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REPORT TO THE DCI ON THE ORGANIZATION  
OF CIA AND THE INTELLIGENCE COMMUNITY.

20 JANUARY 1969

**\*NSC Review Completed\***

**NRO and OSD review(s) completed.**

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Based originally on the WW II experience of OSS, the organization of the Agency has changed and developed to meet new circumstances and requirements. It has been the subject of numerous reviews by distinguished and competent individuals. Large areas of overlap of responsibility are inevitable and no organizational arrangement will achieve a totally clear-cut allocation of authority. The effectiveness of CIA must depend in large degree on the discipline, training and understanding of its personnel, who must live with the organization and make it work. The DDS&T is an essential component of the Agency and should be continued substantially as it is presently organized. While the inclusion of certain overt collection and intelligence support responsibilities in the DDI is not entirely logical, no change is recommended in the composition of this component. Both the DDI and BNE are essential. BNE is concerned with coordinated estimates and DDI establishes the CIA position on substantive matters. The present allocations of responsibility for SIGINT within CIA are adequate. None of the arguments for separating operational or other components from the Agency have any validity.

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or items as between these three programs may be desirable. The Target Oriented Display of intelligence resources by category has helped to provide officials responsible for the intelligence effort with a better understanding of the totality of the resources engaged in this effort. The recent establishment of the National Intelligence Resources Board should provide the DCI with authoritative advice concerning the real need for particular resources or activities. A better structure is needed in the Defense Department, however, to exercise centralized control over all intelligence activities conducted in the Defense Department.

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Part I. The existing legal arrangements which govern the coordination of the foreign intelligence activities of the U. S. Government.

A. The nature and composition of the foreign intelligence effort.

A tendency has developed to talk about intelligence as though it were a product to be produced, packaged and distributed in a process comparable to the manufacture of shoes. Actually intelligence is a service which is used and needed by a great many senior officials with different responsibilities for planning the activities of various departments and making decisions at various levels of the Government and military establishment.

The interests of policy makers at the national level of the Government in certain kinds of information are usually similar and often identical. Senior officials in the White House, the State Department, the Defense Department, the military services and departments, and the military commands all have a more or less equal interest in important political events and economic developments; in evidence suggesting an imminent attack on the United States or its allies and in the strategic military capabilities of our adversaries. Some officials in certain departments, however, have a peculiar and individual need for information and analytical research on topics of little real concern to others in the Government. Such, for example, are the obvious needs of the Army for information, tailored to its own specifications, about tank design and production in the Soviet Union or of the Director, AID, for information about the economic requirements and potentialities of particular sectors of a given country or geographic region.

The intelligence effort must be designed to service all its customers. On the one hand there must be sufficient centralization of authority over the activities of all agencies of Government with a mandate or potential for the collection or evaluation of information to ensure that the over-all effort is properly orchestrated and brought to bear on the problems of those with a common responsibility for national security.

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On the other hand, the legitimate needs of departments, military commands and senior officials for information directly responsive to their parochial interests must be recognized and protected. Moreover, there is no organizational arrangement conceivable under which all elements of the Government which engage in the collection of intelligence, or otherwise contribute to the intelligence process, could be consolidated and financed under a single command. Ambassadors and foreign service personnel collect and report information but clearly belong to the State Department. Large military airfields and satellite launching and recovery facilities are essential to reconnaissance from space but, as a practical matter, are best administered by the Air Force. Naval vessels serve as platforms for the collection of electronic intelligence, which can be of national significance. Obviously, however, these ships must remain under naval command.

For all these reasons, centralized focus and guidance to the foreign intelligence effort of the Government must be provided through coordination and cannot be based upon central managerial authority or command. Quite obviously machinery adequate to ensure effective guidance and coordination of the many diffuse and confusing activities that combine to make up the total intelligence effort must be both strong and flexible.

B. Existing arrangements for the coordination of intelligence activities.

The National Security Act of 1947 created a Central Intelligence Agency (CIA) with a Director of Central Intelligence "who shall be the head thereof." The Act provides that "for the purpose of coordinating the intelligence activities" of the Government the Agency shall ". . . correlate and evaluate intelligence relating to the national security and provide for the appropriate dissemination of such intelligence within the Government . . ." The Act further expressly provides that the departments and other agencies of the Government "shall continue to collect, evaluate, correlate, and disseminate departmental intelligence." It charges CIA with advising the National Security Council on intelligence matters; recommending measures for the coordination of intelligence and performing such services of common concern or other functions as the National Security Council may from time to time direct. The Act

declares that the DCI shall be responsible for protecting intelligence sources and methods from unauthorized disclosure.

By establishing an agency with statutory authority to correlate and evaluate all intelligence centrally and ensure its appropriate dissemination, the Congress obviously hoped to prevent a repetition of Pearl Harbor. It was to be the Agency's business to see that everybody who needed information affecting the national security should have it, and have it promptly in evaluated form. It was a basic Congressional objective to ensure that this is done. Otherwise the law preserves the right of individual departments to satisfy their own departmental intelligence needs and leaves (in effect) to the National Security Council the function and authority of making such further adjustments in relationships as may appear calculated to improve the intelligence effort or strengthen its coordination.

The NSC, acting under this authority, has issued a number of directives which, in the aggregate, have delineated the jurisdictional scope of various components of the intelligence community and provided a basis for centralized coordination of its activities. In brief these directives allocate collection, production and other responsibilities amongst the various components of the intelligence community and provide that "the DCI shall coordinate the foreign intelligence activities of the Government in accordance with existing law and applicable National Security Council directives." This personal role of the DCI has been twice restated in letters issued respectively by President Kennedy on 16 January 1962 and President Johnson on 24 September 1965 which both characterize the DCI as "the principal intelligence officer of the Government" and confirm his personal responsibility for the coordination of the foreign intelligence effort as a whole.

Finally, by NSC directive the United States Intelligence Board (USIB), with membership from the chief intelligence agencies of the Government, has been created as advisory to the DCI with certain stated responsibilities for the establishment of policy and requirements for intelligence activities and a prescribed procedure for appeal to the NSC, by dissenting members, from decisions of the DCI and USIB.

If, as appears inevitable, U.S. intelligence activities are to be conducted as a coordinated rather than an integrated effort and are to continue to consist of contributions from separate agencies acting on a

cooperative basis in accordance with their respective missions and capabilities, the present legal arrangements for effective guidance and coordination seem about as strong and flexible as can be devised.

Part II. The Central Intelligence Agency - its organization and management.

A. The top management of CIA.

As stated above, the National Security Act provides that the Director of Central Intelligence shall be the head of the Central Intelligence Agency. He is supported by a Deputy, also a statutory appointment, who serves as an alter ego and as the occasion requires. While it is possible and desirable for the Deputy Director to assume certain specific responsibilities, such as Chairman of the newly created National Intelligence Resources Board (NIRB),\* a permanent functional division of authority as between him and the DCI is not practical. The attempt made during the Kennedy administration, for example, to delegate substantially all authority for management of the Agency to the Deputy Director did not work very well and should not be repeated.

Apart from the statutory Deputy Director, a limited number of other senior officials report directly to the DCI. One of these, the Deputy to the Director for National Intelligence Programs Evaluation (NIPE), is concerned with the DCI's responsibilities for the intelligence effort of the Government at large. His staff and functions will be discussed in a later chapter of this report.

The Chairman of the Board of National Estimates (BNE) also reports immediately to the DCI and also could be described as performing a community function. However, as the Board has long been regarded as an integral part of CIA, and as it provides the mechanism through which CIA performs a substantial part of its statutory responsibility for the central evaluation of national intelligence, the Board will be treated in the portion of this report that deals with CIA.

The offices of Executive Director and of Comptroller were created in 1961 to assist the Director and Deputy Director in the management of the Agency. In 1963 responsibility for the accounts and finances of the

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\* At one time the Deputy Director was Chairman of the Watch Committee.



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Agency was transferred from the Comptroller to a Chief of Finance under the Deputy for Support and the planning, programming and budgeting functions then exercised by the Comptroller were merged with the other duties of the Executive Director, who is now called the Executive Director-Comptroller.

The General Counsel and his staff; a senior officer with a small staff responsible for legislative liaison; another officer with an even smaller staff responsible for dealing with the press; and the Inspector General, who is also charged with auditing the Agency's accounts, all report immediately to the DCI.

Finally, the practice of establishing task forces directly under the DCI to handle important and complex problems has been used on a limited basis. The most important example of this practice is the Special Assistant for Vietnamese Affairs who was established in 1965 and will presumably exist for the duration of the war.

The main business and functional responsibilities of the Agency are otherwise carried out in four directorates under the supervision of four Deputy Directors responsible to the DCI and his statutory Deputy.

No description of the top management of the Agency would be complete without reference to the Director's regular morning staff meeting which is attended by all these officials and which provides a daily opportunity for the candid discussion of problems of general interest to the Agency and the provision of guidance to all elements concerned on matters of policy.

B. The Directorates.

The Deputy Director for Intelligence (DDI) is responsible for the production and publication of finished substantive intelligence other than National Intelligence Estimates. The most important regular publications are various versions of the Central Intelligence Bulletin (CIB), a daily summary of significant intelligence coverage of current developments produced in coordination with DIA and the Department of State, and the President's Daily Brief (PDB) which is handtailored to the specific needs of the President and has an extremely limited distribution. The DDI supervises the CIA Operations Center which is manned 24 hours a day and serves as an alert mechanism for fast breaking developments. It also is the channel for the CIA input into the White

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House Situation Room. Similarly, the DDI provides Agency support for the Chairman of the USIB Watch Committee and the National Indications Center (NIC) in the field of strategic warning intelligence. In addition the DDI produces periodic and ad hoc briefings, staff studies and memoranda on a wide variety of subjects both on demand from consumers and in anticipation of the needs of the DCI.

Several of the DDI offices engage in longer range studies and in depth research. Pursuant to NSCID 3, CIA coordinates the production of basic intelligence which is factual intelligence resulting from the collation of encyclopedic information of a more or less permanent nature. Basic intelligence is published in the form of National Intelligence Surveys on a country-by-country basis. Likewise, DCID 3/1 assigns CIA the responsibility for the production of economic intelligence on the Sino-Soviet Bloc. More recently an Office of Strategic Research has been established to concentrate on research relating to the production and deployment of military hardware in the Sino-Soviet Bloc. Both the economic and strategic research components provide a vital input into the production of current intelligence, National Intelligence Estimates and staff memoranda in support of the policy making levels of the Government.

The DDI is also responsible for several services of common concern for the intelligence community. Chief among these is the National Photographic Interpretation Center (NPIC) which processes the take from the Government's photographic reconnaissance programs. [redacted]

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as sources of intelligence information. Finally, the Central Reference Service (CRS) provides reference and translation facilities, maintains biographic information, acquires publications, disseminates information and generally conducts relations with other Government agencies for these purposes.

The Deputy Director for Plans (DDP) is responsible for the conduct of the Agency's clandestine operations, including espionage, counter-intelligence and covert operations. NSCID 5 gives CIA the primary responsibility for the conduct of espionage and clandestine counterintelligence outside the U.S. and its possessions, and for the conduct of liaison with foreign intelligence and security services. Espionage is directed toward the acquisition of information through clandestine operations while counter-intelligence is devoted to destroying the effectiveness of inimical foreign intelligence activities in order to protect the security of the nation and its personnel and installations abroad.

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Covert operations are conducted pursuant to a directive of the National Security Council and are designed to discredit the prestige and ideology of International Communism and reduce its control over any areas of the world, and conversely to strengthen the orientation toward the U.S. of the peoples of the free world. Covert operations are planned and executed

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[REDACTED] Specifically excluded from the Agency's mandate is the support of armed conflict by recognized military forces as well as cover and deception for military operations. All major programs and projects are subject to policy approval by a top-level White House-State-Defense committee.

CIA clandestine activities are conducted through field stations under the command of a chief of station who has full responsibility for matters within his assigned jurisdiction. [REDACTED]

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[REDACTED], but policy approval for operations is generally obtained through interdepartmental coordination in Washington. Moreover, the COS' right of direct communication on all matters, but particularly for the prompt dissemination of intelligence, has been carefully preserved.

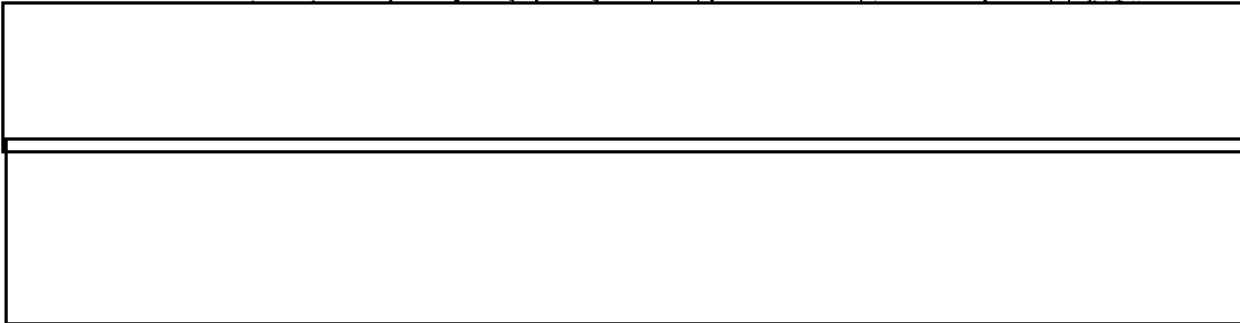
While CIA has exclusive responsibility for the conduct of covert operations abroad, other departments and agencies, primarily the military services, are authorized to conduct espionage and counterintelligence activities for departmental needs or for the security of commands and installations. Since the DCI has the responsibility for coordinating clandestine activities abroad, the CIA chiefs of station have been designated as DCI representatives for coordinating such activities within their respective jurisdictions, including the conduct of liaison with foreign intelligence services.

