

~~SECRET-EYES ONLY~~

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21 September 1965

MEMORANDUM FOR: Mr. Richard Helms

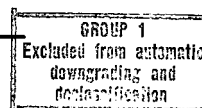
SUBJECT : Reorganization

1. The attached paper from Ray Cline on "Reorganization of DD/I" has only one specific recommendation, i. e., that the Office of Scientific Intelligence be transferred from DD/S&T to DD/I. (Mr. Kirkpatrick in his 24 August memorandum on DD/I supports this view as does the Inspector General.) Its implications are much broader because:

a. It suggests that FMSAC be merged with the Office of Scientific Intelligence and, of course, included in the transfer. If it is not merged, then FMSAC too should be transferred to DD/I. (Plans for the merger of the Ballistic Missiles and Space Division of OSI to FMSAC are already under way.) OSI and FMSAC, if the latter is not merged with OSI, together with part of the Office of Research and Reports would then form a new Intelligence Research Group.

b. It assumes the merger of the Offices of National Estimates, Current Intelligence, and Basic Intelligence, and a part of the Office of Central Reference to form a National Intelligence Group.

c. It assumes no transfer of any DD/I units elsewhere. However, Mr. Kirkpatrick has suggested that we break the Directorate in two and have one Directorate for Intelligence Production and one for Collection and Processing. As you know, the Inspector General has recommended that the Domestic Contact Service be transferred to DD/P. If we want to make DD/I a purely intelligence production directorate, we might also consider the transfer of FBIS to DD/P. (This would put DD/P squarely in the overt as well as covert collection business and, while there is no magic in a change of name, if you did this you might wish to consider changing it to Deputy Director for Operations.)

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2. The Inspector General also suggested that we consider transferring OCR to DD/S. It has also been suggested to me, in the interest of efficiency and economy, that the Office of Computer Services of DD/S&T be merged with OCR of DD/I and, further, that this merged unit be transferred to the DD/S. If we want to consider anything this far-reaching, it would leave DD/I as a pure intelligence production unit, make DD/P responsible for overt as well as covert collection abroad and in the U. S. , leave DD/S&T as the Agency's research and development arm plus being responsible for manned and unmanned overhead reconnaissance.

3. One can't do any of these things without consideration of the strong feelings of some of the personalities involved. [redacted] would undoubtedly react violently to any suggestion that any DD/S&T unit be transferred elsewhere. However, in my opinion this should be looked at strictly on its merits [redacted]

[redacted] Right or wrong, it is generally understood that the scales were tipped in favor of transferring OSI from DD/I to DD/S&T and OCS from DD/S to DD/S&T [redacted]

[redacted] If on a purely functional basis this is not the best organizational alignment, then now is the time to change it [redacted]

4. Our regulations are now and always have been clear that ONE is a subordinate office of the DD/I and that the DD/I is responsible for directing and coordinating its activities. However, I believe it has never worked this way in practice, all Directors having looked upon ONE as being responsible to them and merely attached to DD/I for "quarters and rations." In any case, I am sure that Sherman Kent would oppose most vigorously a merger of ONE with other DD/I components and certainly any greater subordination to the DD/I.

5. The implications of this paper and the sum of all the decisions to be made regarding organization are so far-reaching that I feel I should not make a specific recommendation on Cline's paper at this time. I do feel, however, that these decisions should be made as promptly as possible and that everyone concerned should be told exactly what we are going to do and how we are going to organize or reorganize for the foreseeable future.

6. I suggest that you and I discuss this whole problem with the Director at an early date with a view to making some of the decisions and deciding how we might proceed to study the remainder.

[redacted signature box]

L. K. White

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UNCLASSIFIED	CONFIDENTIAL		SECRET
<b>CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	ExDir		
2	DDCI		
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	<b>ACTION</b>	<b>DIRECT REPLY</b>	<b>PREPARE REPLY</b>
	<b>APPROVAL</b>	<b>DISPATCH</b>	<b>RECOMMENDATION</b>
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65-5159

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Reorganization of DDI

1. This memorandum contains a recommendation, in paragraph 17 below, for your approval.

2. As you know, I have been studying the DDI organization for several months to insure that our budget and manpower resources are in balance with our essential long-term tasks. I have also been seeking ways to increase our efficiency and the quality of our product and, if possible, effect reductions in personnel assigned to present tasks wherever consolidation or centralization of effort would permit.

