Agenda & Papers
used at conference

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SUGGESTED AGENDA FOR WEEKEND [redacted] 25X1

30 APRIL - 2 MAY 1971

Friday, 30 April

Depart Washington a [redacted] Those who would prefer to drive should leave earlier in order to arrive for cocktails and dinner by 1830. No formal program after dinner; perhaps a movie. 25X1

Saturday, 1 May

There seems to be general agreement that the most important question to which we should address ourselves is: How can the Director exercise control over resources of the intelligence community comparable to that which he already has over substance? There is a consensus that this therefore should be the subject which we tackle first and that we should spend as much time on it as is necessary. I suggest, therefore, that we spend the entire morning of 1 May, and as much of the afternoon as seems desirable, on this subject. I would envisage a general discussion of the proposition. This general discussion should address itself specifically to the product: How can we improve intelligence collection and production? -- regardless of what the Administration decides to do about reorganization or investing the DCI with more control over resources. We could then go to alternative actions which the Director

might take to discharge his responsibility, assuming that he is given a strong hand in the coordination and control of resources. In the broadest sense there are at least three alternatives:

(1) Use the Deputy Directors of the CIA as his principal staff officers to coordinate functional activities in the community (maybe necessitating some reorganization of the Agency);

(2) Beef up the existing DCI staff (NIPE, NIRB, etc.) to discharge these responsibilities and delegate to the DDCI or others some increase of responsibility for the day-to-day management of the CIA; or

(3) Some combination of (1) and (2) above.

With this in mind, our discussion should include two presentations in support of alternatives (1) and (2) above. PPB has developed a presentation which could form the basis of discussion in support of alternative (1). D/DCI/NIPE, with help from D/PPB, could develop a second presentation in support of alternative (2).

1200 Lunch

1400 Continue with the morning discussion or proceed to individual presentations by each Deputy Director. These don't need to be an hour in length, but for planning purposes and allowing for slippage, I suggest

we plan on two presentations in the afternoon and two presentations in the evening. I suggest we break at about 1600, allowing everyone until 1830 to take a swim, play tennis, ride a bike, catch a fish, or whatever your pleasure dictates.

Sunday, 2 May

I would assume that our discussion of 1 May would warrant a wrap-up session on the morning of 2 May. We should also be prepared, however, to discuss other subjects if this is not the case. Some in which there is common interest and which we should be prepared to discuss are:

(1) R&D activities -- not only the coordinating process within CIA but our whole attitude about R&D activities. DD/S&T will be prepared to lead this discussion.

(2) NIRB. What has it done since our last meeting, and what does its future look like? -- whether or not the Director is given greater authority to coordinate resources. I would suggest that DDCI or D/DCI/NIPE lead this discussion.

25X1 (3) [redacted] Should they remain under separate Deputies as at present, or is there something to be gained by consolidating them under one Deputy? As a minimum, is there some merit in having a central coordinating facility which

could keep track of most, if not all, of the Agency's [redacted] 25X1

25X1 [redacted] I suggest that DD/P and DD/I be prepared to lead this discussion.

(4) Agency resources -- status and trends. ExDir-Comp and D/PPB will be prepared to lead this discussion.

1200 Lunch

1300 Depart for Washington.

B

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25X1

1 of 2 copies
9 April 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : 1971 Planning Conference

1. A brief discussion of the interrelation of the issues submitted by the various Deputies and those covered in the draft which I am forwarding is in order.

2. The DDP raised three issues:

a. Allocation of R&D monies.

25X1 25X1

c. The Agency's image and possible steps to popularize it.

All three of these issues are addressed in my paper: The R&D problem, through the disestablishment of R&D as a separate program and its subordination to each functional Directorate's control; the reorganization suggested places the 25X1 the steps proposed and new perceptions gained hold prospect for improvement of the Agency's public image.

3. The DDS&T raised the following issues and concerns:

a. Size of the Agency and scope of its mission in the next decade.

b. Elimination of "weak sister" projects.

c. Means of handling our budget, 25X1

25X1

d. Nature and future of R&D activities.

25X1

25X1

All these issues are implicitly or explicitly treated in this paper, except for c. which is on the program board of O/PPB now. Point a. is in a sense what the paper is all about. Concern b. will be more easily dealt with when reorganization has occurred. Issues d. and e. are explicit subjects of the paper, expecially paragraphs 18-22.

4. The DDS raised a single issue: Management of Information. Any fuller disscussion of the proposed new Directorate for Processing and Communications must necessarily deal with this problem in depth. Additionally establishment of this new Directorate should encompass solution of present Management of Information concerns.

5. Chief theme of the DDI's paper is seeking means to put the Agency in the best possible posture to meet probable diminishing support for the Agency in Congress and Administration in the next few years. The reorganization I propose is one means to bolster the Agency's posture in face of such a challenge. This point is specifically addressed in paragraphs 6-7 and paragraph 17. The DDI goes on to make a series of intentionally provocative suggestions for discussion topics. [redacted] 25X1 25X1 25X1

[redacted] 25X1

Director of Planning,
Programming, and Budgeting

25X1 [redacted]

PPB 71-0-145

25 JAN 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Thoughts on the Agenda for the Director's Planning Session at [redacted] 25X1

1. It seems to me that this year's planning session should address itself to the possibility of diminishing support for CIA in Congress and the Administration over the next few years. I believe that it would be useful for us to decide in advance how we can put the Agency in the best possible posture to meet this contingency. To accomplish this, we should focus the session on the scope of CIA's activities. I suggest that we orient our discussions toward a highly provocative, anti-bureaucratic examination of whether all that the Agency does is really necessary so that we can identify those activities which are primary and should be retained and those activities that are peripheral, outdated, or particularly vulnerable to domestic criticism for possible deletion.

2. I would propose that each of the Agency's programs be attacked by a highly provocative presentation by a person not directly responsible for the program. This presentation would address the following points:

-- Presumed purpose of the program or activity.

-- Full costs: people, funds, overhead.

-- In what important way would the elimination of the activity really affect the ability of the USG to make policy, enhance its national security, or influence world affairs?

-- What would happen if the Agency eliminated the activity? Would anybody outside really notice it? Would some other agency pick it up?

3. I suggest that all concerned contribute to a list of specific, provocative propositions. A few such propositions are:

25X1 [redacted]

25X1 b. [redacted]

c. Withdraw from the NIS Program because it is designed to meet the needs of middle- and lower-level military planners and educational institutions rather than for the formulation or implementation of national military or foreign policy.

25X1 [redacted]

25X1

25X1

e. Abolish the separate Office of Research and Development and make each component responsible for that RD&E which relates to its own mission. Intercomponent coordination should eliminate duplication and unnecessary overlap.

f. Now that the Agency's manpower levels are stabilized or shrinking, there is no longer the need for massive general recruiting. [redacted] 25X1

25X1 [redacted]

25X1 [redacted]

h. Reduce the size of the ONE Staff to approximately a dozen professionals by using substantive officers from the DDI and DDS&T to draft NIEs for the Board's consideration.

4. Even if this approach does not lead to the elimination of any of the programs attacked, it should give us all a better understanding and rationale for their retention.

25X1 [redacted]

R. J. SMITH
Deputy Director for Intelligence

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PPB 71-0090

[redacted] 25X1

E.A.W

14 January 1971

MEMORANDUM FOR: Executive Director-Comptroller

25X1 SUBJECT : Trip to [redacted]

1. Before departing on my trip I thought a good deal about the proposed meeting at [redacted] and although I have no strong views as to a precise agenda, I do have some comments on the general nature and tone of the meeting which I hope will be useful. 25X1

2. I believe the scheme we followed last year where each deputy had a block of time to review his own shop and his problems was effective and should be repeated. Recognizing that this could tend to be just a rehash of last year, I think the guidance should be that each should spend 5 to 10 minutes reviewing what he covered last year and spend the remainder on a fresh look emphasing changes that have occurred and new problems that have been identified.