The Deputy Director for Support (DDS) exists solely to provide administrative services in support of the other parts of the Agency. Communications, finance, logistics, medical services, training, personnel, and security are the areas which encompass this Directorate's responsibilities. Of these, communications is the most extensive and, in terms of personnel strength, by far the largest.

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The Office of Communications provides staff communications between headquarters and agency field stations as well as support for



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In the early stages of the development of the Clandestine Services, a strong argument was made for the establishment of a support mechanism, wholly within the Clandestine Services, which would be exclusively responsive to its requirements and would assure the security of its operations. For reasons of economy and efficiency in over-all management, however, it was decided to effect a general consolidation of administrative support facilities within a single directorate. It was realized that a totally centralized support organization could not be fully responsive to the specialized needs of the Clandestine Services. There has emerged therefore a support concept whereby those services which can be performed most efficiently and economically centrally are so performed. The support elements which are detailed to overseas operations stations are subordinated to the DDP chief of station while maintaining a staff relationship to their parent office within the DDS. At the same time, the DDS is responsible for hiring, training and supplying support specialists to all components at all levels at Headquarters and in the field. This arrangement has worked very well for some years and appears to be a satisfactory compromise between the requirements of maximum efficiency and those of maximum security and responsiveness to operational needs.

The Deputy Director for Science and Technology (DDS&T) was established in 1962 (originally as the Deputy Director for Research) because of the increasing reliance of the national intelligence effort upon technological resources and the consequent need for concentrated exploitation of the Agency's capabilities in S&T fields. The new Directorate was largely made up of S&T oriented components from the three existing Directorates and its activities encompass collection, production and support. The DDS&T is also responsible for conducting basic and applied research and development. This includes responsibilities for liaison and contact with the scientific community on intelligence matters involving S&T.

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The collection activities of the DDS&T involve primarily programs, the management of which has been allocated to CIA and which are funded by the National Reconnaissance Office (NRO). These include overhead photography of denied areas, using both aircraft and highly sophisticated satellite photographic systems, as well as the collection of electronic intelligence

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In the Office of Computer Services the DDS&T has a centralized computer capability which provides automatic data processing support to the other Directorates.

DDS&T also has an important research component concerned with the design and development of new concepts and the conceptual improvement of techniques and equipment for use by all components of the Agency. It supports the requirements of the Clandestine Services for new conceptual research calculated to improve concealment and listening devices and other equipment useful in espionage operations. It also maintains a useful laboratory which works on methods to improve the Agency's capabilities in the automatic data handling field.

Part III. Existing organization of CIA - general observations.

CIA, as presently organized and functioning, is a highly complex mechanism, originally shaped by the experience of OSS in World War II, which has evolved through the administration of five Presidents and has

served the needs of policy makers from the Czechoslovakian coup of 1948 through the Soviet occupation of Czechoslovakia this fall. Its organizational pattern has been changed as experience in crises, from the Blockade of Berlin to the most recent Arab-Israeli military conflict, has suggested better arrangements for the collation, analysis and speedy dissemination of information and better procedures for supporting the needs of policy makers with evaluated intelligence. The structure appropriate for the Agency has necessarily had to be determined with due regard for the overwhelming impact which developments in science and technology have had on the problems and capabilities, as well as the expense and complexity, of the American intelligence effort over the past 20 years.

Since its creation in 1947 the organization and activities of the Central Intelligence Agency have been the subject of eight full scale reviews by committees and groups of distinguished individuals. Since 1956 the affairs and organization of the Agency (and the community) have been subject to continuing inspection by the President's Foreign Intelligence Advisory Board and its predecessor, chaired successively by Dr. James Killian, General John Hull, Mr. Clark Clifford and General Maxwell Taylor.

A striking feature of the organizational arrangement of CIA is the very high degree of interdependence and overlap that inevitably exists between the responsibilities and interests of different components in the same activity or problem. Thus, a particular agent of the Agency may be run by one area division of the Clandestine Services because his target is Soviet Russia, but will be the concern of another area division because his home base is [redacted] and of one or more different staffs of the Clandestine Services depending on whether his mission is counter-intelligence, espionage or covert action. He will be of some interest to elements of the Directorates of Intelligence and Science and Technology, both of whom will be concerned to see that his potentialities for knowledge and accessibility to intelligence targets of importance are fully exploited and both of which may share in responsibility for the evaluation and dissemination of his reports. Operational control and manipulation of this agent depends on the availability and efficiency of communications provided, in part at least, under the authority of the Director of Support. The equipment essential to his mission, concealment devices, secret inks, cameras and other clandestine paraphernalia, are provided by a component of the DDP which, however, is at least partially dependent on an element of DDS&T for the invention or conceptual design of new or improved devices. Some, at least, of the

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equipment which he uses will have been procured under contracts administered by the Office of Logistics in DDS. The administrative problem of ensuring appropriate guidance, support and exploitation for this agent is immensely complicated by the essential requirement that all information calculated to reveal his identity, mission or whereabouts must be strictly compartmented and revealed only on the most limited possible basis of an absolute need to know.

In every field of Agency activity examples can be found of the difficulty, or futility, of trying to fix anything like exclusive responsibility in one component for the performance of a particular function or the achievement of a particular operational or analytical objective. The need for computers, automatic data handling facilities and communications support permeates every element of the Agency. Every component depends to some degree on and, on certain matters, must consult and defer to the Offices of Security and Personnel. A National Intelligence Estimate, approved by the Board of National Estimates, is likely to be based, in considerable measure, on analytical findings supplied to ONE by various elements of the DDI, DDS&T and the DDP.

Enough has been said to make clear that completely clear-cut allocations of responsibility and organizational tidiness are simply not attainable in an agency with such complex and interrelated operational, analytical and administrative responsibilities. Obviously, every effort to fix responsibility and establish commensurate authority for the accomplishment of determinable results must be made. This is the cardinal purpose of any organizational structure. On the other hand, it is essential at the outset to understand that the efficient functioning of CIA will, in the final analysis, depend upon the discipline, understanding and good sense of the senior officials of the Agency. This presupposes a thorough understanding by supervisory personnel of the limits as well as the extent of their authority and adequate indoctrination concerning the existence, potentialities and responsibilities of other elements of the Agency in their particular areas of immediate concern.

With these general observations in mind, a number of organizational problems in the Agency will be briefly identified. Almost all of these constitute organizational dilemmas which will never be solved to the complete satisfaction of everybody. For the most part the existing organizational relationships have evolved over a considerable period of time and represent practical adjustments which are workable.

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Probably the most important organizational development in the past 15 years has been the creation of the Directorate for Science and Technology. This Directorate was created (under a slightly different name) to ensure the best possible analytical competence in the Agency to work on substantive intelligence problems (Do the Soviets have an ABM system?) and also the research and engineering competence necessary to ensure adequate participation by the Agency in the design, development and operation of new technical collection systems for use in clandestine operations or in space. This latter competence is thought essential on the theory that direct participation in the Government's overhead reconnaissance program is necessary to permit the DCI to exercise some practical control over the program and ensure the design of space systems best suited to intelligence purposes. The military services, particularly the Air Force, all have the facilities to develop technical collection systems. The research, development and systems components of the military services and departments function, however, at subordinate levels of the military establishment and serve purposes other than intelligence and there is always some danger that complex and expensive systems needed to collect photography or electronic signals from space may be degraded by efforts to adapt these systems to weapons or other nonintelligence missions. The existence of a research and engineering capability in an agency exclusively concerned with intelligence provides some safeguard against any such tendency.

All of the responsibilities of the Directorate of Science and Technology could be performed by other Directorates and would fall naturally into the collection or production charters of the DDP and DDI. The long term interests of the Agency, however, seem best served by keeping substantially all of the present components of the present DDS&T together. Combined they provide the solid core of expertise in science and technology which seems an essential element of any modern and dynamic intelligence service. Without them it would be difficult for any individual, no matter how competent or articulate, who serves as the principal advisor to the DCI on scientific and technical matters, to function effectively. The growing importance of science and technology throughout the Government has resulted in the establishment of offices such as DDR&E in the Defense Department and the Science Advisor's position in the White House. Congressional committees are increasingly concerned with scientific and technological problems and developments. The success of an intelligence service depends, among other things, on its credibility -- its ability to communicate its conclusions -- as well as on its operational efficiency and the skill and experience of its analysts. The complex of components and activities which now support the



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DDS&T appears to be about the right mix needed to enable him to provide the DCI with effective representation in the S&T field. Apart from some awkwardness in bureaucratic relations which results from the separation of the production responsibilities of OSI and FMSAC from DDI, no serious impairment of the Agency's ability to perform its basic substantive and operational missions seems to be threatened by the present arrangement.

An exception is the Office of Computer Services which does not seem to be an essential ingredient of the DDS&T's charter and which, in accordance with the proposal contained in the next section of this report, should be transferred to the DDS.

Questions have been raised from time to time concerning the activities which should properly be included in the DDI. As presently constituted, the DDI includes a number of components concerned with intelligence research and analysis in the broad area of the social sciences which includes military matters. A number of other components in this Directorate are concerned with processing and support. CRS, for example, is essentially a registry, and NPIC does the photo interpreting for analysts in the Pentagon as well as in the CIA. Some of the activities for which the DDI is responsible would seem to have no particularly logical relationship to his substantive mission. The administrative burdens inherent in the overt collection activities of the Contact Offices [redacted] strike one as incompatible with the responsibilities of a principal advisor to the DCI on substantive problems of critical strategic importance. If some or all of these activities were removed from the DDI, however, at least some of them which appear to fall within the category of intelligence support, such as NPIC and CRS, would probably have to be established in a new directorate. No persuasive reasons have been advanced for the relocation of these or other components, such as [redacted] Contact Offices, to any existing directorate. Any dismemberment of the Directorate of Intelligence would therefore appear likely to result in the establishment of an additional directorate further complicating rather than simplifying over-all managerial arrangements in the Agency. On balance, it would seem that the Directorate of Intelligence should continue to exist with substantially its present functional responsibilities, providing certain analytical and support functions, and acting as the component responsible for the production of intelligence in CIA.

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Recognition of the DDI as the official of the Agency to whom the DCI looks as responsible for the production of Agency intelligence and therefore for the establishment of the Agency position on substantive intelligence matters has certain implications which should be thoroughly understood. The first of these is that other components of the Agency, including particularly OSI and FMSAC in DDS&T, must be required to coordinate their substantive intelligence activities and procedures for the dissemination of their product with the DDI. Existing arrangements between the DDS&T and the DDI seem adequate to ensure this result. A second implication of the existing arrangement is the fact that the DDI, given his present responsibilities, is over committed with administrative responsibilities for support and overt collection activities to which he can only attend at the expense of his ability to concentrate full time on substantive intelligence issues. This must simply be recognized as a fact of life.

A third complicating factor in any decision concerning the functions appropriate for the DDI is the existence of the Board of National Estimates. The DDI, as the official responsible for the substantive production activities of the Agency, is properly regarded as the competent authority within CIA on substantive intelligence matters. He represents the CIA view on the significance of developments of intelligence interest. Parallel with him, however, and reporting directly to the DCI, is the Chairman of the Board of National Estimates, who is also concerned with substantive intelligence judgements. The line dividing the responsibilities of these two officials has never been drawn with satisfactory precision. As a practical matter, however, coexistence between these individuals has been the rule in the past and cooperation is not only desirable but clearly possible in the future. Both functions and positions are essential to the intelligence effort and both are needed to implement the Director's responsibility as the principal intelligence officer of the Government, finally responsible for intelligence judgements, and for the coordination of intelligence activities. Both positions contribute to the implementation of the Agency's statutory responsibility for the central collation, evaluation and dissemination of intelligence affecting the national security.