3. My review to date has led to two main conclusions:

- a. All non-operational intelligence research and analysis activities in CIA should be reconsolidated under one Directorate; and,
- b. The finished intelligence production components of the Directorate of Intelligence should as far as functional specialties allow be placed under unified direction and organized on a regional or area-oriented basis, and this regional organization should be closely linked by exchange of staff officers with the Area Divisions of DDP.

4. This memorandum deals with the first of these conclusions. I present it now, with the second to follow, because you recently spoke to me of your belief that similar functions should be grouped under single management and duplication eliminated in order to effect savings in use of manpower. I suggest the rigorous application of this principle to the intelligence research and analysis effort, one of CIA's most essential functions and the one which our most important customers are daily aware of.

#### BACKGROUND

5. From its first days the Agency's guiding policy for the production of finished intelligence by CIA has been that it shall be integrated, coordinated and non-duplicatory. This policy is still in force and currently set forth in  which also provides that the Deputy Director for Intelligence is responsible for ensuring that the policy is implemented, including dissemination control and the initiation of new publications.

6. In 1963, the DCI transferred the Office of Scientific Intelligence (OSI) from DDI to DDS&T, entirely, I believe, in an effort to collocate scientists and to provide a nucleus of personnel actually on duty around which the S&T Directorate could be organized. This immediately created production problems, which I pointed out at the time and which have been only reduced since, not solved. The validity of the policy of placing overall responsibility for intelligence production in the DDI was reaffirmed shortly after the creation of the S&T Directorate, and attempts made to provide for its implementation in full force by oral and written directives.

7. The directive in which this was most explicitly set forth is the DDCI's memorandum of 30 October 1963 to the deputies on the subject of relationships between DDI and DDS&T. This memorandum provides that:

. . . .

"2. Over-all responsibility for production and publication of finished intelligence, and its dissemination outside of CIA, remains assigned to the DDI.

"3. The DDS&T carries the basic responsibility for the production and publication of scientific and technical intelligence. Dissemination outside of CIA will have prior DDI coordination.

"4. The DDI carries the basic responsibility for the integration of scientific and technical intelligence produced by DDS&T with other types of intelligence in the development of finished intelligence.

"5. The DDI will coordinate all finished intelligence which incorporates scientific and technical material with the DDS&T prior to dissemination outside CIA, using existing channels for this coordination.

. . . .

"11. The DDI is responsible for establishing the CIA position on all USIB matters. He will rely heavily on the DDS&T in framing the Agency position on matters which are primarily scientific and technical and will ensure that unresolved substantive differences between DDS&T and Board Estimates are clearly evident. The DDI will furnish the DDS&T with copies of all pertinent USIB briefing memoranda for the DDCI and DCI."

8. Arrangements for producing intelligence pursuant to that directive have worked as well as could be expected considering the difficulties inherent in a situation where the Agency's production capability has been fractured and

its parts placed under two deputies with widely differing responsibilities and goals. I have never felt that it has worked well enough, or in fact could be made to work well enough, under divided line-of-command authority.

#### DISCUSSION

9. For obvious reasons, my current review of this problem has not been in detail. I have not, for example, held discussions with OSI personnel concerning the internal operations of that office. I have done even less in the case of FMSAC, but in view of DDS&T's plan to transfer the Ballistic Missiles and Space Division from OSI to FMSAC thereby creating another fracture in the finished intelligence base, I feel it must also be considered in any plan to alter the present organization.

10. There are, I believe, a number of reasons, some compelling, others merely persuasive, for considering at this time the return of OSI to DDI. The reasons for its staying in the DDS&T are to me not very persuasive. (The question of FMSAC, an outgrowth from the former Ballistics Branch of OSI, has similar aspects. I would only say here that it should probably be reincorporated into OSI. If not, it has a good deal more to do with end-product reporting than do other DDS&T activities other than OSI, and therefore it should come to DDI as well.)

