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The Directorate of Intelligence: A Brief Description

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Office of the DDI
February 1977

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FOREWORD

This memorandum provides an overview of the Directorate of Intelligence, its mission and products, and the management systems used to control resources and the production of intelligence.

The memorandum also includes a discussion of the principal strengths and problem areas of the Directorate. The Directorate has recently undergone a significant reorganization which is discussed in some detail.

Finally, the memorandum presents at annex brief discussions of the procedures used for the coordination and review of intelligence production and an organizational history of the Directorate.

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I. Introduction to the Intelligence Directorate

Mission

The primary responsibility of the Intelligence Directorate is to serve the President--and the other senior officials responsible for the formulation and implementation of national security policy--by providing the authoritative information and assessments on what's going on abroad that they need to do their jobs.

We provide this service by taking the raw material of intelligence--the information gathered by the collection elements of CIA and other intelligence organizations--and producing intelligence reports and studies that are relevant to the concerns of senior policymakers. This process involves many tasks: collation and evaluation of information; research into intelligence already available; analysis of its significance; and preparation of finished intelligence reports. We refer to this entire process as "intelligence production".

The scope of this Directorate's intelligence production can fairly be described as global. On a geographic basis, all foreign areas are covered by the Directorate's major components in accordance with their significance to the U.S. Functionally, the coverage provided by the Intelligence Directorate is equally complete. Our analysts can cover the affairs of any foreign country from the standpoint of politics, economics, defense, science, technology, geography, cartography, or biography.

The primary recipients of the reports produced by the Intelligence Directorate are, of course, the President and his most immediate national security advisors. In addition, our reporting has long been provided to the leadership of those departments and agencies represented on the National Security Council and to appropriate components of these organizations. In recent years, a demand for our reporting has developed from new quarters, principally the Congress, the Executive Branch departments responsible for foreign economic policy and, to a lesser degree, the general public.

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Principal Products

To serve this large and disparate group of consumers, the Intelligence Directorate produces a broad range of publications and--for a limited number of high-level policymakers--provides oral briefings. In terms of the frequency with which they are issued and the number of persons they reach, the most important group of Directorate products are the daily intelligence publications. These journals are designed to alert the foreign affairs community to significant developments abroad and to analyze specific problems or broadly-based trends in the international arena. The daily publication with the most complete disclosure of intelligence sources and most exclusive distribution is, of course, the President's Daily Brief. Nearly as explicit and broader in coverage is the National Intelligence Daily prepared for Cabinet and sub-Cabinet level consumers, and a cable version distributed more broadly to the defense and foreign affairs communities.

Equally important, in terms of their contribution to the understanding of events abroad and their implications for US national security, are the in-depth research and analytical studies produced on a periodic or one-time basis. Some of these monographs are self-initiated; others respond to specific requests of the policymakers or their staffs. The subjects of these publications cover the full range of intelligence interests and may represent the efforts of a single component of the Directorate or the coordinated views of several offices, or other elements of the Intelligence Community.*

In addition to its own daily reports and research studies, the Directorate is regularly involved in contributing to Community intelligence products such as the National Intelligence Estimates (NIEs) and the NSC Policy Review Memoranda (PRMs). The NIEs are prepared under the auspices of the Deputy to the Director for National Intelligence, and issued over the signature of the Director of Central Intelligence. The bulk of the staff work for the NIEs, however, is usually provided by Intelligence Directorate analysts. A second form of direct input to the national security decision-making process is the intelligence product prepared for incorporation in PRMs.

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*A discussion of the process by which Intelligence Directorate publications are coordinated is presented in Annex A.

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Organization

The organization required to produce so many types of intelligence for such a varied group of consumers has undergone many changes since the establishment of the Intelligence Directorate in 1952.* A chart of the current organization is presented on the following page. Structurally, the Directorate includes:

--the Office of the DDI and its supporting staffs for administration, planning, and coordination. The Office of the DDI also includes the Center for Policy Support, the principal mechanism for monitoring Directorate production activities and maintaining relations with the policy making community;

--the CIA Operations Center which serves as the 24-hour watch and alert facility for the entire Agency and provides a focal point for the receipt of new intelligence information and its exchange with other elements of the Intelligence Community;

--the Current Reporting Group which provides continuous monitoring and immediate analysis of current international developments, and is the principal producer of the Directorate's daily intelligence publications;

--the Publications and Presentations Group which is responsible for providing publication services to the production offices and fulfilling Directorate goals for improving the quality of published products and developing new presentational means.

--seven research offices which provide long range, in-depth analysis and periodic reporting on foreign military, scientific, technical, economic, political, and geographic affairs;

--the Office of Central Reference which is responsible for maintaining central reference services for the Agency and for producing biographic intelligence reports for the Community.

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*A brief history of the organizational development of the Intelligence Directorate is presented in Annex B.

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II. Summary of FY 1977 Resources

[redacted] From a
25X1 resource allocation standpoint, the distinguishing characteristic of this Directorate when compared to the other three directorates is the
25X1 extent to which its money goes for employee benefits. Intelligence production is a people-intensive activity, requiring relatively little in the way of supplies, equipment, structures and operational funding.

