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## ANNUAL REPORT OF THE NIS PROGRAM

Fiscal Year 1950

MAIN REPORT

1. This report covers the second year of operations of the NIS Program. It consists of the "MAIN REPORT", covering the significant developments during the year, and three Annexes: "I - PRODUCTION REPORT", "II - EDITORIAL REPORT", and "III - PUBLICATION REPORT". Reference should be made to the "Annual Report for Fiscal Year 1949" for the background and significant aspects of the NIS Program which will not be dealt with so extensively in the present report.

2. Considerably more progress was attained in the production of NIS during FY 1950 than that realized during FY 1949. There were 398 NIS sections sent to CIA by contributors during this fiscal year which represent the equivalent of  $6\frac{1}{2}$  NIS. These sections were on 40 individual NIS Areas, with the largest block, 34 sections, relating to the USSR. During this fiscal year there were 287 sections reviewed and cleared for publication by CIA, and 216 sections printed and disseminated. In addition to the contributions transmitted to CIA, the Intelligence Agencies now have 445 NIS sections in various stages of preparation which represent the equivalent of about 8 NIS. The percentage of NIS contributions, by agencies, received by CIA during the year, was as follows: State 27%, Army 43%, Navy 10%, Air Force 9%, CIA 11%. While this year's production effort is commendable, and roughly doubled that attained last year, it still falls short of current production requirements by approximately the equivalent of  $1\frac{1}{2}$  complete NIS.

3. The main defect in NIS contributions received during this year was not a quantitative deficiency, however, but a qualitative deficiency. This resulted in much wasted effort on the part of all processing and reviewing components and continues to be the largest single factor in holding back production. Less than 35% of all contributions reviewed by the NIS Division (CIA) during FY 1950 were

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adequate, with reasonable editing, to meet the present minimum NIS requirements. More than 40% of all contributions required extensive review and coordination with contributors. The remainder, about 25% of all contributions, required major re-working by the contributors before they could meet minimum requirements. This distribution pattern is generally applicable to contributions from each of the four Intelligence Agencies - State, Army, Navy, and Air Force. The nature of the defects, however, varied somewhat with the subject matter and with the individual agencies.

4. The principal reasons for the qualitative deficiencies in the NIS contributions are attributable to the following: a) unrealistic production schedules which over-extended agency capabilities to the point where quality was sacrificed to quantity; b) inadequate review and coordination at the working and control levels in the Intelligence Agencies; c) inexperience and incompetence of many working level analysts. The first of these factors, a) above, has been dealt with by reducing the production effort from the equivalent of 15 complete NIS per year to the approximate equivalent of 8 NIS per year. In respect to the second factor, b) above, the NIS Coordinator has emphasized throughout the past year the need for more adequate review and coordination of NIS contributions by the Intelligence Agencies, and steps have already been taken by each agency to improve the situation. It is still too early to determine the adequacy of this corrective action. The third factor, c) above, is not amenable to immediate improvement. In some cases contributors are saddled with personnel who are not competent analysts, but the inertia of civil service procedure makes it difficult to transfer or discharge such individuals. The Intelligence Agencies are fully aware of this matter and no doubt will find ways and means to improve personnel qualifications gradually over the years. The quality of NIS contributions, however, will suffer so long as there are incompetent analysts producing them.

5. The over-all delays between completion of first drafts of NIS contributions and their final publication are still excessive. In addition to the aforementioned deficiencies in quality of contributions, which require a disproportionate amount of time in review, coordination, and re-working, the principal factors contributing to delays in NIS production are: a) delays in coordination and review of subcontributions by the section and chapter coordinators within the Intelligence Agencies; b) submission to CIA of incomplete

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contributions (i.e., text without accompanying maps and graphics) by the Intelligence Agencies; c) bottlenecks in the printing process within the GPO special unit, particularly with regard to collation and binding; and d) small but cumulative delays within the NIS Division itself, which are gradually being reduced as the T/O is brought up to strength and a more balanced production flow is attained. In respect to a) above, the problem is mainly one of balancing production by the various subcontractors to ensure a reasonable fulfillment of working level schedules, and the assigning of adequate full time personnel to the reviewing and coordinating functions within each Intelligence Agency. The situation respecting b) above, is gradually improving and should not be too serious in the future. The bottlenecks in the GPO special unit, c) above, are due mainly to lack of space for efficient production layout and probably cannot be corrected until more space can be made available. The delays in printing, however, are serious and require corrective action before the over-all period between the preparation of contributions and their final printing can be acceptably shortened.

