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14 January 1966

MEMORANDUM FOR THE RECORD

SUBJECT: General: NPIC
SPECIFIC: Meeting to Review Progress on Implementing
Inspector General Recommendations

1. The Inspector General and [] attended a one-hour meeting beginning at 1400, 14 January 1966, which was called for by the Executive-Director for the purpose of reviewing progress thus far in implementing the recommendations of the June 1965 Report of Survey of NPIC. The participants were: Executive Director, R. Jack Smith, John Clarke, [], Paul Borel, [], Ray Cline, [], [] Hanke Knoche, [], Art Lundahl, and one individual whom neither of us recognized. He appeared to be associated with [].

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2. The Executive Director opened the meeting by remarking that every few days the DCI asks him how we are progressing in implementing the Inspector General recommendations on NPIC. He said it seemed appropriate to him to call a meeting for reports of progress coincident with Cline leaving and Smith's taking over as DD/I. He asked Cline for a general report bringing the group up to date.

3. Cline referred to his memorandum of August 1965 outlining a series of steps that were planned for coping with problems of budgeting, exploitation, priorities, etc. and commented that the DCI had approved the proposals in principle. He had set up a special staff to monitor progress. He said he felt that in general reasonable progress had been made on implementing the recommendations, however, actions have been impeded by two major problems: First, the protracted budget fight, and, second, a Bureau of the Budget request that a survey be made of utilization of existing PI facilities worldwide. The Joint Working Group formed under [] to make the survey is moving at a leisurely pace. He thought it inappropriate to take action on certain of the major recommendations until the JWG Survey was completed. He specifically mentioned the recommended reorganization of COMOR as being premature.

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4. Cline then asked Borel for a more detailed report, and Borel tossed the ball to Lundahl. Lundahl then ran through a series of recommendations on which actions had been taken. He addressed himself not to the Inspector General's recommendations but to the questions asked by the Executive Director in his memorandum of 10 January 1966, which led to the convening of this group:

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a. Recruitment: Art said he felt that NPIC was in good shape in this area. They had encountered some difficulty in getting a decision on whether advertisements could carry the CIA seal. The Executive Director said he had shown the ads to an individual with newspaper experience, whose name I did not catch, for comment. The comment was that the ads were poorly done from a professional standpoint. The matter has been referred to the Director of Personnel.

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b. Budget: Lundahl said that the DCI had made a strong plea to BoB for an expanded budget. The approved R&D figure for 1966 is low, and NPIC is going through the bureaucratic exercise of reprogramming its R&D budget in the light of funds made available. The Executive Director asked what the specific problem was. John Clarke made a comment which I unfortunately could not hear. [redacted] explained that NPIC got much less R&D money than it had requested for 1966. There was much paperwork involved in reprogramming the budget. There was some inconclusive discussion sparked by a question from the Executive Director as to whether R&D money was being diverted to operating expenses.

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c. Space: [redacted] said they had held discussions with DIA on expanding space in [redacted] DIA preferred to defer discussions until the JWG Survey was completed. Gross commented that he was the stumbling block on this point, in DIA. Lundahl clarified the point by commenting that the DIA involvement concerned an NPIC request that the DIA surrender part of its present space in [redacted] Although my understanding of subsequent discussion is uncertain, I believe Gross said that Bob Bannerman favored an addition to [redacted] [redacted] rather than moving out the [redacted] however, it appears that Secretary McNamara has decreed that no DoD funds will be spent for new construction not directly related to Vietnam. The Executive Director then commented that it appeared to him that no real progress had been made on space. Cline agreed.

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d. Systems Analysis: NPIC has a small group working on systems analysis now. They are in the process of letting contracts for a simulated or mathematical model on analysis and information handling.

e. Relations with Collectors: Lundahl said that NPIC once had troubles with NRO in getting in early on development of new systems. Upon receiving the Inspector General's recommendation, NPIC drew up a draft agreement covering

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25X1 NPIC's relations with NRO. General Stewart, who I gather
25X1 is the new Director of NRO, said he saw no need for the
bureaucratic folderol of a formal agreement since relations
now are excellent. [] suggested that NPIC let things
stand as they are and not try to complicate matters. Lundahl
said that relations with NRO were vastly improved within re-
cent months. He cited as examples the fact that the first
NRO manual on [] was printed for NRO by NPIC and that NPIC
was now sending technical ^{terms out} to work with NRO con-
tractors. The Executive Director asked if NPIC was satis-
fied that collection and exploitation is now in phase. Lun-
dahl replied that this was an entirely different question.

f. Reduction of Support and Overtime in NPIC: []

25X1 [] spoke to this matter and had nothing meaningful to
say.