The line between the product of the Board of National Estimates and the product of the DDI would seem to be determined by what needs to be coordinated as opposed to what can be disseminated as the product of the Agency. This is not a very clear-cut line. A very large proportion of the product of DDI in fact represents material which has been coordinated in the sense that appropriate analysts in the State and Defense Departments

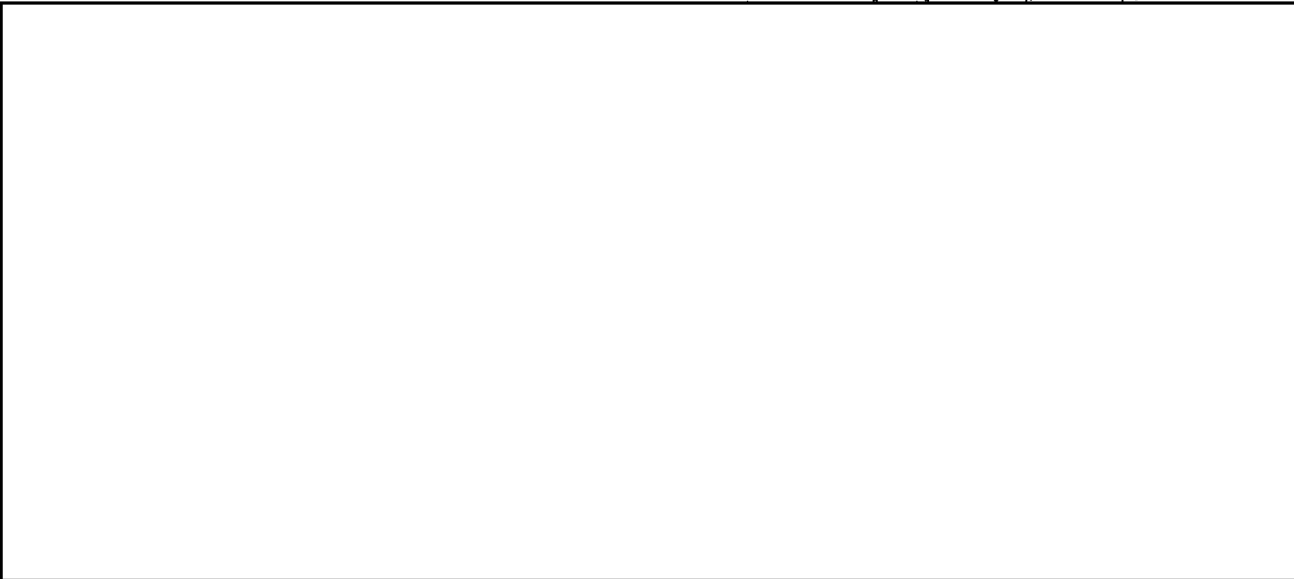
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have been consulted and have at least indicated no serious objection. The daily Central Intelligence Bulletin is of course a coordinated publication. DDI production on the whole generally represents essentially Agency views on matters, including and with special emphasis on current developments. The Board, on the other hand, as a result of many years of institutional development, has emerged as a respected tribunal for the establishment of a consensus or the formal identification of differences on subjects of very considerable national importance. The importance of the Board's estimates, particularly for the purpose of military planning and for their impact on the huge military budgets can hardly be exaggerated. The Board of National Estimates and its Chairman is therefore the DCI's instrumentality for achieving coordinated community estimates, while the DDI is the official to whom the Director looks for substantive and analytical conclusions from CIA.

It is possible that some changes in arrangements for staff support for the Board and in its relations with policy makers, particularly in the field of political estimates, would improve its effectiveness. Possibilities along these lines are suggested in the next section of this report.

A problem area which has preoccupied the attention of managers of the Agency over the past several years has been how best to regulate its responsibilities in the so-called SIGINT field. Almost since its beginning the Agency has been involved in one aspect or another of communications intelligence activity. It has, for example, been a consumer of the product of communications intelligence which has obviously contributed to the Agency's output of studies, reports and estimates. It has also engaged in

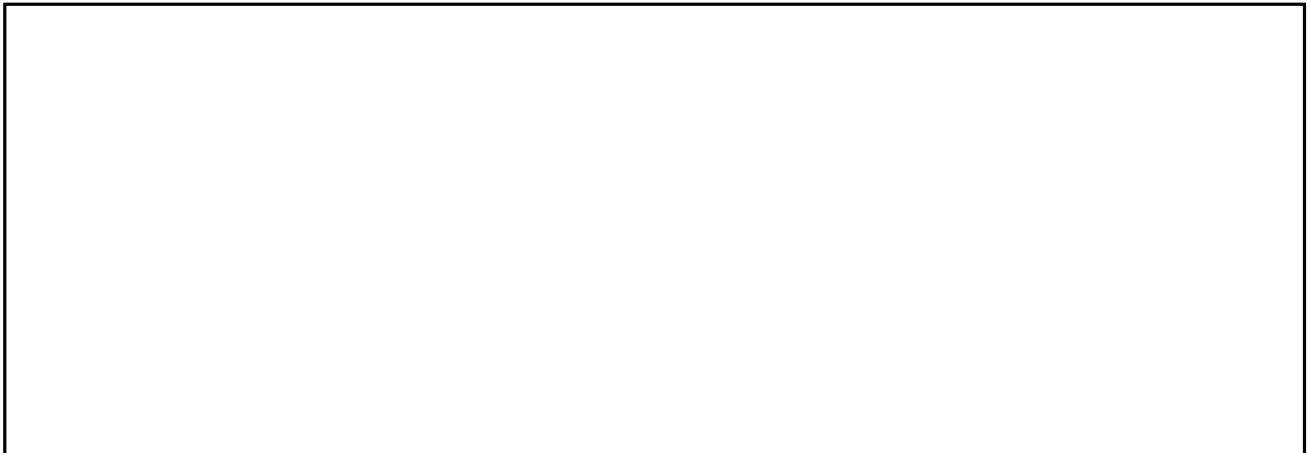
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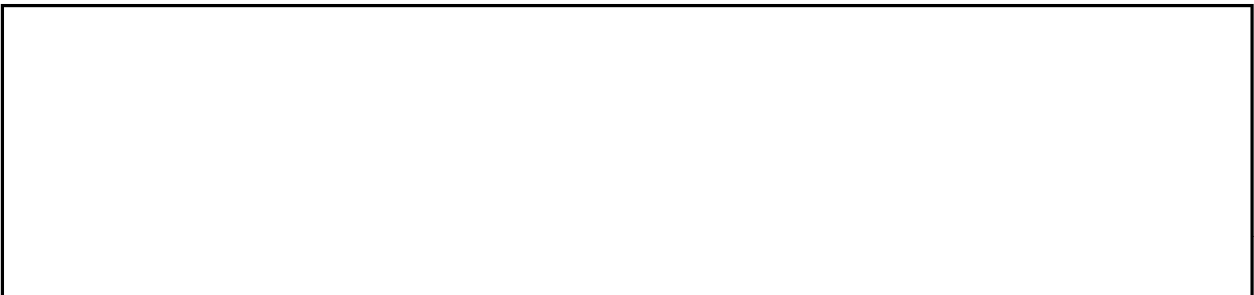


These various manifestations of what is collectively known as the SIGINT mission of the Agency have proved a somewhat indigestible organizational ingredient. The problem has been further complicated by the existence of peculiar security arrangements which surround the dissemination of SIGINT material and the conduct of operational activity aimed at the acquisition of SIGINT.

A further complicating factor has been the Director's responsibility for over-all guidance to the community at large with regard to the level of effort and expenditure appropriate for programs for the collection of SIGINT under the jurisdiction of NSA and the NRO and, to a lesser degree, DIA. It has therefore been necessary for him as head of CIA to develop managerial controls over the conduct of SIGINT activities by the Agency (both as a consumer and a contributor to the SIGINT effort) and also to establish the advisory staff necessary to enable him to serve as coordinator of the Government's SIGINT effort as a whole.

Present arrangements in the Agency for the conduct of the Agency mission in this field are workable and should be confirmed. As part of its

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Similarly the personnel employed in technical collection programs (other than close support) aimed at the acquisition of emissions (other

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than those involved in communications intelligence) are trained, provided and receive their technical guidance from DDS&T. It is essential that the technical guidance and indoctrination of these individuals should continue to come from the appropriate element of S&T, and that the personnel involved in these operations should be rotated in and out of offices of S&T which provide the environment necessary to maintain their competence and motivation.

It is also essential to recognize the paramount authority and responsibility of the DDP for all activity conducted overseas which includes the prerogative of consolidating all operational activity under the cognizance and command of the station chief responsible for the area.

Control and management of the Agency's activities should be accomplished as far as possible through the allocation of primary responsibility for particular functions in one or another of the basic directorates of the Agency and, as indicated earlier in this report, through adequate indoctrination of supervisory personnel to ensure discipline, cooperative attitudes and a thorough understanding of the respective missions of the constituent elements of the Agency. Insofar as possible, the establishment of a superstructure or managerial layer above the deputy directorate level should be avoided. In the specific case of SIGINT activity, which affects many echelons of many components under all directorates of the Agency, some staff support and advice to the DCI, above the directorate level, is necessary. At present this function is performed by a very senior and highly qualified officer who has been designated as the "SIGINT Officer," who is also responsible for certain assistance to the DCI in his community capacity. During the tenure of this officer, no change in arrangements for the oversight of SIGINT activity is necessary.

A requirement for a staff, under a senior staff officer, responsible for SIGINT as a function in CIA will continue to exist. To an increasing extent, however, problems involving the conduct of the Agency's SIGINT activities will require the DCI's attention in the context of community problems and can best be resolved with help from advisors to the DCI primarily concerned with his community (as distinguished from his Agency) responsibilities.

These problems will turn on the guidance appropriate for particular SIGINT activities; on the priority to be accorded SIGINT as opposed to other collection activity; on the legitimacy of the need for clandestine

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technical collection programs in CIA in the light of the requirements of the Government as a whole for SIGINT, and the potentialities of NSA and the military services for satisfying these requirements, and generally on an evaluation of the product of SIGINT activity in terms of the political and financial costs of acquiring and the risk of informational loss inherent in foregoing the product. Solution of these problems will involve dealings on a community wide basis with NSA, various elements of the Pentagon and the State Department. Thus the SIGINT Officer's responsibilities will tend to assume a community coloration which will overshadow his concern with matters which are exclusively the parochial concern of CIA. The line authority of the Directorates, with the over-all assistance of such components as PPB and the Office of Security, should be applied to cover most internal Agency problems and situations.

For these reasons the SIGINT Officer and his staff should be located on the DCI's community staff (NIPE). From this position the SIGINT Officer can, in addition to his strictly community activities, function as the senior staff officer in CIA on the SIGINT activities of the Agency. Such an arrangement is justified by the extremely close inter-relationship existing as between Agency and community SIGINT responsibilities. This suggests the necessity for one, single, over-all focal point of staff responsibility for SIGINT matters, both community and internal to the Agency. The alternative of two staff officers, one for Agency and another for community matters, seems cumbersome, duplicative and generally undesirable.

The information handling and related problem of computerized and automatic data handling support involves standardization of equipment and requires centralized management and guidance. Here again, with the adjustment recommended in the next chapter of this report, the necessary initiatives and controls in this area can be asserted through the line of command and the existing staff structure (including specifically PPB), with some additional support to the Director from his community staff. The information handling procedures and facilities of the Agency play such an essential role in the DCI's coordinating and production responsibilities that their effectiveness can not be judged in isolation from the impact which they necessarily have on the rest of the community. The progress of the Agency towards the establishment of a modern system, capable of exploiting the most advanced techniques for information handling, will continue to be a matter of concern to the Director's community staff. This staff can provide assurance that the Agency programs

are proceeding in such a way as to promote progress in the community as a whole or identify obstacles or problems, the resolution of which would serve to facilitate such progress.

One final comment about the Director's personal staff may be appropriate regarding the office of the Executive Director-Comptroller. This office combines the planning and program review functions which were formerly established by Mr. McCone in the Comptroller's office, and which are essential and are very effectively performed. The role of the Executive Director is otherwise not all that clearly defined but is obviously very useful in a number of capacities, some of them representational. There appears so far to have been no particular disposition on the part of any DCI, since the establishment of the Executive Director's office, to attempt a formal delegation to it of managerial authority over the Agency's affairs. There is much to be said for an informal and flexible adjustment of responsibilities, on a somewhat ad hoc basis, particularly in the representational field, as between the Director, Deputy Director and Executive Director. It is possible, however, that additional specific responsibilities could be assigned to the Executive Director. For example, a case can be made, as recommended in Part IV.C., for having the Director of Training report to the Executive Director instead of to the DDS. The case would be particularly strong if the DDS acquires the additional burdens contemplated in the recommendation to transfer the Office of Computer Services from DDS&T to him.

Some mention should be made of proposals to separate the DCI from the Agency and establish him as an over-all coordinator in the Executive Offices of the President where, it is sometimes alleged, he could discharge his responsibilities as a coordinator more effectively. Any such move would create substantial legal problems in view of the provision of the National Security Act which expressly establishes the DCI as the head of CIA. Moreover, as a practical matter, the whole complex machinery which has been painfully built up around the person of the DCI and which involves the Agency as a central mechanism for the evaluation and dissemination of national intelligence would have to be very substantially dismembered and refashioned in the event of such a move. Also, as a minimum, in order to function efficiently as a coordinator, the DCI would require a staff which is roughly equivalent in size to the present DDI plus the Board of National Estimates, with appropriate communications, administrative and computerized data handling support. Obviously a staff of this size is too large to accommodate in the Executive Offices. Without such a staff, it would be impossible for the individual

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who has been designated as the principal intelligence officer of the Government to assess the significance of substantive intelligence or develop anything like an informed opinion about the emphasis appropriate for particular intelligence programs or activities.