3. The next item is no doubt controversial and even rather touchy, but I still feel we should spend some time objectively discussing what the size of the agency and the scope of its mission should be during the next decade. I am well aware of the Director's strong views on no growth and hopefully continued reductions, but would also hope that he is prepared to listen to arguments as to why that might not be a wise policy. Let me emphasize that I am not proposing that we debate a $2\frac{1}{2}\%$ cut in 1972 or any other specific numbers, but would focus on long term questions as to what kind of CIA the US Government is likely to need in the next 10 years and whether there is any clear indication as to whether our scope and mission should in fact change.

4. Somewhat related would be a discussion along the lines we had in a couple of deputy meetings over the last year where we listed projects which we considered to be

rather "weak sisters" and might be eliminated if we do continue a reduction in people and money. It is not clear to me how much of that information was ever passed to the Director, but a discussion of that list or a revised one in his presence might be useful.

5. Another item which I think would deserve some discussion time is that of the method of handling our budget. I am aware that you were present when that subject was discussed with [redacted] and of the fact that this matter cannot be dealt with unilaterally, but must take full cognizance of the concerns of our Congressional Committees. Nonetheless, I think it would be educational as a minimum and new ideas as to alternative ways to handle our budget might be developed. 25X1

6. Another subject which is more specifically a DD-S&T item, but I would believe of general interest is our whole attitude about our R&D activities. I do not mean this from a purely budgetary point of view, but one of my major concerns is still the fact that we are unwilling to spend the money needed to develop highly sophisticated and reliable gear. We still tend to nickel and dime that part of our work in a way that assures something short of complete success. If you would like, I would be happy to prepare a paper on that subject as a means of stimulating discussion. I think this would also be a good opportunity to discuss the whole R&D coordination process along the lines that you and I reviewed a couple of weeks ago.

25X1

[redacted]

8. As I tried to explain at the lunch meeting with the Director, I feel the most important thing that happens in these meetings is the creation of an atmosphere wherein people will freely discuss their views on the agency and

would urge that the agenda allow ample time for discussing things that may emerge after arriving at [redacted] rather than trying to carefully allocate the entire time period. 25X1

25X1

[redacted]

Carl E. Duckett
Deputy Director
for
Science and Technology

DOS

SECRET

DD/S 71-0311

26 JAN 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Director's Planning Session [redacted] 25X1

25X1 1. In keeping with the idea of a limited number of items for consideration in an [redacted] planning session, we suggest only the subject "Management of Information in all Forms from Creation to Disposal or Permanent Archival Retention". This is of particular importance to our Directorate because 'information' is producing increasing demands on space, air conditioning and other utilities, communications facilities/capabilities, records storage systems and areas, while our people and dollar resources to meet them remain fixed or are decreasing. Discussion at [redacted] would give an opportunity to elaborate these points from parochial and Agency viewpoints. 25X1

2. If you believe that this item merits consideration for the DCI planning session agenda we will be pleased to provide supplementary materials to facilitate the discussion.

25X1

[redacted]

Deputy Director
for Support

SECRET

[redacted] 25X1

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INTELLIGENCE AND FOREIGN POLICY: DILEMMAS OF A DEMOCRACY

By William J. Barnds

WITH the obvious exception of Viet Nam, nothing the U.S. Government has done in recent years in the field of foreign policy has created so much controversy as its intelligence operations, especially the secret subsidizing of private American institutions. The sinking of the *Liberty* with the loss of 34 American lives during the 1967 Arab-Israeli war and the capture of the *Pueblo* by North Korea in 1968 brought home to the American public the dangers involved in one type of intelligence collection and embarrassed an already beleaguered Administration. Of all the U.S. intelligence organizations, the Central Intelligence Agency has been the most vociferously attacked. It has been accused of perpetrating the 1967 Greek coup, arranging the death of Ché Guevara and even fanning the flames of the recent student riots in Mexico as a means of influencing the Mexican Government to adopt an anti-Castro stance in hemispheric affairs.

Some critics of CIA view it as omnipotent and evil; others attack it as bumbling and incompetent. Although only a minority accepts either of these extreme characterizations, many Americans and foreigners are concerned about CIA's activities, and they are far from reassured by repeated official statements that it is an efficient and fully controlled instrument of the U. S. Government. The CIA has undoubtedly contributed more than other agencies to the alienation from the U. S. Government of an important segment of the academic-intellectual community and of young people; the arrival of its recruiters on a college campus is more likely to start a student riot than those of any other institution—with the possible exception of talent scouts from the Dow Chemical Company.

Present attitudes toward CIA represent a sharp departure from the situation a decade ago. Yet in the immediate postwar years there was considerable uneasiness about establishing such an organization. To do so seemed undemocratic and out of keeping with American traditions. Many Americans regarded spying as a dirty business, and looked on interfering in the internal affairs of other nations as inconsistent with our professed

principles of nonintervention. Yet [illegible] general that if the United States was to protect its interests and fulfill its international responsibilities in a harsh environment it had little choice but to engage in such activities.

This consensus, like so many others, has now vanished. Therefore it is appropriate to consider why CIA was created, how an intelligence agency operates, the relationship of intelligence activities to foreign policy, and the difficulties and dilemmas (as well as the capabilities) such an institution creates for a democracy which is also a major power.

II

The collapse of Soviet-American coöperation late in World War II gradually convinced most Americans that Soviet communism posed a critical challenge to U. S. security. The development of the cold war and the withdrawal of the European colonial powers from Asia made it clear that this country could not escape a much deeper involvement in world politics than had formerly been the case in peacetime. Complex and difficult decisions had to be made on a bewildering variety of issues in a rapidly changing international environment. The United States was becoming involved in areas of the world about which it knew next to nothing. It was uncertain about the capabilities and intentions of both friendly and unfriendly nations—and sometimes not sure which was which. The implications of the scientific revolution for world politics and military affairs were difficult to discern with any clarity, and the relationships between American interests in different parts of the world were obscure.

It soon became apparent that the United States lacked not only a foreign policy adequate to cope with this new situation but even the institutions within the U. S. Government necessary to develop and carry out an effective policy. Institutions and procedures had to be established which would enable the President to bring together the key U. S. officials who dealt with the various aspects of foreign policy to consider the relevant facts, weigh the alternative courses of action, make the necessary policy decisions and see that they were carried out. The result was the National Security Act of 1947, which created the National Security Council to help the President formulate foreign policy and established the Department of Defense as a step toward unification of the armed forces. This Act also created the Central In-

telligence Agency; it was the nation's first separate peacetime intelligence organization.

Those responsible for U. S. foreign policy in this period felt keenly the need for more and better information on many unfamiliar areas and problems, and they decided that the task of providing much of this information should rest with men who had no direct policy responsibilities and thus no position to support, no interest to defend. American leaders also concluded that the United States needed an organization able to perform certain tasks in the execution of policy that fell between the traditional instruments of foreign policy and the open use of armed force. Thus CIA was given three general functions: (1) to gather information by covert as well as overt means; (2) to combine the information it collects with that of other agencies, to evaluate it and to present it in useful form to the policy-makers; and (3) to be prepared to intervene covertly in the affairs of other nations when so directed.[1]

The communist seizure of power in China and Peking's involvement in the Korean War greatly intensified the cold war. This led to a major expansion of U.S. military forces and of CIA and other U. S. intelligence organizations. A less tangible but perhaps more important effect of the communist gains in East Asia, coming so quickly after the imposition of communist rule on Eastern Europe, was to create in American minds the image of a worldwide movement of incredible unity and dynamism pressing hard on a disunited and weak non-communist world. America was the only serious obstacle to even more dramatic communist gains, and American leaders were determined that this country would not fail in its responsibilities as it had after the First World War.

