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## REORGANIZATION OF THE INTELLIGENCE COMMUNITY

### A. BACKGROUND

The Counsel to the President (Buchen), and his assistant (Hills), are drafting an Executive order to reorganize the intelligence community, and revise or replace the previous order of 7 November, 1971. Their effort is reported to have two major purposes:

- to pre-empt Congressional committee efforts to reorganize the Community.
- to follow-up on the recommendations of the Rockefeller and Murphy reports.

They have evidently gone through four drafts, but are constrained by the fact that most of the major steps being considered cannot be taken by Executive order alone and require legislation. The most critical step that cannot be taken without legislation is reported to be separating the function of the DCI (Director of Central Intelligence) from the leadership of the CIA in order to make the DCI an independent leader of the intelligence community.

The details of the Executive order and of the long-term reforms intended are not available, but many rumors now exist within the intelligence community. These major steps which are being discussed include:



- establishing the DCI in an independent role within the White House with an expanded intelligence Community Staff. (The IC Staff is now small and is located in the CIA.)
- bringing in a DCI from outside the intelligence community, making his deputy a senior intelligence official who could run the community at the working level.
- Placing the CIA under a separate executive who would report to the DCI.
- Restructuring DIA and other elements of the intelligence community like NSA to report to the DCI, ending the subordination of the DIA to the OJCS.
- expanding the President's Foreign Intelligence Advisory Board (PFIAB) (which now has a staff of three and meets only every two months), to act as an independent civilian body to review the organization and activities of the intelligence community.

It is not clear which, if any, of these steps would be taken under the draft Executive order. It is clear to the community, however, that such actions would probably involve major personnel changes at the top of the intelligence community.



## B. DISCUSSION

There is some consensus within the community that stronger central leadership may be required to reform and improve the national intelligence effort. Much will depend on the personalities of any new leaders, however, and there are a number of issues that must be considered in advocating such reforms:

--The reports and hearing which have addressed the problems of the community have not really dealt with the quality of its reporting or its substantive products. Major problems emerged in the community's efforts during the October War, the collapse of FANK and ARVN forces, and the Mayaguez incident. These were not addressed effectively in the various agency and IC Staff post-mortems. Any plan to reorganize the community should critically examine these problems and intelligence failures and take them into account.

--The IC Staff has not succeeded in developing an effective planning and programming cycle for the intelligence community, or in developing effective methods of product evaluation and quality control.

In recent years, there has been growing competition between DIA and CIA to provide intelligence to "senior policy-makers." This has sometimes taken the form of providing "intelligence to please" in areas of special interest. The community has failed to properly improve its substantive



methods of analysis to serve all users.

--In order to be used by the consumer, intelligence must eventually result in comparisons between foreign and U.S. policies, forces, economics, and capabilities. The intelligence community has -- for a variety of complex bureaucratic reasons -- resisted outside stimulus to improve its input to support more advanced methods of net assessment. It has also resisted improving its reporting to consumers of the major limitations and uncertainties which exist in much of the data it provides.

--The intelligence community has been largely isolated from outside review of its output. Various efforts are starting in the IC Staff, NSCIC, State, and OSD to provide consumer review, but these are still weak and experimental. It is not clear how the new reforms could provide improved outside review of the product, and they might provide the kind of central direction which would isolate the community even more from its consumers.



DRAFT  
9/16/75

*(dated Sept)*  
*maie*  
MEMORANDUM FOR THE PRESIDENT

FROM :

SUBJECT: The Intelligence Community

This memorandum summarizes the current situation in the intelligence community and outlines the options which your advisers believe are available to you if you wish to intercede.

BACKGROUND

One of the most serious consequences of Watergate was that the intelligence community became a topic for Congressional investigation, as well as public and press debate. Starting with CIA links to Watergate, the issues has expanded to:

- CIA involvement in domestic spying and foreign assassination plots.
- NSA monitoring of the telephone conversations of American citizens.
- Insufficient control by Congress of the intelligence community pursestrings.
- Poor management and control of intelligence community activities and resources.

Your initial response, when the public issue was only the domestic activities of the CIA, was to appoint the



Commission on CIA Activities Within the United States (the CIA Commission) to look into allegations that the CIA had violated statutory prohibitions on such activities.

The Commission completed its report in early June, and after seeking the views of the intelligence community you directed in August that 20 of the recommendations of the CIA Commission -- all of which involved actions below the Presidential level -- be implemented immediately. Public announcement of this decision has been withheld until your advisers could prepare and submit to you a memorandum which provides options and recommendations for the implementation of the balance of the CIA Commission's proposals.