A related question is the location of the Clandestine Services of CIA. Here the immediate question is where else to put them. It is unlikely that they could function effectively under the immediate control of the State Department and it is doubtful whether the public interest would be served by putting them under the Defense Department. In either event neither department is likely to tolerate the establishment of an espionage or covert action service in the other. CIA, on the other hand, is appropriately staffed and otherwise possesses the facilities and competence necessary to continue these operational functions under policy controls which have been developed over a long period of time at the highest levels of Government and which are thoroughly understood. No conceivable benefit could be derived by the transfer of this function.

A further subsidiary question is the argument often made to the effect that the covert action mission should be separated from the espionage and counterintelligence responsibilities of CIA and located in some other agency of the Government. The proposal to separate "operations" from "intelligence" is sometimes based on an erroneous impression of British practice in this respect. Actually British experience during the War, when operations and secret intelligence operations were in fact separated, proved in many respects calamitous and, if it is a precedent for anything, proves the necessity of keeping these two covert functions of Government as closely associated as possible. Covert action and clandestine collection operations are inextricably connected. They use the same agents, They need common support and communications mechanisms. They must be orchestrated to serve a coherent purpose by individuals who thoroughly understand the limitations as well as the potentialities of all clandestine connections serving the U. S. within a given geographic area. Allocation of covert action responsibility to some other agency of Government would inevitably involve considerable duplication of effort, including the establishment of new training, personnel recruiting and fiscal arrangements, facilities and procedures. Altogether, a decision to remove the covert action charter from the Clandestine Services would be extremely unwise.

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Part IV. The Central Intelligence Agency - proposals for organizational action.

A. Board of National Estimates.

The Board of National Estimates has emerged as institutionally essential to the production of coordinated National Intelligence Estimates. The intelligence community at large has developed confidence in the machinery and procedures which have evolved around the Board to sift and assess conflicting evidence and views which more often than not reflect intense departmental pressures, and in the capacity of the Board to arrive at objective conclusions and judgements. Given the importance of National Intelligence Estimates and the impact which they have on a broad range of national security policy issues, and especially on military force planning and the multibillion dollar military budgets, the importance of preserving the Board as an impartial tribunal for the adjudication of important intelligence issues can hardly be exaggerated.

The subject of estimates is included among the list of items which appear to deserve some organizational action because the importance of the estimating process would appear to justify consideration of even relatively minor proposals to strengthen the Board. Some discussion of the subject under the heading of "organizational action" is therefore included even though no very substantial or revolutionary changes are proposed.

Three aspects of the Board will be considered. One is its composition. A second is the question of the size and location of its staff. A third involves the problem of possible measures to improve the contribution made by intelligence estimates to the decision making process in the political field.

Composition.

There appears to be general agreement concerning the composition appropriate for the Board. It should remain relatively small and high level. Its membership should be limited to ten to twelve members, including the Chairman. Of these, some should be professional intelligence officers selected for their competence and maturity. Qualified officers from the Clandestine Services should continue to be included in this category. The Board should also continue to include individuals with experience in the military and foreign policy fields. The practice of including

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one or more distinguished retired Foreign Service Officers appears most desirable. Qualified representation with appropriate military experience is clearly essential. Conceivably, military or Foreign Service officers on active service might be considered for membership on the Board, although it is doubtful whether service on the Board is likely to be entirely compatible with the status and loyalties of a senior officer of one of the military services. Possibilities for introducing "outsiders" on a regular basis, primarily from the universities, should be given very serious consideration. Moreover, it appears to have been conceded for a long time that the Board membership should include a scientist. The practical problem has been to find one. This, however, should not prove impossible, and the availability of qualified candidates should be once again explored. Consideration should be given to the desirability of requiring that some at least of the positions on the Board be rotated fairly frequently in order to ensure the introduction of new views. Turnover in the Board's membership, however, should not be permitted to be so broad or so rapid as seriously to erode the continuity of experience which is one of the Board's important attributes.

Staff.

A more contentious issue is the question of what kind of a staff the Board requires to support its estimating responsibilities. Earlier surveys of the Agency (notably the Kirkpatrick, [redacted] report of April 1962) have recommended elimination of an independent ONE staff. On balance, however, experience appears to justify the Board's need for a staff of reasonable size to assist in the compilation of data and assembling of views and in the actual drafting of estimates.

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What is reasonable depends on a number of factors, some of them rather intangible. Perhaps the most important of these is the personal judgement of the Chairman of the Board who must have assurance, within reasonable limits, that the staff assistance immediately available to the Board is adequate. No claim has been made, nor would any be justified, for anything larger than the present ONE staff. A question exists as to whether it might not be somewhat smaller. Every effort should be made to reduce and hold it to the minimum size necessary to provide Board members with the assistance actually needed in the preparation and drafting of estimates.

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The staff should be small. It should also constitute an elite. Staff personnel should be selected on the basis of proved general and intellectual competence and drafting ability. Normally the source of candidates for staff positions will be other components of CIA and the Board's requirements for qualified staff personnel should continue to be given a very high priority. Efforts should be made to secure qualified personnel for service with the staff on tours of duty from State and Defense.

A question remains as to whether and to what degree staff personnel or staff sections of ONE should be experts or centers of expertise on geographical or functional subjects. Staff assistants to the Board, assigned to work on estimates, clearly require enough knowledge of the subject matter of the estimate to prepare the first drafts of estimates and have an informed and independent judgement concerning the validity of submissions and comments from other components of the Agency and community. This presupposes a very considerable degree of expert competence on the part of individual staff members. On the other hand, it is important if possible to prevent and at least to minimize unhealthy competitive attitudes between geographical or functional elements of ONE and comparable units of other components of CIA. To the extent that two or more such elements or units are concerned with identical areas or subjects, and come to be regarded as conflicting centers of analytical expertise, a certain amount of friction is probably inevitable. This, however, can be reduced to tolerable levels by holding the size of the ONE staff to the essential minimum; clarifying in certain areas the rather special and interagency roles and character of the national estimating staff and process; reaffirming the very high priority attached to this process and providing for the rotation of staff personnel to other elements of CIA with reasonable frequency. These and other measures should be adopted, emphasized or at least examined with a view to making sure that ONE staff elements do not become centers of needless bureaucratic conflict and antagonism.

Political estimates.

There appears to be general agreement that the present political estimates put out by the Board of National Estimates serve a useful purpose in that they establish common assumptions throughout the Government and therefore a common point of departure for discussion

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of policy matters. On the other hand, there is a general feeling that the estimating process could be made more responsive than it now is to the needs of policy makers for intelligence about specific situations and problems requiring decisions in particular geographic areas. The view has been expressed by at least one former senior official of the Government that the normal National Intelligence Estimate of political trends and developments in a specific geographic area is too general to help very much in the solution of specific policy problems. On the other hand, so the criticism goes, these estimates are too abbreviated and formalized to serve educational purposes by giving the policy maker a real feeling for the various currents, pressures and factors at work in the area of concern.

The intelligence input to decisions relating to political situations in most geographic areas is normally effective enough for practical purposes. Often it may be relatively invisible. The intelligence assumptions of a given regional bureau are apt to be influenced by the

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Services usually establish effective working relationships at the Assistant Secretary level through which intelligence judgements are fed into the State Department. These relationships are important and care should be taken to see that they are not disturbed. It would seem, however, that components of the intelligence community responsible for the formulation of coordinated, evaluated intelligence should play a more active role in the decisions of what are now called the IRGs than now appears to be generally the case.

No very definitive proposal as to how this should be accomplished can be made until more is known about the organization of the new administration. One possibility which should be explored, however, is the practicability of making individual Board members available, as needed, to work with and advise policy elements of the Government concerned with regional problems and decisions. One criticism of the Board's procedures is that they isolate Board members from the discussions and deliberations that go on at policy levels in the Government with the result that political estimates tend to be produced in somewhat of a political vacuum. It can at least be argued that Board members would benefit from closer association with the policy making process.

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Arrangements calculated to give greater flexibility to the Board's procedures and encourage more active participation by Board members in policy discussions involve some risk of compromising the Board's status as a detached tribunal. The statements which Board members might make were they called upon to participate in discussions of current problems would hardly constitute formally coordinated evaluations. Committing the Board to participation in anything like this sort of situation might tend further to confuse the respective roles of the Board on the one hand and the DDI on the other. These respective roles, however, are susceptible to practical delineation and some action designed to involve the Board and its members more actively in the policy making process as regards regional political problems should be considered.

As indicated above, any changes in the way estimates are submitted will have to be tailored to changes in the decision making machinery of the Government. Moreover, any gratuitous changes in the process or machinery for producing National Intelligence Estimates during the early stages of a new administration are likely to be disruptive and confusing. A thorough review of the procedures for preparing political estimates should be undertaken some time in the reasonably near future, however, and it is recommended that such a review be initiated some time in the summer or fall of this year.

B. Information handling and computer facilities in CIA.

Organizational changes to handle present and anticipated computer support requirements of the Agency should be made at this time. The Office of Computer Services (OCS), located within DDS&T, does not appear appropriately positioned to maintain cognizance over and furnish needed support to all of the Agency ADP activities or provide to top Agency management the backup it needs to control this very expensive and important function. Another factor to be considered is the increasing interdependence of the Office of Communications (OC) and OCS and the advisability of placing them under common management supervision within the DDS. This change is recommended with both components functioning under an Assistant DDS with a very small technically oriented management group. Other organizational solutions are possible

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but this arrangement appears the best. DDS&T would of course continue to work on the development and adaptation of new computer and information handling technology to meet Agency needs.

As a part of this OCS organizational change, the findings of the Communications Study Group relating to the dissemination and distribution of messages and documents should be considered. At present the Agency dissemination/distribution function is not consolidated, centrally controlled or automated. [REDACTED]

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logical focal point for the Agency dissemination/distribution function may be within the DDS, closely linked to and supported by the OC/OCS capability.

C. Training.

The training facilities and programs of the Agency have been effectively administered under the over-all jurisdiction of the Deputy Director for Support, and curricula have been developed which are admirably suited to the professional development of career officers.

The importance of training to the future development and indeed existence of the Agency can hardly be exaggerated and it is essential that the facilities and faculty available for training should be compatible with the high cultural and intellectual, as well as professional, standards which the Agency should seek to establish and maintain.

The Director of Training's authority and competence to provide opportunities for extracurricular study by employees of the Agency as well as to maintain the connections with universities and other academic centers necessary to permit the conduct of individual research and study projects by Agency personnel should be confirmed and emphasized.

With a view to underscoring the importance of the training mission and the intellectual stimulus which it ought to represent, relocation of the Director of Training immediately under the Executive

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Director-Comptroller is recommended. Such a change, while of no immediate practical significance in view of the enlightened and constructive attitude which has prevailed in the Directorate of Support towards its training responsibilities, might have some long term value in establishing the importance of the role of training as a service of common concern to the Agency as a whole.

D. Personnel.

How best to ensure recruitment of personnel of appropriate caliber and suitable competence and educational qualifications is and always will be the most important problem of any organization. The problem has been complicated recently by the so-called "alienation" of the universities, as well as by cutbacks and retrenchments in the scope of Government and Agency activities and programs at home and abroad. The career development program which has served efficiently to meet the Agency's needs over a considerable time has had to be rather substantially readjusted to meet the constraints as well as the requirements of the current situation. Obviously, recruiting will have to continue through imaginative and energetically conducted programs which are nevertheless very carefully tailored to the needs of individual components. The problem at the moment is under active review in the Agency. It is, however, of such importance as to warrant the establishment of a special task force to consider all aspects of the problem of attracting recruits of the highest quality and to develop clear-cut recommendations for the personal consideration of the DCI. Such a group might well consider the related questions of the rewards and incentives reasonably available which are best calculated not only to attract new recruits but also to retain those already on board. It would be desirable to consider the inclusion in such a group of some distinguished individual with experience in both Government and university life.

E. Distribution of information attributable to counter-intelligence activity.

Determining the dissemination appropriate for counterintelligence information presents difficulties. While not perhaps strictly an

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organizational problem, it is one which involves the interest of several components of the Agency and appears of sufficient importance to warrant some comment. The difficulty is created by the fact that distribution of information attributable to agent operations in the counterintelligence field has been strictly (and properly) limited because of the extreme sensitivity involving many or most of these operations. The fact that information derived from these operations may be considerably delayed in dissemination or, in many cases, not distributed at all, has created confusion and been the basis of considerable misunderstanding in the community. Certain categories of counterintelligence information (personalities, attitudes, informal comments by agent sources both in the Communist parties and in touch with orbit officers) are normally forwarded by the field, if at all, in operational dispatches from which pertinent items are only occasionally extracted for dissemination. A review should be initiated of the procedures for the establishment of requirements for information attributable to such operations and governing the dissemination of such information as may be obtained from them. Moreover, arrangements to ensure adequate participation in the exploitation of the potentialities of CI operations by highly qualified political analysts from appropriate elements of the DDI should be carefully examined with a view to ensuring such participation at the earliest practicable moment.

