) The Director of Central Intelligence and the Attorney General to prepare and implement regulations and agreements with respect to the investigation of criminal violations and the conduct of security investigations, and resolving jurisdictional issues to include the limits of their respective domestic activities. (Responsive to Rockefeller Commission recommendations 6 and 30.)

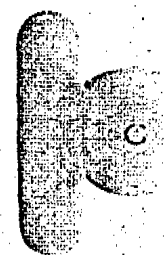
- (2) The DCI, in coordination with the Attorney General where appropriate, to prepare and implement regulations and guidelines to carry out the Commission's recommendations below:
- To upgrade the status and expand responsibilities and staff of the office of the CIA Inspector General (recommendation #9).
 - To review the composition and operation of the office of the CIA General Counsel with a view toward strengthening that office and insuring that the Agency is receiving adequate legal assistance (recommendation #10).
 - To encourage greater lateral movement between Directorates of the CIA and to bring persons with outside experience into the Agency at all levels (recommendation #11).
 - To direct the CIA not to engage in mail openings except in accordance with statutory authority during time of war and further, that mail cover operations which are conducted are to be in compliance with Postal regulations (recommendation #13).
 - To direct the CIA to restrict its participation in any joint intelligence committees to foreign intelligence matters and to encourage the FBI to look to the CIA for such foreign intelligence and counterintelligence as is relevant to FBI needs (recommendation #14 b and c).
 - To make clear that the Agency should not accept requests to involve it in internal security matters and further, to direct the Agency to avoid over compartmentalization which might result in special operation units not receiving adequate oversight (recommendation #15 b and c).
 - To direct that Agency employees not infiltrate domestic groups or activities in the absence of a written determination that such infiltration is necessary to meet a clear danger to Agency facilities, operations or personnel and that adequate coverage by law enforcement agencies is unavailable (recommendation #16).
 - To direct the DCI, after coordination with the Attorney General, to issue guidelines for the conduct of investigations of past or current employees in order to protect intelligence sources and

methods, insuring that such investigations are coordinated with the FBI whenever they relate to espionage or violation of a federal criminal statute (recommendation #18).

- To direct the CIA and other agencies to conduct periodic reviews of all classified material with a view toward declassifying as much of that material as possible (recommendation #20).
 - To direct that the CIA not undertake physical surveillance of Agency employees, contractors or related personnel within the United States without first obtaining written approval of the DCI (recommendation #22).
 - To direct that the CIA not intercept wire or oral communications or otherwise engage in activities that would require a warrant if conducted by a law enforcement agency (recommendation #23).
 - To direct that the Agency adhere strictly to established legal procedures governing access to Federal Income Tax information (recommendation #24).
 - To direct that CIA investigation records reflect that each investigation was duly authorized and including the actual basis for undertaking the investigation as well as its results (recommendation #25).
 - To direct that the CIA not engage in the testing of drugs on unsuspecting persons (recommendation #27).
 - To direct that the Agency not engage in testing of equipment for monitoring conversations against unsuspecting persons living within the United States (recommendation #28).
- (3) The Assistant for National Security Affairs, the DCI and the Director, OMB, to prepare and issue a directive to establish an interagency committee to oversee the use of aerial intelligence photography (responsive to recommendation #29).
- (4) The Attorney General to direct the establishment within the FBI, or elsewhere in the Department of Justice, a capability for evaluating, analyzing and coordinating intelligence and counter-intelligence information concerning espionage, terrorism and other related matters of internal security.

RECOMMENDATION:

That you sign the memoranda at Tabs C and D.



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
THE COUNSEL TO THE PRESIDENT
THE ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: The Role, Organization and Management of
the Intelligence Community

The report of the Commission on CIA Activities within the United States raises a number of fundamental questions regarding statutory authorities for the conduct of U.S. intelligence activities, Executive Branch oversight and control mechanisms and procedures, the role of the Director of Central Intelligence, the basic structure of the Intelligence Community, and the organization and interaction between the Executive and Legislative Branches on intelligence matters. The report of the Commission on the Organization of the Government for the Conduct of Foreign Policy also examines some of these problems, and several Congressional committees are investigating most of these issues. As a basis for addressing the questions and reaching decisions as to appropriate changes, I request that you prepare for my consideration a thorough analysis together with options and your own recommendations regarding:

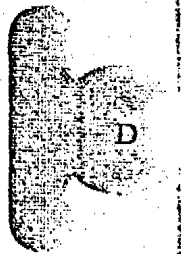
- (1) revisions to the National Security Act, the CIA Act of 1949, other intelligence legislation, and Presidential and NSC directives on intelligence;
- (2) Executive Branch oversight and control mechanisms and procedures, including the roles of the NSC, PFIAB, OMB and the White House;
- (3) the role of the DCI and his responsibility and authority for the management of the Intelligence Community;

- 2 -

- (4) the basic organizational structure of the Intelligence Community;
- (5) resource management within the Intelligence Community; and
- (6) Congressional oversight of intelligence.
- (7) U. S. policy toward the conduct of covert actions.

This effort should also include the development of a draft Executive Order providing specific guidance to the Central Intelligence Agency concerning the collection of information on the domestic activities of U. S. citizens.

This analysis should be conducted as a priority undertaking and should take into account the views of appropriate Departments and Agencies and the results of earlier relevant studies. Your report should be submitted by September 1, 1975.



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE ATTORNEY GENERAL
THE ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS
THE DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Implementation of Recommendations of the
Commission on CIA Activities Within the
United States

I have completed my initial review of the Report of the Commission on CIA Activities within the United States and Agency comments on its recommendations and believe that it is appropriate to proceed promptly with the implementation of the majority of the Commission recommendations. Toward this objective, I direct the following:

The Director of Central Intelligence should prepare internal CIA regulations and guidelines to carry out the purposes of Commission Recommendations numbered 6, 9-11, 13, 14b, 15b-c, 16, 18, 20, 22-25, and 27-28. To the extent practicable, and within the bounds of prudent security, these regulations should be unclassified. The DCI should also review all current CIA regulations and directives for conformity with these recommendations, make such modifications as may be necessary, and, as noted above, provide for their declassification as appropriate.

The Attorney General and the Director of Central Intelligence should prepare and coordinate as necessary the internal procedures and guidelines suggested in Commission Recommendations 6, 14, 18 and 30. These agreed guidelines should, to the extent practicable, be unclassified.

The Assistant to the President for National Security Affairs, the Director, Office of Management and Budget, and the Director of Central Intelligence should prepare a draft directive establishing an interagency committee to oversee the domestic uses of aerial intelligence photography.

- 2 -

The above actions should be completed by August 31. Copies of the resultant directives should be forwarded to the White House for my information.

cc: The Vice President
The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
Chairman, President's Foreign
Intelligence Advisory Board
The Counsel to the President