When uneasy stalemates developed in Europe and East Asia, the struggle between the communist bloc and the West shifted to Asia and Africa. In view of the inherent weaknesses and immense problems of most Afro-Asian countries, few people were confident that communism could be successfully combatted in

[1] CIA was thus the central element of the intelligence community, and the Director of Central Intelligence was made responsible for coördinating the intelligence activities of the U.S. Government. The intelligence community is now composed of CIA, the Department of State's Bureau of Intelligence Research, the Pentagon's Defense Intelligence Agency, the National Security Agency (which is responsible for communications intelligence), the intelligence components of the Army, Navy and Air Force, and—on certain matters—the intelligence units of the Atomic Energy Commission and the Federal Bureau of Investigation.

all these lands. CIA was assigned an important part of the task of turning back the communist offensive—partly because in the atmosphere of those years Congress would not have openly provided funds for those liberal or leftist groups which were often the most effective in opposing the communists. U. S. covert operations during the late 1940s and the early 1950s were successful in a variety of situations. CIA was generally regarded as something new, exciting and effective, and it stood rather high in public esteem.

Simultaneously, the advent of hydrogen weapons and intercontinental ballistic missiles made it of crucial importance that the U. S. Government have reasonably accurate knowledge about enemy capabilities. Fortunately, the technological revolution which led to the development of such weapons also made it possible to develop means of penetrating the Soviet veil of secrecy. The U-2, reconnaissance satellites and electronic intercept stations around the edges of the communist world enabled the United States steadily to increase its knowledge of the Soviet military establishment.

These technological advances first came to public attention in connection with the U-2, which was an invaluable instrument of intelligence gathering until it was shot down on the eve of the 1960 Summit meeting. The U-2 affair, followed by the spectacular failure of the Bay of Pigs operation in 1961, ended the relative immunity of such operations from public criticism. Those members of Congress who had long been convinced that the legislators should exercise a more formal and extensive control over CIA renewed their push for creation of a Joint Committee on Intelligence. The press began to take a more critical view of American intelligence operations, and gradually became eager to disclose information about them. From then on there were periodic revelations of past U. S. intelligence operations, and after each disclosure there was a new outcry for more control over CIA and less reliance on it. (It was only among the novelists and television producers that the intelligence agent remained the hero par excellence.)

The more critical public attitude was also stimulated by changes in this country and abroad and by the impact these developments had on American views of the world. The Sino-Soviet split, the declining intensity of the U.S.-Soviet conflict (especially after the Cuban missile confrontation), the growing

awareness that the intense nationalism of the Asian and African nations limited communist prospects in these countries, and the upheavals in China gradually convinced many Americans that the external dangers were declining. By the time Viet Nam had reached crisis proportions, the case for according higher priority to domestic affairs was winning growing support, especially among young people. To them Stalin was but a name from the past, and the Cuban missile crisis was either a blurred memory or was looked upon as an aberration in Soviet policy. In this atmosphere the revelation in 1967 that CIA had been supporting the National Student Association and other private institutions led to such bitter and sustained attacks on the U. S. Government and on CIA as to force a basic reëxamination of American intelligence activities.

Perhaps the most important lesson of these events was to make it clear that even supposedly secret intelligence organizations do not and cannot operate outside and apart from the American milieu or mood. Clearly, American attitudes toward intelligence activities are closely related to the public view of the external dangers facing the United States and the foreign policy the nation should pursue. Yet today the task of reaching even general agreement on these matters is most difficult. As the danger is seen less clearly, confusion concerning U. S. goals has correspondingly increased. The United States is coöperating with the U.S.S.R. on some issues and competing with it in others. The decline in many Americans' fear of communism and the lack of agreement on foreign policy has led many to argue that covert operations should be drastically curtailed if not eliminated. This raises the question whether the intelligence community can continue to perform effectively without some degree of consensus as to the threat we face.

III

Although CIA's covert operations have received most public attention and criticism because of their dramatic nature, far greater resources are devoted to the less spectacular effort of collecting, analyzing and reporting intelligence. These activities permeate the entire foreign-policy process; important policy decisions and the allocation of billions of dollars often depend on the judgments and conclusions reached by U. S. intelligence organizations. In such circumstances, intelligence judgments

inevitably become involved in domestic political controversies.

It is simple to state the formal responsibilities and to describe the work, varied and voluminous though it is, of the U. S. intelligence community in the area of intelligence production as distinct from operations. It is to give the policy-makers judgments as to what the situation actually is in the world at any given time, what it will be in the future, and (to a degree) what the implications of such judgments are. A task simple to state, but awesome to contemplate. Historians dispute the meaning of past events, students of contemporary affairs are seldom wholly persuasive when they describe current events and their implications, and the difficulties of forecasting even general trends are obvious to all who have tried it and remember their record.

To carry out its responsibilities the U. S. intelligence community has become one of the largest consumers and producers of information in the world today—and thus in history. It gathers masses of facts, rumors and opinions by reading everything from *Pravda* to the cables of U. S. missions abroad and the reports of secret agents, and from the photographs taken by satellites to the information gleaned from National Security Agency reports. Even though much of this information goes no farther than the intelligence analysts themselves, the intelligence organizations regularly produce a variety of reports (National Intelligence Estimates, daily and weekly intelligence journals, special memoranda and various studies in depth) and send them forth to compete for the attention of the overburdened and harassed policy-makers.

In theory, the intelligence officer does not recommend policy, but his decisions as to which facts are relevant and the way in which they are presented can make a current policy look sound or silly. He does not fulfill his role unless he brings unpleasant as well as welcome facts and analysis to the attention of the policy-makers. Yet the latter, who must also consider U. S. domestic needs, may have quite different ideas about which facts are relevant. And if the senior policy-makers are to fulfill their responsibilities to inform the public, they must present some of the facts upon which U. S. foreign policy is based; the danger is that their use of intelligence data and judgments will be selected in a manner designed primarily to justify their policies. Thus the relationship between intelligence officers and policy-makers is as complex and varied as the personalities involved.

Yet despite the inherent tensions and frictions in this relationship, U.S. leaders have an indispensable asset in the U.S. intelligence community. It is worth the policy-makers' time and trouble to keep the appropriate parts of the intelligence community informed of all significant policy matters coming up for decision, and to learn where and how to tap into the intelligence apparatus in order to ask the right questions of the right people. It is also important for U.S. leaders to let the intelligence community know their opinion of the quality of its output. For the great danger is that the intelligence officer, often involved in tedious and painstaking work, will come to feel completely cut off from the policy-making process. When this happens, he either becomes a time-server or else studies his subject only for its own sake rather than in the light of its importance to the United States.

But, one may fairly ask, has the quality of American intelligence research and analysis been such as to warrant this effort, or even to warrant the cost of the intelligence apparatus? Even the informed part of the public probably has only a vague impression of a few spectacular intelligence failures and of some of the outstanding successes, but no real feel for the general quality of the effort. CIA's researchers and analysts have produced a broad range of studies of a quality that often matches the best turned out by universities and private research organizations. Other parts of the intelligence community have done very good work in more specialized fields. On the whole, the performance of the intelligence community has been effective, especially when one remembers America's lack of experience and the complexity of the problems involved. None the less, there have been more failures and, less excusably, more mediocrity than the United States should be willing to accept.