11. I should say a word about my general scheme for consolidating components and integrating production in order to place the OSI proposed move in context, though the merits of the move in no way depend upon a general reorganization of DDI. The tentative scheme (blocked out in Tab A) calls for four main grouping of offices:

- a. Imagery Analysis (NPIC, CIA Detachment)
- b. Information Services (FBIS, DCS, OCR)
- c. Intelligence Research Group (ORR/ERA, ORR/MRA, OSI, FMSAC)

- d. National Intelligence Group (ONE, OCI, OCR/BR, OBI, organized insofar as possible on a geographic basis -- e.g., Office of Chinese Affairs)

12. As indicated in c above, OSI would be in the Intelligence Research Group (see Tab B for present command line and Tab C for proposed grouping).

13. The advantages to you of having OSI in the DDI seem to me these:

- a. It would improve our intelligence product.

Intelligence problems at the level of national interest are not disciplinary but interdisciplinary. It is important to the quality of output to focus all pertinent disciplines on a given problem in an integrated fashion. Mixed management makes the attainment of this difficult goal more difficult.

- b. It would improve our research programming effort.

By consolidating our research programming efforts into one, we would have a better balanced overall program more responsive to our consumers.

- c. It would improve the efficiency of our operations.

We could, for example, restructure the staffing arrangements, consolidating administrative staffs, production control staffs, including the review and editing functions, dealing with the printers, production for support of current intelligence, typing, etc. In short, there would be fewer people doing the same type of work now done by different research components in parallel, with a commensurate reduction in overhead direction.



d. Some duplication of effort would be avoided.

OSI and ORR deal with different aspects of the same matters, in great part consulting the same evidence. OSI covers the R&D aspects; ORR covers production and deployment. Both to some extent have to deal with weapons characteristics. In a variety of fields -- electronics and chemicals for instance -- OSI is concerned with new products and qualitative factors, ORR with current production and quantitative factors.

e. We could redress a trend away from production.

Since the transfer out of DDI, we have noted a depreciation of the scientific intelligence output, attributable, we believe, to a natural preoccupation with intelligence support of the technical collection activities owing to the environment in which OSI now finds itself.

f. We can guarantee you some outright economies.

Though total T/O savings cannot now be specifically arrived at, they would be more than nominal and could be made in the face of improving production. Preliminary calculations on the basis of the present OSI T/O of 282 and the ORR T/O of 434 lead me to conclude that a minimum cut of 5% -- 35 slots -- can be guaranteed, and that the total may well be more. (See Tab D for our arithmetic.)

14. On the negative side, this move would separate scientists from scientists, the bringing together of which was the principal reason advanced for moving OSI from DDI to DDS&T in 1963. We are not in a position to know how important this consideration has actually turned out to

be. It has been my observation, however, that OSI personnel analyzing intelligence information to report out S&T developments are not interchangeable with the scientist hired to work in ORD or OEL, and much less so in the case of OCS and OSA, but instead retain a close similarity of interest with other analysts in the Directorate of Intelligence. I would be in favor of all OSI personnel who wished to remain in the S&T career service doing so, and of course closest coordination and cooperation would remain in the mutual interest of the two Directorates. Cooperation would be simpler and better, however, because of clean lines of responsibility as between the R&D and technical collection operators on the one hand and the evaluator-analysts on the other.

15. I would note that the timing of the decision to make a change is at present ideal in view of Dr. Wheelon's announced intention to emphasize and expand DDS&T work on R&D (ORD, OCS) and Technical Collection Programs (OSA, Special Projects Staff, OEL).

16. The above discussion is sufficient reason to make a modest change of this sort in our organization for the purpose of improving cost-effectiveness, saving manpower, avoiding duplication, and establishing clean functional lines of command.

17. Recommendation

I recommend in view of the above, you approve in principle the transfer back to DDI of OSI, subject to submitting to you for final review and approval the details of such a move as worked out by DDI in coordination with DDS&T and the Executive Director's BPAM Staff.

