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19 April 1971

SUBJECT: Resources of Major Intelligence Programs

1. In 1960, a Presidentially-approved ad hoc Joint Study Group prepared a Report on Foreign Intelligence Activities of the United States Government.^{1/} The Principals, to whom the report was addressed and who were represented in the work of the Study Group were the Director of Central Intelligence, the Secretaries of State and Defense, the Director, Bureau of the Budget, and the Special Assistant to the President for National Security Affairs. The general purpose of this undertaking was "to promote the more effective and efficient use of intelligence resources and to assist the DCI in carrying out his responsibilities for coordinating the foreign intelligence activities of the U.S. Government."^{2/}

2. The Joint Study Group found that manpower resources provided a more satisfactory measure by which to characterize the efforts of the "intelligence community"^{3/} than did dollars. With respect to the latter, the report noted the difficulty of presenting the costs of the foreign intelligence effort due to such considerations as: -- the different accounting systems employed by the various agencies and departments which were not designed to separately identify and measure the total intelligence costs; the varying interpretations

1/ Report dated 15 December 1960 and classified TOP SECRET/NOFORN.

2/ Joint Study Group, Report on Foreign Intelligence Activities of the United States Government, para. 1 of Terms of Reference, no page number. LEGIB

3/ The "intelligence community" includes CIA, the intelligence components of the Departments of State, Defense, Army, Navy and Air Force and of the NSA; the FBI; and the AEC. In addition other elements of government on an ad hoc basis: Report, p. 7.

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within the departments and agencies as to what should be included or excluded from any foreign intelligence costing effort; certain activities were of **ILLEGIB** mixed nature which made it difficult to distinguish intelligence from intelligence elements; and indirect support benefits received by intelligence operators for which they might not be charged.^{4/} With respect to dollar resources, the Study Group concluded that (it) "can do no better at this time than to suggest an annual range of between dollars."^{5/} 25X1

3. Manpower was found to be a more nearly homogeneous yardstick for resources than dollars, since the identification of manpower primarily engaged in the foreign intelligence effort could be accomplished without a concern for various cost and appropriation categories and accounting procedures that forced somewhat complicated distinctions to be made with respect to the dollars available to intelligence program managers. The report summarized intelligence community manpower in a table ^{6/} from which the following is a summary extract:

Intelligence Community Manpower
(As of the End of FY 1960)

<u>Department or Agency</u>	<u>Total Manpower</u> (rounded to hundreds)
CIA	<input type="text"/>
State	1.8
Defense	87.6
<u>Total</u>	<input type="text"/>

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^{4/} Id., p. 117.

^{5/} Id., p. 119.

^{6/} Id., p. 9.

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In presenting the foregoing tabulation, the report noted that over of intelligence personnel were related to Department of Defense activities.

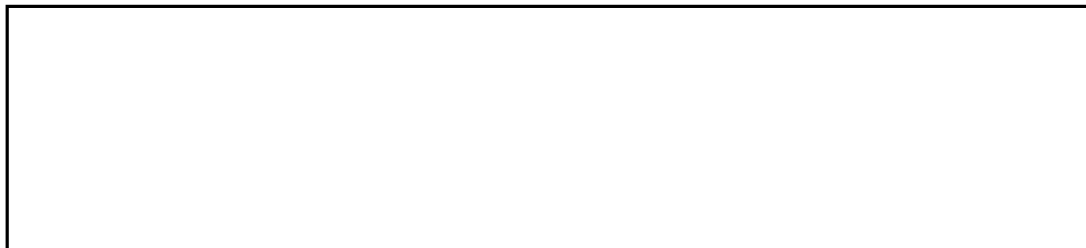
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Of the total of 1,800 persons accounted for by the State Department, some 1,100 were said to be located overseas and 700 in Washington; the former were identified as involved in the Collection function, and the latter (presumably although not specified by the Report) were attributable principally to the analysis and the Production of intelligence end products to Washington headquarters support activities.

