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"THE NIS STUDY"

30 September 1966

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NIS STUDY GROUP:

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I. THE PROBLEM

To analyze all factors bearing on the balance between production of NIS General Surveys and in-depth sections with view to recommending a balance which will meet the priority needs of the community and which will be consistent with the most efficient allocation of manpower and funds within the Intelligence Directorate as a whole.

II. ASSUMPTIONS

For the purposes of this study it is assumed that the Agency:

1. Endorses continuation of the overall NIS Program as an interagency structure for production of coordinated basic intelligence.
2. Intends to continue participation in the production of contributions consistent with the Agency's mission, capabilities and primary interests.
3. Intends to continue to provide the community with Program services of common concern.

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III. CONCLUSIONS

1. The existing directives on the responsibilities of the Agency in the NIS Program provides a logical and flexible charter under which the Agency administers the Program and produces directly or through contract more than half of the NIS sections.

2. The 1963 USIB concept of the NIS Program emphasizes the production of General Surveys and carefully selected in-depth sections in contrast to the previous encyclopedic nature of NIS coverage.

3. This concept is valid, and the Program has been and continues to be tailored to the concept through more selective production of in-depth sections in favor of increased production of General Surveys.

4. The present rate of production of General Surveys appears to be the best that can be achieved with present DD/I resources but will not accomplish the goal of USIB's NIS Committee of producing General Surveys on every country on a 2- to 4-year cycle.

5. A further reduction or consolidation of certain non-military topics now covered in in-depth sections and an even greater selectivity in scheduling some countries for in-depth coverage can be accomplished without appreciable loss in the value of the NIS Program.

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6. Any savings to the DD/I from reduction of effort on in-depth sections would be wholly or partially offset if the present rate of production of General Surveys is increased.

*Justify  
- Manpower  
- Parts of Division  
- Health*

7. As regards OCI, the contracting out of certain technical subsections of General Survey Section 4 (Sociological) could be arranged without damage to OCI's internal capabilities but would save only an estimated 2 man-years annually, whereas the contracting out of the entire Section 4 might release an estimated 10 to 12 man-years but would probably weaken OCI analyst capabilities to deal with other intelligence problems--for example, those involving tribal animosities.

8. As regards ORR, the continuation of the reduction in the number of in-depth sections produced could result in the release of manpower estimated at 1 to 2 years in FY 68 and would not result in an appreciable loss of analytical capability, provided that the sections omitted were on relatively less important topics in less important countries, e.g., manpower in Hungary.

9. As regards OBI contracts with non-USIB agencies, the reduction (or consolidation) of certain non-military topics covered in in-depth sections and even greater selectivity in scheduling in-depth sections could lead to absorption of at least part of

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General Survey Section 4--from OCI--in addition to dollar savings in contracts in FY 68.

10. As regards NIS activities within OBI, further adjustments in the ratio of General Surveys and in-depth sections will not greatly affect the workload, but the rearrangement of people and functions--now under study by the Director of OBI--might result in a freeing of up to 5 slots for other uses during FY 68.

11. On first impression there appears to be extensive duplication of the NIS product in other basic intelligence publications, but a large number of these, though incorporating NIS material, are "problem-oriented" or otherwise aimed at purposes of their own.

12. Nonetheless, the relationship between the NIS and overlapping publications produced in the Agency seems to warrant further investigation.

13. The acceptance and use of the NIS under the new USIB concept is rising but there seem to be large possibilities for wider distribution and use of the NIS product within the U.S. Government.

#### IV. RECOMMENDATIONS

1. That no changes be proposed at this time in the NSC and USIB directives on the NIS Program, in the interagency organization of the

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NIS production structure, or in the overall allocation of production responsibilities for the NIS.

2. That, with the approval of the NIS Committee, the following steps be taken under the general guidance of OBI to reduce the Intelligence Directorate's commitment of manpower and funds to NIS production:

a. In OCI, a contracting out starting in late FY 67 of certain technical subsections of General Survey Section 4 (Sociological) with the objective of freeing 2 man-years annually, together with the experimental contracting out in early FY 68 of the whole of Section 4 on two countries to assess the feasibilities of even further release of manpower.

b. In ORR, a continuation of the trend toward production of fewer in-depth sections with the objective of freeing 1 to 2 man-years annually during FY 68, omitting coverage of relatively less important topics, e.g., manpower in Hungary.

c. In OBI contractual arrangements, selected reduction of in-depth sociological production to permit absorption of those parts of Section 4 of the General Survey transferred out of OCI, together with additional reduction on economic in-depth sections with the objective of achieving net dollar savings of \$30,000 to \$40,000 in FY 68.

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3. That the Intelligence Directorate's resources applied to the production of General Surveys not be significantly increased.

4. That the examination of the organization of NIS activities in OBI be continued with a view to releasing up to 5 slots for other work in FY 68.

5. That the NIS Committee examine methods to publicize the NIS Program within the U.S. Government, to widen the distribution of copies, and thus to greatly improve the cost effectiveness of the Program.

V. DISCUSSION

1. Basic Directive. NSCID-3 makes the Director of Central Intelligence responsible for coordinating production and maintenance, and for accomplishing the review, publication and dissemination of National Intelligence Surveys which are defined as the basic intelligence required in the interest of national security. The Director of Central Intelligence also is responsible for making such requests of departments and agencies as are necessary for development and maintenance of the surveys and for effecting changes in the allocation of production and maintenance responsibilities by means of agreements between the Director of Central Intelligence and other departments

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or agencies. This directive also makes provision for non-USIB departments and agencies to be called upon for contributions to the surveys. NSCID-3 also provides that the Central Intelligence Agency is responsible for maintaining an outline of all basic intelligence required by the Government and that the Central Intelligence Agency and/or other departments or agencies of the Government which are best qualified by reason of mission, production capability, and primary interest shall be allocated production and maintenance responsibilities\* in accordance with the outline.