This effort has not been productive thus far, largely because a number of major issues require resolution by you before work can go forward on the preparation of appropriate directives. Accordingly, after a brief discussion of the gravity of the situation in the intelligence community at the present time, the remainder of this memo will outline the issues -- and the options for resolving them -- which pose the most serious obstacles to the preparation of an action memo on intelligence for your review.

CURRENT SITUATION

Two Congressional committees are currently investigating allegations concerning intelligence community activities ranging from expenditures to assassinations. The scrutiny of the past, and the certainty of further disruptive scrutiny in the future, has had a seriously adverse effect on morale in the intelligence community. Cooperation among community components has declined, and foreign intelligence agencies have curtailed contacts with the CIA, reducing its sources of information.

Over the long term, the outlook is not good. The Congressional investigations are likely to turn even more hostile as we enter an election year. By next Spring or early Summer one can foresee legislation which presents a Hobson's choice between national security considerations on the one hand and individual rights of privacy on the other. A veto in the name of national security will be portrayed as a repressive act, unleashing the secret agencies of government to compile dossiers on the American people.

The principal question among your advisers is how to meet this political challenge while preserving both the capabilities of the intelligence community and its independence of Congressional control.

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The principal question among your advisers is how to meet this political challenge while preserving both the capabilities of the intelligence community and its independence of Congressional control.

SUMMARY OF ISSUES AND OPTIONS

Under these circumstances, your choices fall into two broad categories --

- Political. How should you respond to the political assault on the intelligence community now underway in the press and in Congress?
- Organizational. How should you organize the intelligence community so that the intelligence product is responsive to your needs?

POLITICAL ISSUES

Your advisers have under discussion a number of initiatives which fall into the category of political responses. Most of these are not the subject of any substantial disagreement and will not for that reason be discussed here.

However, there are four proposed initiatives among these political responses on which your guidance is necessary:

- Should you act now or await developments in Congress?
- Should you establish a body with responsibility for Executive Branch oversight of the intelligence community?
- Should you issue an Executive Order restricting the activities of the CIA, or the intelligence community as a whole, with respect to American citizens?
- Should you develop a long-range plan, including the placing of primary responsibility on an assistant, to deal with the political issue?



ORGANIZATIONAL ISSUES

Your advisers are also considering a number of options which deal with the question of intelligence community organization. There are three issues here on which your guidance is necessary:

- Do you think that a reorganization of the management and control of the intelligence community is necessary?
- If so, do you want to act now on this subject, or only after further study?
- If you want to act now, do you favor installing a single coordinator of intelligence (who could be the DCI) in the White House, or the enhancement of the functions and authority of the National Security Council Intelligence Committee?

DISCUSSION OF POLITICAL ISSUES

FIRST ISSUE: Timing

Option I: Act now

Option II: Await developments

Option I:

Those of your advisers who favor Option I believe that further delay will hand the initiative to Congress, perhaps irrevocably. They believe, however, that action now will produce one or both the following benefits:

- Far-reaching Presidential action, especially if it appears to put controls on the domestic activities of the CIA and/or other foreign intelligence agencies, would set to rest the major concerns among



the American people about the conduct of the CIA or the intelligence community, and defuse the issue in Congress.

- An exercise of Presidential leadership, as long as it does not interfere with the legitimate activities of the foreign intelligence agencies, will raise morale throughout the intelligence community; this is especially true if such action is accompanied by a Presidential statement which cites the disruptive effects of the current investigations, presents the President's actions as disposing of the issue, and calls for a quick conclusion to the Congressional inquiries.

Option II:

Those of your advisers who do not favor action now believe that any far-reaching action would be premature. They are concerned that future disclosures may make your actions appear inadequate, that forcing changes on the intelligence community without greater study risks more damage than Congress has done already, and that any action now might foreclose other options that would come to light after a thorough study of the intelligence community has been completed.

If you select this Option, your advisers will prepare a comprehensive study plan, for your review, within two weeks.



## DECISION



If you have determined to delay action pending further study you need not address the balance of this memorandum, since it deals entirely with the issues and options involved in taking certain actions now.

Assuming , however, that you determine to take some action now, the following issues in the political category require your decision:

**SECOND ISSUE:** Oversight of the Intelligence Community

The CIA Commission recommended that the President's Foreign Intelligence Advisory Board be given additional authority to inquire into the propriety of CIA actions, and to report its conclusions to the President.