4. The subject of intelligence Collection stemming from human source activities (i.e. HUMINT) was discussed specifically in various sections of the 1960 report, of which the following are the highlights:



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The Department of State contributes a fund of expertise in the understanding of foreign affairs. Its information gathering is enhanced by the fact that its collection goes hand in hand with diplomatic negotiation and representation. This same fact, however, complicates the situation in that embassy political and economic activity, being in part policy operation, cannot be brought wholly within the cover of intelligence coordination, nor can it easily be separated into the two categories of intelligence and policy. The Foreign Service still shows an indifference to intelligence, in part, because the Service thinks of intelligence in old-fashioned terms as a limited esoteric operation. ^{8/}

7/ Id., p. 10.

8/ Id., p. 17.

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The principal collectors of overt intelligence information are the diplomatic and consular officers of the United States and the military and civilian attaches. Their reporting is largely based upon official and non-official contacts, general observations and research. Other overt sources include the monitoring of open radio broadcasts, the exploitation of foreign publications, and the interrogation of defectors and refugees, all of which provide considerable valuable information. 2/

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The Study Group wishes to emphasize that the information collected through overt means is the foundation of all intelligence and should not be neglected through over-concentration on less conventional means of collection. We anticipate no change in this in the future.

While the Group recognizes the operational responsibilities of the Foreign Service, it does believe that greater utilization for intelligence purposes can be made of all Foreign Service Officers serving abroad. This requires, first of all, improved indoctrination on their role as overt collectors of intelligence information. ... 10/

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5. To provide some order of magnitude insights as to changes in the intelligence community that have occurred since 1960, the following tabulation compares FY 1960 as a base with FY 1966 and FY 1971.

Intelligence Community Manpower
(Figures rounded to hundreds)

<u>Department or Agency</u>	<u>FY 1960</u>	<u>FY 1966</u>	<u>FY 1971</u>
CIA			
State	1.8	not available	.3 -- .4
Defense	87.6	135.9	138.1

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These figures need, however, to be interpreted cautiously and with a rather keen perception for what they may not mean as well as what they can signify.

For example:

(a) It is not possible without recalling from storage in the archives the original data considered by the Study Group (these records are in fact being recalled for further analysis) to know whether the Defense base of 87.6 included all the types of activities that are classified as intelligence under the data for FYs 66 and 71.

9/ Id., p. 43.

10/ Id., p. 43-4.

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(b) The data considered by the Study Group do not provide a ratio of manpower resources as between the Collection and the Production functions, so that it is not immediately possible to know whether that ratio may have changed during these years.

(c) A modest part of the Defense increase can be attributed to the establishment of the Defense Intelligence Agency in 1962 and the non-withering away of the Service intelligence organizations.

(d) With respect to the State Department, the FY 1960 data included State manpower assigned to Collection, but the FY 1971 data represent only the Office of Intelligence & Research which is concerned with intelligence Production. No arrangement is now in being and operating for accounting for any part of the Foreign Service or other State collection manpower as part of the total resources of the intelligence community. This is not a matter of organizational control, but rather involves providing a functionally-oriented display of resources (regardless of Department, Agency or military Service) that go to carry out the functions of the intelligence community.



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6. Further comparisons utilizing the FY 1960 data from the Joint Study Group are not practicable due to the lack of detail in the data in their final report. However, some additional insights are available from a study of information reported in the Consolidated Intelligence Resources Information System (CIRIS) for FY 1971. The CIRIS is the mechanism currently used by the National Intelligence Resources Board (NIRB), which has custody of the CIRIS, to provide a basic set of statistics relative to the resources of the major components of the intelligence community, the missions and functions for which these resources are employed, and the principal targets or intelligence objectives against which the intelligence functions are directed. The inputters to CIRIS appear to be approximately those who reported to the Joint Study Group in 1960, but as indicated previously precise comparisons cannot be made until the files of the latter are recalled from the archives.