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25X1 g. Organization: NPIC has some new proposals on or-
25X1 ganization involving the consolidation of the National and
Departmental PI shops into a single National effort. They
discussed the proposal with CIA and DIA. Both wanted to
defer consideration until completion of the JWG Survey. The
Inspector General asked if PID had met its commitment to PAG
for PI's. [] replied that the commitment is for the total
of [] to be divided equally between CIA and DIA. At the
moment the representation is exactly equal, [] from each shop.
Lundahl commented that he was now faced with the problem of
DIA pulling out experienced, qualified military PI's and
replacing them with inexperienced enlisted men. He said it
was a matter that he was about to take up with General Carroll.

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25X1 [] remarked that right now would be an excellent
time to do it. Lundahl then commented that he had a con-
tinuing problem with lack of control over the quality of
military personnel assigned to NPIC by DIA. From the way he
spoke, I inferred that he was not pleased with the perform-
25X1 ance of [] as Assistant for PAG.

h. COMEX or COMIREX: Cline said he had raised the
matter of ~~COMEX~~ with General Carroll. ^{Cline} Cline said to wait
for the JWG report. Carroll additionally commented that he
agreed that the function was badly needed but suggested that
a better way to accomplish it would be for CIA and DIA to
get together. He did not favor putting the responsibility
under direct USIB control.

i. The farming out of National PI requirements to other
existing PI shops: There was some discussion of the possi-
bility of assigning requirements []

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[redacted] said that some of this was being done now. I believe he mentioned [redacted]. Lundahl said that this involved mapmaking rather than photo interpretation. Lundahl said that it might be quite ^{feasible} favorable to levy detailed analysis requirements on [redacted] commented that this subject was under review by the JWG. Cline said that the most savings could be gotten from passing to existing military PI facilities National requirements that NPIC could not handle.

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5. [redacted] said that the JWG Survey report was now in draft and would reach the DCI perhaps early next week. He took exception to Cline's earlier remark that the JWG was moving at a leisurely pace. He said the due date set by BoB was 31 May and the JWG would beat that date by a considerable margin.

6. The Executive Director then remarked that regardless of what the JWG report says, it will not influence the problem to any appreciable degree. In the meantime we appear to be doing nothing. He asked if there were any preliminary conclusions that we might now reach. He noted that the JWG report may only confirm that the NPIC problem is real. He said he was afraid that when the JWG is all finished it will be able to say only that NPIC is in bad shape and that something needs to be done. He said that merely talking about the problem will not cause it to go away.

7. Cline then said that the JWG report may reveal such a wealth of existing military facilities that it would make no sense to expand NPIC. He said he felt though that we should go ahead and budget for expansion in the expectation that it will be needed.

8. Cline said he felt that real progress was being made in implementing the recommendations on NPIC except in two areas: (a) space, and (b) the validity of requirements for detailed photographic analysis.

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9. [redacted] made the observation that NPIC was a bit like a free bar. When the trade exceeded the bar's capacity, the disparity was eliminated by refusing to expand the bar and thus making additional trade impossible. He said that refusing to expand NPIC's space was a poor way of controlling requirements. John Clarke comments² that regardless of the severity of the problem BoB would not approve funds for expansion until the JWG Survey is completed. The Executive Director said that in his conversations with BoB it was clear that BoB recognizes the importance of NPIC but is not yet satisfied that the existence of its need has been accurately determined. Borell commented that we should have internal planning goals independent of JWG or BoB.

10. The Executive Director then asked what had been done on Helm's suggestion to realign systems within DDI to meet NPIC's PI needs.

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Boreal replied that he did not understand what Helms was getting at in this suggestion. If it would involve inserting intelligence analysts into the photo interpretation process, DDI would oppose the move. It would intrude subjective, analytical viewpoints into an objective interpretation process and was just dead wrong.

11. The Executive Director closed the meeting by remarking that the DCI was thoroughly taken up with NPIC and its problems and wanted to see progress toward solving them. The Executive Director said he would like to see:

1. A concerted effort to sort out and get moving on incomplete actions that do not need to await the results of the JWG Survey.
2. The beginning of planning to take action on the results of the JWG Survey that we may now reasonably anticipate; and,
3. Identification of those actions that must await the issuance of the JWG Report.



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