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WASHINGTON, D.C.

OFFICE OF THE DIRECTOR

July 15, 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Bob Froehlke's Proposal on Defense Intelligence

Bob Froehlke has been asked by the Secretary of Defense to take a look at possible reorganization or management changes within the intelligence community which could lead to better management of resources.

It is interesting to note that in his survey of the people involved there was practically unanimous opinion that some better way of coordination among the different intelligence activities is necessary. Most of us are convinced that money could be saved by better coordination, by elimination of unnecessary overlaps between programs, by better understanding of the users requirements and more careful validation of these requirements.

Although there are still rather large unresolved problems facing the intelligence community as witnessed by recent discussions of ABM and MIRV, I think it is true that our intelligence needs are in general being met in one way or another. The main question then becomes whether or not we have too much duplication and overlap among the various intelligence agencies and among the different intelligence data collecting systems. The charge is heard and is seldom denied that the intelligence community has an even poorer match between those people who state intelligence requirements and those who are in charge of the resources which must respond to these requirements than does the defense community at large.

As long as we have a group of people stating requirements without taking proper account of the cost of fulfilling them, we leave ourselves open to the possibility of spending more money than is warranted in satisfying these requirements. Similarly, as long as we have no mechanism for conducting trade-offs among different systems, each of which is partially responsive to stated requirements, we are likely to spend more

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money than is necessary to do a reasonable job of satisfying these requirements.

So, I start out with the same position which Bob Froehlke has; namely, that something needs to be done to improve the coordination among the different intelligence collection agencies and to learn how to best apply our resources against the evaluated requirements. I believe that some office at the OSD level ought to be charged with the responsibility of carrying out a DoD-wide review of intelligence programs. This review would include programs for which I am responsible. Bob Froehlke has made provision for this in his proposal. His proposal would, as I understand it, have the three principal DoD intelligence activities report to a Special Assistant for Intelligence, who would most likely be Bob Froehlke acting in a second capacity. He would chair the intelligence board which would consist of the heads of these three agencies. His plan also creates a Council which he calls the Executive Council for Defense Intelligence. In addition to the SecDef, DCI and the President's Science Adviser, he would include Chairman, JCS and DDR&E on this Council. The duties of the Council are not clear, but it appears that it is meant to be an advisory body similar to PFIAB.

While I applaud the general idea of having someone at the OSD level review the programs of all DoD-related intelligence groups, I do not necessarily agree with Bob that the heads of these agencies should report directly to the special assistant. We have made many attempts in the past to get hold of the intelligence problem. We have created the CIA, the NSA, and the DIA. All these agencies are doing a good job within their charters and if it were not for the money involved I think we could continue to operate as we have in the past. However, we must find some way of reducing overlap and eliminating unnecessary duplication. Having all the DoD intelligence agencies report to a single man does not necessarily accomplish the desired purpose. In general, a man in the line tends to defend his part of the budget and over a period of time becomes a proponent rather than a critic. I have always felt that OSD offices should remain staff rather than line agencies, and thus preserve their role as critic rather than proponents for their own programs. OSD has remained fairly pure in this respect with the exception of DDR&E being in the line for NSA. I do not believe we should compound the problem by having another OSD office assuming a line function.

It seems to me that the principal benefit which needs to be accomplished is that of having someone in a position to review and understand intelligence requirements and our responses thereto. If this review office can develop the necessary expertise, it can make value judgments as to which programs ought to be supported and which dropped. Obviously, this office must be staffed with the best possible people, including people with a perspective to understand our national requirements and sufficient technical knowledge to make value judgments about the merits of different technical approaches to satisfying these requirements. Thus we need some of the best people in the nation to staff this office.

My recommendation is that we have someone such as a Special Assistant for Intelligence in a staff position to review the programs of all DoD agencies and to make recommendations to the SecDef concerning the allocation of resources to these agencies. This Special Assistant for Intelligence could still be an added duty to the Assistant Secretary of Defense (Administration) as Bob Froehlke recommends. The difference between Froehlke's recommendation and mine is that Froehlke proposes to direct daily operations, which would require an ever-increasing staff, whereas my proposal is to have this position as a staff function with adequate authority and responsibility.

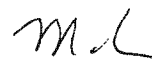
Each of the agencies could be instructed to set up an internal review function of its own, which would make trade-off analyses among its own programs. These internal review staffs would work closely with the OSD level review staff.

As for the Council, I am not sure how it compares to the existing ExCom. By adding the Chairman of the JCS, we may get JCS to approve the proposal. I understand JCS is favorably inclined, but I doubt if JCS has thought through the implications of the proposal and the extent to which the new office would become involved in operational matters.

The non-DoD members of the Council may resist the change because it appears to reduce their authority. The Chairman of ExCom is a DoD man, but DoD influence is offset somewhat by two non-DoD men on the ExCom. With three DoD people on the Council, the non-DoD people may feel that the plan is a stratagem for DoD to get stronger control over the intelligence resources of the country.

To sum up - in spite of my apparent negative attitudes about some of the specifics of the proposal, I believe that something of this sort is overdue and that either this plan or some variation on it should be seriously considered by the SecDef.

One final word - my office has for a number of years been able to move aggressively and I think very effectively on the programs under its direction. Whatever evolves in the way of new working arrangements should be brought about in such a way as not to hamper the effectiveness of the office. I think the current arrangement is a good example of the streamlined management which is being considered for several key programs in the Pentagon. We should not replace the present management scheme which works well with something new unless we are assured the net gain is positive.



John L. McLucas

cc: Dr. Seamans
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Mr. Froehlke