There is general agreement among your advisers that an independent oversight body such as PFIAB would be an appropriate mechanism for inquiring into the conduct of the CIA, and that the jurisdiction of such a body should extend to the intelligence community as a whole and not just the CIA.

However, there is some question among your advisers as to whether PFIAB would be the appropriate vehicle for these responsibilities; some believe that it would be better to create a wholly new body, either to perform both the present functions of PFIAB and the



oversight function, or to discharge the oversight function alone, with PFIAB retaining its present role as an independent evaluator of intelligence product.

#### DISCUSSION

##### Option I: Extend the Role of PFIAB

Those who favor this option argue that it is the simplest and cleanest way to create an oversight capacity in the Executive Branch. (It is also the approach suggested by the CIA Commission.) PFIAB is already in place, the intelligence agencies are familiar with it, and its assumption of new responsibilities can be achieved with little administrative disruption.

Those who favor this course also believe that the membership of PFIAB will have to be changed substantially if it is to transcend its image as a body primarily concerned with technical aspects of intelligence collection. If you choose this option an implementing Executive Order can be ready within one week.

##### Option II: A New Body for Oversight and Intelligence Product Evaluation

Those who oppose PFIAB as the oversight body contend that providing it with new authority without substantially altering its membership will make this reform appear pallid and inadequate. These advisers agree that a wholly new oversight body, with or without PFIAB's present functions, would make a greater impact on the public mind.



than a mere extension of PFIAB's role. If you choose this option an implementing Executive Order can be ready within two weeks.

Option III: A New Body Solely for Oversight

Some of your advisers argue further that there is an inconsistency between the oversight role, which implies an adversary relationship with the intelligence agencies, and a role in evaluating intelligence product, which requires the cooperation and support of the intelligence agencies. Accordingly, these advisers believe, you should leave PFIAB in place as an independent evaluator of intelligence, but create a new oversight body which would be concerned solely with the conduct of the intelligence community agencies. If you choose this option an implementing Executive Order can be ready within one week.

DECISON:

- Option I: Extend the responsibilities of PFIAB to include oversight; recommended by
- Option II: Create a new body to take over PFIAB's role and to carry out oversight; recommended by
- Option III: Create a new body to carry out oversight, leaving PFIAB in place; recommended by



THIRD ISSUE: An Executive Order Restricting  
the Collection of Information on  
American Citizens

The CIA Commission proposed an Executive Order limiting CIA's collection of information about the domestic activities of U.S. citizens and the clandestine collection of foreign intelligence from American citizens. There are three options here:

Option I: Issue an Executive Order establishing restrictions on the domestic activities of the CIA only, applying the standards enunciated by the CIA Commission.

Option II: Issue an Executive Order applying the standards enunciated by the CIA Commission to the domestic activities of the entire intelligence community.

Option III: Issue an Executive Order applying these standards to the entire intelligence community except the FBI.

DISCUSSION

The advantages of Option I, an Executive Order limited to the CIA, are:

- The issues involved, as well as the particular restrictions, have been extensively studied by the CIA Commission and are agreed to by the Director of Central Intelligence. The advisers who favor this option believe that the issues raised in the case of other intelligence agencies (NSA, DIA, and



the FBI) are substantially different and require additional study.

- Additional Executive Orders can be issued later as to the domestic activities of other intelligence agencies after better identifying the kinds of restrictions needed.
- An Executive Order covering only the CIA can be ready in one week.

The advantages of Option II, an Executive Order applicable to the entire intelligence community, are:

- In concluding that the CIA should not collect and analyze information on the domestic activities of U.S. citizens, the Commission recommended restrictions which most Americans would agree should be applicable to any of the secret foreign intelligence or counterintelligence agencies of the Government; there is no reason, in principle, for precluding the CIA from collecting and analyzing such information while permitting the NSA to do so.
- An Order limited to the CIA would leave your Administration open to the charge that only a small sector of a large problem has been dealt with. This is particularly true if Congress and the media continue to uncover instances of abuses similar to those involving the CIA in other intelligence agencies.
- Subsequent Executive Orders applicable to the other agencies will invite comparisons to the CIA Order; any "discrepancies" will be characterized as "glaring loopholes." Those of your advisers who favor this option believe it is possible to frame a set of restrictions which will satisfy the American people and would not unduly restrict the other agencies engaged in foreign intelligence and counterintelligence.



