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#18 -- [redacted] STATINTL
Planning & Development Office

#19 -- Director of Personnel

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Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

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Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

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REPORT OF THE PANEL OF CONSULTANTS TO THE OFFICE OF RESEARCH AND REPORTS

15 April 1958

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

S-E-C-R-E-T

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REPORT OF THE PANEL OF CONSULTANTS TO THE OFFICE OF RESEARCH AND REPORTS

The panel members met for 2 days, 9 and 10 April. We discussed the activities of ORR with top administrative officials and division chiefs, we reviewed the proposed research program for FY 1959, we examined in cursory fashion many of the research products of ORR, and we met with the Director and his deputy. We felt that the time spent in ORR was insufficient to reach any firm conclusions. On the basis of our brief encounter, however, we formed some impressions and tentative recommendations which are the substance of this report. *

The panel considered the following topics:

1. The research program (allocation of available resources among various fields of research).

2. Adequacy of total resources.

3. Quality of the research product.

4. Quality of personnel.

5. Public release of facts and data.

1. The Research Program.

In general, we find the proposed research program appropriate to the objectives of ORR and relevant to significant current issues. Our impression is that the allocation of research resources among various possible topics has been planned sensibly. We are particularly pleased to note that the program emphasizes studies relevant to significant current issues and that less emphasis than formerly is given to mere

* This report was prepared at the conclusion of the meeting by one member of the panel. It has not been reviewed or approved by the other members.

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

comprehensive coverage by industries, commodities, and the like. Doubtless the stockpile of facts collected over past years permits ORR to be more selective in its program than it could have been at an earlier phase of its history. We are particularly gratified to note the emphasis being given to economic or cost considerations in the study of military planning.

We have three closely related suggestions regarding the research program, as follows:

First, we believe that the time has come to undertake studies of the long-range future of the Soviet economy. By "long-range" we mean 10, 15, 25, or more years in the future. As the economic development of the USSR proceeds, basic choices must be made about capital formation, consumption, leisure, economic organization, raw materials, and the like. Popular attitudes and political forces may change as a result of changing economic conditions. And these political changes in turn may affect the kinds of economic choices to be made in the USSR. Analyses of the long-range prospects of the USSR and identification of the basic choices to be faced by the USSR as its economic development proceeds may prove extremely useful in charting US policy. The total implication of Soviet economic development can be understood more fully when viewed in its long-range perspective than when viewed exclusively in a briefer time perspective. We are not suggesting curtailment of short-run studies; rather we are suggesting the addition of studies oriented toward the more distant future.

Second, we believe that there is need for more attention to the political and sociological point of view in the economic studies of ORR. We realize that this involves jurisdictional issues. However, we have observed the progress made in joining the economic and military points of view, and we feel that similar progress would be possible in joining the economic with the political-sociological. The economic future of the Bloc will be determined by economic choices. These choices in turn will be influenced and perhaps determined by political-sociological considerations. To adhere to a narrow definition of the "economic" in planning the work of ORR may reduce its effectiveness. The political-sociological element is of prime importance also in the studies of

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

stability and cohesion of the Satellites and in the studies of economic penetration of underdeveloped areas.

Third, we raised a question, without being able to answer it definitively -- is so much of the research effort devoted to specifically programed projects that there is no time left over for imaginative analytical and conceptual work or for the development of new insights? Another way of phrasing the question is, do people in the Agency have time to think? We suspect that the ambitiousness of the program may create a kind of treadmill that inhibits imaginative insight.

2. Adequacy of Total Resources.

We tried to determine whether or not ORR has adequate resources to carry out its responsibilities. We were able to reach no definite conclusion, but we gained the general impression that present resources probably are adequate. There are, of course, many additional studies that could be undertaken, and present studies could be done more thoroughly. Members of the supervisory staff indicated, however, that they would prefer to replace some of the less qualified personnel with better people rather than to add more people.

3. Quality of the Research Product.

Our impression is that the research reports prepared by ORR are very well done. They seem to be based on valid research, they are carefully reviewed and edited, and apparently they are gaining increasing acceptance in the intelligence community. We noted with satisfaction the attractiveness and readability of the reports which have been enhanced by frequent use of charts, maps, pictures, and diagrams. We believe that the form of presentation is of great importance in giving the splendid work of ORR greater impact.