2. Supplemental Directive. As a result of a comprehensive survey of the NIS Program by [REDACTED] Coordination Staff, the USIB approved a revised guideline for the Program in August 1963. This document amplifies the means for implementing the DCI's responsibilities for overall coordination of the NIS Program as well as of interdepartmental and other departmental basic intelligence. The amplification spells out certain specific responsibilities of the United States Intelligence Board, the reconstituted NIS Committee of the USIB, the Central Intelligence Agency, and the other USIB agencies. The document also reaffirms the Central Intelligence Agency

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\* All underlining by writer for emphasis.

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responsibilities for providing the Chairman of the NIS Committee and the following services of common concern:

a. general administration of the NIS Program (under guidelines approved by the NIS Committee);

b. administrative support and secretariat to the NIS Committee and its Chairman;

c. final editorial review of NIS contributions to ensure consistency and compliance with procedures and guidance promulgated by the NIS Committee;

d. final processing and reproduction of NIS units;

e. dissemination of the NIS in accordance with USIB policy; and

f. issuance of NIS Committee-approved guidance and provision of such administrative and other common services as the NIS Committee determines can best be done centrally.

3. Agency Fulfillment of Responsibilities. A review of the organization and operation of the NIS Program within the Agency against a background of the enabling directives cited in the foregoing paragraphs leads to the following findings and conclusions:

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a. The Office of Basic Intelligence provides the services of common concern charged to the Central Intelligence Agency by NSCID-3 and the 1963 USIB-approved document on the concept, direction and management of the Program.

b. The Office of Basic Intelligence functions as a production component of the Central Intelligence Agency by discharging the production and maintenance responsibilities (via external research contracts with non-USIB agencies) for topical in-depth sections (totaling 69 in FY 67) which are outside the competence or manpower resources of USIB member producers.

c. The Office of Research and Reports, Office of Current Intelligence, Office of Scientific Intelligence and elements of the Clandestine Services function as production components of the Central Intelligence Agency by discharging production and maintenance responsibilities (via in-house talents for the most part) for 134 General Survey sections and 38 topical in-depth sections or a total of 172 sections (FY 67).

d. The USIB, supported by the NIS Committee, is responsible for establishing the priorities for NIS production based upon the anticipated needs of high-level planners and policy makers, and the NIS Committee is responsible for determining the scope

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and treatment to be given each NIS area. Therefore, any recommendations or proposals affecting the existing overall balance, scope or extent of area treatment of the NIS Program cannot be implemented without approval of the USIB and/or the NIS Committee. However, unilateral implementation within the Intelligence Directorate can be made of such recommendations or parts thereof solely concerning internal adjustments of means for CIA production of its NIS contributions as well as of such recommendations concerning streamlining of the service of common concern performed by OBI, provided that the quality of the NIS product or the NIS service for which the Agency is responsible is not attenuated.

4. Program Concept. To help judge the extent of treatment required of the NIS product (i.e., how much detail is needed) we examined existing concepts of intended use of the NIS product. NSCID-3 contains very broad definitions of both basic intelligence and of the scope and depth of treatment to be given each NIS area. Basic intelligence is defined as "factual intelligence" resulting from collation of fundamental encyclopedic information. The scope of such factual intelligence to be included within the framework of the Program is not limited except to that which is "required by the Government". However, one can interpret NSCID-3 as saying further that the NIS Program is limited to that basic

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intelligence "required in the interest of national security". NSCID-3 does not supply guidance on the coordination of production of national basic intelligence with production of departmental basic intelligence.

5. USIB Guidelines. The 1963 USIB-approved document refines the guidelines concerning the purposes and content of the National Intelligence Surveys. USIB envisions the NIS as a digest of basic intelligence (which is defined as that intelligence concerned with the relatively unchanging natural features, fundamental characteristics and basic resources) required as "a foundation for strategic planning, for high level operational planning and for the development of foreign policy". In keeping with this concept, USIB states further that uniformly comprehensive coverage of all countries is not required and that the extent of treatment of any topic over and above that prescribed for the General Survey shall be based on explicit determination of the significance with which that topic applies to the particular country or area. The USIB guidelines also provide that in addition to the NIS, such specialized, detailed basic intelligence required by "lower level planning and operational elements" in the Government will be produced on a departmental or interdepartmental basis. However, USIB recognizes that although the NIS is not designed to meet these specialized needs, it "should prove generally useful to lower level planners and operational elements".

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6. The 1963 USIB guidance also provides means for some degree of coordination and central monitoring of the basic intelligence production arena of the community by charging each USIB agency with responsibility for ensuring coordination of its departmental program with the NIS Program. Each agency is directed to advise the NIS Committee of departmental basic intelligence produced, in progress, or planned which relates to scheduled NIS treatment of the area. No provision is made, however, for coordination of country studies or other intelligence-like surveys produced by non-USIB agencies who may not view such studies as an intelligence product but rather as unclassified background data shaped to support policies, plans and activities of those non-USIB agencies.