- A comprehensive Executive Order will probably take two weeks to prepare, particularly to resolve FBI objections.

The advantages of Option III, an Executive Order applicable to all intelligence agencies except the FBI, are:

- Most of the advantages of Option II also apply to Option III.
- The FBI, which has law enforcement as well as counterintelligence functions, has been the major stumbling block in preparing an Executive Order which covers the entire intelligence community. The major problem is to develop regulations which effectively limit the FBI's counterintelligence role while not impairing its law enforcement activities. This will take two weeks to resolve.
- The Department of Justice has been studying the activities of the FBI for the past year, and is in the process of preparing guidelines which, when completed, might be embodied in a separate Executive Order for the FBI.
- An Executive Order which does not cover the FBI can be prepared in about one week.

DECISION

— Option I, restricting domestic activities of CIA only; recommended by Justice, the DCI, and Counsel to the President

— Option II, restricting domestic activities of the entire intelligence community; recommended by

— Option III, restricting all intelligence agencies except the FBI; recommended by the Vice President, the National Security Council, and the Director of OMB.

FOURTH ISSUE:    Special Assistant for  
Intelligence Matters

Since the Congressional inquiries began almost nine months ago, the Administration has consistently been placed in the position of reacting to initiatives on the Hill. Although these responses have been adequate, there has been no coordinated strategy to protect the intelligence community from continued disruption, or to provide leadership to those in Congress who are sympathetic to your position.

In order to develop such a plan, and to make clear to the American people that there are formidable issues at stake in the Congressional hearings, many of your advisers believe that you should consider designating or appointing a person to develop and implement a strategy of response.

The issue here may be stated as follows:

- Do you favor creating a central point in your Administration for the coordination of the political response to the Congressional inquiries?

DISCUSSION

Those who favor this course argue that it is essential to develop a strategy of response in order to limit the damage to the intelligence community. These advisers contend that the American people do not understand the extent to which normal intelligence activities have been

disrupted, and the threat this poses to national security.

These advisers also believe that if the Administration were to go on the offensive against these inquiries -- after taking appropriate steps discussed previously in this memo -- the public response would limit the scope of the Congressional inquiries and reduce the likelihood that Congress would act to change the intelligence community through legislation.

Those who oppose the appointment or designation of a political coordinator argue that such a move would create an aura of confrontation with Congress, and might turn an essentially partisan issue into a Constitutional contest between the President and Congress on the issue of control over the intelligence agencies.

These advisers believe that the Administration's response can be adequately coordinated through use of the existing White House staff framework.

DECISION:      Appoint or designate a coordinator of the Administration's response to the Congressional inquiries on intelligence

       Approve; recommended by

       Disapprove; recommended by

DISCUSSION OF ORGANIZATIONAL ISSUES

The question of how to organize the intelligence community in order to better serve the nation's needs has been under study for years. From your perspective, it does



not appear necessary to examine at this time all the issues which would arise from an attempt to go forward with a reorganization of the community.

The sole important issue may be stated as follows:

- Should you have one person or group in the White House whose role is to supervise, coordinate and perhaps even manage the activities of the intelligence community as a whole?

However, before discussing this issue, there is a preliminary question of importance -- whether to deal with this issue now, or authorize a study of the intelligence community which reviews thoroughly the purposes and responsibilities of each of its components. The considerations here are outlined below:

FIFTH ISSUE: A Study of the Intelligence Community

Those who favor a study of the intelligence community, before you decide on its organization, point out that this is an issue which is not urgent for decision. They believe that the public perception of the problem is not that the community is inadequately supervised by the President, but rather a concern that the intelligence agencies may be spying on American citizens. These advisers contend that the public's view of the lesson of Watergate is that the less direct control the President has over the CIA the better.



Accordingly, these advisers believe, it is both unnecessary and overly time-consuming to include a provision for supervision and control of the intelligence community among your intelligence "reform" initiatives.

Although a general reorganization and rationalization of intelligence activities may be warranted, those who support a comprehensive study argue that it should only occur after a review of the objectives and assignments of each component of the community as a whole and not by giving authority to one person or a Committee of the NSC to carry out such a far-reaching program. In this connection, it should be noted that the great bulk of the intelligence work which is carried out day-to-day has to do with battlefield capabilities, and is useful to field commanders rather than the President and his advisers.