F. National Photographic Interpretation Center.

As indicated in an earlier section of this report, NPIC seems to be appropriately located in its present position under the DDI. It is possible, however, that future developments will require some change in its status in the Agency or conceivably its establishment as a quasi independent element in the community. No recommendation for change at this time is made and all present indications suggest that it would be most unwise to consider a transfer of this facility at any time from the immediate managerial and operational control of the DCI. Foreseeable pressures to expand the workload of NPIC, however, may result in the need for drastic changes in its composition and functions as a service of common concern to the intelligence establishment as a whole. For example, the possible impact of an arms control agreement and the attendant requirements for coverage to assure compliance with the terms

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of any such agreement could have revolutionary implications as regards the need for photographic interpretation capabilities. Another development which could result in a substantial expansion of requirements for photographic interpretation would be the emergence of a quick readout system whether or not involving very high resolution photography. Either or both of these developments could not only generate a need for an administrative restructuring of photographic support arrangements but also necessitate a rather drastic re-examination of the existing procedures for the establishment of requirements for photographic coverage and stimulate additional concern for research and development in new techniques and equipment calculated to simplify the problems of mass photographic interpretation. A study of this situation has already been initiated in the Agency. This study should be pushed to completion as a preliminary to formal examination of the problem on a community-wide basis.

G. Research.

There is a general impression that research facilities and programs of CIA are inadequate, but how much and exactly what to do to remedy this situation is not clear.

Criticisms are that research is diffused, lacks central control and is overly short term in orientation. Lack of a solid research base, particularly in areas of the political and social sciences, has allegedly resulted in superficial judgements in certain areas and also a certain lack of sensitivity to trends and developments of "cosmic" significance such as the longer term but inevitable impact of the population explosion, poverty, atmospheric contamination, the technological gap, etc., etc.

The Special Research Staff of the DDI has up to now concentrated mainly on what is essentially historical research on the causes and evolutions of broad political and philosophical trends in Soviet and Chinese affairs. In the main, the studies that have been produced have tended to be long, detailed, thorough in using all sources, scholarly in a diffident way and quite unique. At no other place in the Government or in the academic world have all the sources at all classifications been worked over together to glean the most that is knowable about important developments in the closed Communist societies. The very completeness

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of these works, however, has tended to limit their readership to fellow analysts in the intelligence community, and the problem has been to secure a hearing for their findings by those who can make practical use of them.

Future plans for the staff appear to call for papers which deal with trends and forces with current and future implications and with other areas as well as the Communist world, which will be shorter and will have summaries for busy readers. They will attempt to take into account the needs of operational units, such as the area divisions of DDP, as well as those of the analytical community. In support of this new direction, plans are being made for rotating DDP personnel into this research effort, for using DDP stations abroad as bases for field study, and for DDP participation in drawing up terms of reference. In a test of this orientation, the African Division of DDP proposed a list of 27 topics on which research in depth would be helpful to it. The staff also expects to continue and increase its support of the Board of National Estimates. It would therefore appear that the Special Research Staff will be increasingly responsive to the needs of the DDP and should also constitute a research facility of considerable usefulness to the Board of National Estimates.

Research in support of operations has traditionally been conducted for the DDP by various parts of DDI and DDS&T, especially the geographic and environmental studies of the Office of Basic and Geographic Intelligence (OBGI) and the personality studies of Biographic Register. In addition, various chapters of the NIS series are useful to DDP. In the main, research for operations as conducted outside DDP tends to be in response to ad hoc requests, is usually fairly current and specific in content and exploits some unique resource or expertise available within the DDI or DDS&T.

Research for operations is also carried on within DDP on a continuing and generally current project basis by case officers and project officers themselves or by specialized groups, such as [redacted] FE Division or the research elements in the CA, FI and CI Staffs. [redacted]

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Agency or the community and does the work itself only if no one else is available.

Research in support of production is integral to individual production efforts of such offices as Office of Scientific Intelligence (OSI), Office of Economic Research (OER) and Office of Strategic Research (OSR). There is some reason to believe that pressures for current responses and short-term or narrow-range analyses has made it increasingly difficult to extract analysts from the production cycle and let them work in depth on some aspect of their speciality. This apparent lack of flexibility is alleged to have operated against the accumulation of a broad research base and exploration into fields which may be needed to deal with problems in the future. It is charged by some that our present concentration on current problems and production is eating up the research base developed over the past decade or so without replacing it or restructuring it for future needs. It is also charged that analysts are not made sufficiently available for study in depth of new or better analytic techniques, of new uses for new collection yields or for existing but only superficially exploited information bases.

Research in the economic, scientific and technological areas appears to be generally adequate for current needs, if not for future requirements, given the resources available. More can perhaps be done in depth and breadth, but for most purposes these areas are being covered as part of the work of the Agency and of DIA. The behavioral areas may well need greater attention. State, which once had responsibility in this field, has reduced its commitments; a certain amount is done in connection with NIS production but mostly on the descriptive, expository level with what appears to some as inadequate attention to analysis in depth; work done in the academic world on the whole is not directly applicable to intelligence uses and the pressures on OCI for current publication are not generally compatible with very much in depth research. As more and more countries and peoples become targets for analysis and operations, lack of adequate effort in this field can have serious effects on applicable intelligence appreciations.

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Whether or not what appear to be deficiencies in research in the Agency can and should be cured by the allocation of additional "in house" resources, by greater centralization of control over existing facilities or by an expansion of arrangements for external research, or a combination of all three, is not all that clear. A thorough review of the problem by a competent study group is recommended.

Part V. The intelligence community - its present organization.

The intelligence community includes the Central Intelligence Agency, the intelligence components of the Department of State, Defense (Defense Intelligence Agency), Army, Navy and Air Force, the National Security Agency, the Federal Bureau of Investigation and the Atomic Energy Commission. To maintain the relationship necessary for a fully coordinated intelligence community and to provide for an effective integration of and guidance to the national intelligence effort, the United States Intelligence Board (USIB) was established by NSC directive. The Director of Central Intelligence serves as Chairman with membership as noted above except that the intelligence chiefs of the military departments attend USIB meetings as observers.

USIB advises and assists the DCI in the discharge of his statutory responsibilities for producing national intelligence and in carrying out applicable directives for coordinating intelligence activities. On the substantive side it serves as the final coordinating authority for the production of National Intelligence Estimates and for the weekly Watch Report on strategic early warning. In providing guidance USIB is concerned with the formulation of intelligence policies and with the establishment of intelligence objectives, requirements and priorities. Decisions and recommendations of the USIB are transmitted as appropriate by the DCI to the departments and agencies concerned or, when higher approval is required, to the President or the NSC. Basic recommendations on the national intelligence effort as a whole, when approved, are generally issued as National Security Council Intelligence Directives. Appeals to the NSC from rulings by the DCI on matters coming before USIB are permitted. An appeal by any individual or agency under the jurisdiction of the Secretary of Defense can only be made, however, with his personal approval.

Actions by the USIB are divided about equally between those taken in regular weekly meetings and those which can be accomplished by circulation of memoranda for written or telephonic concurrence. The

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Board's activities are also about equally divided between consideration of substantive national intelligence and of guidance to the intelligence community.

Much of the Board's work is carried out with the assistance of or through a number of committees which have been established to maintain cognizance of the major sectors of the Board's responsibilities. The Board of National Estimates in coordination with representatives of the USIB principals submits drafts of National Intelligence Estimates for USIB concurrence and DCI approval. The most important committees in the field of collection and related processing are the SIGINT Committee dealing with COMINT and ELINT matters, the Committee on Imagery Requirements and Exploitation (COMIREX) dealing with overhead photography, and the Critical Collection Problems Committee (CCPC) dealing with major problems and usually involving the application of all available systems to coverage in a particular area.

Several committees are production oriented and serve as vehicles for coordinating submissions to National Intelligence Estimates and requirements for collection guidance. These include the Economic Intelligence Committee (EIC), the Scientific Intelligence Committee (SIC), the Guided Missile and Astronautics Intelligence Committee (GMAIC), the Joint Atomic Energy Intelligence Committee (JAEIC) and the National Intelligence Survey Committee (NIS). Major functional problems such as intelligence information handling and security standards and practices are dealt with in specially designated committees. Finally, the Watch Committee reviews strategic warning intelligence indicative of a military threat involving the security of the United States and reports to USIB weekly, or more often as the situation may dictate.

Intelligence resources.

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[Redacted] While the USIB mechanism noted above sets intelligence requirements for the guidance of the national effort, intelligence resources are actually managed through four principal programs:

Consolidated Cryptologic Program (CCP).

The bulk of the communications intelligence (COMINT) and electronics intelligence (ELINT) activities of the U. S. Government are

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centrally directed and managed under the CCP. [REDACTED]

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25X1A [REDACTED] NSCID 6 designates the Secretary of Defense as executive agent of the Government in the conduct of COMINT and ELINT activities and the National Security Agency has been charged as the operative arm of the Secretary of Defense in this area. The Director, NSA is supervised by the Director, Defense Research and Engineering on behalf of the Secretary of Defense. Intelligence based on NSA information is produced by CIA, DIA, State and the military services. NSA is also responsible for the development of U. S. cryptographic systems and communications security policy and procedures for the Department of Defense.

National Reconnaissance Program (NRP).

The National Reconnaissance Program encompasses all projects for the collection of intelligence and of mapping and geodetic information obtained through overflights of denied areas by both aircraft and satellite vehicles. It is managed by the National Reconnaissance Office (NRO) which is a separate agency of the Department of Defense.

The Director, NRO is simultaneously the Assistant Secretary of the Air Force for R&D. [REDACTED]

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25X1A [REDACTED] An NRP Executive Committee consisting of the Deputy Secretary of Defense, the DCI and the Special Assistant to the President for Science and Technology provides policy guidance for the NRP and recommends to the Secretary of Defense an appropriate level of effort for the NRP, including a consolidated budget.

The NRP is responsive directly and solely to intelligence collection requirements and priorities established by USIB. Specific projects are carried out by line elements of the Department of Defense, primarily the Air Force, and by CIA. Intelligence from this source is extremely important in the production of national intelligence, particularly in assessing the strategic threat to the U. S.

Consolidated Intelligence Program (CIP).

The Consolidated Intelligence Program consists of the various programs and activities of DIA and of the military services which involve collection and production of information and intelligence of primary interest to military planning, operations and readiness but which also make

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major contributions to national intelligence. [redacted]

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[redacted] Some of the larger programs in the CIP are mapping and charting, peripheral reconnaissance (as distinct from overhead reconnaissance which is conducted under the NRP), the Defense Attache System and the Atomic Energy Detection System [redacted]

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[redacted] The CIP is the direct responsibility of the Director, DIA who reports to the Secretary of Defense through the Joint Chiefs of Staff.

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Central Intelligence Agency Program (CIAP).

The CIA Program comprises the various activities of CIA conducted under the line authority of the DCI. [redacted]

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[redacted] CIA collects and produces information and intelligence of primary interest in the development of policy, planning and day-to-day operations at the top level of Government (including the Department of Defense). It also has the exclusive responsibility for the conduct of covert operations abroad. Details of CIA activities are set forth in the chapter on CIA organization.

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Each of these major programs is reviewed for the DCI by the Deputy to the DCI for National Intelligence Programs Evaluation (NIPE). In addition there has recently been established a National Intelligence Resources Board (NIRB) which is responsible for advising the DCI on the need for particular resources, facilities or activities to fulfill the objectives and priorities established by USIB.

Part VI. Organization of the community - general observations.

The organization of the intelligence community and its relationship to the DCI's coordinating responsibility can logically be considered under three headings:

A. The problem of coordinating the production and dissemination of substantive intelligence;

B. The machinery for the allocation of jurisdictional responsibility amongst the components of the community; and

C. Provision of effective guidance and coordination for the allocation and utilization of resources in the community.

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A. Production and dissemination of substantive intelligence.

The fundamental objective here is to make sure that policy makers have:

1. Immediate knowledge of events as they occur with the best possible appreciation of the validity of the source of informational coverage and as much evaluation of the significance of the event as can be afforded on relatively short notice; and

2. Thoroughly evaluated estimates of situations, developments or trends of serious concern to policy makers which reflect views of all components of the intelligence community concerned. Subjects appropriate for such estimates are; for example, the military capabilities and probable objectives of Soviet Russia; the probability of a recurrence of hostilities in the Middle East; or the chances for an insurrection in some important country or region of Latin America.

The task of providing appropriate echelons of Government with coverage of current events is primarily the responsibility of the Office of Current Intelligence in CIA which has an efficient mechanism for ensuring that, time permitting, the daily and other periodic reporting on individual items has the approval or dissents of other interested components of the intelligence community. Where time does not permit coordination, the published report will so indicate. The presence of CIA analysts in the Situation Room in the White House and the organization of Operations Centers in CIA and in State and Defense, plus the evolution of almost instantaneous transmission facilities (including LDX) between these centers, assures the means for very rapid exchange of information and views.

Obviously the form most appropriate for the dissemination of current intelligence depends on the desires and organizational arrangements of the consumers, particularly the White House. Considerable thought has been given to ways of modernizing and improving facilities and techniques for the immediate dissemination of current intelligence. Any specific changes in existing procedures, however, will have to await decisions in the new administration concerning the organization of the White House staff; the role of the Situation Room, etc.