[Redacted Signature Box]

STAT

RAY S. CLINE  
Deputy Director for Intelligence

Recommendation in para. 17 is APPROVED:

\_\_\_\_\_  
Director of Central Intelligence

\_\_\_\_\_  
Date

Attachments

Atts

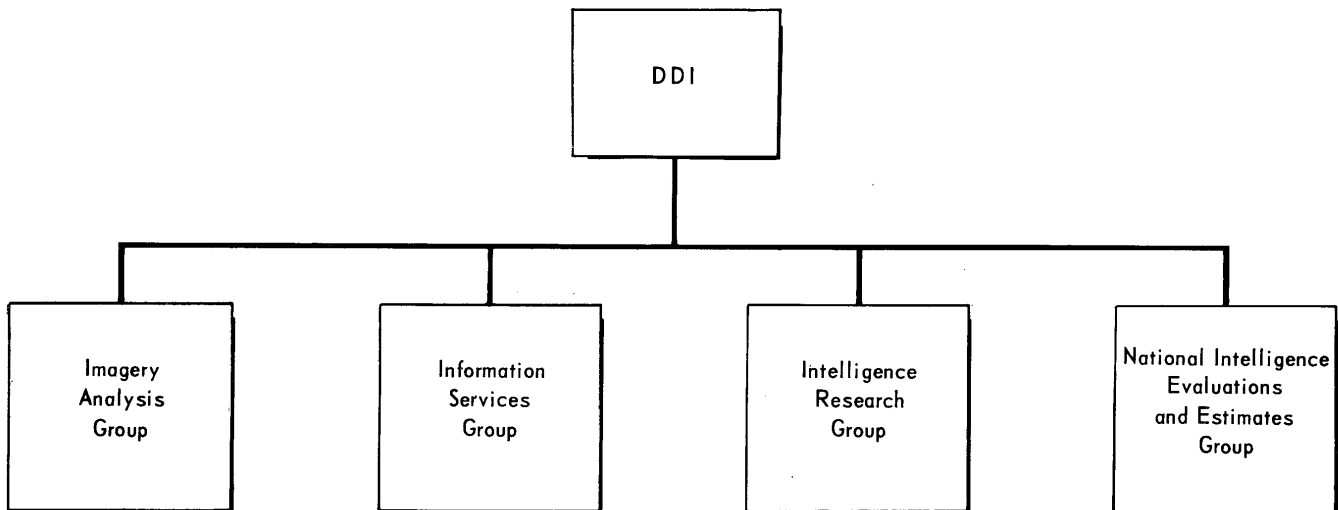
**ATTACHMENTS**

- Tab A: Proposed Grouping of Offices under DDI Direction
- Tab B: Present Group of Offices Engaged in Intelligence Research and Analysis in Support of National Intelligence
- Tab C: Proposed Intelligence Research Group of the Directorate of Intelligence
- Tab D: Schedule of Projected Manpower Savings
- Tab E: Organization Chart of ORR
- Tab F: Organization Chart of OSI
- Tab G: Organization Chart of FMSAC

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***Proposed Grouping of Offices Under DDI Direction***



