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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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ACTION
September 24, 1971

MEMORANDUM FOR: HENRY A. KISSINGER
FROM: AL HAIG
SUBJECT: Intelligence Community Improvement

I have discussed with Admiral Anderson FIAB's criticisms of the proposed memorandum to the Intelligence Community on Reorganization. At Enclosure 3 is a memorandum enumerating recommended changes and providing underlined copies of the directive and letter to Director Helms indicating changes. FIAB has compromised on some issues, the most important being accepting you as Chairman of the NSC Intelligence Community rather than the DCI, and made a number of improvements in language and streamlining.

Major Changes:

The following major recommendations of the FIAB appear to be acceptable:

- Retention of the present arrangement for the National Reconnaissance Office rather than making it a Defense instrumentality. The Deputy Secretary of Defense would continue as chairman of the Executive Committee of NRO and the Under Secretary of the Air Force would remain the Director of the NRO. (Wayne Smith feels that the changes proposed by Budget will prevent piecemeal management and allow some cost savings over the long haul. [Wayne's arguments are presented in the paper at Enclosure 4.] The FIAB argues that NRO is doing an effective job and would lose its present flexibility if locked entirely into the DOD system. My own assessment of this problem is at Enclosure 5.)
- Addition of the Chairman, JCS and Attorney General to the NSCIC.
- Placement of electronics intelligence activities under NSA. FIAB prefers to specify that NSA will be responsible for

NSC review completed.

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unified direction of over-all communications and electronics activities and assessments. Our version had called for "a unified national cryptologic service."

Among the FIAB recommendations which appear unacceptable are the following:

- The FIAB calls for the following membership on the Intelligence Resources Advisory Committee: DCI; Assistant Secretary of Defense for Intelligence; Directors of NSA, NRO and DIA; and Deputy Director of CIA. The earlier memo called for the DCI^{as} chairman with senior representatives from DOD, State, OMB, and CIA. In my view the problem with the FIAB arrangement is that it adds special pleaders to the committee and eliminates the consumers and agencies which would be more likely to be interested in efficient allocation of resources.
- A representative of Treasury would be added to the NSCIC. (FIAB is focused on the importance of economic intelligence but improvements in this area could be accomplished more appropriately by building up CIA's assets.)

Enclosure 2 is a list of minor changes, many of which are acceptable improvements.

At Enclosure 1 is a draft directive which reflects the acceptable changes outlined above. If you agree with these modifications, the next step would be to obtain Director Shultz's concurrence. At this point, this should be done at your level. If he does not agree, then a split memorandum could be prepared for the President.

RECOMMENDATION:

That at your earliest opportunity you discuss with Director Shultz these recommended changes and obtain his concurrence in the draft memorandum at Enclosure 1.

Approve _____

Disapprove _____

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