In any case, there is no room for complacency. The volume of information to be processed will continue to increase and, while computers will in time be of growing value, sound human judgment will remain the crucial element. Moreover, the tasks of the future are likely to be more difficult than those of the past, for international affairs probably will become more fluid and complex. If greater complexity and more rapid change characterize the world of the future, the importance of appraising the attitudes, capabilities and intentions of other nations will increase rather than decline. Yet prediction is especially difficult regarding nations striving to modernize, for in such countries tradi-

tional and modern attitudes are intricately interwoven. In such circumstances, the intelligence analyst's perennial problem of deciding when a political leader or a nation will act "out of character" and then of convincing his colleagues and his readers to be ready for a discontinuity of behavior becomes acutely difficult. These problems will remain even if American involvement abroad becomes more selective than it has been in the past.

The size of U.S. intelligence organizations gives them a great capability for research in depth, but their size also imposes limitations, for subtlety of thought is not the most noteworthy trait of any large organization. Special efforts will constantly be necessary to see that thoughtful, unorthodox views and individual insights are encouraged rather than stifled by the system.

IV

The tasks of the CIA clandestine service are at least as varied as those of the intelligence analysts and reporters, and much of what has been written about its activities has condemned or supported its efforts rather than analyzed its functions. Essentially, a clandestine service performs four different types of activities: (1) it collects information secretly—traditional espionage or spying activities; (2) it has a counterintelligence role—protecting the United States against penetration by other intelligence services; (3) it works with the intelligence services of allies and, at times, other nations—exchanging information with them and sometimes helping them to protect their own societies against penetration or upheaval; (4) it conducts covert political operations, which include advising foreign politicians, conducting covert propaganda, supporting labor unions or political parties, and occasionally attempting to overthrow a foreign government.[2] These diverse activities can be separated in theory more easily than in fact, since a CIA station abroad is at times involved in several activities simultaneously, and they thus tend to interact and overlap.

The most widely accepted of these activities is the counterintelligence function, for it is difficult to criticize a government for striving to protect itself against penetration by foreign agents. The counterintelligence function is not the exclusive responsibility of CIA, however, for the military services and the Federal

[2] Technically, covert political action is not an *intelligence* activity, but since it is carried on by intelligence organizations it must be considered in any discussion of intelligence activities.

Bureau of Investigation are also deeply involved in this area. The difficulty of this task in a world of shifting and uncertain loyalties is attested to by the varied list of men—Richard Sorge, Klaus Fuchs, Kim Philby and Oleg Penkovsky, to name but a few—who long served governments other than their own.

Most of the critics of CIA also accept the necessity of clandestine intelligence collection, but there is considerable public confusion as to its purpose, value and limitations. All governments try to keep certain of their actions and plans secret, and every government of consequence tries to secure as much of this information as it deems necessary to protect itself against the actions of other nations and to formulate its own policies on a sound basis. Properly conceived and operated, a clandestine collection system is essentially an extension of a government's overt information system, and represents an attempt to gain key pieces of information that cannot be obtained from open sources or through other channels.

The intelligence supplied by a Richard Sorge or an Oleg Penkovsky can be of momentous importance. As Hugh Trevor-Roper said in his penetrating article on Kim Philby: "To have a reliable, intelligent, highly-placed agent in the center of a potentially hostile power, with access to 'hard' evidence, is the dream of every intelligence service. . . . A well-placed agent of known fidelity and intelligence who can advise his masters, answer specific questions, comment on the disjointed texts which any Secret Service picks up, correct the illusions to which it is prone, has a value which transcends the occasional questionable scoop."[3]

But there are few Sorges, Penkovskys or Philbys, and the real question concerns the value of the information supplied by the typical agent. Everyone with any experience in collecting or reading clandestine reports recognizes that they range from the uniquely important to the routine, which at best confirm information obtained through other channels and at worst mislead. Wherever the norm truly lies, it is natural that officers of the clandestine service tend to place a higher value on the intelligence they acquire than do many foreign service officers or even intelligence analysts.

Covert political action—and particularly the use of private

[3] Hugh Trevor-Roper, "The Philby Affair: Espionage, Treason, and Secret Services," *Encounter*, April 1968.

American institutions, sometimes with the knowledge of few if any of their officials—is the principal cause of the controversy surrounding CIA in recent years. A more recent criticism by an increasing number of Americans opposed to the basic thrust of U.S. foreign policy is that CIA's coöperation with foreign intelligence organizations in the area of counterintelligence demonstrates that it is a prime instrument of a government intent on upholding repressive régimes against revolutionary movements dedicated to social justice. These activities have led to a broad and sustained barrage of criticism, ranging from the thoughtful and serious to the wild and irresponsible, and have even led some to suggest that CIA is an invisible government which really runs the foreign policy of this country. Whatever CIA is, it is neither invisible nor a government.

Is there adequate control of CIA within the executive branch —by the White House, the Department of State, and (when appropriate) the Department of Defense? (In this connection, it is important to distinguish control from *influence*, for many of the charges that CIA is not adequately controlled reflect the conviction that the Agency has too much influence.) CIA has always secured approval from the senior policy-makers before initiating covert political action. Although for some years the procedures for approval of new programs were informal and established programs often were not subjected to critical scrutiny, these weaknesses have steadily diminished. Today covert political activities are approved and reviewed by a top-level committee composed of senior members of the White House staff, the State Department and the Defense Department. Moreover, projects are now initially discussed at lower levels with the relevant assistant secretaries in the Department of State or Defense. Ambassadors in the countries involved are also almost always brought into this decision-making process. Control procedures have thus improved steadily over the years, and they enable the appropriate policy-makers to exercise effective and flexible control over the initiation and continuation of covert operations. However, these procedures will remain effective only so long as the officials involved remain determined to make them work rather than let them become a formal ritual.

If control is not the problem, what have been the reasons for the troubles CIA has experienced? And how damaging have these troubles been in comparison to the substantial contribution made

to American security by covert operations, many of which remain secret to this day? I make no pretense of having the background necessary to answer the second question. Probably only a handful of men have, and none of them is likely to reveal the evidence which would support his conclusions. However, it is obvious that covert operations have caused considerable trouble and that continual efforts to improve them are indispensable.

CIA's covert operations have suffered from several specific weaknesses. Briefly, the clandestine service has not been able to maintain adequate standards of secrecy and has overestimated its ability to operate secretly, especially for prolonged periods. The U.S. Government's policy of virtually automatic denial when accused of conducting a covert operation compounded the problem once an operation was compromised. Finally, Washington has often overestimated its ability to influence and manipulate the internal affairs of other nations, and has sometimes exaggerated the importance of doing so. This latter criticism applies to its overt as well as to its covert activities. The Government's successes with both types of activities during the height of the cold war led many officials to fail to recognize that America's capacity to influence situations abroad would decline when conditions changed. In time they also discovered that some projects which were successful in the short run had no lasting effect. All of these shortcomings tend to reinforce one another.