7. Tailoring of the Program to the Concept. The 1963 USIB definition of the concept of the NIS Program gave greater emphasis to production of a revitalized General Survey (formerly Chapter I Brief) at the expense of production of in-depth sections. Attachment I displays the degree to which the Program has shifted emphasis in this respect by showing those in-depth sections eliminated from its outline and the production process. For FY 64 and subsequent years the production ratio or program balance between General Surveys and in-depth sections was:

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<u>Fiscal Year</u>	<u>Total Units*</u>	<u>General Surveys</u>	<u>In-Depth</u>
1964	405	40% (162 units)	60% (243 units)
1965	411	54% (222 units)	46% (189 units)
1966	403	57% (229 units)	43% (174 units)

In March 1966, the Chairman of the NIS Committee reported to USIB that production of General Surveys consumed nearly 60% of the total coverage forecast for the next two years (FY 67 and FY 68), "reflecting the emphasis on this volume as the primary unit of NIS coverage". Thus the NIS Committee, with USIB approval, continues its general policy of gradual reduction of in-depth sections in favor of increased attention to the production and maintenance of General Surveys. In this connection, a major problem in the General Survey cycle is the frequency of revision and updating, with most consumers expressing a desire for more frequent updating. The NIS Committee has established an objective of a 2- to 4-year updating cycle for each General Survey (depending on the importance of the specific area). By the end of FY 66, 98 NIS geographic areas had been covered by General Surveys (or Chapter I Briefs). Therefore, this objective plus continued expansion of area coverage would require production of about 40 revised or new General Surveys per year as compared to the current rate of about 30 per year. The problem of General Survey updating is

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\* Each section of a General Survey (such as Section 5, Political) and each in-depth section (such as Section 57, Subversion and Insurgency) is counted as one unit.

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relevant to our study objective in that reallocation of any resources made available by further deemphasis of in-depth sections will have to be judged against the manpower needs created by a faster General Survey cycle in addition to all the other intelligence production needs.

8. User Applications of NIS Materials. Further pursuit of the question of the required extent of treatment of any topic over and above that of the General Survey led the study group to examine the actual use to which the NIS materials are applied as compared to the intended purposes of the product. In light of our study objective, we did not attempt judgment of the cost effectiveness of the NIS Program as a whole but tried to determine the relative usefulness of in-depth sections as compared to General Surveys in terms of the USIB concept of purpose and user level of the product. A number of detailed NIS user surveys and evaluations had been conducted in past years and the group studied the results of each. Although these gave us some feeling for community sentiment on the general value of the Program, none of the surveys clearly delineated relative values of General Surveys (and former Chapter I Briefs) as compared to the in-depth sections. Rather than launch another formal questionnaire-type user evaluation, members of the study group each made informal inquiry of senior and middle echelon

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officials in Government to develop some feel for who uses what NIS materials for what purposes. The results of our "poor boy's" survey are:

a. The NIS General Survey enjoys use within almost all levels of Government. Although we came across no examples of direct application by cabinet officials to strategic planning or foreign policy development, we found that intermediate level policy people (e.g., JCS, Force Commanders, State policy desks, Ambassadors, White House Staff) and their supporting staffs use the General Surveys for "reading in" to an area and as foundation pieces for production of a variety of problem-oriented studies, plans, briefings, and answers to spot questions on current international problems and policy issues. In most instances the General Survey is not the sole or even the primary supporting intelligence piece for "high-level operational planning or development of foreign policy," but the foundation it provides is complemented by current and estimative intelligence. A factor frequently expressed in favor of the NIS General Survey is that it represents a coordinated "community" view and thereby provides the perspective and objectivity necessary to assessment and consideration of the basic facts of greatest significance to the area.

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b. In suddenly emerging crises situations, especially where U.S. forces are involved or likely to be (e.g., Lebanon, Cuba, Dominican Republic), and where "crash" operational or contingency planning is required, planners turn to immediately available on-shelf reference materials the first of which usually is a complete set of NIS materials--General Surveys plus all available in-depth sections. Here again, the NIS materials serve as foundation pieces to preparation of operational and contingency plans with the value of the NIS materials being rated in direct proportion to immediate availability, currency of the content (i.e., how long it has been since updating) and the extent of detail on basic facts relevant to the problem at hand. Of 61 identified "Collections of Finished Intelligence" in the U.S. but outside of the Washington area, 56 centers list NIS sets as their primary specific holdings and of these, all but 8 contain complete sets of the NIS series (General Surveys plus all in-depth sections).

c. Of the presently produced in-depth sections, Section 57 (Subversion and Insurgency) has received high-level endorsement. General Maxwell Taylor's Committee on Counterinsurgency found the sharpened focus and additional specifics on insurgency

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to be "correct" in meeting the need for basic intelligence with regard to counterinsurgency plans and programs. Although specific evidence of "high-level" need for or use of the entire series of in-depth sections on a continuing basis is difficult to demonstrate, we have accumulated dozens of examples of uses of many of the in-depth sections at various levels of Government for a variety of purposes. These examples include use by intelligence analysts as background to current and estimative intelligence pieces; by intelligence collectors in planning and support of operations; by numerous military, Foreign Service, AID and other Government officers stationed in both Washington and overseas for planning and support of many of their programs; and by a broad segment of the non-USIB sector of Government for many purposes including, for example, preparation for the President of a Bureau of Mines brief on the worldwide mineral situation relative to a stockpiling issue. The NIS in-depth sections thus have an important if indirect effect on high-level decisions in two ways: (1) they are used extensively in the preparation of problem-oriented papers that go up to the highest levels, and (2) they are used in the formation of policy at middle levels where the role of the high-level officials is simply approval or disapproval of the policy itself.