Those who oppose a study argue that it will be a time-consuming and disruptive process, absorbing energies of the intelligence community which are already severely drained by the Congressional inquiries and attention by the press.

These advisers believe that many past studies have raised all the issues necessary for resolution by you. These can now be reviewed by your advisers and their salient points included in the directives with which you would implement either the proposal to create a coordinator

of intelligence in the White House or the proposal to grant formal coordinating authority to the NSC.

DECISION: Authorize a comprehensive study of the intelligence community before dealing with organizational issues.

       Approve; recommended by

       Disapprove; recommended by

If you have determined to approve a study of the intelligence community prior to dealing with organizational issues, you need not address the balance of this memo, since it deals solely with the prompt implementation of one or another form of coordinating function for intelligence in the Executive Office of the President.

However, assuming that you have determined to proceed with a reorganization of your apparatus for supervising the intelligence community, there is one more issue to consider:

SIXTH ISSUE:      Supervision and Control of the Intelligence Community

Implicit in much of the current criticism of the intelligence community is the assumption that it is not under the control of either the Executive Branch or Congress.

Proposals to bring about more effective Presidential control of the intelligence community have focused on two options:

Option I: The creation of an intelligence coordinator in the White House, either by

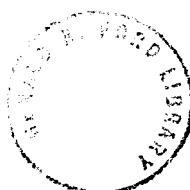


moving the DCI in from Langley or by creating -- legislatively or otherwise -- a single point of intelligence contact and control in proximity to the President.

Option II: Formal recognition of the authority of the National Security Council to control the activities of the community as a whole by authorizing the NSC Intelligence Committee to set policy for the community, review its programs, evaluate its products and define the roles of its components.

Those who favor Option I, an intelligence coordinator in the White House, argue that the only way to secure effective control and management of intelligence community resources is to funnel the President's power over this important area through a single coordinator. The person holding this office would have an adequate staff, would report directly and frequently to the President, and would be the President's link with the intelligence community as a whole.

Whether the coordinator is the DCI himself, with his office and staff in the White House, or a new official with much of the authority of the DCI as head of the intelligence community, is a matter which can be considered later; the principal question is whether you would feel comfortable with an arrangement which places an intelligence coordinator within your immediate official circle.



In addition, this option would not grant additional authority to the NSC, a body which some of your advisers believe is now perceived in Congress and among the public as having too much control over Administration policy in matters related to foreign relations and national security.

If you choose Option I, options for implementing this plan can be prepared within two weeks.

Those who favor Option II, increasing the authority of the NSC Intelligence Committee, argue that the NSC already has the statutory authority to supervise the intelligence agencies of the United States Government, and that a recognition of this Committee's authority would be nothing more than a public reaffirmation by the President of what the law requires and what previously secret intelligence memoranda have mandated.

This Option, moreover, can be implemented with the least administrative disruption, with no new funds, and without the need to find a coordinator who is acceptable to the public as well as the intelligence community.

If you choose this Option, it can be implemented by Executive Order within one week.



DECISION

— Option I, a coordinator of intelligence in  
the White House; recommended by

— Option II, reaffirm the authority of the  
NSC Intelligence Committee; recommended by



THE WHITE HOUSE

WASHINGTON

September 18, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT  
HENRY A. KISSINGER  
JAMES R. SCHLESINGER  
PHILIP W. BUCHEN  
JAMES T. LYNN

SUBJECT: The Intelligence Community

This memorandum presents alternative courses of action for dealing with issues relating to the Intelligence Community:

- those presented in the reports of the Rockefeller and Murphy Commissions;
- those to be addressed in connection with the work of the Congressional Select Committees.

A. BACKGROUND

One of the most serious consequences of Watergate was that the intelligence community became a topic for Congressional investigation, as well as public and press debate. Starting with CIA links to Watergate, the issues have expanded to:

- CIA involvement in domestic spying and foreign assassination plots.
- FBI violations of civil liberties.
- NSA monitoring of the telephone conversations of American citizens.
- Insufficient control by Congress of the intelligence community pursestrings and insufficient knowledge of its operations.



- Poor management and control of intelligence community activities and resources, and poor performance of the community in specific instances.

Your initial response, when the public issue was only the domestic activities of the CIA, was to appoint the Commission on CIA Activities Within the United States (the CIA Commission) to look into allegations that the CIA had violated statutory prohibitions on such activities.