The United States intervenes in the affairs of foreign countries in a variety of ways which clearly pose political and ethical questions, but intervention is not prima facie immoral simply because it is covert. People will differ as to whether the ends justify the means in particular circumstances; policy-makers can perhaps agree as to whether a proposed intervention is necessary, judicious and well conceived. What is required is a sense of proportion and a determination not to be unduly influenced by short-term considerations, and these are qualities difficult to gain and hold. Guidelines can be set forth for some aspects of covert activities, but not for all of them, and it is important to understand the differences involved.[4]

[4] If the CIA's sharpest critics—the radicals who favor support of revolutionary movements—were to gain power in the United States, they would almost certainly have to rely on covert operations to achieve their aims. Reactionary and oppressive régimes are not easily dislodged, as Rhodesia and South Africa demonstrate, and will not fade away because of moral disapproval or even economic boycott. An activist policy short of direct military intervention would lead such critics to adopt the very instruments and methods they had formerly denounced.

These political and moral problems, as well as those of secrecy, are most acute with regard to covert support of private American institutions. Whatever the arguments once advanced for this practice (and some were compelling), they are no longer persuasive. On the basis of the Katzenbach (Gardner and Helms) recommendations, following the 1967 disclosures, the U.S. Government has announced that it has abandoned secret subsidies to private voluntary American institutions. The Katzenbach report did state, however, that in cases involving overriding national security interests individual exceptions should be made, provided extremely stringent procedures were followed. This is a sound basic policy, but should be supplemented by a major effort by the Administration to secure Congressional approval for one or more publicly financed agencies to extend support to private institutions when it is in the national interest to do so. If some new institutional arrangement is not made, the Government may in a time of danger feel compelled to resort to covert subsidies again, and if this became known the domestic and foreign political impact could be extremely severe.

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A second area where a basic policy change would be helpful concerns government-press relations. The disclosure of intelligence activities in the press in recent years is a clear national liability. These disclosures have created a public awareness that the U.S. Government has, at least at times, resorted to covert operations in inappropriate situations, failed to maintain secrecy and failed to review ongoing operations adequately. The public revelation of these weaknesses, even though they are now partially corrected, hampers CIA (and the U.S. Government) by limiting those willing to coöperate with it and increasing those opposed to it and its activities. As long as such disclosures remain in the public mind, any official effort to improve CIA's image is as likely to backfire as to succeed.

Moreover, in the present atmosphere the press will seek and publish any information about intelligence activities it can acquire, probably arguing that, if it can learn about such activities, other governments already know of them. Even if some parts of the press were disposed toward discretion the problem would remain formidable. Voluntary press restraints would have to be accepted by virtually the entire newspaper, magazine, radio and

television industries or they would quickly break down. Legislation, whether regarded as desirable or not (and even ignoring the Constitutional problems) is impossible to achieve in the present climate, and it would be unwise to count on improved prospects in the future.

There is one change that could be made to diminish these difficulties. The U.S. Government in the past almost automatically and immediately denied any charge that a particular event had resulted from a U.S. covert operation. Sometimes this ended the matter, but too often enough evidence came to light to strip the denial of its credibility or even to force the United States to admit the truth, thus getting itself into the worst possible position. Gradually the Government has shifted from a policy of virtually automatic and instant denial toward one of refusing to comment on such charges. Refusing to comment should become a firm policy—whether the charges are true or false—and the Government should make clear from the outset that this is now the basic information policy. A policy of refusing to comment would not be easy to initiate and maintain, especially if an accusation was causing a furor in a foreign country, but it would in time substantially improve the public position of the U.S. Government regarding covert operations.

Many critics and some supporters of CIA have suggested two other changes involving American intelligence activities which they think would substantially improve the situation. One is to divide CIA, separating the clandestine service from the intelligence research and analysis function. The other involves the creation of a Joint Congressional Committee on Intelligence to oversee the activities of CIA and perhaps the intelligence components of other government departments as well.

The arguments for and against a division of CIA are intricate and complicated. The arguments in favor are: (1) the organization that produces finished and evaluated intelligence conclusions which influence policy should not be the same organization which often executes the policy decided upon—even though these functions are organizationally separated—lest the possible bias of the operators affect the judgments of the analysts; (2) given the present reputation of CIA as a vast manipulator of events, its reorganization probably would ease public concern at home and abroad; (3) a separation of functions would lessen the alienation between much of the academic-intellectual community and youth

on the one hand and the intelligence agencies on the other, and would ease recruiting problems; (4) a reorganization along these lines probably would make it easier to improve the cover of clandestine officers and increase their capability to act secretly.

Equally weighty arguments can be advanced against dividing CIA. These are: (1) CIA's ability to secure money from Congress has been due in part to the variety of tasks it performs, which has given it a broad Congressional constituency. It is questionable whether the part of CIA responsible for research and analysis could secure its present level of funding if it were separate from the clandestine services, while the latter might suffer a similar fate after an operational failure had become known; (2) the Director of Central Intelligence cannot be a strong independent force as the President's principal intelligence adviser and continue to be responsible for coördinating the intelligence activities of the U.S. Government unless he heads a broadly based organization; (3) it would be difficult to devise a different organizational cover for the clandestine service which would be any more secure; (4) CIA's capability in the scientific field is an important asset, and any division of the Agency probably would divide this group and weaken its capabilities; (5) operators and analysts each benefit from the other's substantive knowledge and experience.

On balance, the benefits of maintaining CIA as it is now organized presently outweigh the advantages of splitting it, but it would hardly rank as a disaster if it were divided.

The case for creating a Joint Congressional Committee on Intelligence rests largely on the view that such a committee would ease Congressional and public concern about CIA activities. Advocates argue that the present subcommittees of the military and appropriations committees in the House and Senate do not really influence and supervise those activities in the way Congress should and would if there were a Joint Committee solely involved in this task. On the other hand, such a committee should logically be responsible for all intelligence organizations and activities, and the Armed Services committees are unlikely (to put it mildly) to relinquish their jurisdiction over military intelligence. A formal Joint Committee would also create additional pressure on CIA to adopt a cautious and bureaucratic approach in a field where imagination and flexibility are important qualities. Finally, the creation of a formal Joint Committee probably would reduce

the willingness of foreign intelligence services to pass intelligence to, and cooperate with, CIA, because of their fear that such relationships would become known and create domestic political problems. These disadvantages seem persuasive, and to date a majority of Congress has reached the same conclusion.

Moreover, it is misleading to suppose that organizational structures or executive-legislative relations are the basic problem involved in covert operations, for changes in these areas would not touch the central issue. This is the question of policy: under what circumstances should the United States resort to covert operations? It would be immensely useful if a set of rules or even guidelines could be developed, but this is probably impossible unless one is willing to decree an absolute prohibition of specific kinds of operations, and few Americans want their Government to be this rigid. Even Senator J. William Fulbright, in an article which attacks many of CIA's activities and points out the corrosive effect they can have on American values, says that in times of supreme emergency such a rigid rule cannot be applied. "We are compelled, therefore, to lay down a qualified rule, a rule to the effect that the end almost never justifies the means, that our policy must almost always be open and honest and made in accordance with constitutional procedure."[5]

Thus we cannot escape reliance on human judgment, and our judgment will depend on how we view our place and responsibilities in the world. This will involve us in painful dilemmas, for the United States is trying to do two quite different things simultaneously. It is trying to adhere to certain principles and values which often seem in conflict with the means employed to protect its security and advance its interests. The decisions we make in the field of intelligence will ultimately reflect the interaction between our estimate of the danger we face and the values we hold. American leaders will need a sense of proportion, a combination of boldness and caution, a thorough knowledge of men and nations, and the uncommon quality of common sense. Finally, they should have the vision and strength of character to think in terms of years and even decades rather than weeks and months. These are difficult qualities to come by, but unless they are possessed in large measure by American leaders the United States will be unable to conduct a successful foreign policy in any area.

[5] Senator J. William Fulbright, "We Must Not Fight Fire with Fire," *The New York Times Magazine*, April 23, 1967.