[redacted]

25X1 Of the [redacted] positions provided for the Directorate, about three quarters are classified as professional and the rest as clerical. Based on the standard program categories used in the Agency's budget presentation to the Congress these positions are allocated as follows:

--78% are directly involved in "intelligence production," (researching data, analyzing information and writing reports)

--22% are tasked with "intelligence processing," (performing reference and retrieval functions, preparing publications, or providing other support services)

The FY 1977 resources allotted to the Intelligence Directorate are distributed as follows:

	Positions	Funds (millions)
Office of the DDI (ODDI)	[redacted]	
CIA Operations Center (OPSC)		
Office of Economic Research (OER)		
Office of Geographic & Cartographic Research (OGCR)		
Office of Strategic Research (OSR)		
Office of Imagery Analysis (OIA)		
Office of Central Reference (OCR)		
Office of Scientific Intelligence (OSI)		
Office of Weapons Intelligence (OWI)		
Office of Regional & Political Analysis (ORPA)		
Current Reporting Group (CRG)		
Publications & Presentations Group (PPG)		
Center for Policy Support (CPS)		
Total		

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DIRECTORATE OF INTELLIGENCE

DEPUTY DIRECTOR FOR INTELLIGENCE
ASSOCIATE DEPUTY DIRECTOR

EXECUTIVE OFFICER

Center for Policy Support

Administrative, Planning and Coordination & Liaison Staffs

CIA Operations Center

Current Reporting Group

Publications & Presentations Group

Office of Central Reference

Office of Imagery Analysis

Office of Scientific Intelligence

Office of Weapons Intelligence

Office of Economic Research

Office of Geographic & Cartographic Research

Office of Regional & Political Analysis

Office of Strategic Research

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III. Intelligence Production Management

The production of the Directorate's numerous intelligence publications and the management of its widely varied research programs demand continuous forward planning, monitoring, and coordination with Office managers. To meet these needs the Intelligence Directorate:

--holds weekly production meetings to (1) assign the production of ad hoc requests from policy makers; (2) formulate research programs; and (3) review ad hoc research and production.

--exercises control over the external research program through quarterly contract review meetings.

--centralizes the mechanical preparation of Directorate production with the creation of the Publications and Presentations Group. The Group is also responsible for exploring new presentational means.

--exercises managerial control over all the production of the offices of the Directorate through the newly-established Center for Policy Support.

To fulfill its responsiblity for production monitoring, the Publications and Presentations Group maintains a computerized system that provides weekly, monthly and quarterly schedules of finished intelligence studies. Daily intelligence publications, other regular periodicals, and interagency publications produced under the auspices of the National Intelligence Office, the Intelligence Community Staff, or the National Security Council Staff are not included.

The Directorate's production program is reviewed at least monthly by the Center for Policy Support to ensure that planned projects are on schedule and responsive to consumer needs; that the projects of different offices are not duplicative; that interdisciplinary projects will include all the appropriate offices; and that coordination will be arranged for all interested components of the Intelligence Community.

The research and production programs of each office of the Directorate evolve from the interaction of analysts with their counterparts in other agencies, Agency and Directorate management, the NIOs, the officers of the IC and NSC Staffs and, ultimately, the policy makers. In addition to frequent Directorate-level contacts with policy makers and other consumers who express an interest in intelligence information and assessments on particular foreign policy issues, the KIQ (Key Intelligence Question) process helps to identify and establish priorities for research and production planning. The KIQ Strategy Report designates who in the Intelligence Community will be responsible for collecting and producing intelligence that is responsive to particular KIQs.

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IV. Strengths and Problems

A. Strengths

Quality of Directorate Personnel

The basic strength of this Directorate lies in the quality of the individuals it employs. As indicated previously, intelligence production is a people-intensive activity requiring first-rate analysts, processors, and collectors of information on events abroad to provide foreign intelligence reporting of value to our country's senior policymakers. Fortunately, this Directorate has long been able to attract, develop and retain people who, because of their native ability, academic training and capacity to keep learning throughout their Agency careers, have responded handsomely to the demands for increasingly complex and comprehensive intelligence products.

The qualifications of our employees to do this work are impressive. Their professional disciplines range from agronomy to zoology, though the majority have been trained as economists, political scientists, linguists, historians, geographers, computer specialists, military officers and librarians. Of those professionals directly involved in the production of finished intelligence, more than half have earned advanced degrees. But far more important than this evidence of good education are the personal qualities of the Directorate's employees. Ultimately, it is the imagination and initiative of our people, their capacity for objective research and reporting, their commitment to this profession and this institution and, above all, their integrity which constitute the most important asset we have. Whatever the future holds in terms of reorienting the mission and structure of the Directorate, this fundamental strength deserves to be recognized and fostered.

Achievements of Individual Offices

This Directorate takes justifiable pride in the quality of the work performed by all its components--including the manner in which raw intelligence information is processed and intelligence records maintained; the sophistication with which analysts pursue their tasks; and the degree to which our products are responsive to the policymakers' needs. To cite the specific accomplishments of individual offices, recognition is due to the CIA Operations Center for its increasingly effective performance in the critical task of managing the flow of incoming intelligence information, alerting the appropriate Agency mechanisms, and coordinating with the Community. A comparably strong performer is the Current Reporting Group whose daily and weekly intelligence publications and capacity for rapid, accurate reporting and analysis are models for other intelligence agencies.