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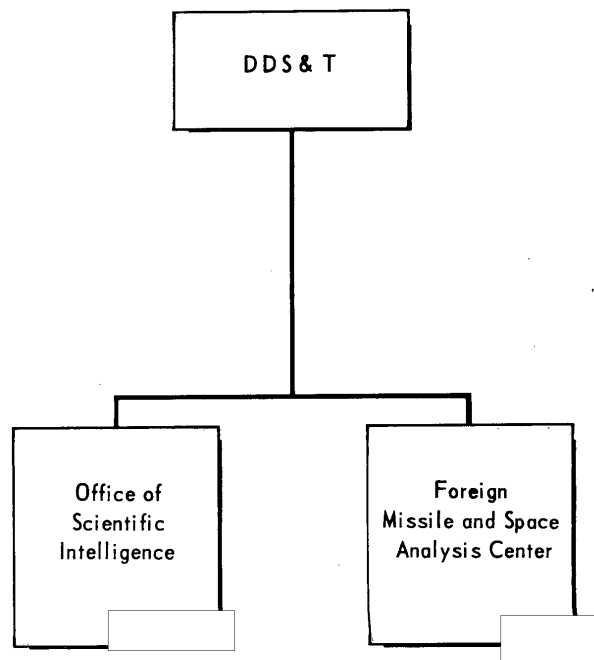
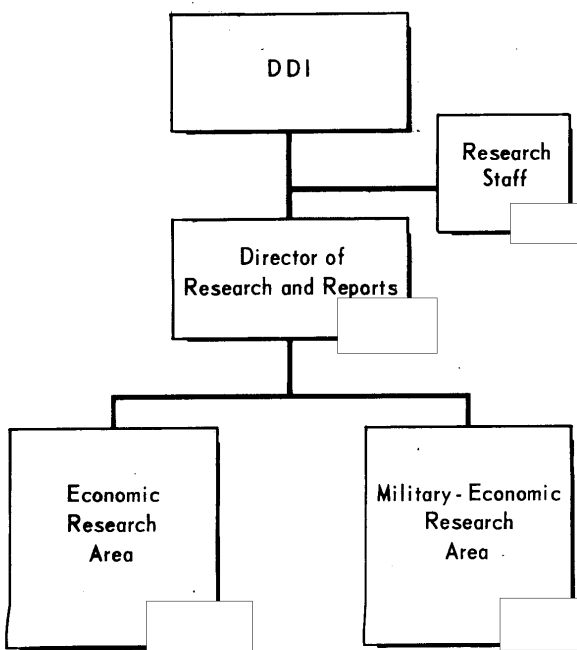
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**Present Group of Offices  