Further thought should be given to the problem of the proliferation of publications originating with individual components of the intelligence



community and disseminated throughout the Government. It would seem desirable to limit to a minimum the number of bulletins and periodicals produced as departmental intelligence by components of the intelligence community which are given regular dissemination outside of the community. Distribution, for example, of the SIGINT Summary put out by NSA and the daily Intelligence Summary put out by DIA should be confined to the Defense Department and to the intelligence components of USIB agencies.

In the meantime, as a preliminary step in an effort to get hold of this problem, the Information Handling Committee staff has had under development an Item Register which will maintain on magnetic tape a list of titles and descriptions of intelligence publications. Some 1400 series titles have been listed to date out of a suspected 7000. Individual agency managers will be able to query this listing as a first step toward reduction of duplicate and little-used reports. An in depth survey by USIB of this field appears indicated.

The subject of formal intelligence estimates has been discussed in the section of this report relating to the Board of National Estimates in CIA.

Here it is worth stressing the importance of ensuring that all agencies (State, DIA and the military services) which participate in the estimating process are represented by individuals of the highest calibre and qualifications. It is equally important that these representatives should have direct access to the head of the agency they represent and be in a position to speak authoritatively as well as competently for their agencies during the course of discussion of a given estimate. In the past considerable delay and confusion in the presentation of estimates to the USIB has resulted from uncertainties concerning the ultimate or real position, and the basis for the ultimate or real position, of participating agencies (including, on occasion, that of the Director of Central Intelligence).

There remains a slightly gray area involving preparation and dissemination of studies on very widely assorted subjects ranging from studies of the Soviet submarine force to examinations of trends and developments in geographic areas of immediate political interest.

In the early stages of the development of the intelligence community, it was probably intended that the agency having primary responsibility for a given subject should have a more or less exclusive franchise for the analysis and production of studies on the subject for which they had

been given primary responsibility. For example, the Department of State was given primary responsibility for the production of political and sociological intelligence on all countries, and the Department of Defense was to produce military intelligence. Pursuant to this arrangement, departmental intelligence services, such as INR in the State Department, produce studies within their areas of responsibility which are supplied to senior officials in the Department of State and also given dissemination within the community at large. Over the past few years, CIA has substantially expanded its competence to produce studies on a number of topics which are the primary responsibility of other agencies. The right of the Agency to do this is very clearly established by the provisions of the appropriate NSCID. Furthermore, although these studies are not subjected to formal coordination, they do reflect the very close working relationships which exists between analysts interested in given areas or subjects in CIA and in the Departments of State and Defense. Obviously this practice, if uncontrolled, could lead to serious friction and confusion. So far, however, there has been no evidence of serious concern on the part of any of the agencies affected by these studies and the USIB machinery is fully adequate to provide for policing these arrangements and to permit the registration of complaints by components who feel that they have been adversely affected.

Generally speaking, procedures for ensuring the coordination of the production and dissemination of finished intelligence are working well.

B. The machinery for the allocation of responsibility amongst the components of the community.

A second major problem in the coordination of the intelligence effort as a whole involves the adequacy of procedures for the allocation of basic jurisdictional responsibilities for the purpose of determining who in the community is supposed to do what.

Jurisdictional allocations are made by directives emanating from the National Security Council which, in the past, have established the authority of the Director of Central Intelligence and USIB; allocated collection and production responsibilities and established the basis for the conduct of certain services of common concern such as [redacted] program and the National Photographic Interpretation Center. Implementing directives are issued by the Director of Central Intelligence to clarify or particularize the provisions of National Security Directives

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and make detailed provision for the operational, substantive or administrative responsibilities of individual components in a particular field.

One of the basic directives of the National Security Council governs the conduct of U. S. espionage and counterintelligence activities abroad. This directive authorizes the establishment of machinery for the coordination of these operations under the authority of the DCI and his representatives abroad. A clandestine collection effort to support the requirements of American military commands abroad has long been recognized as desirable. Espionage operations run for this purpose are the ultimate responsibility of the Director, DIA with whom the appropriate elements of CIA ultimately deal on matters involving the coordination of military espionage. These operations were, for the most part however, actually controlled by the individual military commands overseas and designed to support the immediate requirements and interests of individual commands.

More recently, the Defense Department has embarked on a national espionage program which involves the conduct of operations on a worldwide scale under centralized direction in the U. S. for so-called national objectives. The emergence of a very strong U. S. military espionage effort, comparable to that conducted by the Soviet GRU, could be a complicating factor and have an adverse effect on relations in the intelligence community. So far the development of this national military capability has been proceeding with the full knowledge and acquiescence of the DCI, nor is any effort to curtail or limit the expansion of this effort thought necessary or desirable.

On the other hand, the emergence of a strong military espionage function re-enforces the need for adequate control and coordination of all clandestine collection activities under central authority. As recommended in the succeeding section of this report, steps should be taken to strengthen and expand existing facilities and procedures for the coordination of this type of action.

C. Resources management.

The DCI's chief responsibility in the field of resources management is to ensure that the resources developed and used in the over-all American intelligence effort produce information which is as responsive as possible to the real needs of policy makers. The initial question is to

determine what these needs actually are. Assuming that it is not too difficult to establish what we want to know in general about the capabilities and intentions of other countries, the problem is nevertheless complicated by the tangential nature of most of the data on which intelligence analysts must rely for the answers to their specific questions. It is very



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The essential question, therefore, is how much is enough, and how we can refine and target the intelligence effort in a manner to ensure maximum focus on the essential intelligence problems.

This objective of refining the priorities and objectives of the intelligence effort as a whole has been achieved to some degree through the USIB statements of Priority National Intelligence Objectives (PNIOs). These, however, are very broadly stated in terms of very general problems and are not very helpful as guides to the targeting of complex collection programs. There is general agreement that the facilities available to the DCI and the community for planning the intelligence effort and establishing priorities and objectives should be improved. Measures to strengthen the DCI's staff for this purpose are discussed in the next section of this report.

The actual managerial structures which have evolved to review and control the four national intelligence programs have improved immeasurably over the past six years. The principal deficiency in the present arrangements is that no mechanism exists for examining the totality of the three large programs (the CCP, the CIP and the NRP) aggregating approximately  which are the managerial responsibility of the Secretary

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of Defense. Proposals designed to permit a consolidated review of intelligence programs are contained in the next section of this report.

There are reasons for continuing to regard these three major Defense Department programs as discrete entities. Due to their size and complexity, each of them individually presents a formidable review problem. Tradition and logic both support the need for independent review of SIGINT as an activity of Government (CCP); of overhead reconnaissance of denied areas (NRP), and of the conventional military activities conducted under the over-all direction of DIA for essentially national purposes (CIP). Some readjustments of the items and elements included in particular programs might profitably be made. All ELINT, for example, might be reviewed in one program whereas now there is some concern for ELINT in all three (and in the CIA program as well). [REDACTED]

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[REDACTED] Certain activities such as mapping and charting might very well be excluded from the CIP on the grounds that they do not constitute national intelligence. The reasons for excluding certain other activities from any of these programs [REDACTED] [REDACTED] or a particular percentage of the SR 71 project, for instance) are not all that clear.

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In any consideration of the composition appropriate for individual programs, their individual relationship to USIB committees should be kept in mind. The SIGINT Committee of USIB, for example, has a direct responsibility for determining the need of the community for SIGINT. It is important therefore that the costs, as well as the resources and potentialities, of the SIGINT activities of the Government should be displayed in such a way as to make it possible for the USIB to develop informed guidance concerning the level of coverage desired in particular areas. The JAEIC establishes the requirements for the activities of the Air Force [REDACTED] which should also continue to be presented as a discrete element whether or not it continues to appear in the CIP.

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Finally, it is thought that some readjustment is possible in the funding and administration of facilities and resources used by the military services for essentially tactical purposes. A specific proposal in this area is contained in the next section of this report.

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The type and depth of individual reviews may also require readjustment. There is a question, for example, concerning the extent to which a so-called zero base review is desirable, and so-called problem or issue oriented review procedures should be emphasized where practical. Moreover, no review procedures are likely to be effective which do not provide adequate time for study of individual problems by participants in the review. Representatives of the DCI have been receiving proposed agendas and program issues for discussion in the Executive Committee of the NRO less than 48 hours before the time scheduled for the meeting. The time allowed for discussion in individual items, some of them extremely complicated, arising during the review of the CCP has been limited to a few minutes. Correction of these deficiencies is essentially an administrative matter within the competence of the Secretary of Defense.

In exercising his prerogatives in this connection, however, the Secretary of Defense should be mindful of the interests and responsibilities of the DCI to ensure effective guidance and coordination of the intelligence effort as a whole. In the past, directives have been issued from the Office of the Deputy Secretary of Defense providing for the allocation of Defense Department intelligence resources, initiating program and manpower reviews and authorizing the establishment of projects with no opportunity afforded the DCI or his representatives to examine or assess the substantive impact which changes in the allocation or level of resources are calculated to have. One of the primary responsibilities of a Special Assistant to the Deputy Secretary of Defense on Intelligence Resource Matters, if appointed as recommended in the next section of this report, would be to keep the DCI informed of all developments and proposed administrative action involving national intelligence resources.

Two important steps have already been taken which will substantially improve the coordination and help to rationalize the management of intelligence activity in the Defense Department. One of these is a consolidated presentation of all intelligence resources in categories designed to show the totality of the intelligence effort allocated against geographic areas (China, the Middle East, etc.) and functional categories (Soviet strategic or ground forces, Chinese missile activity, etc.). This is the so-called Target Oriented Display (TOD) of intelligence resources.

A second important development in the resource field has been the recent establishment of the National Intelligence Resources Board. The purpose of this Board is to establish the basis for an independent judgement by the DCI concerning the need for individual activities, programs or

resources. The NIRB was not designed to play a part in the routine review of programs. It was created to establish authoritative advice to the DCI about the need for particular resources or activities in the light of such factors as cost, alternative methods of acquiring comparable information and the degree to which information from a given activity is required to prevent a significant gap in our essential coverage. In this connection the Board is authorized to draw on any or all components of the community in order to establish the value of information attributable to a particular activity balanced against the cost of that activity; as well as to assess the risk to the national security of any decision to curtail or eliminate intelligence coverage attributable to an existing project.

Part VII. The intelligence community - proposals for organizational action.

A. Improvement of Defense Department organization for management of intelligence resources.

As indicated above, arrangements for supervision and approval of the three major Defense Department programs (NRP; CCP; CIP) individually have improved very substantially. Some questions exist as to what activities to include or exclude in individual programs. A later recommendation of this report is concerned with the desirability of efforts to identify and segregate, for programming purposes, those facilities which serve essentially tactical purposes.

By far the most perplexing problem, so far unsolved, is how to establish some sort of satisfactory procedure for centralized review and supervision of the totality of Defense Department intelligence activity with a view to ensuring that all three major programs are properly and efficiently interrelated. At the moment the channels for control of all three programs are entirely different. The Director, DIA, who is responsible for the CIP, reports both to the Deputy Secretary of Defense and the Joint Chiefs of Staff, in effect to the former through the latter. The Director, NRO reports directly to the Deputy Secretary. The Director, NSA reports through the DDR&E.

The principal common ingredient in the review of these three programs is the influence of the DCI who is represented in the review of all three programs and who, usually with the help of USIB committees, defines needs and requirements for the informational product of these programs. The recently established NIRB will substantially strengthen

the effectiveness and authority of the DCI's voice in connection with individual program or project decisions. A better mechanism, however, for centralized managerial control of Defense Department programs is badly needed.

Because of the sensitivity and importance of intelligence programs it is generally conceded that they must remain the personal responsibility of the Deputy Secretary of Defense. What is lacking is a competent and responsible staff, headed by a senior and qualified individual, to advise the Deputy Secretary and to act as a point of contact for senior officials of the Defense Department and the Government, particularly the senior representatives of the DCI, on matters concerning the utilization or development of resources for intelligence purposes.

Alternative suggestions for consolidating authority over Defense Department intelligence activity have been made in the past. One idea is to establish DIA as the Defense Department's agency for this purpose. This has generally been discarded partly because of the ambiguities inherent in the Director, DIA's dual allegiance to the Secretary and the Joint Chiefs of Staff.

Another solution proposed has been the creation of a full scale Assistant Secretary for Intelligence. This measure, however, carries the risk that such an office would inevitably develop into a center for authoritative judgements on substantive intelligence matters in competition (and potentially opposition) to those of DIA.

To a certain degree opposition to both proposals has been based on a reluctance to encourage anything approximating a full delegation of authority for intelligence matters by the Deputy Secretary. On the other hand, experience has fully confirmed the manifest absurdity of an arrangement under which the Deputy Secretary attempts to discharge all his responsibilities in this field personally and without competent assistance. Moreover, it would be equally undesirable to make intelligence staff support to the Deputy Secretary a part time responsibility for an established Assistant Secretary.