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Among the seven production offices of the Intelligence Directorate, the reputation of the Office of Economic Research has never been higher, largely because of the quality of its recent work on international monetary problems, world trade, and petroleum issues. Likewise, the Office of Strategic Research has provided invaluable support to US negotiators in the ongoing arms limitations discussions as well as doing cost studies of Soviet and Chinese military programs and serving as an independent center for critical analysis of the strategic balance between East and West. The Office of Geographic and Cartographic Research has been responsible for the Agency's very successful innovative program to estimate Soviet grain production and has been a key supporter of the Department of State in negotiations on the Law of the Sea. The Office of Scientific Intelligence, recently transferred to the Intelligence Directorate, is a principal participant in community efforts to monitor foreign atomic energy programs and nuclear proliferation, but is giving increasing attention to such things as scientific and engineering developments abroad and the impact of civil technology transfers. The Office of Weapons Intelligence, also recently moved to the Directorate, has compiled an enviable record in the early identification and technical assessment of Soviet and Chinese offensive and defensive weapons systems. The Office of Regional and Political Analysis--though only recently established--is already providing some genuinely impressive in-depth analyses of some of the issues and complex political problems facing foreign countries, their relationships with one another, and with the United States. Finally, the Office of Imagery Analysis continues to provide first class intelligence on Soviet and Chinese economic and military developments and support to the SALT and MBFR negotiating teams.

The Office of Central Reference is successfully shouldering new burdens in the field of biographic intelligence production and imaginatively pursuing new ways of solving the Agency's increasing requirements for sophisticated data storage and retrieval through automation. A prime example of the latter effort is Project SAFE.

The Center for Policy Support, although new, has already moved forcefully to fulfill its missions of establishing close contacts with policymakers and consumers of our intelligence and to ensure that the research offices' products are relevant to the needs of the President, National Security Council, and other key officials.

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B. Problems

Such strengths notwithstanding, there are a number of present problems and future challenges that are matters of substantial concern to this Directorate.

Growing Scope of Intelligence Production

Even a cursory look at the intelligence production expected of this Directorate in years past and the demands placed upon it today reveals a steady broadening of our areas of responsibility. For example, before the mid-1960s we focused our analytical efforts almost exclusively on the Communist nations; now we cover the world. Moreover, from a functional standpoint, we limited our in-depth research largely to economic and geographic analysis; today we are deeply involved in military and political studies and are aware of the need to integrate the various disciplines of intelligence into truly interdisciplinary analysis.

Much of the substantive work we are asked to do today is on topics which previously were not considered within the purview of intelligence. A prime example is our economic research in support of US policy on petroleum, world trade, and international monetary problems. To a significant extent, this analysis depends very little on traditional intelligence sources of information since much of the data that is needed is unclassified. Nevertheless, the odds are that we will continue to be asked to do more rather than less of this kind of work because senior policymakers have discovered that we can do it with a degree of thoroughness, rapidity and objectivity that they find lacking elsewhere.

With external pressures broadening the subjects and the audience to which we must respond, it is also important to note that internally we have become aware of additional questions and consumers that this Directorate probably ought to address. For example, we are still doing very little on such increasingly important problems as world food balances, raw material supplies, population pressures and pollution of the environment. Such matters have not been the focus of national security interest in the past, but they clearly will be within the next ten years and this Directorate should be building its capacity to analyze and report in these fields. Furthermore, there are a number of policymaking or influencing groups to which we should extend our support. For example, the advanced research and development component of the defense community is busily engaged in developing expensive defense options for senior policymakers--often without adequate intelligence input on the issues relevant to the systems they devise.

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There is little doubt that the scope of intelligence production is being enlarged--appropriately in some areas and inadequately in others. It is also apparent that the Intelligence Directorate is being asked to serve additional consumers and probably should be serving others as well. But there are limits to what this Directorate can and should do and they have not yet been clearly defined. From a resource standpoint, a decision on these limits cannot be postponed much longer.

Growing Sophistication of the Policymakers' Questions

Only a few years ago, most of the questions to which this Directorate had to respond had relatively simple, factual answers. Getting the answer might be made complicated by the security measures taken by a foreign power, but the information required was definitive in nature. For example, how many tanks do the Russians have in East Germany? Where are their missiles located? What is the size of their gold stocks? The right photograph or the right agent might provide a positive, clear-cut response to these questions. Increasingly, the questions we receive today do not have definitive answers and place a far heavier burden on our analysts. For example, how will the qualitative changes in Soviet strategic forces impact on US military capabilities? What will be the effects of the increasing pressures of world population on food resources? What direction will post-Mao China take in the next decade and how will this alter the US-Soviet-Chinese triangle? The simple analyses of years past will no longer suffice and we are obliged to engage in more complex and time-consuming research than ever before.

Moreover, it is apparent that our prime consumers are increasingly interested in estimative analysis. They are seeking predictions and opinions on the facts unearthed by our intelligence collectors rather than just the facts alone. Finally, it is evident that our principal customers are not always satisfied with analysis of a subject from a single, functional vantage point, e.g. economics or politics. What they increasingly seek is total, interdisciplinary analysis, a picture of the matter under discussion from all sides. In sum, as our capability to describe the present and the past has increased--partly because of better collection and partly because of better analysis--there has been a shift in the demands of our customers. Today, they are seeking a better understanding of the factors which will affect future developments, decisions and capabilities, and they are seeking this understanding on a wider variety of foreign countries across a broader range of interconnected topics. This demand for more sophisticated reporting is being met, but there is no hiding the fact that it has resource implications.