6. The production schedule for Preliminary NIS Gazetteers was fully met for FY 1950. The U.S. Board on Geographic Names (BGN) processed 150,950 geographic names, which comprised 22 Preliminary Gazetteers. In addition, BGN edited the geographic names on 20 NIS base maps and 358 NIS sections. The standardization of geographic names has been of inestimable value to the Intelligence Agencies in the production of NIS. The Preliminary Gazetteers have been used solely by the producers of the NIS up to the present; but it is intended to extend their use, as security permits, to other departments of the government, using reserve stock for this purpose. Eventually, it is intended to release all geographic names produced under the NIS Program so that the BGN may make them available to the public under direct appropriations from the Congress for that purpose. For security reasons this release must wait until such a sufficient time interval has elapsed that these geographic names will no longer be associated with the NIS production schedule.

7. The NIS base map schedule has generally been met for this year. The Map Division (CIA) has produced 28 NIS base maps, 22 NIS page-size maps, and 40 NIS section cover maps. In addition, the Map Division completed 112 final NIS base maps and 240 color proofs of NIS maps. Moreover, the Map Division contributed to and served as chapter coordinator of NIS Chapter IX, "Map and Chart Appraisal".

- 3 -  
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Eight Chapters IX (45 sections) were completed during the year. While this represents only 70% of the production requirements originally set for FY 1950, it fully meets the revised production requirements. It is noteworthy that none of the Chapter IX contributions of the Map Division required major re-working or revision. Like the Preliminary NIS Gazetteers, the NIS base maps have served their purpose admirably, not only in terms of efficient centralization of mapping services whereby all NIS contributors are supplied with necessary base maps, but also in the general cartographic excellence of the finished maps which are produced by Map Division.

8. The NIS Committee held 40 meetings during FY 1950. The efficacy and fundamental soundness of the NIS Committee type of organization for directing the NIS Program was well proved during the past year's operations. The "two-hat" system used in the NIS Committee, whereby the representatives of the Intelligence Agencies also directed the implementation of the NIS Program within their respective agencies, is growing increasingly effective in strengthening the control and coordination of the program. There was continued in committee actions the principle of unanimity, which has characterized its proceedings from the inception of the NIS Program, and which has done much to cement inter-agency relations and to make the NIS Program a joint effort in fact. The excellence of representation from the Intelligence Agencies, and the gratifying spirit of understanding and cooperation which prevailed within the Committee, greatly assisted the Chairman in the carrying out of his responsibilities. There are also increasing indications that the members of the NIS Committee are being accorded more support by their agencies in implementing the NIS Program within their agencies. This does not necessarily mean that such support is sufficient. The greatest weakness still lies in the coordinating and reviewing functions of chapter and section coordinators within the Agencies. As mentioned elsewhere in this report, the failure of these levels results in material being received in CIA which never should have been cleared by the agencies responsible for its initial review and coordination.

9. During the year, the NIS Committee took a number of steps leading to over-all improvement in policies, requirements, and procedures relating to the NIS Program:

a. Revision of "Standard Instructions" - During the fall of 1949 the NIS Committee appointed inter-agency subcommittees

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to review and revise all NIS chapter and supplement outline guides based on the experience gained since the original ones were formulated. All outline guides have been so revised, with the exception of that for Chapter VII (Scientific). The latter has been delayed because of the organization of a Scientific Intelligence Committee of which the Assistant Director, Office of Scientific Intelligence (CIA), is chairman, and the concomitant requirement that he serve as the chairman of NIS Chapter VII Committee.

b. Chapter VII Production - Rather than producing "across the board" Surveys on Chapter VII (Scientific), the NIS Committee decided to restrict production to those countries which have actual and significant scientific potential. Moreover, the Committee took the view that the production of Chapters VII should not be geared to the same rate as other NIS chapters, but should reflect the peculiar difficulties of this field of intelligence and the limited capabilities of the contributors. With the active participation of OSI/CIA in the coordinating and contributing aspects of Chapter VII production beginning with FY 1951, it is felt that the contributions to Chapter VII will be strengthened and improved.