The Commission completed its report in early June, and, after seeking the views of the intelligence community, you directed in August that 20 of the recommendations of the CIA Commission be implemented immediately. Public announcement of this decision has been withheld until your advisers could prepare and submit to you a memorandum which provides options and recommendations for the implementation of the balance of the CIA Commission's proposals.

Preparation of this memorandum, however, requires that you first resolve a number of major issues before work can go forward on the preparation of appropriate directives. Accordingly, after a brief discussion of the gravity of the situation in the intelligence community at the present time, the remainder of this memorandum will outline the issues--and the options for resolving them--which pose the most serious obstacles to the preparation of an action memorandum on intelligence for your review.

#### B. CURRENT SITUATION

Two Congressional committees are currently investigating allegations concerning intelligence community activities ranging from expenditures to assassinations. Other Committees and Subcommittees of the Congress are also investigating separate parts of the Community. These "band-wagon" efforts are increasingly partisan.

The scrutiny of the past, and the certainty of further disruptive scrutiny in the future, has had several seriously adverse effects:

- Intelligence targets, particularly in the Soviet Union, have been sensitized to our collection methods and appear to have taken measures to restrict the gathering of data by technical means.



- Human sources of intelligence, foreign and domestic, now fear to cooperate with our intelligence agencies.
- Cooperation of foreign intelligence agencies has been impaired.
- Morale in the intelligence community, and cooperation among its components, has been damaged.

The situation promises to become even worse. The Congressional investigations are likely to turn even more hostile as we enter an election year. By next Spring or early Summer one can foresee legislation which presents a series of Hobson's choices--for example, any veto in the name of national security will be portrayed as a repressive act, unleashing the secret agencies of government to compile dossiers on the American people.

Your principal problem is how to meet this political challenge while preserving the capabilities of the intelligence community under acceptable oversight arrangements.

#### C. SUMMARY OF ISSUES AND OPTIONS

Under these circumstances, you must develop strategies in two broad (and partially interrelated) problem areas:

- Political. How should you counter the build-up of momentum behind activities which will result in permanent damage to our intelligence community?
- Supervision and Control. What mechanisms should you employ for the supervision and control of the intelligence community so that the intelligence product is responsive to your needs and the community conducts its activities efficiently and effectively?

Your advisers have under discussion a number of major initiatives which fall into the category of political responses. Your advisers agree that if you wish to go forward with any of these initiatives you should do so promptly. While you should consider that Congress may attempt to use your proposals



as a jumping off point for more extensive legislative initiatives of their own, there is also the possibility that the implementation of your reforms will prevent the development in Congress of a consensus that reform legislation is necessary.

The following are four major proposed initiatives under consideration by your advisers, and your guidance is necessary on each:

- Where in the Executive Branch should responsibility for oversight of the propriety of intelligence activities be placed;
- Should you issue an Executive Order restricting the activities of the CIA, or the intelligence community as a whole, with respect to American citizens, or, alternatively, a more comprehensive Executive Order which also incorporates a full statement of positive duties and responsibilities for the agencies of the intelligence community;
- Should there be a single person to plan and coordinate a response to the attack on the intelligence community.
- What actions are appropriate at this time to improve your supervision and control of the intelligence community.

**FIRST ISSUE: Oversight of the Intelligence Community**

The CIA Commission recommended that the President's Foreign Intelligence Advisory Board be given additional authority to inquire into the propriety of CIA actions, and to report its conclusions to the President.

There is general agreement among your advisers that an independent oversight body of private citizens would be an appropriate mechanism for inquiring into the propriety of the conduct of the intelligence community as a whole.

However, there is some question among your advisers as to whether PFIAB would be the appropriate vehicle for these responsibilities; some believe that it would be better to create a wholly new body, either to perform both the present functions of PFIAB and the oversight function, or to discharge the oversight function alone, with PFIAB retaining its present role as an independent evaluator of intelligence product.



Discussion

Option I: Extend the Role of PFIAB to Include Oversight

Those who favor this option argue that it is the simplest and cleanest way to create an oversight capacity in the Executive Branch. (It is also the approach suggested by the CIA Commission and supported by the so-called Murphy Commission, the joint Executive-Legislative Commission on the Organization of the Government for the Conduct of Foreign Policy.) PFIAB is already in place, the intelligence agencies are familiar with it, and its assumption of new responsibilities can be achieved with little administrative disruption.