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Growing Pressure on Resources

The resources of the Intelligence Directorate have not kept pace with the growing demands placed on it for the processing of information and the production of a wide array of finished intelligence products. As more officials of the Executive Branch and members of Congress become familiar with our ability to respond quickly to queries and to rapidly produce high quality, objective reports we find ourselves hard put to keep up with the demand. The challenge for the Directorate and its management is to find new ways to perform its expanding missions without relaxing standards and within the resource constraints imposed on the Agency.

Over the years the resource reductions imposed on the Intelligence Directorate have not been so severe, in absolute terms, as the cuts required of other Directorates. Relatively speaking, however, intelligence production has been made increasingly difficult by the fact that resources have not kept pace with the demands for our product which have substantially increased. To cope with this imbalance the Directorate has economized, consolidated and compromised wherever possible, but the effect of these measures on the long-term health of the Agency's intelligence production capability is not salutary.

For example, resources have been shifted to respond to the immediate concerns of the policymakers, diminishing our ability to maintain expertise on subjects which may concern them in the future. Offices have been reorganized to focus our analysis on key countries, reducing the attention paid to others to a monitoring status. Long-established and worthwhile programs like the National Intelligence Survey have been eliminated to meet even more pressing needs. Directorate personnel have been required to put in additional overtime hours, a practice which reduces our flexibility and resilience to respond to the demands imposed by crisis situations. Long-term research on some important subjects has been stretched out or severely curtailed, depleting the analytical "capital" on which we depend for future intelligence production.

Impact of New Methodologies and Automation

Among the most important means with which this Directorate has been attempting to cope with the growing imbalance between its resources and demands is the adoption of new analytical methodologies and automated information-handling systems. The new methods we are employing are essentially research techniques borrowed from the academic world such as systems analysis, probability analysis, mathematical and statistical procedures, and decision-making analysis. The information-handling systems with which we are concerned are primarily those large computer-driven records indexes which permit an analyst to store, retrieve and

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manipulate information in support of intelligence production. Our hope and expectation is that the application of these new methods and devices will enable us not only to do more work with fewer people but, more importantly, to further enhance the quality of our product.

We expect to become increasingly involved with new analytical techniques as well as automated information-handling systems for the foreseeable future. The implications of this growing involvement are substantial for the Directorate in terms of the hiring and training of personnel and in its funding requirements. As the production offices become increasingly engaged in the use of more sophisticated analytical techniques they must become more selective in recruiting and more demanding about retraining personnel already on board. Moreover, as all components of the Intelligence Directorate become more dependent upon automated data handling systems they will have to devote positions, space and a greater share of their budgets to the faster and broader control over information resources which these machines can provide.

Our largest automation project is SAFE. SAFE is designed to make the power of the computer, via remote terminals, available to the intelligence analyst in direct support of his analytic responsibilities. We believe that it will enable analysts to deal with the increasingly complex flow of incoming data and the growing inventory of information. It should enable them to do a better job in a more timely fashion. Under SAFE, incoming material in electrical form will be routed directly to a computer terminal at the analysts' desks where they will be able to call it up on a video screen, place it in their own computer files for later recall, and route it electrically to other analysts with related responsibilities. In addition, analysts will have ready and immediate access, from their desk areas, to stored information in the Agency's central files. Furthermore, SAFE will give them the necessary collation and computational power for the complex analytical tasks which are required for today's foreign policy considerations.

Probably more important than any of the above, SAFE will increase our confidence that all of the relevant information has been taken into account in our analysis. This is extremely important. As discussed above, the policymakers are asking more questions of fewer intelligence analysts, the questions are more complex, and the answers are being demanded more quickly. To respond adequately we must have the capability to examine large volumes of information rapidly. SAFE is primarily designed to provide this capability and must be done if the intelligence analyst of the near future is to be able to do his job.

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Emerging Relationship with Congress

The new interest taken by Members of Congress and their staffs in intelligence analysis and reporting also places an additional burden on the resources of the Directorate. But beyond the basic question of how the Directorate can respond to this greater workload is the subtler matter of how it should comport itself in its emerging relationship with the Congress. The Directorate has, of course, been involved with providing intelligence assessments to the Congress in the past by preparing the periodic presentations of the DCI, by providing senior analysts to brief on topics of interest to certain Committees, and by providing requested publications to individual Congressmen. But traditionally, its primary role has been to serve the President and the national security structure of the Executive Branch.

If this Directorate is to become a principal supplier of intelligence information and analysis to the Congress, it may be placed in the awkward position of attempting to serve two masters who, by Constitutional design, are frequently on different sides of major foreign policy issues. Obviously, in these circumstances the objectivity which is the Directorate's most precious attribute will be challenged by both sides. At a minimum, the Intelligence Directorate may lose the confidence of other elements of the Executive Branch, particularly the Departments of State and Defense, on which it depends for critically important feedback on foreign policy planning and other sensitive information which these elements glean in the course of their work. Accordingly, one of the foremost problems facing this Directorate in the years ahead is to find a way in which we can respond to the proper demands of Congress without jeopardizing relations with the Executive.