Engaged in Intelligence Research and Analysis  
in Support of National Intelligence**

<u>RECAP</u>	
ORR	
OSI	
FMSAC	
RESEARCH STAFF	
Total	

50X1



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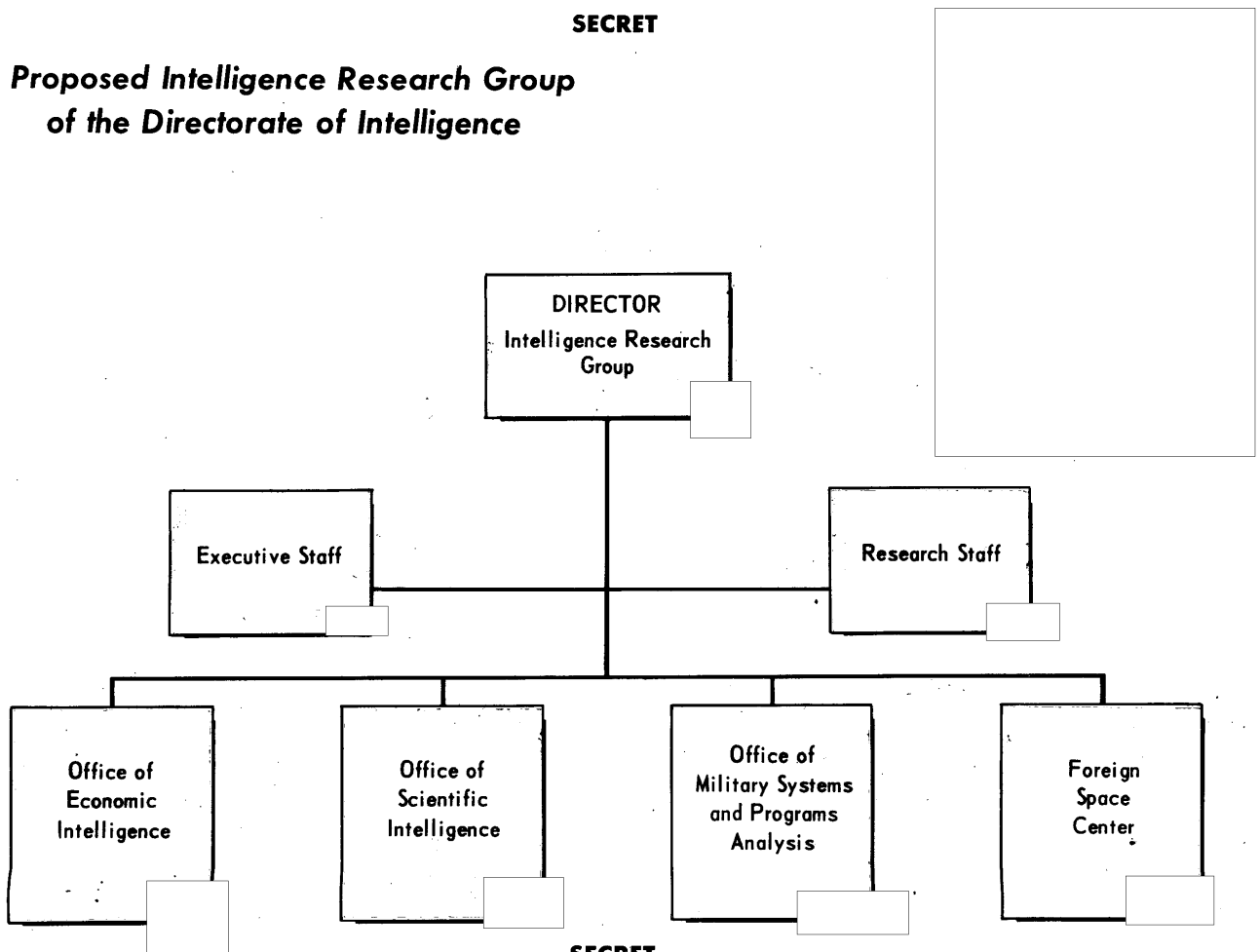
Tab B