The practical answer to an organizational dilemma lies in the establishment of an Assistant to the Deputy Secretary with a small staff to advise on matters relating to the allocation, utilization and development of resources. A senior official of proved competence with substantial



experience in intelligence should be appointed to this position and should be authorized to deal on a staff basis with all officials of the Defense Department responsible for intelligence resource matters and with authorized representatives of the DCI.

As a corollary, the line of command over all program directors should be tidied up. The Director, NRO should be relieved of his responsibilities as Assistant Secretary of the Air Force for R&D and permitted to concentrate full time on the complex, expensive and important problems of national reconnaissance. The Director, NSA should no longer report to the Deputy Secretary through DDR&E. The facilities of the latter, however, should be appropriately utilized in connection with the staff review of all R&D activity and project proposals throughout the intelligence community.

B. The DCI community staff.

It was an early conclusion of this report that no substantial change is necessary in the staff arrangement through which the DCI exercises control over CIA. The DCI's community staff (NIPE), on the other hand, should be somewhat expanded and its mission clarified and confirmed. The basic purpose of this staff is to support the DCI's responsibility for management, coordination and guidance of community resources and activities. For this purpose the staff should have the authority necessary to deal with components of CIA which can contribute to a full understanding of the need for particular resources and also with the chairmen of USIB committees with resource responsibilities, as well as other components of the community. It should support the NIRB and continue to develop and be responsible for custody of the TOD. It should continue to represent the DCI in the review of Defense Department programs. The staff also should be specifically charged with improving the over-all focus of intelligence activities; refining the priority objectives and emphasis appropriate for the Government's over-all intelligence effort and for long range planning. It should continue to have a competence for systems and operations analysis and also perform such liaison functions as appear appropriate, including maintenance of relationships with the President's Foreign Intelligence Advisory Board (PFIAB).

Specifically the staff should:

1. Have the authority to task that portion of the DDI Information Requirements Staff concerned with the evaluation of the product of intelligence operations.
2. Ultimately assume the community responsibilities of the present SIGINT Officer and also the responsibility to support

the DCI in his community capacity as a member of the NRO Executive Committee (as distinguished from his responsibility for CIA reconnaissance activities).

3. Maintain facilities and personnel necessary to:

- (a) Provide staff support to the NIRB;
- (b) Conduct systems analysis and evaluation functions;
- (c) Continue custody, development and improvement of the Target Oriented Display (TOD) of intelligence resources; and
- (d) Oversee information data handling activity which has an impact on the DCI community responsibilities.

4. Include the chairmen of the following USIB committees:

- (a) The Critical Collection Problems Committee (CCPC);
- (b) The Technical Surveillance Countermeasures Committee (TSCC);
- (c) The Information Handling Committee (IHC); and
- (d) Ultimately the SIGINT Committee and the Committee on Imagery Requirements and Exploitation (COMIREX).

5. Include one or more area coordinators concerned with examining programs and activities on an area wide basis and recommending specific improvements in individual programs designed to strengthen intelligence coverage of important targets. The area coordinators would undertake long term planning in their particular areas.

C. Enforcement of intelligence guidance.

Some difficulty exists in implementing decisions of the DCI and USIB guidance generally. It is obviously important that procedures should exist to ensure that action follows a decision to expand, curtail or eliminate intelligence coverage or activity. Appointment of a Special Assistant to the Deputy Secretary of Defense, recommended above, will provide the point of

contact necessary to synchronize the authority of the Secretary of Defense and the DCI for this purpose. Some mechanism or procedure, to be established jointly by the proposed Special Assistant and representatives of the DCI, for follow-up inspection and review to ensure compliance with decisions affecting resources will be needed. Better arrangements are also needed for centralized review and approval, including DCI coordination, of ad hoc proposals for individual program changes which are submitted from time to time throughout the program year.

D. Tactical versus national intelligence resources.

There is reason for concern about what appears to be a growing practice by the services of appropriating intelligence resources programmed and budgeted for in one or another of the major intelligence resource programs and using them for direct tactical support or for other purposes of benefit to only one service or a specified command. On the one hand, there is obviously a legitimate need on the part of military commands for adequate intelligence facilities immediately responsive to these tactical requirements. On the other hand, the DCI and intelligence agencies are in danger of losing control of resources for which they are supposed to budget and for the utilization and coordination of which they are responsible.

The situation is confused by the difficulty of drawing a valid and constant distinction between national intelligence resources and tactical support resources. The same equipment, vehicles, and men can and do serve both ends simultaneously or alternately in a large number of cases, and tactical success is always of national importance. By changes in criteria and definitions, by "temporary" orders or "concept papers," or by progressive extensions of requirements for tactical support, resources which were formerly considered national or strategic in character and usefulness are shifted out of national intelligence programs or out of the control of intelligence organizations and allocated to military control at various echelons. Moreover, other resources needed to support the transferred resources are often drawn along.

The primary area of intelligence activity affected is SIGINT, especially ELINT. Tactical photo reconnaissance is more easily distinguished from reconnaissance undertaken for national requirements. In most cases the differences are relatively clear, from the targets to be covered to the vehicles and cameras used, to the locations of processing and readout. Human source collection and production is also quite

distinct in tactical as against national uses from the types of information sought to the kinds of intelligence produced.

In SIGINT, tactical COMINT represents a relatively small diversion of resources out of the pool available for national or strategic purposes. Furthermore, it is difficult and unproductive to separate COMINT operations from the large data bases which are required to make COMINT information intelligible and which are best maintained centrally by national organizations. With COMINT the problem generally arises when the services claim that increasing quantities of COMINT resources are integral to clearly tactical operations like Airborne Radio Direction Finding or Electronic Counter Measures and must therefore be assigned to the exclusive control of the military element conducting those operations. These claims are opposed by NSA as incompatible with its responsibility and mandate to control all COMINT resources however used and wherever located.

The problem of tactical versus national resources is more sharply defined in the field of ELINT. This is partly because ELINT collection equipment techniques and operations are virtually identical with those of ARDF and ECM and partly because information derived from ELINT collection is critical to successful ECM operations. Because of the military doctrine of unity of command and the natural desire of tactical commanders to control all the resources needed for their operations, it is inevitable that attempts are made to take over ELINT operations, particularly in active theaters, and thus extract from NSA's control resources over which it claims authority by virtue of NSCID 6. The direct relevance of these resources to military operations and the difficulty which NSA has experienced in providing adequate technical guidance and support to ELINT programs make these attempts understandable. The service cryptologic agencies tend to share their individual service views and sharp jurisdictional disputes develop with NSA.

The confusion and disagreement over the control of SIGINT resources, particularly those which are ambivalently ELINT and ECM, is likely to intensify with the implementation of the JCS Concept Paper on Tactical Electronic Warfare Support (the TEWS Paper). In specifying the nature and scope of Electronic Warfare operations, it describes the dependence of EW on ELINT and COMINT information and support and clearly implies the need for a considerable degree of control by tactical commanders over both these sources in their areas of operation to assure

operational success. The JCS have specifically directed reviews to "insure that commanders are provided the resources, under their operational control, which are needed to obtain timely and complete information on (enemy intentions and capabilities). This review will address the organization, training and operations of tactical SIGINT support systems . . . and will encompass the development of a comprehensive concept for a theater tactical SIGINT system."

There is a clear need for measures to reduce the discord and confusion which surrounds this problem of tactical versus national intelligence resources. Criteria should be developed to give tactical commanders operational control over resources directly necessary to successful operations while recognizing that distinctions between national and tactical support resources are largely artificial and subject to change as operational needs and levels of activity vary. Because of this and because of the greater efficiency and avoidance of duplication inherent in national or central management, application of these criteria to specific resources should opt for national control in all marginal cases.

The variety of uses, operational needs and system characteristics make it necessary to examine each requirement for tactical support resources on its particular merits, and this should be done by a technically qualified group representing the Secretary of Defense, the DCI and other interested parties, including the tactical forces affected. Where resources are identified as national or predominantly national in character, they should be included in the appropriate resource program and kept there; resources identified as tactical or predominantly so should be removed from the national intelligence resource inventories and included in the general forces program and budget of the service involved. Tactical resources, however, should be included in resource program reviews as non-add items to permit visibility of all assets in a given collection or processing system. Throughout the examination, the principle should be observed that what matters in drawing distinctions is not the technical character of the resource under study but the predominant use to which it is put. Designations of resources as national or tactical should be reviewed annually and changed as the conditions of use of various resources change.

E. Early warning -- the Watch Committee and the National Indications Center (NIC).

In view of the manifest importance of the early warning mission to the intelligence community, it is believed that the duties and responsibilities of the Watch Committee should be reassessed and reaffirmed. At the present time the activities of the Watch Committee are focused almost entirely on the substantive requirements for the weekly Watch Report. As outlined in DCID 1/5, the attention of the Watch Committee should be directed also to the development and maintenance of improved systems for the NIC, including automatic data processing systems, and to improvement in substantive analysis techniques and computer application to these improved techniques. The Strategic Warning Working Group (SWWG) -- an interagency group with membership from CIA, DIA, NSA and INR -- which functions under the chairmanship of a member of the DCI's personal staff, will continue its examinations in this area. The Group feels, however, that the development of improved facilities and procedures is a firm requirement if the NIC is to continue to function as originally intended and that this development is properly, over the long run, the responsibility of the Watch Committee. A small project team consisting of two or three experienced analysts, assisted by computer-oriented engineers and mathematicians, should be set up under the Watch Committee with the goal of continuing improvement of the NIC. This could be accomplished partially by outside contract if an in-house capability does not exist.

If it is found that it is not feasible to accomplish an upgrading of the NIC under present organizational arrangements, it is believed that consideration should be given to a study directed towards the transfer of the NIC as it is presently constituted, with all of its designated functions, duties and responsibilities, to the Office of Current Intelligence, CIA. The NIC function would continue to be carried out as a community service with some manning to be provided by the community generally as is provided to the NIC at present but with support beyond this joint capability to be provided by the CIA staff as required. The adoption of this proposal also should result in some saving of personnel by combining certain of the functions of OCI with those of the NIC. The assets of OCI, OCS and OC, among others, would then be immediately available to the NIC and provide it with better facilities for research. Substantive intelligence and staff support to the Watch Committee likewise could be expanded. An alternative solution would be to transfer this function to DIA because of the originally



G. The need for a review of research and analysis by outside contractors on technology.

Among the scientific and technical elements of the intelligence community there is a substantial amount of research and analysis in direct support of intelligence production. In large measure this R&A is carried out through external contracts with private research organizations, laboratories or firms with expertise in specialized technical fields. The bulk of these contracts are in support of the Foreign Technology Division of the Air Force, the Missile Intelligence Division of the Army, the Scientific and Technical Intelligence Center of the Navy, OSI and FMSAC of CIA, and various elements of NSA. NASA and ACDA also conduct some research in related fields. It has not been possible to determine the precise amount of money involved in all of these contracts but a conservative estimate would be some [REDACTED]

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R&A by external contract is justified on the basis that the necessary technical skills and equipment are not available within the intelligence community. In addition, in certain instances the knowledge which some outside firms acquire in research and development for the production of U.S. weapons systems can be uniquely applied to the analysis of foreign technology. In almost all cases the data which is analyzed in these external contracts is provided from collection systems operated by the intelligence community.

The principal problem in this area arises from the fact that there is no effective coordination by the various elements undertaking this research. Since much of the raw data is manifestly identical, it would appear probable there is a considerable amount of duplication. A cursory review of CIA contracts revealed some apparent overlap, principally in telemetry analysis, which was explained by pointing out that similar studies might be attacking the same problem "from different angles," or that a given subject was of sufficient national import to warrant two or more independent approaches. The extent of any real duplication and the validity of the explanation or justification for it cannot be ascertained without a detailed review of this entire field by technically competent authorities. It is obvious, however, that, among the elements conducting this research, there is a general unawareness of what other research is going on in similar fields of interest. Under the circumstances, conditions certainly allow for an overlap of effort which, in view of the total cost, could amount to a sizeable sum of money.



Rather than establishing a centralized authority for the review and coordination of all research and analysis in the S&T field, it would appear that an adequate mechanism presently exists in the USIB committees, specifically GMAIC, SIC, and JAEIC, to effectively carry out this function. A precedent already exists in the EIC which, in DCID 3/1, is explicitly charged to ". . . review external research projects individually involving more than five thousand dollars . . . in order to minimize the duplication of effort and expense . . ." While the charters of GMAIC, SIC, and JAEIC do not contain such precise language, it is the stated policy of each that "unnecessary duplication and overlap (of studies) shall be avoided." It would appear to be a simple matter for the DCI to direct each of these committees to conduct a regular review of external research projects similar to that carried out by the EIC. If such a procedure does not afford an effective coordinating mechanism, it should become quickly apparent to the respective committee chairmen who would then be in a position to make appropriate remedial recommendations to the DCI.

H. Managerial arrangements of the National Reconnaissance Office (NRO).

The agreement of 11 August 1965 relating to the NRO was intended to resolve a number of issues which had arisen over a period of years and had been the cause of deep, and at times bitter, contention between CIA and elements of the Defense Department, particularly the Air Force. Two basic questions were at the seat of these disputes.