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V. The 1976 Reorganization of the Directorate of Intelligence

A. Overview

During the past several years, the Directorate of Intelligence has taken a number of steps to change the focus of its production effort in order to be more responsive to the expressed needs of its consumers. The momentum for undertaking a more intensive examination of the way in which CIA was organized to produce intelligence was given additional impetus by the numerous Executive and Congressional examinations of the production process. In particular, the findings of both the House and Senate Select Committees on Intelligence and a number of consumer surveys undertaken by the IC Staff all seemed to focus on two basic areas--the need for CIA to produce more integrated or interdisciplinary analysis and the need to create a working environment in which the analytic career could flourish.

With the establishment of the Executive Advisory Group in CIA, the new leadership of the Agency made one of its first priorities a basic re-examination of intelligence production in the Directorate of Intelligence. This study was taken internally under the direction of Dr. Sayre Stevens, the Deputy Director for Intelligence. It had four basic objectives:

--To identify those organizational changes needed to facilitate the production of interdisciplinary analysis.

--To consolidate the total intelligence production effort within CIA.

--To foster the production effort on three counts:

- the production of long-range issue-oriented analysis.
- the development of new methodologies.
- the identification of more effective presentational means.

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--To create a working environment in which an analytic ethos could flourish and could be recognized as the principal career track to be followed in the DDI.

With these purposes in mind, starting in June 1976 the Deputy Director for Intelligence convened a series of discussions with his office and staff chiefs to consider the organizational forms which might best accomplish them. After thorough discussion of the various alternatives, an interim report (section V. B) on the DDI organization for production was submitted by the DDI and considered by the Executive Advisory Group on 25 August 1976. This report received the general endorsement of the Executive Advisory Group and the DDI was given authority to proceed with the preparation of specific reorganization proposals.

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At this stage, the Directorate of Intelligence contracted with [redacted] to make an external survey of how the DDI was organized for production and what changes, if any, would be required in its organization and procedures to most effectively achieve its production objectives. [redacted] study was conducted over a period of two months during which the [redacted] experts gave oral presentations of their findings and recommendations to the Deputy Director for Intelligence, to the DCI, DDCI, the Deputy Director for Science and Technology and the Comptroller, culminating in a final written report submitted in November 1976 (section V. C).

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At this point, the Deputy Director for Intelligence established an interim working group on reorganization to consider both the DDI interim report of 25 August and the [redacted] findings. This working group prepared a series of working papers on possible organizational measures and proposals that would best serve the purposes of the reorganization plans. When these studies were completed, the DDI and the ADDI met with the working group representatives to formulate specific reorganization proposals (section V. D). These proposals which made relatively minor changes in the organizational structure of the Directorate were more significant for the changes they directed in the focus of the DDI production effort and its personnel management system. After discussion of these proposals with the DDI office and staff

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chiefs, they were briefed to the Executive Advisory Group and received its endorsement. On the basis of EAG endorsement, the Director of Central Intelligence on 15 November 1976 authorized the DDI to proceed with the implementation of his reorganization proposals.

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B. The 25 August 1976 Interim Report

MEMORANDUM FOR: Members of the Executive Advisory Group

FROM : Sayre Stevens
Deputy Director for Intelligence

SUBJECT : Analysis in the DDI: Problems and Issues

One of my first orders of business as DDI has been to undertake a fresh examination of the process and product of the directorate's principal activity: analysis. I have sought the individual and collective counsel of many colleagues, and together we have developed some ideas about what might be done in coming years to improve the quality and utility of our analytical efforts.

This paper summarizes the initial results of our brainstorming. It proposes several basic objectives to serve as guidelines for a program to raise the level of our analysis and make it more responsive to the present and future needs of our consumers. It identifies a number of obstacles that seem to stand in the way of progress toward these objectives, and it then explores potential solutions--some procedural, others involving major organizational changes. Finally, it poses several basic policy issues that must be resolved by senior management before we move ahead.

OBJECTIVES

Our critique of the directorate's intelligence products and the way we approach the analytical process revealed four areas in which substantial improvement seems imperative:

One: We need to pursue multidisciplinary analysis in a more rigorous and institutionalized manner, without destroying existing centers of professional coalescence. There is a growing demand from our consumers for intelligence products that integrate all the relevant factors affecting many major issues.

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Two: We need to improve the way we select analytical problems and allocate resources to them so as to give better support to policy-makers. This means not only being more responsive to the perceived needs of policy-makers but also anticipating their needs and giving them longer lead times to ponder emerging concerns and potential problems.

Three: We need to insure a more "adventurous" stance in our analysis and presentation. The DDI is lagging behind in the application of modern techniques available in other analytical professions and in the communications field. We also tend to limit our papers to traditional subjects and analytical frameworks and hesitate to push out into broader fields of analysis.

Four: We need to strengthen the "analytical ethos" in the directorate. Analysis must be our central function. It must be accorded the highest priority in time, talent, and resources, and not take second place to administration or staff work. Our organizational structure and incentive systems should reflect this priority, not only for producers of finished intelligence but also for the indispensable elements that support analysis.

OBSTACLES

There are a number of features about our present organization and operating style that impede our achievement of these objectives.

Obstacles to Objective One: More Multidisciplinary Analysis

--The artificial splitting of analytical responsibilities and subjects along organizational lines.