c. Revision of NIS Priorities and Production - When it became apparent that the NIS production requirements of 15 NIS per year were beyond the capabilities of the Intelligence Agencies, the Joint Chiefs of Staff were requested to review their requirements and priorities. The reply from the JCS, dated 20 March 1950, advised the Director of Central Intelligence that the JCS concurred in reduced production from the equivalent of 15 NIS to the equivalent of 8 NIS a year. Submitted with the JCS reply was a revised list of priorities to guide NIS production. In consequence, the NIS Production Schedule for the last quarter of FY 1950 was revised to meet these new requirements.

- 5 -

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d. Petroleum Intelligence - At the beginning of FY 1950 the NIS Committee recommended to the Director of Central Intelligence that the allocation of production responsibility for petroleum intelligence (Section 62C) be changed from the Bureau of Mines, Department of the Interior, to the Munitions Board Petroleum Committee, which had recently been constituted by the Secretary of Defense to provide petroleum intelligence for the Joint Chiefs of Staff and other Armed Forces Agencies. The NIS Committee also recommended the addition of NIS Supplement V (Petroleum) to fulfill additional requirements of the Government for petroleum intelligence. These recommendations were approved by the IAC and the production responsibility was accepted by the Executive Secretary, Munitions Board Petroleum Committee, to take effect beginning with FY 1951.

e. Special NIS - Problems arising out of new requirements by Navy respecting intelligence on Marine Climate and Oceanography led to a decision by the NIS Committee to produce this intelligence in five special NIS covering the ocean areas of the world. The allocation of production responsibility was assigned to Navy with assistance by the Air Force on marine climate sections.

10. The NIS Coordinator has been greatly aided in keeping his "finger on the pulse" of the complex production situation inherent in the NIS Program through a system of production reporting which has been developed during the year. It extends from the initial phases of contributions all the way through the processing, review and publication phases. Departing from the previous methods of agency reporting by percentages of completion, which relied upon personal estimates and other variables, there was devised a system of "phase reporting" by agencies. There are five production phases involved, the first three of which indicate 1/3, 2/3, and completion of first drafts of contributions at the working level. The 4th and 5th phases indicate completion of review and coordination steps in the parent agency. After contributions are received in CIA, there is a second set of phase reports to indicate the progress through final printing. In addition, contributions are assigned categories according to their qualitative adequacy as determined by the editorial review within CIA. From these reports the NIS Coordinator as well as the agency

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representatives can determine the NIS production situation for each agency as well as for the over-all situation.

11. The maintenance aspects of the NIS Program will become of increasing concern as the publication of initial Surveys attains significant proportions. Directly related to the maintenance program is the collection effort needed to fill the gaps and to refine the basic intelligence contained in the original Surveys. These latter provide a precise guide to field collection by indicating in the Subsections, "Comments on Principal Sources", the extent and nature of the source material and of the categories of intelligence needing collection effort. Each Intelligence Agency is responsible for initiating collection of basic intelligence in those categories for which it has primary production allocation under the NIS Program. The contributing agencies have taken steps to implement this responsibility. As this new information flows in from the field, the Intelligence Agencies will have to assign a commensurate amount of their capabilities to maintaining it in their files and, when warranted, in revising sections of the NIS already published. The NIS Coordinator attaches primary importance to the collection and maintenance programs in view of the many gaps in basic intelligence which have been revealed in NIS contributions reviewed to date. It is this phase of the NIS Program, only now emerging, which can produce basic intelligence necessary to fulfill national security requirements.

12. In a broad view of this year's efforts, definite progress in the NIS Program is apparent. Also apparent are major deficiencies which by now should have been overcome. Moreover, these deficiencies are of a fundamental nature, extending as they do down to the intelligence analysts who prepare the NIS contributions. Finally, it does not appear that the Armed Forces Intelligence Agencies are adequately supporting the NIS Program even at the present reduced level of production. All too frequently departmental and other requirements take precedence over NIS work with the result that production schedules are unbalanced and a disproportionate amount of time and effort is required before the situation can be rectified. This difficulty exists because the same personnel used for NIS work are also used for departmental activities. While it is realized that economy measures and long-established practices have necessitated this arrangement, the fact remains that the NIS Program must proceed in an orderly and continuous manner if the vital basic intelligence

- 7 -  
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requirements of this Government are to be met in a reasonable time. The assignment of a full time staff in OIR/State solely to NIS work is an effective solution to this problem, and has been made possible through financial support by CIA.