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7. The inputting organizations participating in providing CIRIS data are as follows:

Departments, Agencies and Military Services Reporting to CIRIS

<u>Organization</u>	<u>Comments</u>
CIA	All CIA resources are included in CIRIS except for Covert Action. The latter were excluded also from the 1960 Joint Study Group report.
State	Only the resources of INR are included. The CIRIS mechanism is available and suitable for more extensive reporting by State.
Defense	Reporting covers DIA and NSA. Also the cryptologic and non-cryptologic intelligence components of the three Military Services. Also a group of large resource special programs. So-called "tactical" resources are not included in CIRIS; they were omitted, likewise, by the Joint Study Group. Some DE intelligence R&D is accounted for by DDR&E under present DOD budgeting procedures and therefore is not in CIRIS.

The net of this is that the CIRIS synthesizes and highlights the utilization of the principal intelligence resources that are commonly considered to be associated with "national" intelligence. The principal exceptions to the foregoing are overt collection resources of the State Department and some multi-capability resources within DOD, such as some ship and aircraft platforms that can perform intelligence missions and also are designed and used for non-intelligence operational activities (e.g., ELINT-equipped search aircraft that can perform intelligence missions but are also essential to the defense of naval forces and to the conduct of naval operational missions.)

8. As the tabulation on the following page will illustrate, approximately two-thirds of the present U.S. intelligence effort accounted for by the CIRIS is focussed on Positive Intelligence. The CIRIS defines "Positive Intelligence" as encompassing "the total mix of substantive intelligence efforts that have as

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as their general objective to collect and process information and to produce intelligence end products in support of U.S. foreign and military policy."

The Intelligence Dollar

Intelligence Missions & Functions

FY 1970

FY 1971

Positive Intelligence
Collection
Processing
Production
Counterintelligence
Mapping, Charting & Geodesy
Support

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Total

In addition to the direct costs of Positive Intelligence, shown above, it should be noted that Support activities are largely geared to Positive Intelligence, and accordingly its share of the total dollar is greater than the

[] shown above.

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the resource costs. In terms of geographic targets against which Positive Intelligence is directed, almost two-thirds of these expenditures can be related specifically to Communist countries, and when so-called "multi-regional" and "worldwide" targeting is prorated against Communist countries, it is evident that better than two-thirds of Positive Intelligence resources are targeted against the Communist areas.

10. While the total dollars attributable to State Department resources are modest in comparison to the costs of some military intelligence hardware systems, the important fact is that both in the Collection and Production functions State Department personnel make important and largely unique contri-

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butions to intelligence consumers, to the intelligence community users and to national intelligence activities. The CIRIS is the only vehicle that has been developed on a community-wide basis to give a degree of visibility to the resources available to the intelligence community and to provide common denominators and a frame of reference for expressing the impact and objectives of the efforts of U.S. intelligence while cutting across the lines of institutional organizations. As was recognized in the Terms of Reference to the 1960 report of the Joint Study Group, the Director of Central Intelligence is called upon to provide a degree of coordination within the intelligence community. Among the principal mechanisms available to the CIA today are the National Intelligence Resources Board (NIRB) and the Consolidated Intelligence Resources Information System (CIRIS). Both State and Defense representatives at a high level make up the NIRB under the chairmanship of the Deputy Director of Central Intelligence, and a State Department representative participates in the continuing work of the NIRB's Interagency [redacted] Committee. Under these circumstances, this may be an appropriate time to give further consideration to establishing arrangements for making a regular input to the CIRIS covering those resources of the State Department that have an important impact on the intelligence community. If such an initiative is practicable at this time, the implementing details can be worked out rather easily through the Interagency CIRIS Committee.

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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

APR 15 1971

Honorable F. Edward Hebert
Chairman, Committee on Armed Services
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Experience has demonstrated a pressing requirement for more attention to major issues at the Secretary of Defense level. However, the time available to the Secretary and Deputy Secretary of Defense is a most limiting factor. Many situations develop of varying criticality which require the personal attention of either the Secretary or Deputy Secretary of Defense. The frequency, complexity and importance of the problems do not permit the time and attention they deserve by Mr. Packard or me. Expanding Congressional review, with more numerous hearings by Committees, and increasing requirements for top level participation in Executive branch deliberations are two of the principal causes of the increasing demands on the time of the Secretary and Deputy Secretary of Defense. Thus it is deemed that the establishment of an additional Deputy Secretary of Defense is warranted to permit increased top level attention to these matters and thus improve the civilian management of the Department of Defense.