For understandable reasons, our production components are, for the most part, organized vertically by discipline: economists in one office, political scientists in another, military specialists and geographers in other separate offices. In the present DDI culture, these elements tend to work relatively independently, developing their own research programs, conducting their own analysis, and publishing their

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own papers. As a result, there is a tendency to have overlapping responsibilities, duplications, and, more importantly, a lack of substantive input from other offices.

Furthermore, the present structure does not facilitate imaginative analysis which would draw on disciplines not represented in the directorate. This is most strikingly true in the cases of weapons analysis and foreign technology assessment. But other important factors are also routinely left out of our consideration. The behavioral sciences, for example, get short shrift in DDI products, even though some of the more important questions of foreign attitudes and policies ultimately come down to psychological and sociological factors.

The result is that finished intelligence products tend to be limited in scope to the frame of reference of the analyst or his organization. This approach may be adequate for projects where the consumer's requirement is fairly narrow and falls within the expertise of a single analytical element. Many policy issues, however, are much broader than that, and the policy-maker is left to his own devices--if he does so at all--to develop an integrated appreciation of the factors bearing on the issues he confronts.

Over the years efforts have been made to increase the amount of interaction and joint work, but they have not been notably successful. An experiment with multidisciplinary country teams, for example, proved a failure after a year of trying. The Office of Political Research was formed in part to produce more broadly based analysis, but OPR still does not interact extensively with the other production offices. While there has been an increase in joint studies between offices, the DDI is not organized to encourage multidisciplinary analysis, which remains sporadic and largely dependent on the initiative of individuals.

--The lack of dialogue during the early stages of analysis. To a large extent, this problem is a subset of the first one, particularly for projects which involve more than one office. Our structure does not have adequate mechanisms and incentives for analysts to get together on a problem at the start of the analytical process to share each other's knowledge and insights.

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Obstacles to Objective Two: Improved Selection of Analytical Problems

--The inadequacy of mechanisms for deciding what analysis should be done to best serve our consumers and for setting priorities. Obviously, much of our work is--and should be--in response to specific requests from policy-makers. But we have a responsibility to do more than that: we need to look ahead to determine what policy-makers should concern themselves about and do the work needed to inform them on such matters. Our track record in this area is uneven, principally because we lack the institutional means and flexibility to insure that the work of the directorate is focused on the right questions, and to allocate resources accordingly.

--The difficulty of serving diverse consumers with our products. Many of our papers are tailored for a specific audience and written in the jargon and level of detail appropriate for that audience. In so doing, we often fail to communicate the relevance of our findings to a broader or higher level clientele.

--The tendency to let current demands interfere with research. There are some who believe that we devote an inordinate amount of our resources to "reporting the news" and not enough to providing rigorous analyses of developments. Even the research components of the directorate find it difficult to pursue sustained analysis because they are constantly being tasked to respond to ad hoc demands such as drafting estimates, supporting the NIOs, and answering NSC queries. We must, of course, be responsive to legitimate demands such as these, but we need to find ways to insure that we strike a proper balance between investing in research and spending our capital on other tasks.

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Obstacles to Objective Three: More Adventurous Analysis and Presentation

--The gulf between new methodologies and "real" day-by-day analysis. It is not that the directorate has neglected to investigate new analytical techques in the past few years, but rather that it has not managed to put them into serious and sustained use as an integral part of the analytical process. In many cases, new methodologies are little more than "showpieces" that attest to our interest but remain on the shelf.

--The lack of a comprehensive program for developing and implementing new presentational means. Various elements of the DDI have taken initiatives to investigate--and in some cases adopt--new media and techniques for getting our messages across to our consumers. Some good work has been done, but we remain far behind what is happening in the communications field. Our lag in this area has not gone unnoticed by critics.

We treat presentation as a matter for each office to handle on its own. For the managers of production offices, presentation tends to be a secondary concern, and the efforts so far have been piecemeal and uncoordinated. We lack a mechanism for bringing adequate expertise and resources to bear on the problem in a way that would serve the entire directorate.

Obstacles to Objective Four: Strengthening the Analytical Ethos

--The cumbersome review process. The number of reviewers a paper must pass through before being published borders on the absurd. Office chiefs, division chiefs, branch chiefs, and sometimes section chiefs all get involved, and editorial processing is added to that. It is not uncommon to have a paper bounce up and down this ladder for five or six months before being approved. Each layer of management justifiably feels responsible for the work of its people and wants to insure quality control,

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but the process occupies too much of our analytical resources and hurts the timeliness of our products.

--The overorganized management structure. The shortcomings of the review process are symptomatic of a larger problem: the excessive layers in our management structure. We are too highly organized to get on with our job efficiently. Part of the reason for this may be our promotion system, which requires that we move our good people into supervisory or staff positions if they are to advance. This system creates a bureaucratic imperative to proliferate supervisory and staff slots--and the layers they control.

--Shortcomings in analytical skills and substantive expertise. Some critics of DDI analysis contend that our ability to do first-class research in some areas is declining. They perceive, for example, a need for more people able to do sophisticated analysis, a decline in language abilities, a growing shortage of competent area specialists, and a need for more adequate training programs for developing the kinds of skills and knowledge we need. The problem is exacerbated by a tendency to divert our best analysts to nonanalytical tasks. Because most of the current intelligence reporting carries little analytical content, basic analytical skills have not been valued appropriately in substantial portions of the directorate. The importance of these skills must be reaffirmed. Moreover, it is becoming clear that we need to maintain cadres in certain critical specialties and shield them from the distractions of ephemeral demands.