Those who favor this course also believe that some changes in the membership of PFIAB will be necessary if it is to transcend its image as a body primarily concerned with technical aspects of intelligence collection. If you choose this option, an implementing Executive Order can be ready within one week.

Option II: Approve Option I, but Rename PFIAB

The advisers that favor this option argue that retaining PFIAB's name will fail to communicate the significance of the change you have made. If you choose this option, an implementing Executive Order can be ready within one week.

Option III: Retain PFIAB and Create a New Body Solely for Oversight

Some of your advisers argue further that there is an inconsistency between the oversight role, which implies an adversary relationship with the intelligence agencies, and a role in evaluating intelligence product, which requires the cooperation and support of the intelligence agencies. Accordingly, these advisers believe, you should leave PFIAB in place as an independent evaluator of intelligence, but create a new oversight body which would be concerned solely with the conduct of the intelligence community agencies. If you choose this option, an implementing Executive Order can be ready within one week.

DECISION

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Option I: Extend the Role of PFIAB to Include Oversight; recommended by the Vice President, Jim Lynn and Henry Kissinger.

possible

"reviewed"

Option II: Approve Option I, but Rename PFIAB; recommended by

Option III: Retain PFIAB and Create a New Body Solely for Oversight; recommended by Jim Schlesinger and Phil Buchen.

SECOND ISSUE: An Executive Order Restricting the Collection of Information on American Citizens

The CIA Commission proposed an Executive Order limiting CIA's collection of information about the domestic activities of U. S. citizens and the clandestine collection of foreign intelligence from American citizens. There are four options here:

Option I: Issue an Executive Order establishing restrictions on the domestic activities of the CIA only, applying the standards enunciated by the CIA Commission.

Option II: Issue an Executive Order applying the standards enunciated by the CIA Commission to the domestic activities of the entire intelligence community.

✓ Option III: Issue an Executive Order applying these standards to the entire intelligence community except the FBI.

Option IV: Issue a comprehensive Executive Order incorporating duties and responsibilities as well as restrictions.

Discussion

The advantages of Option I, an Executive Order limited to the CIA, are:

- The issue involved, as well as the particular restrictions, have been extensively studied by the CIA Commission and



are agreed to by the Director of Central Intelligence. The advisers who favor this option believe that the issues raised in the case of other intelligence agencies (NSA, DIA, and the FBI) are substantially different and require additional study.

- Additional Executive Orders can be issued later as to the domestic activities of other intelligence agencies after better identifying the kinds of restrictions needed.
- An Executive Order covering only the CIA can be ready in one week.

The advantages of Option II, an Executive Order applicable to the entire intelligence community, are:

- In concluding that the CIA should not collect and analyze information on the domestic activities of U. S. citizens, the Commission recommended restrictions which most Americans would agree should be applicable to any of the secret foreign intelligence or counter-intelligence agencies of the Government; there is no reason, in principle, for precluding the CIA from collecting and analyzing such information while permitting NSA to do so.
- An Order limited to the CIA would leave your Administration open to the charge that only a small sector of a large problem has been dealt with. This is particularly true if Congress and the media continue to uncover instances of abuses similar to those involving the CIA in other intelligence agencies.
- Subsequent Executive Orders applicable to the other agencies will invite comparisons to the CIA Order; any "discrepancies" will be characterized as "glaring loopholes." Those of your advisers who favor this option believe it is possible to frame a set of restrictions which will satisfy the American people and would not unduly restrict the other agencies engaged in foreign intelligence and counter-intelligence.
- A comprehensive Executive Order will probably take three weeks to prepare, particularly to resolve FBI objections.



The advantages of Option III, an Executive Order applicable to all intelligence agencies except the FBI, are:

- Most of the advantages of Option II also apply to Option III.
- The FBI, which has law enforcement as well as counter-intelligence functions, has been the major stumbling block in preparing an Executive Order which covers the entire intelligence community. The major problem is to develop regulations which effectively limit the FBI's counter-intelligence role while not impairing its law enforcement activities.
- The Department of Justice has been studying the activities of the FBI for the past year, and is in the process of preparing guidelines which, when completed, might be embodied in a separate Executive Order for the FBI.
- An Executive Order which does not cover the FBI can be prepared in about two weeks.

The advantages of Option IV, an Executive Order that would incorporate the duties and responsibilities of the community as well as the restrictions, are:

- Imposing restrictions only is an excessively negative approach.
- Restrictions on intelligence activities should be imposed in a context which recognizes and reaffirms the positive duties and responsibilities of each intelligence agency.
- The existing NSC Intelligence Directives provide a good starting point and should reduce the time required to draft the Order.
- The time estimate for completion of such an Executive Order ranges from one to three months.