The research reports and memoranda of ORR are useful quite apart from their use by "consumers" in the intelligence community. They constitute a repository of information that is available when

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

needed, and the preparation of these reports is an essential part of the education of the staff on whom we depend for knowledge regarding the Bloc. These reports should also be of maximum benefit to consumers. We suggest a survey of consumers to determine what changes, if any, in subject, form, or content would increase the usefulness of these reports.

4. Quality of Personnel.

The supervisory officers of ORR are extraordinarily competent. They work together well, they communicate with one another, and they are in rapport on their general objectives and obligations. Their morale is excellent. Also, there are many competent persons in the lower ranks of ORR. There are, however, some research workers in the Agency who probably could be more effective as clerks or research assistants. We were told that to direct, review, and edit the work of unqualified people represents a substantial and unproductive drain on the time of the top people.

The problem of personnel is, and has been, primarily related to recruitment and retention of highly qualified people. ORR offers both advantages and disadvantages for professional economists. The advantages are: highly significant and important research problems, unusual opportunity for the exercise of imagination and inventiveness, opportunities for training in languages and other fields, good working conditions, opportunity for rapid advancement, and somewhat more flexibility than that offered in the usual civil service job. The disadvantages, real or fancied, are: limited contacts with the outside economic profession and limited opportunity to establish a professional reputation. Also, at the moment, salary scales for younger people in ORR have not kept pace with academic salary scales.

On balance, ORR is a good place for an economist to work and to make his career. As one division chief said, "We have a highly useful and exciting profession of our own." The economic profession at large, however, is not aware of the opportunities in ORR, and there is an understandable tendency for economists to advise young men against

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

entering unknown work in an unknown agency. We believe that the Agency has a serious problem in "public relations." We believe that several specific things could be done to inform the outside profession about the opportunities in ORR and at the same time to increase the attractiveness of employment in ORR.

We recommend the following measures:

a. Sabbatical leaves for research personnel permitting them to work or study on the outside, to gain new perspectives, to re-establish professional contacts, and to publish;

b. Exchanges of personnel for 1 year or more with university departments of economics, thus permitting university teachers to learn about ORR and to contribute to its work and permitting ORR personnel to have a change of pace and new professional opportunities;

c. Formation of a rotating advisory council of academic and business economists who would meet periodically to review portions of the program or specific reports of ORR and who would thus become acquainted with the work of the Agency;

d. Continuation of present visits by ORR staff members to university departments of economics;

e. Enlarging the opportunities for publication of research done in the Agency.

To carry out these recommendations would be costly in the short run because it would take personnel away from the immediate research program. However, these measures would be amply justified in the long run if they increased the power of ORR to attract and hold excellent people and if they helped to raise proficiency and morale. The most important asset for the long-range success of ORR is a highly qualified and strongly motivated staff whose work commands the respect and interest of the economic profession.

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7

It has sometimes been objected that it does not pay to bring consultants into ORR for short periods of time. We agree that the Agency does not get substantial benefit in ideas or in research output from casual visitors. We believe, however, that the potential gain derives not so much from contributions to research as from understanding of the Agency by influential outside persons.

A program of the type suggested would require considerable administrative time. We recommend that the responsibility for administering the program be specifically assigned.

5. Public Release of Facts and Data.

We feel that the public interest would be served by greater release of facts and data. Much of the knowledge within ORR should be known by the public and by research workers. We commend the present efforts to communicate through speeches and articles and suggest that these efforts be extended.

Greater publicity would help inform the public of facts that it needs to know, would aid outside research on the Bloc and thus reinforce the research efforts of ORR, and would help to solve the professional problem of ORR personnel.

We recognize that there are difficulties and limitations and costs involved in greater publicity, but we believe that the effort would be justified by results.

To sum up, our impressions of ORR were very favorable, and we deeply appreciated the opportunity to spend a few hours in the Agency.

Respectfully submitted
by [redacted] 25X1A
on behalf of

[redacted] 25X1A

Approved For Release 2001/05/01 : CIA-RDP81S00999R000100160001-7