Creation of an additional Deputy Secretary will make it possible for these increased demands to be met more effectively. For example, it will be possible for both the Secretary of Defense and one of his Deputies to be present together for meetings when the situation warrants joint consideration. It will also make it possible for the Secretary of Defense to spend more time with the Joint Chiefs of Staff and the Secretaries of the military departments. In short, creation of an additional Deputy Secretary of Defense will enable a better distribution of the work load now performed by the Secretary and Deputy Secretary of Defense and will provide for management in more detail and with more knowledge of those matters that require the attention of those officials. It is not considered practical or wise to designate specific areas of responsibility for each of the Deputy Secretaries. In actual practice, however, concentration on specific areas would probably evolve according to the wishes of the Secretary of Defense and the particular abilities or expertise that the Deputies possess.

In May, 1970, the Office of Assistant to the Secretary of Defense (Telecommunications) was established with responsibility for policy direction, management control, and coordination of the Department's communications matters. This action culminated an extensive effort to eliminate fragmentation and to effect better visibility and control of communications resources. Although it was desired to establish this office at the Assistant Secretary level, this was not possible, since the Department already had the maximum number of Assistant Secretaries of Defense authorized by law (8).

The Department's communications community is broad and complex. The impact of the communications program on the Department compares favorably with those of other Assistant Secretaries. Placing the communications organization on a par with others of comparable scope and importance is considered to be essential to the internal management operations of the Department.

Similarly, review of the intelligence activities of the Department indicates that these sensitive and highly important activities must be brought under high-level centralized management. The allocation of intelligence resources must be improved; unnecessary duplication in the intelligence process must be identified and eliminated; requirements must be constantly scrutinized; problems must be addressed on a coordinated and systematic basis; and, most importantly, intelligence must be responsive and timely -- both for the national decision makers and the field commanders.

Clearly, defense intelligence activities require the full-time attention of a senior official at the Assistant Secretary of Defense level who would be responsible for the setting of broad management policy for those activities.

In view of the foregoing it is strongly recommended that Committee consideration be given to the need for action to establish the three positions as a matter of priority.

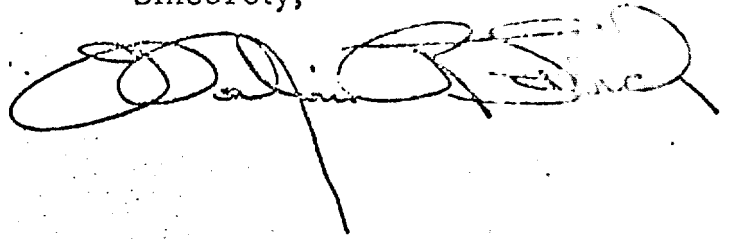
For your convenience, I am attaching draft language in the form of an amendment to H. R. 3818, the Department of Defense Appropriation Authorization bill now under consideration by your Committee.

This proposal has been approved by the President.

Cost and Budget Data

Enactment of this proposal is not expected to result in increased budgetary requirements to the Department of Defense.

Sincerely,

A handwritten signature in black ink, appearing to be "John F. Kennedy", written over a horizontal line. The signature is stylized and somewhat cursive.

Enclosure

1 SEC. . (a) Chapter 4 of title 10, United States Code,
2 is amended as follows:

3 (1) Section 134 is amended to read as follows:

4 "§ 134. Deputy Secretaries of Defense: appointment; powers
and duties; precedence

5 "(a) There are two Deputy Secretaries of Defense, appointed
6 from civilian life by the President, by and with the advice and
7 consent of the Senate. A person may not be appointed as a
8 Deputy Secretary of Defense within 10 years after relief from
9 active duty as a commissioned officer of a regular component
10 of an armed force.