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9. With regard to user application, the study group believes that full dollar value from the NIS Program can be increased by improving the supply and distribution practices. For example, the total initial dissemination of the average General Survey is less than 500 copies. This appears to be surprisingly small in view of its potential value to a large sector of the U.S. Government concerned with foreign affairs. The group's informal user survey showed numerous individual cases where fuller use of the NIS would have been profitable. We recognize that dissemination patterns are established by user agencies and are therefore beyond the control of the administrators of the Program.

10. Purposes of Other Basic Intelligence. To judge further the extent to which the NIS Program should treat topics over and above that prescribed for the General Survey, as well as to judge the Program's relationship with departmental basic intelligence, the study group scanned the large and amorphous Government effort outside of the NIS Program. This effort is devoted to production of studies, handbooks, reports, manuals, etc., each of which fits the definition of basic intelligence. As an aside, it is worthy of note that we could find no complete catalogue or registry of the many publications of a basic intelligence nature prepared by the various Government agencies or their contractors; the Agency should recommend to the NIS Committee

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that it examine the feasibility of a central registry of all available basic intelligence publications on each NIS area. However, we did review various bibliographies, intelligence production programs, and hard copy holdings of the CIA Library. At first, one is overwhelmed by a vast array of publications, many of which seem to be duplicative of both the NIS General Survey and related in-depth sections. Some duplication of the NIS research and publication effort undoubtedly exists but it is not nearly so great as the first bewildering exposure to the mass of basic intelligence would lead one to believe. Several factors important in judging the relationship of these publications to the NIS are described in the next paragraphs.

11. First, the NIS is neither intended nor designed to be a specialized or problem-oriented product. Therefore, it cannot carry the entire weight in the majority of intelligence support situations which normally are tailored to a specialized problem. In many instances, the basic intelligence content of the NIS sections relevant to a specialized problem is lifted out, supplemented with current and other intelligence, and is published in a different form more applicable to the problem at hand. For example, the Agency produces Special Operations Handbooks which contain much of the same kind of information to be found in the in-depth sections in the military geography, transportation and telecommunications, sociological and political sections

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of the NIS. However, presentation of the basic intelligence in the form of practical suggestions and information a stranger would need in making his way through a country on his own requires highlighting and recasting of selected basic intelligence in a specialized problem-oriented product. This same recasting factor applies to many of the intelligence annexes to policy and planning papers, such as the basic facts annex to the National Policy Papers produced by State. The Arab-Israeli Handbook, prepared by CIA in cooperation with INR and DIA, pulls together some basic intelligence information also found in several NIS's, supplements this with current intelligence and further analyses, and emerges with a degree of specialization not intended to be built into the appropriate area General Surveys and related in-depth sections. This sort of reworking of basic intelligence information is almost inevitable when a problem--such as the Arab-Israeli confrontation--involves more than one country. In many instances producers admitted a high degree of reliance on the accurate and readily available NIS materials without which each would have had to do his own research and compilation work. It is somewhat the same as the purpose of a standard reference encyclopedia--an authoritative research and compilation effort which supplies many users with facts relevant to a specific problem.

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12. Secondly, some basic intelligence is produced on a departmental basis in keeping with the USIB concept of need for a degree of detail beyond that supplied by NIS materials. For example, the ORR Economic Intelligence Statistical Handbook goes far beyond any NIS section in detail and also formats the data for specialized use in comparative economic studies. The degree to which the compiled data of relevant NIS in-depth sections contribute to these detailed reports is questionable; however the ORR report is indicative of community need for basic economic intelligence in detail over and above that provided by even the in-depth economic sections of the NIS.

13. A third group of non-NIS basic intelligence documents may be categorized as supplemental to, rather than duplicative of, both the General Surveys and some in-depth sections. The first supplemental category is the publication designed to update key points in the NIS publications which have changed since the last NIS revision. For example, the OCI Current Intelligence Country Handbook seeks to serve this purpose as does the NIS Basic Intelligence Factbook within the Program. The other supplemental category is the study produced on a particular area or country in a format closely resembling the NIS in-depth section, because the departmental need for area coverage is greater than will be met by the annual production schedule of the NIS Program. In the DIA production program, for example, Port Studies,

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Urban Area Studies and other like reports are published on a departmental basis on areas not scheduled for near-future NIS in-depth coverage. These last examples indicate that the NIS Committee selection process is adhering to the USIB guideline of in-depth coverage of those topics of greatest significance to a specific area and is avoiding uniform coverage of all countries.

14. Adherence to the Program Concept. Judgment of the degree of adherence of the NIS Program to the defined concept will vary with an individual's interpretation of the wording of the USIB guidelines and will result in differing views on who produces national versus who produces departmental intelligence and under what conditions. Based on our limited survey of the uses of NIS materials and of the purposes of other basic intelligence products, the study group concludes that with a few possible exceptions, community practices in the basic intelligence area adhere remarkably well to the defined concept. The possible exceptions concern in-depth sections of the NIS Program and center on two questions:

- a. Which topics for in-depth coverage (e.g., Welfare, Public Order and Safety) continue to be essential under the 1963 USIB concept?

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b. How does one determine whether a topic required fuller treatment than that provided in the General Survey on that country?

On the first question, the borderline between high-level strategic or operational planning and "lower-level" planning and operations (presumably tactical) is a constantly shifting line. In a crisis situation the level of interest and concern of the "high-level" policy official moves rapidly downward and at times will descend to and enter the area of tactical operations. In these instances "high-level" officials will call for detailed materials, and it is difficult to anticipate the nature of daily demands by the policy official on the intelligence official in light of the dynamics of today's world. However, it appears that these high-level demands for detail concern mainly those in-depth sections such as Coasts and Landing Beaches, Topography, and Ports and Naval Facilities because of their direct relevance to involvement of U.S. forces in crisis situations.