POSSIBILITIES FOR IMPROVEMENT

The system has been changing, particularly in recent years, to meet new demands and deal with old problems. We do not rule out the possibility that the evolutionary process, coupled with a series of procedural changes, could over time put us where we want to be without the disruption of a reorganization. We will later suggest some procedural innovations, but we have found through experience that they

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do not usually hit at the heart of the problem and that structural changes in some form may be necessary.

An earlier attempt to pursue multidisciplinary analysis through the creation of ad hoc teams, for example, simply did not work. Because the teams were not assigned to specific projects and met mainly to exchange views, they were artificial in nature and too dominated by the present organizational structure. Some regularized mechanism, organizationally instituted, seems necessary. Although procedural changes probably could help us establish a better mechanism for selecting problems to address, the real cultural change that would be a vital part of a more effective selection process could probably come about only through a shakeup of the existing system.

To achieve our third objective--a more adventurous stance in adopting new approaches to analysis and presentation--some revision of the present setup seems desirable. It is true that new methodologies need to be rooted in specific disciplines and probably can flourish in the present environment, but there is so much fragmentation in the effort to develop new presentational means that we have not been able to move out vigorously in this field.

Finally, we see a direct relation between our objective of strengthening the "analytical ethos" and the need for reorganizing. There is, we think, a strong argument for a fairly dramatic uprooting of the "bureaucracy" if we are to change deeply ingrained ways of thinking.

In short, to achieve all of our stated objectives in satisfactory and timely fashion, some degree of reorganization may be required. Such reorganization could take several forms. Of the various options discussed below, the first three are aimed primarily at strengthening multidisciplinary analysis and secondarily the analytical spirit of the directorate.

Geographic Organization

One option would be a reorganization along primarily geographic lines. A logical realignment would be to divide the directorate into two separate but equal parts, one dealing with Intelligence Services and one with Intelligence Production.

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The Intelligence Services segment would combine the existing publications/cartographic elements in the DDI. It would publish all current intelligence, finished intelligence monographs, and periodicals as well as provide all cartographic and geographic services.

The Intelligence Production segment would redistribute the units of the present production offices into four geographic units: USSR/Eastern Europe; Western Europe and Western Hemisphere; Middle East/Africa/South Asia; and East Asia/Pacific. The activities of the two DDS&T production offices--OSI and OWI-- would logically be incorporated in this setup. The special disciplines these offices represent would add depth and breadth to our multidisciplinary efforts. Another entity, the Office for International Programs, would integrate for the first time work on problems of a genuinely international nature--worldwide trade, monetary problems, Law of the Sea, and so forth.

Advocates of this approach argue that there is a geographic common denominator or thread for most DDI activities, and that questions from consumers and answers in the form of DDI products usually have a geographic focus. An organization along these lines would permit directorate offices to deal more effectively with counterparts within and outside the Agency, most of whom have a geographic alignment. Also, whatever competition, duplication, and overlapping of responsibility that exist in the DDI would be reduced. Finally, and most importantly, a geographic organization would encourage multidisciplinary analysis and strengthen the regional focus of our analytical efforts.

There are, however, some very serious disadvantages. A geographic setup would fragment the disciplinary focus, which is apt to be dominant in much of our analysis. It would also limit professional growth in disciplines and specialties other than those centered on area studies, and we cannot afford any loss of these functional skills. Furthermore, this organizational scheme would require the replication of expensive tools, such as computer programming models, which are now centralized in the existing offices and constitute the basis for much of our effort to develop new analytical techniques. Finally, it would be highly disruptive for the entire directorate.

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Office of Multidisciplinary Analysis

Another approach to facilitate a crossdisciplinary approach to problems would be to establish an Office for Multidisciplinary Analysis organized on a geographic basis. Analysts, selected from their parent offices and representing various specialties and disciplines, would be assigned to the Center for a rotational tour. There would be a small permanent staff as well.

The virtue of this approach is that it is simple and would be only minimally disruptive. The establishment of a separate office directly tackles the problem of multidisciplinary analysis but at the same time keeps specialists in their own environment.

On the negative side, the base for doing genuinely crossdisciplinary work would be rather narrow, and little would be done to create a genuine multidisciplinary culture. Moreover, the directorate's management structure would remain overly large and cumbersome. It is likely, too, that the Office would become divorced from the real, day-to-day work of the other DDI offices.

Matrix Scheme

Another possibility for reorganization aimed at encouraging multidisciplinary analysis would be a matrix arrangement which would preserve the individual offices but introduce some changes. The offices would be seen as parts of a vertical organization where the management function would reside and where "pure" analysis would be done by specialists. A large portion of the analysts in each of the offices, perhaps 60 percent, would be involved in doing research on a sole topic. Such research is critical because it is the foundation on which longer-term projects rest and is the building block for all other kinds of analysis. The rest of the analysts would be a "floating" labor force available to work on problems cutting across organizational lines.

Laterally, "program directors" with responsibility for cross-disciplinary research areas would organize projects responsive to a stated or felt requirement. The teams established for a particular project would be drawn from the floating labor pool. The final product would be produced under

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the direction of a project leader reporting to a program director, but the ultimate responsibility for professional content would belong to the appropriate offices. Everyone, including the program director, would be attached to a given office.