11 "(b) The Deputy Secretaries shall perform such duties and
12 exercise such powers as the Secretary of Defense may prescribe.
13 The Deputy Secretary designated by the President shall act for,
14 and exercise the powers of, the Secretary when the Secretary is
15 disabled or there is no Secretary of Defense.

16 "(c) The Deputy Secretaries take precedence in the Department
17 of Defense immediately after the Secretary."

18 (2) Sections 135(c) and 136(e) are each amended by striking
19 out "Deputy Secretary" and inserting in place thereof "Deputy
20 Secretaries".

1 (3) Section 136(a) is amended by striking out "eight" and
2 inserting in place thereof "ten".

3 (4) The item in the analysis relating to section 134 is
4 amended to read as follows:

5 "134. Deputy Secretaries of Defense; appointment; powers
and duties; precedence."

6 (b) Section 171(a)(2) of title 10, United States Code, is
7 amended by striking out "the" and inserting in place thereof "a".

8 (c) Section 5313(1) of title 5, United States Code, is
9 amended to read as follows:

10 "(1) Deputy Secretaries of Defense (2)."

11 (d) Section 5315(13) of title 5, United States Code, is
12 amended to read as follows:

13 "(13) Assistant Secretaries of Defense (10)."

14 (e) Section 303(c) of the Internal Security Act of 1950
15 (50 U.S.C. 833(c)) is amended to read as follows:

16 "(c) Notwithstanding section 133(d) of title 10, United
17 States Code, only the Deputy Secretaries of Defense and the
18 Director of the National Security Agency may be delegated
19 any authority vested in the Secretary of Defense by
20 subsection (a)."

92^d CONGRESS
1ST SESSION

H. R. 8856

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1971

Mr. HÉBERT (for himself and Mr. ARENDT) (by request) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize an additional Deputy Secretary of Defense, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That chapter 4 of title 10, United States Code, is amended
4 as follows:

5 (1) Section 134 is amended to read as follows:

6 "§ 134. Deputy Secretaries of Defense: appointment;
7 powers and duties; precedence

8 " (a) There are two Deputy Secretaries of Defense, ap-
9 pointed from civilian life by the President, by and with the
10 advice and consent of the Senate. A person may not be
11 appointed as a Deputy Secretary of Defense within ten years

1 after relief from active duty as a commissioned officer of a
2 regular component of an armed force.

3 " (b) The Deputy Secretaries shall perform such duties
4 and exercise such powers as the Secretary of Defense may
5 prescribe. The Deputy Secretary designated by the President
6 shall act for, and exercise the powers of, the Secretary when
7 the Secretary is disabled or there is no Secretary of Defense.

8 " (c) The Deputy Secretaries take precedence in the
9 Department of Defense immediately after the Secretary."

10 (2) Sections 135 (c) and 136 (c) are each amended by
11 striking out "Deputy Secretary" and inserting in place there-
12 of "Deputy Secretaries".

13 (3) Section 136 (a) is amended by striking out "eight"
14 and inserting in place thereof "ten".

15 (4) The item in the analysis relating to section 134 is
16 amended to read as follows:

"134. Deputy Secretaries of Defense: appointment; powers and duties;
precedence."

17 SEC. 2. Section 171 (a) (2) of title 10, United States
18 Code, is amended by striking out "the" and inserting in
19 place thereof "a".

20 SEC. 3. Section 5313 (1) of title 5, United States Code,
21 is amended to read as follows:

22 " (1) Deputy Secretaries of Defense (2)."

23 SEC. 4. Section 5315 (13) of title 5, United States Code,

24 is amended to read as follows:
Approved For Release 2004/05/12 : CIA-RDP86M00612R000100090007-8

1 “(13) Assistant Secretaries of Defense (10).”

2 Sec. 5. Section 303 (c) of the Internal Security Act
3 of 1950 (50 U.S.C. 833 (c)) is amended to read as follows:

4 “(c) Notwithstanding section 133 (d) of title 10, United
5 States Code, only the Deputy Secretaries of Defense and the
6 Director of the National Security Agency may be delegated
7 any authority vested in the Secretary of Defense by sub-
8 section (a).”