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The Clandestine Service and CIA

In his recent speech to the American Society of Newspaper Editors, the Director stated that it is "...axiomatic that an intelligence service...must wrap itself in as much secrecy as possible in order to operate effectively." Additionally he stated, "We propose to adapt intelligence to American society and not vice versa." There is an obvious and increasing tension between these two statements.

As the threat posed by Soviet Communism becomes hazier and as a new generation of Americans reach positions of influence and authority, the functional dictates of secrecy will increasingly chafe against the political desirability and necessity of adapting intelligence to American society. It is quite possible that a wide range of technical collection tasks, including overhead reconnaissance, will cease to be classified. One may raise legitimate doubt about the need to continue to cloak in secrecy the scope and nature of our analytic and production tasks. On the other hand, our Clandestine Service must operate with as much secrecy as is feasible in a free society. Indeed, one can assume that it was to the Clandestine Service that the Director referred when he mentioned axiomatic secrecy. Therefore, a continuous planning question is how best to structure and conduct necessary clandestine operations with the maximum secrecy and effectiveness and with a very low bureaucratic profile.

One obvious step that has been much debated in the past couple of years is that the Clandestine Service be reestablished as an independent, separate organization. Indeed, such a move has been recently implied in the options suggested by the Office of Management and Budget to the President. The idea has an appealing purity and simplicity, but many rightly feel that such a divorce is not the solution that we need and that legislation to implement the idea holds grave risks for the future of a governmental espionage service. The pros and cons of such a move were skillfully discussed by William Barnds in his Foreign Affairs article, "Intelligence and Foreign Policy: Dilemmas of a Democracy," two years ago.

Short of this drastic and probably harmful step, consideration should be given to what actions, if any, should be planned to insure a continuing, healthy, politically palatable, secret and effective Clandestine Service.

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J

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: Deputy Director for Plans

EXTENSION | NO.

DATE

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. Executive Director-Comptroller				Red: I wrote the attached to clean up the one or two items on my platter that remained after the last meeting with the Director at [redacted] I have not distributed the other copies pending advice from you as to whether I should. You will recall some of the wilder allegations that were made at that meeting, and I think they should be put into perspective or corrected. On the other hand, I am quite prepared not to send it around if you don't think it would be useful at this point to do so. The last item is one we should pursue, however. THK
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Summary of Actions

Director's Planning Conference

1. The Director instructed that NSCID's and DCID's be reexamined and responsibilities for intelligence coverage be clarified. He also instructed that a hard look be taken at the consistency in the definitions applied to national intelligence and to what should be included in the national intelligence budget.

2. The Director asked the DD/I to check the benchmarks of Southeast Asian reporting by CIA operators to determine if an overly optimistic bias had occured and to identify where reports by CIA operators may have been incorrect.

3. The Director instructed DD/S&T and DD/I to determine if documents exist which will support the DD/S&T observation that the present Intelligence Community management of the large collection systems has effectively held down and leveled out resources for these systems. [Mr. Duckett refuted the OMB case that claimed increasing costs of the large collection systems, and stated that in general the cost of the larger systems, as projected, evens out to about the current level due to decisions by USIB and the Director.]

4. The Director instructed the DD/I to seek a way to keep track of the proliferation of publications in the Intelligence Community. He asked

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that the production offices concern themselves with developing feedback from consumers so as to assure CIA publications are responsive.

5. The Director instructed Colonel White and Mr. Proctor to meet with Mr. Schlesinger and provide to him the sense of discussions held during the session on production quality and control. He also asked that the matter of duplication in the Community be discussed with Schlesinger.

6. The Director instructed that the DD/I analyses on source material used in the CIB be continued and published from time to time for everyone's use. It was agreed that such publications would not be circulated outside the Agency.

7. The Director instructed that the entire question of distribution centers and [redacted] or other, be reviewed, that all previous bets are off, and that Colonel White take a new look and present him with a paper on such improvements as are in order.

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8. The Director asked that Colonel White continue to press forward with the centralization of machine systems where economy and effici / dictate such considerations and report to him on any structural or organizational changes which are warranted.

9. The Director instructed that Colonel White have an objective look taken at CIA security compartmentation and the requirements and procedures for communication and handling of various source materials

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as they relate to both CIA or the Community. The Director indicated he was in favor of simplifying the entire range of clearances and handling procedures.

10. The Director instructed [redacted] to formally request the 300 acres contiguous to the headquarters site held by the Bureau of Public Roads and to retreat from that request only under very extensive pressure. A plan should be prepared which will include all valid arguments, including security, as support for this acquisition. [The Director noted DD/S planning to expand the Printing Services Building.] 25X1

11. The Director instructed that R&D be decentralized in its resource review and display and that final determinations of the levels of R&D for a Directorate be a product of the Agency's program review procedures.

12. The Director instructed [redacted] to report to him regularly on the load carried on CIA links in privacy communications [redacted] 25X1 25X1

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13. The Director instructed that all parties give thought to how we can record CIA achievements, particularly on the R&D front. He proposed to DD/S&T that he have a series of classified articles prepared for Studies in Intelligence.

14. Mr. Proctor agreed to a general policy that [redacted] would consider qualified candidates from anywhere in the Agency and look to DD/P for suggested applicants with overseas service. 25X1

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15. The Director instructed that full force be given to making the working space pleasant for our people and noted that painting and redecoration of inside space, etc., were useful projects and should be supported with funds.

16. The Director indicated that he would plan to speak to any questions younger Agency officers wish to ask during the State of the Agency session. He asked that Colonel White, the DD/I and Mr. Huizenga get together and insure that the content of that message was in some part directed to the questions being raised by this group generally. The Director urged that all parties remain open to communicating with young people.

17. The Director asked that the DD/S&T and the DDCI stay in close touch with the reported interest of NSA on the question of the ELINT charter.

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"Reorganization is the permanent condition of a vigorous organization." Roy Ash

A. The Setting

1. A national consensus is developing that resource priorities should shift from defense and foreign affairs to domestic ills. Furthermore, due to nuclear stalemate, improved international electronic communications, and frustrated human expectations, the world is becoming increasingly conscious politically, and multi-polar; i.e., no longer oriented only to communism/non-communism or East/West thinking. These trends, coupled with the catalytic action of technological change, will impact on the way the Director of Central Intelligence fulfills his roles of intelligence advisor to the President, overseer of the costs and product of the Intelligence Community, and director of clandestine operations.

B. The Record

2. In response to new technologies, consumer demands for better focused intelligence assessments, domestic unrest, and tighter resource review, the Agency in the past decade gained:

- A Directorate for Science and Technology
- a batteryof dispersed and expanding computer capabilities

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- a reasonably well-integrated planning and programming review system
- a more responsive support apparatus
- a reconstituted and expanded paramilitary capability

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- a deeper and more specialized analytic capability established in organizations like the Office of Strategic Research, the Counter Intelligence Staff, FMSAC, and COMIREX
- a reduced and more appropriately oriented covert action arm
- a more pointed training establishment
- massive information handling expertise, including the build-up of NPIC

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C. The Question

3. The question before us is whether the management structure and practice we have will meet the requirements CIA will be expected to fulfill in these changing times and support the Director of Central Intelligence in his coordination and resource review role.

D. The Pressure

4. The President, Mr. Kissinger, the Office of Management and Budget, the various elements of the Intelligence Community, and Congress are concerned about the cost and responsiveness of intelligence. Proposals on how best to get a hold on the Intelligence Community are being considered at the highest levels. The central search is for improved and responsive management -- a major government-wide theme of President Nixon. The strategy is a shift from reaction to initiative and action.