13. The following observations are based on the progress of the NIS Program attained at the end of FY 1950. They are intended to be reasonable and to indicate feasible objectives based on justifiable support of the Intelligence Agencies and of the CIA. It is the opinion of the NIS Coordinator: that insufficient support is being accorded to basic intelligence collection, maintenance, and production; that the Intelligence Agencies are still devoting too much time and effort to other intelligence activities considering the serious gaps and inadequacies existing in basic intelligence; and that the present rate of production of NIS is geared too low to satisfy national security requirements. So far the equivalent of some 10 NIS have been produced although not all have yet been published. At the rate of 8 NIS per year, which represents the present capabilities of the Intelligence Agencies, it will take about 7 more years to complete and publish initial Surveys on the JCS high priority areas. In addition, there must be assigned capabilities sufficient to ensure adequate collection and maintenance to revise the original Surveys. The Ad Hoc Committee which developed the fundamental aspects of the NIS Program recommended that NIS on all areas of high priority should be completed and placed on a maintenance basis by 30 June 1952. This date was concurred in by the Joint Staff and the NSC. The present rate of production will attain this objective some 5 years later, or 1957. Perhaps that is the best we can do under the circumstances but, in view of the present world situation, this matter deserves serious consideration at the policy level.

14. In closing the report of the NIS Program for FY 1950, it is appropriate to quote a significant paragraph of last year's report which is still relevant and bears repeating:

"In emphasizing the defects and difficulties of the present situation, the progress already attained should not be overlooked. A concept, a plan, and an organization have been developed which are fundamentally sound and practicable, and which provide a means for the eventual acquisition, production and maintenance of adequate basic intelligence to meet the

- 8 -  
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requirements of this government. Valuable training, experience, and understanding have been gained over the past year. A series of excellent base maps and gazetteers are being produced which will eventually result in world-wide coverage in these two fields. Many of the defects noted herein have been due to unfamiliarity with this type of production. Increased efficiency of producing components will inevitably result from more experience and understanding of requirements. Moreover, the improvements made in the field of basic intelligence will be felt throughout the whole intelligence framework. These factors give balance and perspective to other considerations and should result in a more complete understanding of the NIS Program and to the part it can play in the general intelligence plan."

15. In view of the foregoing, we conclude that:

a. The NIS Program provides a comprehensive and logical means for developing the basic intelligence required by this government.

b. The over-all organization which has been set up to implement this program is adequate. There is pressing need within the Intelligence Agencies of the Armed Forces, however, to provide full time staffs capable of fulfilling NIS commitments in an orderly and continuous manner.

c. The functioning of this organization is still imperfect, mainly in coordination and review functions within the Agencies, but definite improvement has been noted during the past year.

d. The NIS production during FY 1950 has been deficient in quantity and seriously deficient in quality.

e. The disparity between production requirements and agency capabilities has been adjusted by reducing production requirements from 15 NIS to 8 NIS per year.

- 9 -

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f. The serious deficiencies in quality of NIS contributions are due mainly to inexperience and incompetence of working level analysts, and to ineffectual coordination and review by chapter and section coordinators.

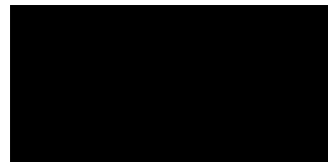
g. The allocation of production responsibilities is generally sound. Some changes in allocation have been made during the year, and others may be necessary as the program develops.

h. The Outline Guide has been found inadequate and has been completely revised during the current year, except for Chapter VII which is to be revised shortly. Principal additions to the Outline Guide include Supplement V (Petroleum) and 5 Special NIS on "Marine Climate and Oceanography".

i. Increasing effort will be needed in field collection to fill the many gaps existing in basic intelligence so far produced. In turn, this will necessitate augmentation of agency capabilities for the proper maintenance of published NIS.

j. Lack of space for the special GPO unit is causing delays in printing which will become increasingly serious as full production of NIS is attained.

k. The base map and gazetteer programs have been fully satisfactory during the year.



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