15. On the second question there is no firm rule that can be applied. The wording of the USIB guideline is sufficiently general to permit in-depth coverage of topics of significance to the area without regard to the intelligence significance of the area. For example, agriculture certainly is of great significance to Denmark. But, do we foresee Denmark and its agriculture as being of significance

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to U.S. national security, to U.S. international relations, or to the world power balance and therefore of sufficient concern to U.S. intelligence to warrant coverage beyond the General Survey? On the other hand the agriculture in areas such as Communist China and India is of sufficient concern to intelligence to warrant production of in-depth sections on these areas. Therefore, there may be room for further improvement of the in-depth selection process by:

- a. some additional reduction (or consolidation) of the number of topics now considered for in-depth treatment;
- b. on the remaining topics, a more rigorous selection of countries for programed coverage.

16. The DIA Production Sector. Pursuant to the above assessment, the study group met informally with NIS officials of DIA to explore possibilities of reducing "hard copy" production of certain in-depth sections within DIA's area of responsibility which could be produced "on demand" as a tailored readout from on-shelf data stored in the DIA automated intelligence file (AIF). We found the AIF system to be in the early prototype stages (despite its listing in the DIA FY 67 Production Program as operational on Coasts and Landing Beaches) with little hope of producing even a marginal product within the next two to three years. We also learned that DIA favors publication of its own basic intelligence product under the auspices of the NIS Program

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wherever possible as opposed to the DIA departmental "green cover" route. Evidence of DIA favor of the NIS product over its own is contained in Attachment II, a notice which cancels further production of the DIA Cold War Analysis series in favor of the revamped NIS Section 57 (Subversion and Insurgency).

17. In examination of the 87 NIS in-depth sections (by topics and country) scheduled for production by DIA in FY 67 we noted no flagrant violations of the USIB guidelines regarding the topical significance of the in-depth section to the selected areas. One might suggest that topics such as coasts and landing beaches or urban areas are of questionable importance to strategic planning or to the development of foreign policy. However, this position becomes highly debatable when situations such as the Lebanon or Dominican Republic crises arise and, as previously discussed, policy officials of Government lower their plane of concern to the tactical operational planning level and raise questioning eyes to senior intelligence officials as they ask for detailed information. On the other hand, many of the DIA production topics now treated within the framework of the NIS Program may be viewed as being only of military significance and interest and therefore departmental in nature. However, we noted many topical sections, seemingly of sole or primary interest to the military, which are also important to and used by departments and

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and agencies other than the military. NASA, for example, is a user of the NIS in-depth section on Weather and Climate, a topic listed under Military Geography in the NIS Outline and produced by DIA. Relative to this factor, we found in many users strong opinions concerning the greater degree of "acceptability" of NIS basic intelligence, as opposed to a similar departmental product, because of the higher standards of accuracy and relevance imposed on producers and because of the degree of community review and coordination which much of it receives. Because of the Agency's responsibilities for providing a service of common concern and because of the probable impact on CIA/DIA relations of any proposal for reduced NIS in-depth production by DIA, we recommend against such a move at the present time or in the immediate future. We feel, however, that the NIS Committee should keep informed of DIA development of its AIF capabilities, especially the possibilities for eventually providing consumers with selected in-depth topical intelligence readouts on an "on-call" basis rather than via the present NIS hard copy on-shelf system.

18. The CIA Production Sector. For FY 67 the Agency was assigned responsibility for production of a total of 241 NIS units. The production allocation by Agency components breaks down as follows:

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<u>Office</u>	<u>General Survey Units</u>	<u>In-Depth Units</u>
OBI	—	69 (via external
OCI	93	13 contract)
ORR	31	8
DD/S&T/OSI	10	8
DD/P	—	9
TOTAL:	<u>134</u>	<u>107</u>

These statistics reflect little room in the Intelligence Directorate for resource savings through further curtailment of in-depth section production in either ORR or OCI. However, the OBI production program offers some possibilities for in-depth adjustments which should result in some savings.

19. OBI Production. The Office of Basic Intelligence, in its role of an Agency producer of contributions to the NIS Program, is responsible for production of the following in-depth sections:

- Population (Section 41) Worldwide
- Characteristics of the People (Section 42) Worldwide
- Religion, Education, and Public Info (Section 43) Worldwide
- Manpower (Section 44) Non-bloc
- Welfare (Section 46) Non-bloc
- Agriculture, Fisheries, and Forestry (Section 61) Non-bloc
- Fuels and Power (Section 62) Non-bloc
- Minerals and Metals (Section 63) Non-bloc
- Manufacturing and Construction (Section 64) Non-bloc
- Trade and Finance (Section 65) Non-bloc

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Production of scheduled sections on these topics is accomplished by means of OBI-administered contracts with non-USIB departments and agencies. The FY 67 dollar cost of the contracts for production of the 69 scheduled in-depth sections on these topics is about [REDACTED] Attachment III is a breakdown by contractor of the scheduled FY 67 unit production and production costs.