5. On the fiscal responsibility front, the Director of Central Intelligence certifies approximately [redacted] annually of the total intelligence budget. This figure includes CIA, NRO tasks, [redacted] and those funds received from other departments and agencies for specialized R&D and support to Southeast Asian paramilitary operations. The certification of the legitimate use of these funds

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places the Director in the position of overseer with full authority and responsibility to satisfy himself, the White House, and Congress of the need for the substantive programs or projects and the legitimacy in using his extraordinary authorities.

6. Further, traditionally, and at least cosmetically, the leadership responsibility of the DCI implies defense of all Community activities. So far these leadership responsibilities have been viewed by all Directors more as impositions on their time than as practical management authorities. Over the years we have heard statements that the Director has no way of responsibly overviewing other intelligence agencies' programs. Attempts have been made to use USIB for the purpose. The NIRB has been created to make important reviews of substantive matters and advise the DCI on options. NIPE has kept lines of communication open with Defense and State and Community resource paperwork flourishing. OMB has promoted a CIRIS system which the DOD has touted to Congress. The real facts are that no President has truly called upon the DCI to review Community plans and programs, approve Community budgets and personnel levels, and substantively certify to requirements. No President has included the DCI in resource deliberations. Thus, in the past, all Directors have been reluctant to push the Community management theme.

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E. The Planning Topic

7. It seems appropriate that a planning conference give thought to the Agency structure and management style needed to meet the mission of the seventies. Restructuring is no panacea, but it does offer a starting point for a penetrating and worthwhile discussion of our mission and will permit the planning conference to focus on most of the issues the Deputies have proposed for the session.

8. How best can we organize our command and control structure to produce a higher quality product, to improve management of the Intelligence Community, and to get better results from our covert operations?

F. The Proposal

9. A functional realignment offers one logical approach: with directorates for technical collection, clandestine operations, production, and support; and a new directorate to encompass all information processing and communications tasks -- a growing technical dimension to our work.

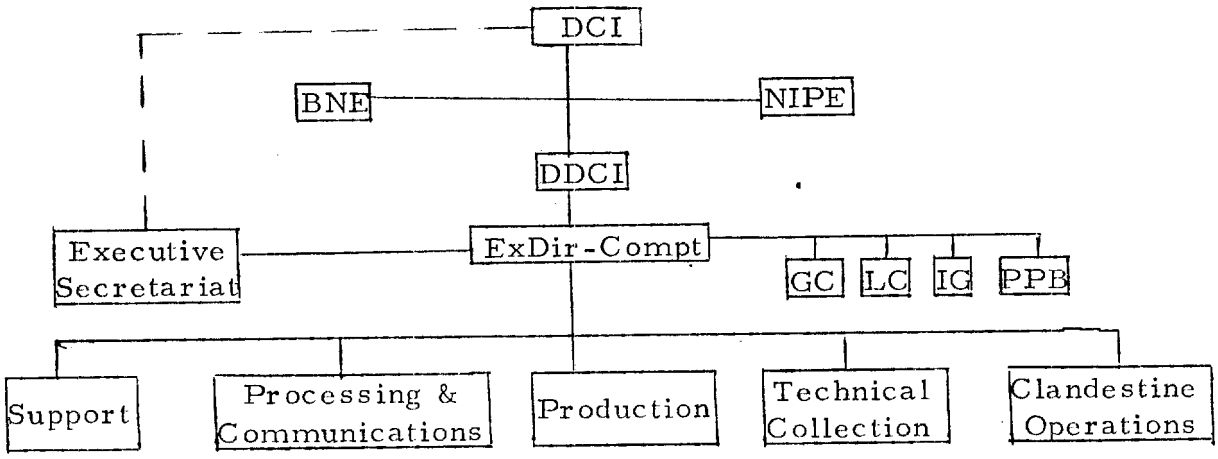
10. Function alignment is not radical. It has the advantage of specializing the responsibility of directorates, reducing span of control and it recognizes the varied dimensions to managing each specialty. At Agency level we already present plans and undertake resource review in terms of the functional missions of the Agency.

11. In addition, such an alignment could allow the Director of Central Intelligence to use his Agency Deputies as the driving force for coordination of Community matters. Staffs and boards can only be tools in the coordination process. To be meaningful, coordination must have a substantive base and must be located in the hands of those who can decide. It reaches beyond tools like CIRIS. The substantive knowledge of the Deputies will provide an essential authoritative force for meaningful Community coordination and evaluation.

12. In this scheme, the DD/I would be responsible for overview of all resources expended on production, Community-wide, its quality, quantity and cost. Under NSCIDs, the DD/P already has responsibility for clandestine coordination but in practice this responsibility has not extended to resource review. This proposal would expect him to focus on the coordination of resources for U.S. Government clandestine operations, under the mantle of the Director. The DD/S&T would be charged with overseeing for the Director the broad range of technical collection and related R&D; he is partially involved now as CIA Director of Reconnaissance. This task would involve all technical collection systems producing intelligence, including SIGINT. The DD/S would focus on the Agency's human needs and administrative systems to support our people. The new Directorate would provide the Director with the technical expertise in communications and information handling, a growing and expensive dimension in Community development. This

Directorate would integrate the substantive information base and systems for all-source communications and processing. It is important to note that in the reorganization proposed, RD&E is decentralized. Obviously the Deputy for technical collection has a major R&D interest and coordination role, Community-wide. The Board of National Estimates could continue as at present.

13. The mounting detail and paper flow attendant to the Director's substantive liaison with the NSC, USIB, PFIAB, 40 Committee, etc., also should be addressed in any structural shift in CIA. An executive secretariat offers a convenient and effective machinery to keep the DCI staffed on these matters. Lastly, a small staff should be set up at the DCI level, probably under D/DCI/NIPE, which, working with NIRB and USIB, could probe and evaluate the quality, quantity and format of intelligence products and collections systems.



25X1 Note: A more detailed chart is attached at Tab A.

14. Two major gains envisaged in this proposal are the broadening of the DCI's management span through his Deputies and the conservation of his energy and personal time for his responsibilities to the President and Congress. Accordingly, under the proposed structure, the DDCI, as the second statutory officer, would continue his role with NIRB in overviewing and evaluating the need for Community intelligence systems and the quality of product. The DDCI also could absorb more of the tasks related to covert operations as well as serve as the Director's alter ego. The Executive Director's role as integrator in Agency planning and management and as Chief of Staff would be formalized. The Deputy Directors would continue to work directly in support of the Director, adding the dimension of coordination of Community matters in their functional fields. Each would accordingly need a very strong assistant or chief of operations.

F. Discussion

15. Restructuring can provide certain ancillary benefits including opportunity for new personalities to emerge and old habits to be shaken off; fewer career paths; lessening red tape; and fostering creativity. Additionally, it can provide a more rational structure for financial and personnel management. However, reorganization could serve more fundamental, comprehensive and substantive ends as well. They are:

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a. Help focus command responsibility in a more specialized way. This should provide for greater command time and attention to each specialty.

b. Strengthening our interrelationship with and guidance to the rest of the Intelligence Community.

16. While functional alignment in CIA and perhaps ultimately in the Community can maximize specialization and provide better overall resource visibility, it will not of itself lead to more attention being given to results. This kind of attention must come from the leadership; the system must have incentives built in which go beyond structural tidiness alone. Such incentives can take many forms ranging from the psychic satisfaction implicit in fulfilling one's responsibilities to the more mundane but tangible institutional considerations, program approval and the budget slice. These latter two are important levers in the hands of the Director and can provide a definite integrative force -- a force which overcomes the parallelism of the functional approach and which can be turned on or off depending upon the Director's satisfaction with the results achieved. The President's behavior in managing his budget and the underlying concepts behind the overall governmental reorganizations being proposed clearly recognize the importance of resource allocations as an incentive device.

