

16 October 1958

1. Why is the NIS Production Rate set by the JCS? (D-14-1)

The original NIS production rate, as recommended by the IAC and approved by the NSC, was set at 12 equivalent NIS per year; i. e., completion of NIS on 12 areas, or their equivalent in numbers of sections. With further experience, it became evident that this rate was beyond existing capabilities. Since CIA was funding for the NIS produced by the non-Defense agencies, it was necessary to determine the Defense Agencies' capabilities in order to arrive at a common program rate. The JCS was therefore asked to determine this rate, taking into account the strategic requirement and the practical limits of Defense capabilities. The eight equivalent NIS annual rate (approximately 500 NIS sections) was the figure arrived at. Subsequent experience has confirmed this rate to be a reasonable level for balanced production.

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2. What is the rationale behind producing complete NIS on friendly countries which have been exhaustively researched elsewhere?

The requirement stems mainly from two factors:

1) The so-called "friendly" countries vary in their relations vis-a-vis the United States in degree and time. Japan and West Germany were not exactly friendly a few years back; neither was France nor the Philippines under enemy occupation. Again, the degree of friendliness may temporarily freeze, as witness the US-UK relationship during the Suez crisis, just when we most needed intelligence support on Egypt. At this particular historical moment, the Chairman, Canadian Joint Chiefs of Staff, urgently requested and received two complete sets of the NIS on Egypt to support military planning and operations.

2) The so-called "exhaustive research" that occurs elsewhere may not be available to the U.S. in suitable form or substance. The NIS draws upon existing intelligence information from all sources. Much of this is inaccurate or irrelevant to the NIS requirements. The NIS uses to the fullest official reports of other governments. The statistical material is the most reliable but varies considerably. Yet few, if any, of even our closest allies can be expected to give us objective vulnerability appraisals of their transportation systems, weaknesses in their defenses, or deficiencies in their political structure, to name but a few of the kinds of answers we may need-to-know at any time. The NIS on Canada is a case at point. This is being produced by JIB (Ottawa) in collaboration with other Canadian Government and private facilities under terms concluded by the US-Canadian Defense Board shortly after World War II. After ten years of effort they have produced about 50% of the NIS requirement, and have determined gaps and deficiencies in their own information which will require another ten years to acquire.

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3. Explain the new annual maintenance program.

The NIS Annuals were developed recently to provide interim maintenance for published Chapters I. The importance of Chapters I requires that they be adequately maintained at all times. The Annual reflects only the fundamental changes which have occurred in the NIS area since the related Chapter I was produced, leaving untouched that intelligence which is still valid. This procedure materially reduces the workload and printing costs and prolongs the useful life of a Chapter I between formal revisions.

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4. What cognizance has been taken of the NIS consumer survey by State in planning future programs?

The report of this survey was furnished to the NIS Committee about two weeks ago, and is presently under active consideration by that Committee. In addition, the survey report has been studied by OBI whose comments are attached.

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5. Why do not costs go down when NIS becomes largely a maintenance operation?

Conceivably they will if the personnel situations and the substantive requirements stabilize. We do not yet have sufficient experience to warrant a firm opinion. About one-third of the NIS effort is currently devoted to maintenance, but the cost factors are complex, including such matters as pay and longevity increases; replacement of experienced analysts by inexperienced ones; additions of new intelligence requirements, and the further refinement and development of existing requirements.

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6. How does CIA determine rate of reimbursement from State and Interior? Are reimbursed personnel supposed to work full time on NIS?

Primarily on the basis of work-performance experience, proportionate overhead charges, and reasonable assumptions for new requirements and for major changes in the personnel situations brought about by the integration of NIS staffs into the Foreign Service. Over the years the only increase in support to Interior (and Agriculture) resulted from departmental reclassification of certain grades, new pay legislation, and longevity increases.

Reimbursed personnel in Interior (and Agriculture) do work full time on NIS. In the case of State where the NIS staffs are integrated with departmental (S and E) staffs, there is a necessary and desirable reciprocity of mutual benefit on common research matters. The Agency view on this matter was expressed by the DD/I in memorandum of 16 October 1957 to Director of Intelligence and Research as follows:

"This Agency has long recognized the advantages accruing from a combined NIS and departmental staff by which NIS staffing support is afforded to the most pressing national intelligence objectives during critical world situations. However, the routine diversion of NIS staffs to the support of departmental work is contrary to our budgetary provisions and, I am informed, will hereafter necessitate return of funds to the amount of the annual manhour deficit and possibly to the extent of actual section default."

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7. Why the increase in reimbursement to other agencies, particularly State? (D-14-10)

This question was touched upon in the reply to question No. 5. Specifically, Interior and Agriculture support has remained fixed, or reduced, in terms of manpower. The increased support to these agencies has resulted from external factors--pay and other legislation, departmental job reclassification, and longevity pay increases.

In addition to the above factors, State has required added support in terms of the following situations occurring during the past several years:

a) The inclusion of psychological warfare requirements in the NIS stemming from a community-wide need and formalized agreement between DCI and Special Assistant for Intelligence, State.

b) The inclusion of Supplement VI (Communism) and the NIS on International Communism stemming from a related but subsequent agreement between DCI and the Special Assistant for Intelligence, State.

c) Added manpower (and pay costs) stemming from the integration of NIS staffs into Foreign Service. The increased slots were necessary to replace a specialized long-tenure Civil Service, with a highly mobile, in many cases untrained-in-intelligence, Foreign Service, a large proportion of whose personnel assigned to the Bureau of Intelligence and Research were newly inducted and limited to an 18-months' tour.