20. The study group examined possibilities for some additional reduction or consolidation of those sections for which OBI has in-depth production responsibility with the USIB concept in mind and against a background of: a. user interests and needs, b. the extent of coverage provided by General Surveys and, c. the impact of changes on contractor manpower resources and capabilities. The precise nature and timing of adjustments in each of the in-depth sections depend on a multiplicity of factors. Some of these would require extending the survey to contractors and other elements of the intelligence community and others would require examination beyond that which we have been able to accomplish in the limited period of our survey. After review and consideration of the many factors bearing on the problem the group concludes that some adjustments to the following sections are possible:

- Population (Section 41)
- Characteristics of the People (Section 42)
- Religion, Education, and Public Information (Section 43)

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Manpower	(Section 44)
Welfare	(Section 46)
Agriculture, Fisheries, and Forestry	(Section 61)
Trade and Finance	(Section 65)

21. Of the sociological sections, Section 46 (Welfare) seems to have insufficient intelligence significance to warrant treatment over and above that prescribed for the General Survey and should be eliminated. The four remaining sociological in-depth sections cited above (Sections 41, 42, 43 and 44) include too much essential detail or statistical data and analysis to be condensed and included in the General Survey Section 4. However, combined in-depth treatment of these topics would be appropriate in the light of their subject matter, and the result would be possible additional savings in management or production costs. Section 41 (Population) and Section 44 (Manpower) are definitely related and could logically be combined into a Population and Manpower in-depth section with inputs from the Bureau of Census and Department of Labor contractors. The combined section would retain the essential statistical analyses that are inappropriate and, in fact, too unwieldy, for inclusion in the General Survey. Similarly, Section 42 (Characteristics of the People) and Section 43 (Religion, Education, and Public Information) might be combined into a single in-depth section under for former's title, since religion and education are integral to an analysis of the social

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system, while public information media discussions could be treated to an appropriate degree in the General Survey Sections 3 and 4 without losing vital depth of information.

22. Of the economic sections, the non-bloc Section 61 (Agriculture, Fisheries, and Forestry) might be reduced with appreciable dollar savings by:

a. revision of the outline so as to deemphasize the Fisheries and Forestry elements of the Section 61, except for those countries where these are of special significance or unusual potential;

b. reduction in the maintenance of Section 61 for free world countries (relying for updating developments on the General Survey);

c. reduction in the rate of new Section 61 coverage for free world countries of the least intelligence interest.

In addition, some saving in the non-bloc Section 65 (Trade and Finance) might be realized by eliminating lengthy listings and reducing the amount of detail now included--for example, the subsection on insurance and some of the tabular presentations.

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23. Therefore, we recommend elimination of Section 46 on all areas, possible combination of Sections 41 and 44 on all areas into a single in-depth section, possible combination of Sections 42 and 43 on all areas into a single in-depth section, and a reduction of the amount of detail now included in Sections 61 and 65 on non-bloc areas. Of the above, Sections 42, 43 and 46 are produced by a 20-man component in the Bureau of the Census (formerly in HEW); for FY 67 this component is scheduled to produce a total of 20 in-depth units at a cost of [REDACTED] per unit). The eight Section 41's scheduled for FY 67 are to be produced by another Census component at a cost of [REDACTED] and the eight FY 67 Section 44's are to be produced by the Department of Labor at a cost of [REDACTED]. Because each unit of Section 61 requires inputs by two different Department of Agriculture components plus the Fish and Wildlife Service of the Department of Interior, the total contract cost for the seven FY 67 units is relatively high, i.e., [REDACTED]. The five Section 65's are to be produced during FY 67 by the Department of Commerce, Bureau of International Commerce at a cost of [REDACTED].

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24. In estimating possible savings resulting from the above elimination, combinations and reduction of detail, consideration must be given to the minimum size to which a contract can be reduced and

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still retain the competences and services of the contractor--factors to be determined only after detailed consultation with each contractor. However, the total savings in OBI production contracts that may result from the recommended adjustments are:

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a. between [REDACTED] for FY 68 or FY 69

through phased implementation of the proposed adjustments to contracts with the Census components and the Department of Labor for production of the sociological sections;

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b. a possible 10% to 15% reduction in the dollar amount (e.g., [REDACTED] saving) of the current Agriculture and Interior contracts by FY 68 or FY 69 for production of Section 61; and

c. an undetermined amount of saving in the Bureau of International Commerce contract for production of Section 65.

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Of these estimated amounts, all or part of the above [REDACTED] saving would have to be applied to production of General Survey Section 4, the exact amounts required to depend on the degree to which OCI is relieved of production responsibilities, as will be discussed later. It should be noted that implementation of these proposals concerning adjustments in the OBI contracts will require NIS Committee and/or USIB approval as they affect the overall Program.

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25. OCI Production. In OCI, of the 13 in-depth sections scheduled for production in FY 67, 12 are on Section 57 (Subversion and Insurgency) in existing or potential "hot spots" of Latin America, Africa, Southeast Asia and the Middle East. The remaining is Section 54 (Public Order) on Czechoslovakia. We have already noted in our user survey paragraph that the Section 57's have been cited by General Maxwell Taylor's Committee as important to the national counterinsurgency effort. Further, the military establishment has already cancelled its duplicative departmental product and recognizes the new Section 57 as meeting its needs. The "joint-product" factor also adds weight to the argument for continuing production of this series in OCI--subversion and insurgency in these areas is a constant thread in the current intelligence political fabric and therefore requires maintenance of a comprehensive baseline of knowledge by OCI analysts. Based on the FY 66 production output, the OCI member of the study group estimates a manpower cost of 5 man-months plus 20% for supervision, review and clerical services for each of the Subversion and Insurgency sections to be produced in FY 67 or a total of about 6 man-years. In view of the above factors, elimination or transfer of the Section 57 production effort from OCI is not recommended. However, the study group does recommend the elimination of production of Section 54 (Public Order and Safety) on the basis that for the preponderance of countries, the topic is of insufficient intelligence

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significance to warrant treatment over and above that provided in the General Survey. It is noted that the expanded Section 57 provides means for covering certain elements of the material now covered in Section 54. The estimated net annual manpower saving to OCI through elimination of Section 54 is only about 1/3 man-year beginning in FY 67.