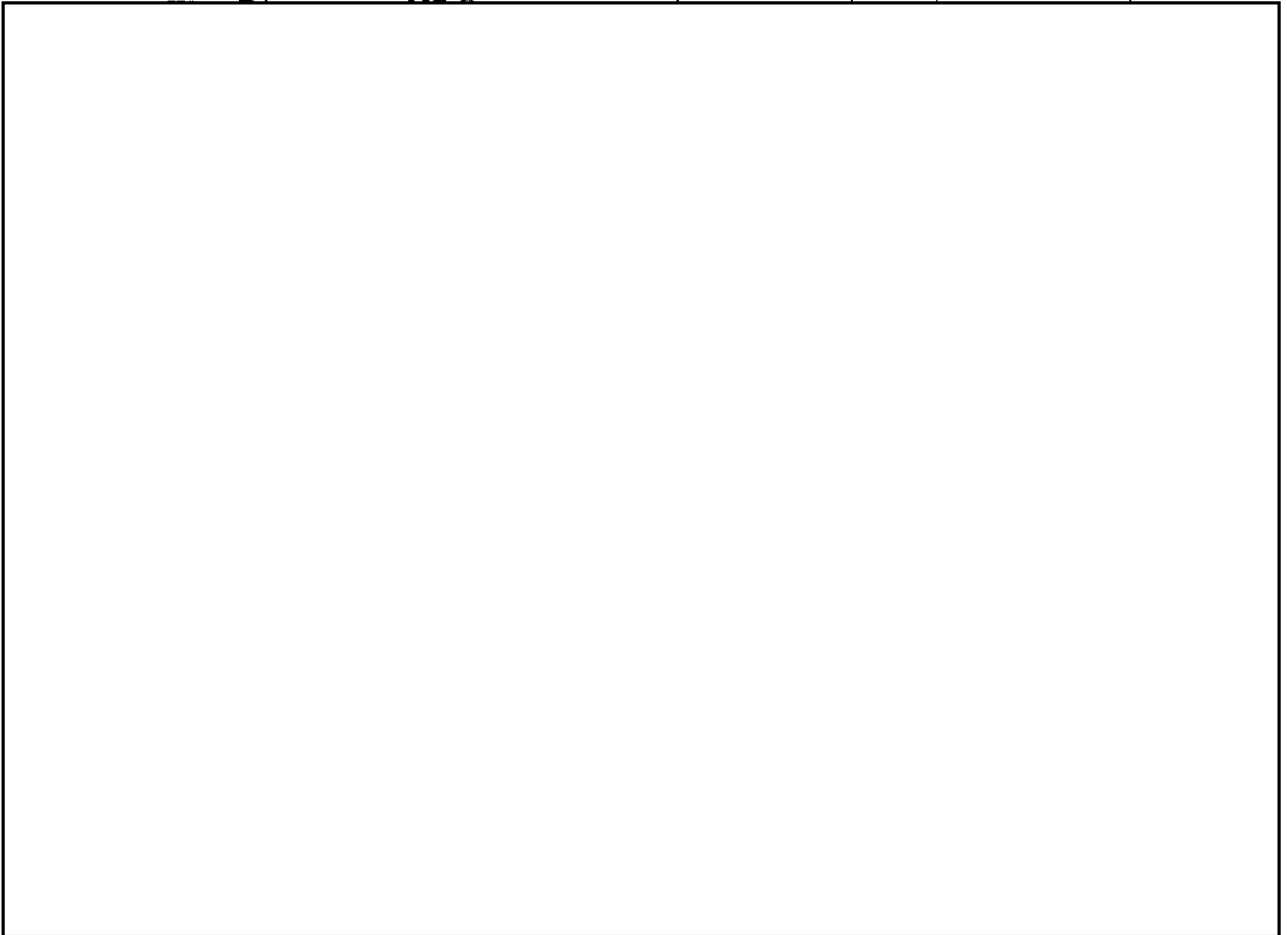
1. Should CIA continue to have a more or less independent capacity to overfly denied areas with manned aircraft?
2. Should CIA continue to maintain independent facilities for the design and development of new satellite reconnaissance vehicles?

The first question, whether CIA should continue to operate manned reconnaissance aircraft, has been pretty well resolved in the negative. CIA does continue to operate a limited number of U-2 aircraft. Presumably it will continue to use these aircraft for the foreseeable future in areas such as the Middle East, Africa and Latin America. With the liquidation of OXCART, however, CIA has, for the time being at least, lost the capacity to overfly territory which is defended with sophisticated

weapons and strategic reconnaissance of this kind of denied area with manned aircraft will hereafter be the responsibility of the Air Force.

The second question, whether CIA should continue as an active, independent participant in the design, development and production of space reconnaissance systems, was answered in the affirmative. Exactly how CIA should participate, however, has presented a continuing problem, and the organizational arrangements of the NRO should be reviewed from time to time to determine whether they in fact ensure the best possible individual contributions from CIA (and other contributing agencies) and also efficient administration of the program as a whole.

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CIA representatives have argued plausibly that this division of responsibility has proved awkward. CIA should have the authority, so the argument goes, not just to design and develop a camera, but also to oversee development of the immediately related equipment necessary for the camera to function effectively in space. This equipment would normally include the spacecraft and re-entry vehicles. Under the present arrangement responsibility for producing an essential component -- the payload -- is divided. This has complicated managerial arrangements for supervising production of the payload itself and is said to have caused confusion in the exercise of responsibility for systems integration of the system as a whole.

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[ ] is a continuing illustration of the dilemma which has plagued attempts to resolve organizational arrangements in the NRO since the decision in 1958 to authorize CIA to proceed with development of the first CORONA system. Certain aspects of satellite operations necessarily have to be the responsibility of the Air Force. These certainly include control of launching facilities, recovery of payloads, etc. It is also generally conceded that procurement of boosters should be an Air Force responsibility. Given these Air Force responsibilities, the extent of CIA participation, if any, in the development and integration of a satellite system necessarily has to be somewhat artificially determined. During the course of the negotiations leading up to the present NRO agreement, CIA's record of leadership in the development of reconnaissance vehicles (including the original U-2, improved versions of the U-2, the OXCART, the original CORONA system, the various [ ]

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[ ] was generally conceded. All agreed that competition between various agencies contributing to the development of new systems in the National Reconnaissance Program was desirable; that it was important to keep alive and exploit the expertise which had developed in CIA and that CIA should continue to contribute to the development of new and improved systems. The only question was how this could best be done within the over-all framework of a nationally directed and integrated reconnaissance program.

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A strong effort was made to define the CIA contribution in terms of responsibility for design and development of a payload. This would have given CIA the authority to oversee contractors who produce a camera system and other contractors who design space vehicles into which the camera will fit. This entire package could then be given to the Air Force whose responsibility it would be to see that it was properly fitted on to a missile and fired into space.

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25X1 The NRO agreement, however, provides that CIA's contribution will normally be limited to the production and delivery of the actual sensor, in this case the camera. [REDACTED]

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[REDACTED] In the future, however, it would seem that an agency entrusted with the development of a space sensor system should be charged with the development and production of the total payload.

25X1A Another alleged deficiency is the lack of adequate arrangements and controls in the NRO for rationalizing the allocation of research and development funds and responsibility as between CIA and the Air Force. The NRO agreement provides that a basic objective of the agreement is to promote a vigorous research effort and that funds " . . . shall be adequate to ensure that a vigorous research and exploratory development effort is achieved and maintained by the Department of Defense and CIA to design and construct new sensors to meet intelligence requirements aimed at the acquisition of intelligence data. This effort shall be carried out by both CIA and DoD." In fact, however, the total amount of research money allocated to CIA over the past three years has been [REDACTED] as opposed to [REDACTED] allocated to the Air Force.

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It is claimed that the funds allocated to CIA are inadequate. It is also alleged that such funds as are made available are parceled out in incremental amounts after elaborate and protracted justifications. The amounts allocated may in fact be too small and their ultimate availability too uncertain to support an aggressive R&D effort which on occasion requires commitments to contractors for comparatively extended periods on a somewhat speculative basis.

Thought should be given to improving the mechanism as well as the procedures for ensuring that allocations of responsibility and funds for research in the NRO are equitable as between participating agencies, provide a basis for controlled and coordinated competition, discourage needless redundancy and ensure the availability of adequate amounts of "seed money."

Another aspect of the National Reconnaissance Program requires clarification. The NRO agreement provides that " . . . The NRP is a

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single program, national in character, to meet the intelligence needs of the Government under a strong national leadership, for the development, management, control and operation of all projects, both current and long range for the collection of intelligence and of mapping and geodetic information obtained through overflights . . ." (underscoring supplied).

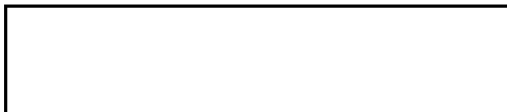
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Despite this injunction to include all resources engaged in overhead reconnaissance in the NRP, neither [redacted] nor the SR 71 program are treated as coming within the jurisdiction of the NRO. It is recognized that there may be compelling reasons justifying their exclusion. One possible reason, for example, might be the inflationary effect which their inclusion would have on the "Black Budget" with attendant implications with respect to the community's relations with Congress. On the other hand, there are strong arguments why they should be incorporated in the inventory and subject to the normal review procedures of the NRO. This matter should be the subject of discussion in the Executive Committee of the NRO.

Early Reviews of CIA

1. Hoover Commission Report - 1948.

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2. Report to National Security Council on CIA - 1 January 1949.

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3. President's Committee on International Information Activities -  
30 June 1953.

William H. Jackson, Chairman  
Robert Cutler  
Gordon Gray  
Barklie McKee Henry  
John C. Hughes  
C. D. Jackson  
Roger M. Kyes  
Sigurd Larmon

4. President's Special Study Group on Covert Activities of CIA -  
30 September 1954.

J. H. Doolittle, Chairman  
William B. Franke  
Morris Hadley  
William D. Pawley

5. Hoover Commission Task Force Report on Intelligence Activities -  
May 1955.

Mark W. Clark, Chairman  
Richard L. Conolly  
Ernest F. Hollings  
Henry Kearns  
Edward V. Rickenbacker  
Donald S. Russell

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6. DCI Joint Study Group on Foreign Intelligence Activities -  
15 December 1960.

Lyman B. Kirkpatrick, Chairman



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7. President's Committee on Information Activities Abroad -  
23 December 1960.

Mansfield D. Sprague, Chairman

George V. Allen

Allen W. Dulles

Gordon Gray

Karl G. Harr, Jr.

John N. Irwin, II

C. D. Jackson

Livingston T. Merchant

Philip D. Reed

8. DCI Working Group on Organization and Activities of CIA -  
6 April 1962.

Lyman B. Kirkpatrick, Chairman



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GLOSSARY

AMB	Anti Ballistic Missile (System)
ACDA	Arms Control and Disarmament Agency
ADP	Automatic Data Processing
ARDF	Airborne Radio Direction Finding
BNE	Board of National Estimates
CA	Covert Action Staff, DDP
CCP	Consolidated Cryptologic Program
CCPC	Critical Collection Problems Committee
CI	Counter Intelligence Staff, DDP
CIB	Central Intelligence Bulletin
CIP	Consolidated Intelligence Program
COMINT	Communications Intelligence
COS	Chief of Station (CIA)
CRS	Central Reference Service
DCID	Director of Central Intelligence Directive
DDI	Deputy Director for Intelligence
DDP	Deputy Director for Plans
DDR&E	Director of Defense Research and Engineering
DDS	Deputy Director for Support
DDS&T	Deputy Director for Science and Technology



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DIA Defense Intelligence Agency  
ECM Electronic Counter Measures  
EIC Economic Intelligence Committee  
ELINT Electronic Intelligence

STATSPEC



FE Far East Division, DDP  
FI Foreign Intelligence Staff, DDP  
FMSAC Foreign Missile and Space Analysis Center  
GMAIC Guided Missile and Astronautics Committee  
IDHS Intelligence Data Handling System  
IHC Information Handling Committee  
INR Bureau of Intelligence and Research  
IRG Interdepartmental Regional Group  
JAEIC Joint Atomic Energy Intelligence Committee  
JOIC Joint Operations Intelligence Center  
LDX Long Distance Xerography

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NASA National Aeronautics and Space Administration  
NIC National Indications Center  
NIPE National Intelligence Programs Evaluation Staff  
NIRB National Intelligence Resources Board  
NIS National Intelligence Survey

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NMCC	National Military Command Center
NPIC	National Photographic Interpretation Center
NRO	National Reconnaissance Office
NRP	National Reconnaissance Program
NSA	National Security Agency
NSCID	National Security Council Intelligence Directive
OBGI	Office of Basic and Geographic Intelligence
OC	Office of Communications
OCI	Office of Current Intelligence
OCR	Office of Central Registry
OCS	Office of Computer Services
OER	Office of Economic Research
ONE	Office of National Estimates
OPPB	Office of Planning, Programming and Budgeting
OSI	Office of Scientific Intelligence
OSR	Office of Strategic Research
OSS	Office of Strategic Services
PDB	President's Daily Brief
SIC	Scientific Intelligence Committee
SIGINT	Signals Intelligence

[Redacted]

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TOD	Target Oriented Display
USIB	United States Intelligence Board

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