17. At present we manage according to a "first among equals" practice in which a Directorate is not inclined to advise another

Directorate how to run its business. With today's large technical systems and with the present diffusion of functions in CIA, the requirement for cross-directorate advice increases. The DD/S&T is actively engaged in production, collection, IP&E, RD&E, and communications plus costly projects with NRO and [redacted] The DD/I engages in collection, IP&E, and RD&E as well as production. The DD/P engages in IP&E and RD&E as well as technical and agent collection and covert action. The DD/S engages in collection, RD&E and IP&E in addition to his communications, program wide, and people-oriented responsibilities. Although the "first among equals" practice provides primacy to the DD/S&T in RD&E matters, to the DD/I in substantive intelligence production, and to the DD/P as the Director's overseas manager, the disinclination to advise another Directorate on how to run its business prevails. This "politeness" can impact negatively on what we do just as surely as the opposite, excessive compartmentation.

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18. The diffusion that exists within CIA is paralleled in the other Intelligence Community agencies. All agencies have resources devoted to both national and departmental intelligence, and to military and non-military matters. In a community sense, the question of duplication is often raised. Countering the duplication concern, particularly in production, are the advantages claimed for competition in the analytic

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process. When one considers the all-source nature of intelligence analysis, and looks at the high cost collection systems involved, it seems obvious to say that those systems have developed incrementally and for the most part individually, without systemic planning in the community sense. The intent in proposing a more sharply functionalized focus within CIA is to better attend to the tasks of today and tomorrow and to stimulate some parallel restructuring within the Community.

19. In the reorganization proposed, the role of the Executive Director as in-house catalyst, coordinator, and planner would be enhanced. Deputy Directors, presently harried by wide-ranging management tasks, should find increased time for planning and for positive interaction with the other Deputies. This interplay of expertise should help the Director, the DDCI and Executive Director oversee and deal with large and complex intelligence programs with cross-functional implications. Examples of such programs that have in recent years called for collective, creative expertise and new management perceptions are: [redacted] Southeast Asia paramilitary, SIGINT collection, ADP applications, [redacted] developments, and the like. Agency activity supporting NRO and [redacted] are examples of new challenges with an integrative technological force of their own, breaking through traditional, administrative forms and boundaries. 25X1 25X1 25X1

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G. The Management Task

20. The need for better review and coordination of complementary intelligence systems, quality output and efficient cost analysis is inescapable. Under present structures, the Director of Central Intelligence is the only line officer the President can look to for this management task unless he chooses to alter the present line-up. It follows that the Director of Central Intelligence must have an extremely qualified and responsive organization to assist him.

21. The Agency provides one important tool at his disposal. A stronger central staff -- a kind of community comptroller -- would provide another. DOD's voice is strong in whatever arrangement prevails, so accommodation to the old idea of a Deputy Secretary of Defense for Intelligence is a possibility. The key is to determine how the DCI's substantive judgment can be inserted forcefully at all points of resource planning.

H. Conclusion

22. Given the White House concern over management of the intelligence activities of government, the reasonable expectation that hard-nosed program overview must exist in all cases where the Director's certification authorities are employed and the view on the part of some Congressional leaders that the Director should be in a position to provide substantive evaluation and budgeting explanation of Community intelligence activities, it seems logical and prudent

that serious thought be given to new initiatives now with respect to the Director's role. The Agency is a good place to start.

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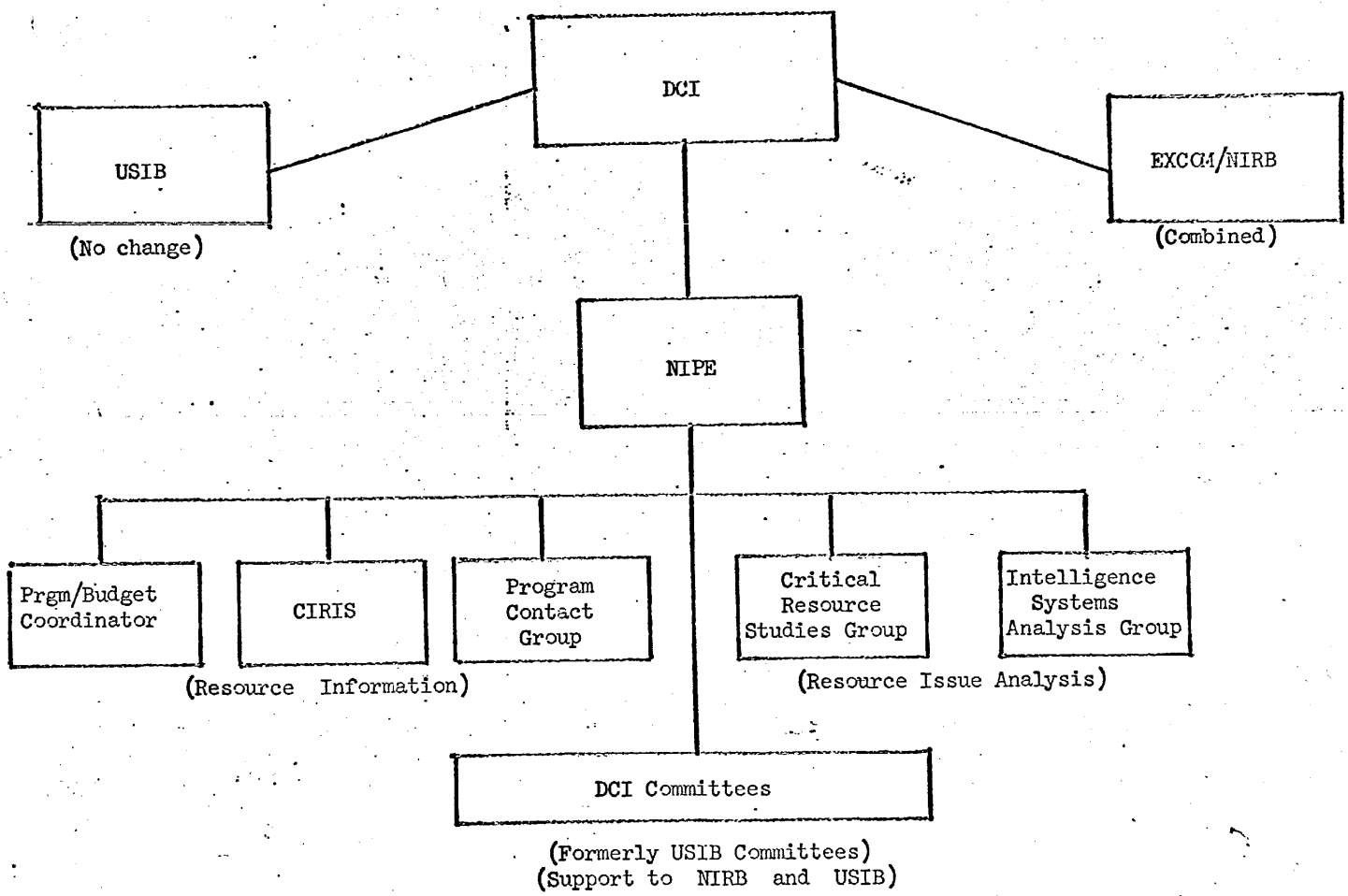

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