26. OCI's General Survey production for FY 67 consists of 93 sections: 31 Section 4's (Sociological), 31 Section 5's (Political) and 31 introductory sections and chronologies. There are production problems in each of these (e.g., overlap between Public Information in Section 4 and Propaganda in Section 5, and the need to discuss labor unions in both Section 4 and Section 5) but the most difficult of these problems for OCI arise in Section 4, which is heterogeneous in content. As the introductory note to the Section 4 outline indicates, this part of the General Survey has two purposes: a. to give the reader a coherent impression of the general nature of the society, and how it may affect political behavior; and b. to supply certain specified data for certain consumers. Material particularly useful for the first purpose is found in subsections such as Structure and Characteristics of the Society, Religion, Education, and most of Manpower and Labor. On the other hand, the subsections on Population, Health and Sanitation and the labor force part of Manpower include data on matters such as rates of population growth, the occupational

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composition of the labor force, hospital beds and animal diseases, which are both technical in nature and much less closely related to political behavior. Moreover, specialists on these technical matters are available through OBI's contractual arrangements with the Bureau of the Census for production of in-depth sections on Section 41 (Population) and with the Department of Labor for Section 44 (Manpower), while DIA has been steadily increasing its capability on health and sanitation as evidenced by its recent proposal to assume production responsibility for the in-depth Section 45 (Health and Sanitation). Contractual arrangements also exist with another component of the Bureau of the Census for the production of in-depth sections on Section 42 (Characteristics of the People), Section 43 (Religion, Education and Public Information) and Section 46 (Welfare).

27. The group considered means of reallocating production of all or parts of General Survey Section 4 to components "best qualified by reason of mission, production capability and primary interest" and the possibilities of freeing some or all of the OCI manpower now devoted to it. The OCI effort is estimated at 10 analyst man-years, plus 2 man-years for supervision, review and clerical services. Two different options for reallocating production of Section 4 were considered by the study group.

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a. Option #1 would provide OCI with "inputs" on three relatively technical subsections of the Section 4: Population, Health and Sanitation, and the labor force part of Manpower. The potential for obtaining two of these "inputs" at little or no additional cost exists in the OBI contracts with the Bureau of Census and Department of Labor which might absorb the workload of the Section 4 "inputs" through the adjustments in production of in-depth sections as previously discussed; those on Health and Sanitation could presumably be obtained from DIA on some basis analogous to DIA's present "input" to OCI's NIS Section 57. On this basis, it is estimated that the net manpower saving would be about 2 man-years. By this means OCI would be relieved of responsibilities in three technical fields where its mission does not require these special competences. OCI, however, sees other topics treated in Section 4--particularly such topics as ethnic groups, religion and organized labor--as having an integral connection with a country's political behavior and accordingly considers it important to retain its analytical capability on these matters in light of its current intelligence and other NIS responsibilities. The principal disadvantage to OCI of Option #1 would be the problem of integrating "inputs" from three separate contributors into a coherent Section 4.

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b. Option #2 would transfer the entire responsibility for General Survey Section 4 to the OBI contractor in the Bureau of Census (formerly in HEW) which now produces three of the sociological in-depth sections. This contractor would produce those elements of Section 4 topically aligned to his current in-depth responsibilities and integrate "inputs" on the relatively technical subsections from other components under arrangements discussed in the previous option. The Section 4 production responsibilities thus removed from OCI would free an estimated 10 analyst man-years plus 2 man-years for supervision, review and clerical services. This would be the principal advantage derived from the successful implementation of this option. However, the net manpower saving to OCI would be less than the estimates of freed manpower resources because of the "joint product" factor, i.e., the necessity to maintain OCI analyst skills and baseline knowledge on many of these topics for use in meeting its other responsibilities. The Census contractor capability to implement this option has not been examined in detail and there is serious question as to whether sufficient adjustment to production of in-depth sections could be made to permit the contractor to absorb the entire General Survey Section 4 without increasing the total contract budget.

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28. After weighing the considerations set forth above regarding Options #1 and #2, the study group was of divided opinion. There was general agreement that the changes outlined in Option #1 could probably be made with an improvement in NIS quality, a small net saving in OCI manpower and no significant attenuation of OCI analytical capabilities. It also appeared possible to start implementation of Option #1 during the latter part of FY 67. The Chairman favored Option #2 because it offers greater savings of OCI manpower and the possibilities of greater centralization of NIS sociological production; the OCI and ORR members, on the other hand, considered the impairment of OCI analytical capabilities to be a major objection. Taking into consideration the uncertainties concerning successful implementation of Option #2 by the Census contractor, the study group concluded that the option should be tested and examined further. The study group, therefore, recommends: a. that Option #1 be started in FY 67; b. that OBI, in cooperation with OCI, arrange for trial production by the Census contractor of General Survey Section 4 on two of the countries scheduled for the first part of FY 68; and c. that the results of this trial production be used for joint OBI/OCI reassessment and recommendation of a further course of action. Since the transfer of part or all of General Survey Section 4 from OCI to an OBI contractor is an element of the overall proposal affecting the composition of the Program, it should be submitted to the NIS Committee as part of the Agency's recommendation.