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**Proposed Intelligence Research Group  
of the Directorate of Intelligence**



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Tab C

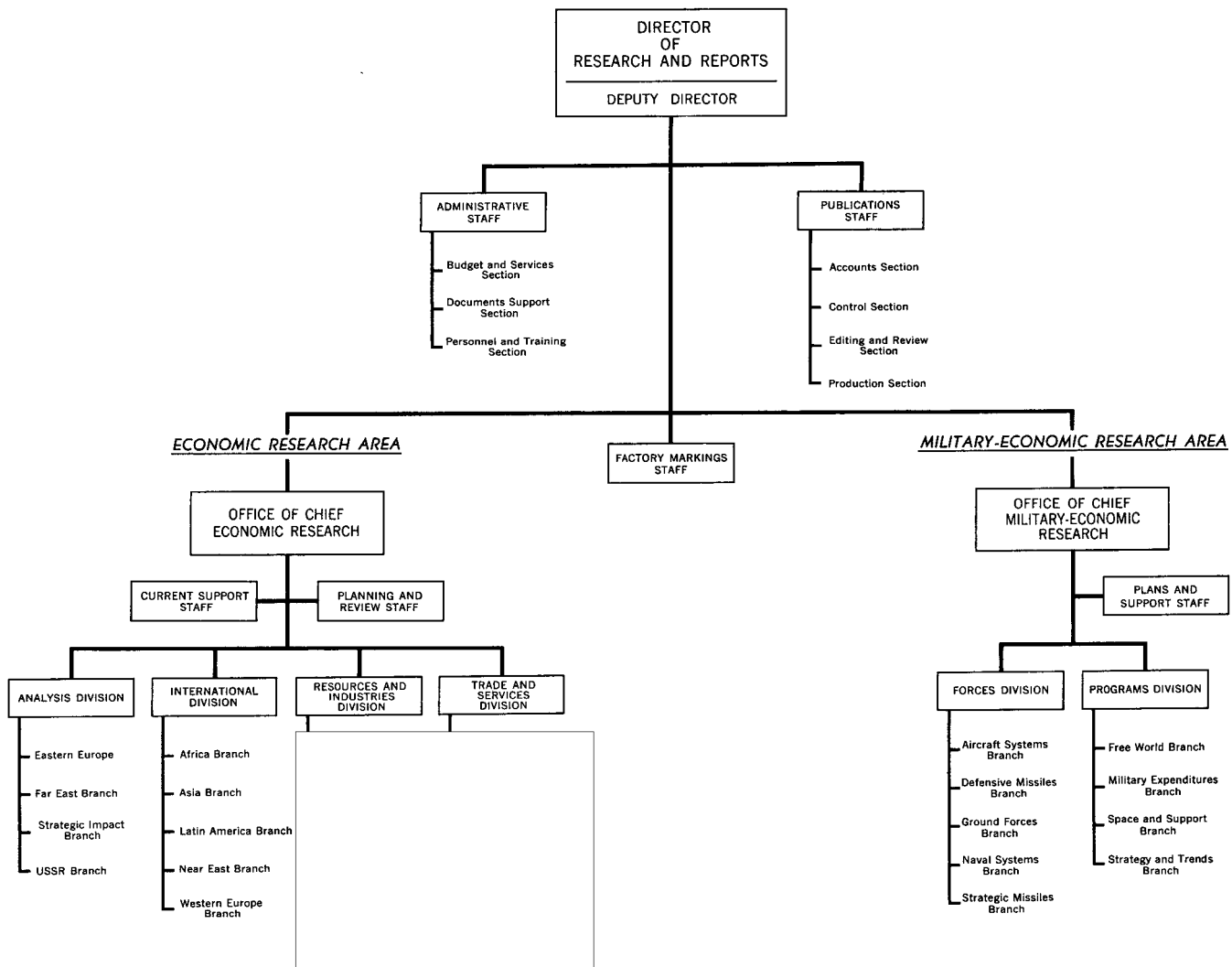
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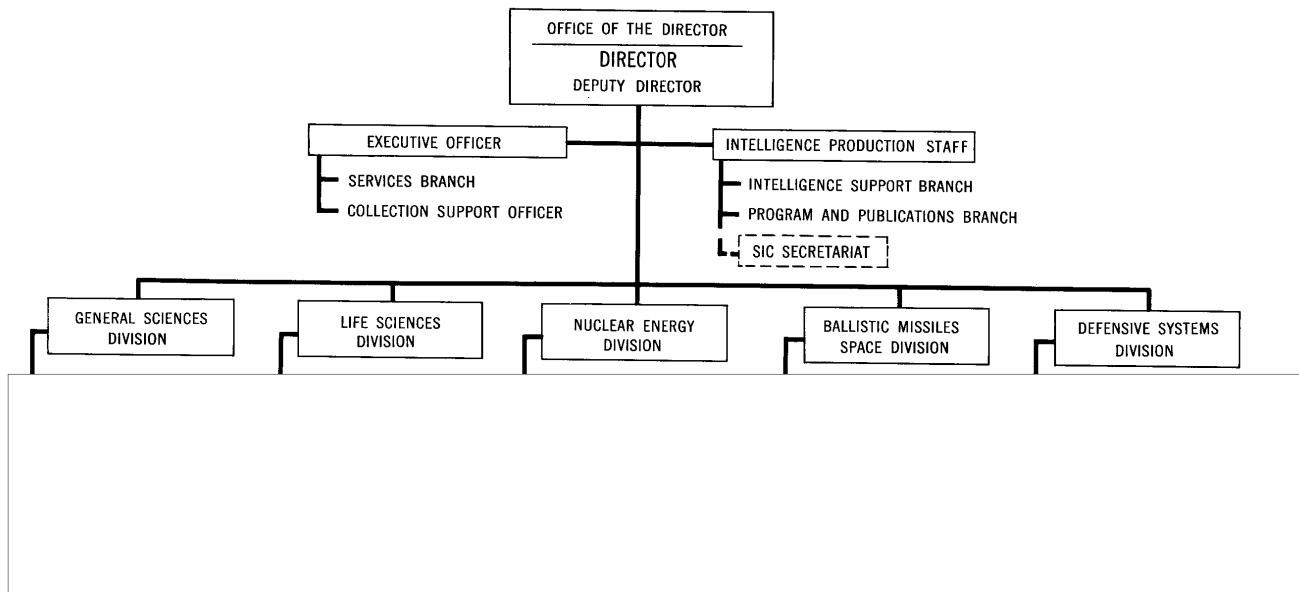


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4 August 1965

OFFICE OF SCIENTIFIC INTELLIGENCE



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