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6 December 1968

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT : Responsibility for Intelligence  
Analysis on Military-related  
Electronics within the  
Directorate

1. In the 1967 survey on military intelligence production within the Intelligence Directorate which led to the formation of OSR, it was proposed that two ERA branches--Electronic Equipment and Communications--be transferred along with MRA and the [REDACTED] to the new Office. Each of the Branches then had seven positions. [REDACTED] objected to the proposal, saying in his memorandum of 28 March 1967:

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"I do not agree that the Communications and Electronic Equipment Branches should be transferred from ERA. Not only is their research integral to the work of the Economic Research Area, but most of their effort is in support of customers other than military intelligence. [REDACTED] disagrees because he believes that these branches should be doing much more in support of military intelligence. It may be that both military and economic intelligence will need some capability in this area."

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At our meeting with Messrs. Proctor, [REDACTED], and Godfrey to discuss final arrangements, the question of responsibility for analysis of Soviet and Chinese military electronics was left unresolved with the understanding that it would be reexamined after about six months when OSR would have completed its initial adjustments. At the end of 1967, however, OER had just been reorganized and additional time seemed appropriate before raising the issue.

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2. I am not familiar with all the details of OER reorganization but the effect appears to be that the number of people in OER now working on military-related electronic matters of interest to OSR has decreased. Whether or not this is so, I believe that our experience in running OSR for 18 months affirms the need for research efforts in military electronics that led to the original proposal.

3. The march of technology is making electronics increasingly integral to analysis on the costs and military capabilities of advanced strategic systems. To cite the US experience: about 40 percent of the total cost of a missile system lies in its electronic components. Lying behind my concern that OSR have the internal capacity to meet its basic responsibilities for military analysis on the Soviet Union and Communist China are such additional factors as:

a. About 75 percent of the value of output of the electronics industry in the USSR is for military and space purposes. To look at it another way, between 25 and 35 percent of the value of all Soviet military procurement is electronic in nature.

b. The determination of deployment timing and operating concepts--a priority responsibility of OSR--is influenced by analysis of the electronics of the systems involved.

c. The costing efforts of OSR on electronics have been based largely on analysis done in ORR. For the past few years research analysis on the Soviet electronics industry specifically oriented to military costing has diminished. The relationships between production estimates and deployment estimates are becoming tenuous. New work needs to be done on prices, ruble/dollar ratios, and costs of electronics R&D.

4. In this general area of concern, I note that there are a number of areas of activity related to ELINT collection across the board which the Intelligence Directorate has little capability to evaluate. While

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the field is highly technical in many of its aspects, it is not so technical that it cannot be understood or evaluated independently. By maintaining a more appropriate level of analysis for finished intelligence production on military electronics in their general military context, the Directorate would have an improved capability to evaluate collection and processing efforts.

5. As official Soviet reporting on electronics has been curtailed and as US/Soviet technical exchanges in this field have ceased to occur, other sources of information--primarily special sources-- and other methods of analysis have become more important. Increasingly, analysis on Soviet and Chinese electronics will have to depend on the study of electronics facilities, [REDACTED]

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[REDACTED] and on a more explicit accounting of deployed electronics. That kind of work most closely parallels OSR analysis for other major military systems.


6. There are three basic options: one is to continue the present concentration of responsibilities in OER but with greater OSR-OER interchange and responsiveness than has been true over the last 18 months; the second is to transfer the entire responsibility for analysis and production in the electronics sphere to OSR, with OSR responsible to OER in the same way that it is for, say, civilian aircraft production; the third is to attempt to divide the responsibilities and the personnel along the general military-civilian lines that exist in the formal missions of OSR and OER.

7. From where I sit, either the second or the third is the better option. I believe that OSR needs to have an integral capability to accomplish the research analysis on Soviet and Chinese military electronics that are part of the other responsibilities of the Office. This sector of substantive analysis is too important to the work of OSR to continue to be handled in the present fashion.

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7. I would like to propose, therefore, that the question of responsibility for research analysis of Soviet and Chinese military electronics be re-opened at this time to find that solution that best accords with the overall responsibilities and personnel resources of the Intelligence Directorate.

  
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Director  
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