

File: Intelligence

MEMORANDUM FOR THE VICE PRESIDENT

July 8, 1977

Herewith my summary thoughts and recommendations on the intelligence community reorganization proposals.*

I also mentioned to you in my most recent telephone conversation that I was quite concerned by Judge Bell's comment that he wanted to hold off any work on the protection of American citizens against warrantless electronic surveillance overseas, until the current domestic wiretap bill had passed. I have since been in touch with Frederick Baron and he tells me that despite that comment they are at work (at last) on the subject and, indeed, have had some meetings with the staff of the Senate Committee. Accordingly, I don't think it is necessary for you to make any special approach to Judge Bell. Nevertheless, I think it would be useful for you to remind him of the importance you place upon overseas coverage (as well as carrying through on the commitment to amend espionage laws so that the coverage of Americans could (again at last) be limited to criminal matters).

FAOS

Frederick A. O. Schwarz, Jr.

Copy to Dennis Clift

* I will have for you early next week some further specific questions that could be directed to Turner and Brown. (I'm in the middle of two trials and, therefore, have not yet completed those.) However, I thought it would be useful to get this to you because it calls for a somewhat different approach than what appears now to be going on.

MEMORANDUM FOR THE VICE PRESIDENT

Thoughts on Intelligence Reorganization Proposals

July 8, 1977

A. SUMMARY AND RECOMMENDATIONS

1. It may be that a major reorganization would significantly improve the product of the intelligence community or significantly reduce duplicative waste. But the difficulty I have with all the proposals is that they are too abstract, too theoretical, too much like business school theses. They do not confront the issues of quality and cost directly. Indeed, they do not start with any facts whatsoever concerning such issues. Without those facts on the table, I would feel uncomfortable as a decision-maker in engaging in what is billed as major change. How on earth are you supposed to know if reorganization will help if the proponents do not begin with some specificity on what is now wrong with the intelligence product or intelligence costs?

2. With the case for major reorganization not yet made clear or compelling the spectors raised by Secretary Brown (most importantly concerning risks as to military preparedness and effectiveness) should be given substantial weight. Put differently, I think he is correct in saying

that the proponents of change should bear the burden of proving that major change is necessary and that improvements to the current system cannot succeed. However, just as the proponents of reorganization appear too vague and theoretical, Brown often simply makes assertions which may not upon closer examination turn out to be true--or which could with careful attention be taken care of even if there were reorganization.

3. I continue to believe that a fight in the Congress over reorganization would make it less likely that Congress will pay attention to or pass the necessary reforms designed to control intelligence abuses. Similarly, it is abuses not organization, which have concerned the public. If the case for major reorganization were made compelling, then the possible effect upon the abuses legislation should not be given any great weight but that case has not yet been made compelling.

4. The turmoil and unease in CIA (and the rest of the intelligence community) caused by recent criticism and by circumstances such as 4 or 5 directors in 4 years is also something of a factor cutting against making major changes now. Why create more anxiety and uncertainty? Again, if the case for major reorganization could be made otherwise compelling, this argument would not be sufficient

to defeat that case. But that case is not made yet.

5. Turner and the other advocates of major reorganization should be forced to be more precise about their problems in exercising necessary control using the current organization. Then it can be better determined whether what is necessary is (i) major reorganization, or (ii) cooperation in making the current organization work better.

6. As indicated in point 1, I believe the reason why this whole exercise is now frustrating is because it began with abstractions concerning organization instead of beginning with the underlying issues. The real questions are can one save money? Improve effectiveness? Improve quality? It should be useful to go back to square one and say to the principals please begin by telling us where money can be saved, what precisely can be done to improve quality. Then they could contend whether reorganization is relevant to those points. Since the full bureaucratic energies of intelligent men and powerful agencies are now engaged in this battle, the likelihood of getting some good practical suggestions on waste or quality may be increased if this start-again strategy is followed. And the currently overly abstract reorganization issue will become more focused.

7. Turner and Brown, as well as NSA staff and

OMB, make a number of specific proposals that fall short of major reorganization. Currently these tend to get buried and overshadowed by the main points which the particular writer seems to be making. Several may be valid when divorced from those main points and they should each be separately analyzed.

8. Recommendations.

(a) decide reorganization is unwise unless the case is made compelling;

(b) conclude that compelling case has not yet been made;

(c) have Turner articulate the specific obstacles placed in his way in exercise of his current responsibilities to manage budget and improve product;

(d) have all the more limited organizational changes suggested by the various participants collected in one place and analyzed on their own merits separately from the broader arguments;

(e) ask all parties to start again by proposing means of eliminating waste and improving product directly--as opposed to hoping for that result flowing from reorganization; and

(f) based upon responses to (c), (d) and (e), reconvene to consider whether best approach is (i) major

reorganization or (ii) tinkering with current system to make it work better combined with specific, direct efforts to eliminate waste and improve quality.

FAOS

Frederick A. O. Schwarz, Jr.

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