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29. ORR Production. ORR's General Survey production for FY 67 consists of 31 Sections 6's (Economic). The FY 67 scheduled production of in-depth sections is:

Manpower	(Section 44)	East Germany
Agriculture, Fisheries, and Forestry	(Section 61)	Communist China
Fuels and Power	(Section 62)	North Vietnam
Fuels and Power	(Section 62)	Czechoslovakia
Minerals and Metals	(Section 63)	Bulgaria
Minerals and Metals	(Section 63)	Czechoslovakia
Manufacturing and Construction	(Section 64)	Poland
Manufacturing and Construction	(Section 64)	USSR

Based on the FY 66 NIS production output, the ORR member of the study group estimates an average of 600 research hours plus 20% supervisory and review surcharge as the manpower cost for production of each of the above in-depth sections. This then totals for the FY 67 in-depth sections a projected manpower cost of 5,760 research hours or about 5.7 man-years (1000 research hours = 1 man-year).

30. The ORR production of in-depth sections is confined to Communist countries. Therefore, a large part of the basic intelligence work in ORR is a "joint product" because the degree of normal ORR attention given these areas and their industries is sufficiently great

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to require establishment by the analyst of a comprehensive baseline of knowledge on which to base production of non-NIS reports, i.e., current support articles, economic intelligence reports, NIE contributions, problem-oriented intelligence memoranda, and papers on answers to spot requests. If all NIS in-depth work in ORR were to be cancelled, its analysts would still have to cover much of the same research terrain and would still have to marshal their materials and thinking essentially along NIS lines; this point would apply strongly to the Soviet Section 64 (Manufacturing and Construction), for example, but much less strongly to in-depth sections on Eastern Europe. Alternately, if the in-depth economic production assignment on these areas were allocated elsewhere in the government, the office so assigned would have to duplicate those intelligence intakes, files and groups of analysts necessary to the ORR operational structure. As to the previous recommendation for elimination of Section 46 (Welfare), ORR would be relieved of responsibility for production of this coverage on Communist countries. However, the fact that no Communist country has been scheduled since FY 64 makes the question of manpower savings on Section 46 academic. In conclusion, the study group endorses continuation of the trend in ORR of producing fewer in-depth sections, particularly on Eastern Europe, with view to providing potential release of 1 to 2 man-years in FY 68.

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31. DD/S&T and DD/P Production. NIS production in DD/S&T is confined to OSI which in FY 67 is scheduled to produce 10 General Survey Section 7's (Scientific) and 8 in-depth Section 45's (Health and Sanitation) via contract with a local university. No change is proposed in the General Survey Section 7's. With regard to Section 45, DIA has proposed taking over production responsibility from OSI with the intention of providing broader usefulness among Defense users. DD/P's NIS production is confined to the in-depth Section 56 (Intelligence and Security), with 9 units scheduled for FY 67. The group considers continuation of this production desirable. The current edition on the USSR, for example, was disseminated in some 1,900 copies and received the personal attention of senior intelligence officials.

32. CIA Services of Common Concern. The impact of in-depth section adjustments proposed in proceeding paragraphs on the review, reproduction and dissemination workload of OBI would be insufficient in itself to permit significant manpower savings in the services of common concern. We recognize that the matter of the operational efficiency of the Office of Basic Intelligence with respect to the NIS Program is somewhat outside the scope of the study objective which centers principally on the Program ratio between General Surveys and in-depth sections. However, in the course of examining the life history of a typical NIS section,

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certain aspects of the processing of NIS materials were noted which bear on the Intelligence Directorate's manpower and money resources applied to the Program. OBI management is aware of those sectors where organizational adjustments are possible and is currently studying the functional relationships of the three divisions involved in the NIS Program with a view to achieving economies. Nevertheless, the study group is of the opinion that our observations bear sufficiently on the purposes of the study to deserve comment.

33. From a superficial review of the functions and organization of the three divisions against a background of the historical evolution of the NIS Program in OBI, it appears that some of the steps currently applied to the NIS process were more necessary in the old NIS production structure. For example, there once existed a need for greater liaison in the processing of NIS sections (particularly with respect to maps and graphics) through a more diversified Defense production structure; in addition, the Cartography Division was not then a part of OBI. This need appears to have been somewhat lessened by the consolidation resulting from the establishment of DIA and the incorporation of the Cartography Division in OBI. Further, in the interests of optimum centralization and integration of like functions in OBI some adjustment might be made in the Publications Division Graphics Support Branch--

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essentially a graphics production unit. This Branch is now organizationally divorced from the Cartography Division to which it is similar in function and personnel skills. Similarly, the Production Branch of the Publications Division has among its principal activities the review (and correction) of maps for technical accuracy, a function like that of Cartography Division which produces some of the maps for the NIS Program. In this same vein, a possibility for greater centralization and integration of editors in the Publications Division and the Editorial Division might be examined. Also, some consolidation of certain liaison and advisory positions might be feasible. We recognize, however, that the physical separation of OBI components may prevent consolidations that would otherwise be possible. No firm estimate of manpower savings can be made without detailed review of the 90 to 100 OBI positions involved in the Program. Nonetheless, we believe that some organizational adjustments could result in a possible savings of up to 5 positions.

34. The study group also considered possibilities of achieving Program savings by such drastic measures as printing NIS contributions with little or no OBI editorial review and coordination, by reducing quality of paper stock and other materials used in the printing process, and by greatly reducing use of graphics (especially color). In the opinion of the study group, the growing value and acceptance of the NIS and the strong relationship of the NIS quality standards to the

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image of the Agency militates against economies that would have an adverse effect on the acceptance of the NIS as an authoritative inter-agency product. We conclude, therefore, that if budgetary and manpower limitations dictate some cut back in the Agency contribution to and support of the NIS Program, necessary savings are better achieved by selective adjustments and reductions in the NIS products rather than by possible measures which will result in general debilitation of the Program quality standards.

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