DECISION

- \_\_\_\_\_ Option I: Restrict domestic activities of CIA only; recommended by Jim Schlesinger
- \_\_\_\_\_ Option II: Restrict domestic activities of the entire intelligence community; recommended by
- \_\_\_\_\_ Option III: Restrict all intelligence agencies except the FBI; recommended by the Vice President, Henry Kissinger and Jim Lynn.
- \_\_\_\_\_ Option IV: An Executive Order incorporating duties and responsibilities as well as restrictions; recommended by Phil Buchen  
(some of your advisers would also recommend this option if you decided that you could wait up to three months before announcing action)

THIRD ISSUE: Planning the Administration's Response to the Attack on the Intelligence Community

Since the Congressional inquiries began almost nine months ago, the Administration has consistently been placed in the position of reacting to initiatives on the Hill. There has been no coordinated political strategy to protect the intelligence community from continued disruption, to adequately explain the issues and stakes to the American people, and to provide leadership to those in Congress who are sympathetic to your position, or to deter unwise legislation from emerging in Congress.

In order to develop such a plan, and to make clear to the American people that there are formidable issues at stake in the Congressional hearings, many of your advisers believe you should consider designating or appointing a person to develop and implement a strategy of response.

Discussion

Those who favor this course argue that it is essential to develop and implement a strategy to limit the damage to the intelligence community. These advisers contend that the American people do not understand the extent to which normal intelligence activities have been disrupted, and the threat this poses to national security.



Those of your advisers who favor appointing a single individual argue that the job requires full-time attention from a senior adviser and that your other senior advisers are otherwise engaged on a full-time basis.

Those who oppose the appointment or designation of a single individual argue that it is difficult to separate the political aspects of the challenges made by the Congressional inquiries from those aspects which involve legal questions, tactical relationships on a day-to-day basis with Committee staff members, and ongoing Congressional relations as conducted from the agencies as well as from the White House. Visibly trying to centralize and control the political responses to the Committees and Congress may reduce the effectiveness and speed with which the other and related problems with the Congressional inquiries and in Congress are met on a day-to-day basis.

The advisers who oppose the concept of a central point for political coordination believe that the Administration's response can be adequately coordinated through use of the existing White House staff framework.

#### DECISION

Appoint or designate a single individual to plan and coordinate the response to the attack on the intelligence community.

Approve

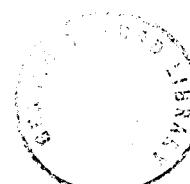
Disapprove

#### FOURTH ISSUE: What Actions are Appropriate at this time to Improve Your Supervision and Control of the Intelligence Community.

Option I. Announce now the formal authorization of the NSC Intelligence Committee to evaluate the programs and product of the intelligence community.

Option II. An internal review of the organization of the intelligence community, the respective responsibilities and duties of its components, and the mechanisms for supervision and control of the community by the President.

These options are not mutually exclusive.



Those who favor Option I argue that the NSC already has the statutory authority to supervise the intelligence agencies of the United States Government, and that this Option would simply charge the NSC Intelligence Committee with these responsibilities.

This Option can be implemented with little administrative disruption and no new funds. It also indicates positive Presidential action on the question of supervision and control of the intelligence community.

If you choose this Option, it can be implemented by Executive Order within one week.

Those opposed to Option I argue that it represents a major change in the assigned functions of the NSC Intelligence Committee. This Committee, they note, was created in 1971 solely to provide guidance to the intelligence community on the needs of top level policy makers, and was not to have any responsibility for more generally directing or monitoring community programs or activities. It is further contended that any change in this committee's responsibility should be part of a broader reorganization of the community.

Those who favor Option II argue that any decision about NSCIC should be considered in the context of a broader study of roles and missions in the intelligence community.

#### DECISION

Option I: Announce NSCIC functions now; recommended by the Vice President, Henry Kissinger

Approve

Disapprove

Option II: Defer decision on NSCIC functions; recommended by Jim Schlesinger.

Approve

Disapprove



No matter which Option you choose of those listed above, your advisers unanimously recommend that you authorize an internal review of the organization of the intelligence community, the respective responsibilities and duties of its components, and the mechanism for supervision and control of the community by the President.

Approve                 

Disapprove                 