The matrix approach, like the proposal for an Office of Multidisciplinary Analysis, would directly grapple with the cross-discipline problem while preserving separate analytical disciplines. It has the added advantage of creating a multidisciplinary culture that reaches throughout the directorate without being divorced from line management. And it would free us from some of the rigidities of the present system by giving promising analysts a route upward that is not linked to supervisory positions--a content that would give credence to our claim that analysis is indeed the central function of the DDI.

There are problems, however. Imposition of a matrix system would create turbulence and would require additional management at the directorate level. With analysts divided into specialists on the one hand and a floating pool of generalists on the other, the rise of a two-tiered system in which one group or the other becomes the elite seems almost inevitable. There would also be a potential conflict because responsibility would be divided between program/ project leaders and office heads, both with certain responsibilities for substantive content of projects. Finally, the matrix scheme to some extent would duplicate the present NIO structure.

Current Intelligence Setup

The three reorganization options discussed above directly address the problem of fostering greater multi-disciplinary analysis, but there is a separate problem that needs to be considered: the proper approach to current intelligence. The problem is a distinct one because we must weigh the need to report all kinds of news promptly and fully against the need to provide our consumers with in-depth analysis. Some claim that too many of our resources are now directed at the production of current intelligence.

If we decide that we do indeed devote too much of our effort to current reporting and not enough to current analysis, another possibility for reorganization would be

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to create a small White House and General Publications Support Staff to handle the more limited reporting function and free most of our current intelligence resources for more in-depth analysis. The Support Staff would be manned around the clock by analysts from the production offices of the DDI and DDS&T. A group of perhaps 20-25 middle-to-senior grade analysts would serve one or two year tours and then return to their parent organizations. These "hot flue" analysts would be responsible for drafting whatever daily and weekly products are issued.

If this kind of staff is created, some revision in the current intelligence publications would probably be necessary. We might, for example, find it necessary to abolish the National Intelligence Daily, OCI's newspaper, and instead report current intelligence by cable to our principal consumers around the clock. A daily compilation of the most significant cables could then be published for broader dissemination.

More detailed commentary and analyses of current developments--political, economic, and military--would be published twice a week in a new publication which would replace the various office weeklies and other periodicals. There might be a need for continuation of certain specialized publications such as OER's International Oil Developments, but the basic concept would be that directorate publications represent a "DDI product" and serve as the vehicle for publishing the work of the directorate.

Although some OCI analysts would be assigned to this new current staff, most of the analysts in that office would be combined with OPR into an Office of Regional Analysis. Such a merger would eliminate the anomaly of having two DDI offices engaged in political research and would encourage the production of more probing analysis. Creation of an Office of Regional Analysis would be quite compatible with the matrix proposal outlined earlier.

Office of Production

Under any of the above proposals for reorganization, it might be wise to consider establishing a separate Office of Production. The office would serve as a 24-hour processing center for DDI publications, with units for technical editorial review, machine processing, proofreading, layout, and preparation of graphics. Creating such an office would promote efficiency and perhaps would free resources that could then be devoted to the analytical effort. The Office

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of Production would also be the center for developing and implementing new presentational techniques for the entire directorate. There would be a savings in equipment and the advantage of greater quality control over the finished product.

PROCEDURAL CHANGES

Whether or not we proceed with any organizational reforms at this point, there are certain procedural and administrative changes that can and should be made. One such change is already in effect--a weekly meeting between the DDI and the heads of the principal production offices to provide overall direction and focus to the substantive work of the directorate.

Other possibilities are suggested below:

--Tasking mechanism for the directorate. The production group now meeting weekly could be given an additional function, that of serving as a tasking mechanism for projects undertaken by the directorate, thereby ensuring the proper assigning of priorities to given programs.

--Periodic review of publications and projects. Rather than the hurried reviews of recent years that usually were the result of a request from on high or from Congress or the White House, the DDI could institute a program for regularly reviewing all of its publications and research projects to see whether they continue to meet the needs of the principal consumers.

--Consumer seminars for evaluation of DDI products. There is a pressing need for more feedback from our consumers on what publications and products they value, which they ignore, what they wish they had, and why. On a regular basis, one-to-two day seminars involving key consumers and office heads could be held to discuss such questions.

--Review of our hiring practices. We need to take a hard look at the kinds of people we are hiring to be sure that we are getting the proper mix of people--behavioral scientists as well as political scientists, for example. To pursue multidisciplinary studies we must ensure that all of our analysts don't come out of the same mold.

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--Increased intra-directorate rotational assignments. Despite constant exhortations from the top and general recognition that rotations offer advantages to almost everyone, there is no practical and realistic scheme for promoting such assignments. The cross-fertilization that could result from tours ranging from 3 months to 2 years could both promote multidisciplinary analysis and break down some of the barriers between the production and service offices.

--More cross-fertilization with the outside world. The emphasis on current intelligence and the pressures of publications and deadlines too often make contact with outsiders--particularly the academic world--difficult. The directorate could profit from a well-thought-out seminar program involving different offices in the DDI and outside specialists on a regular basis.

--More creative training. The directorate should enlarge and enhance the talents of its existing analysts through a more innovative approach to training. One way to foster greater multidisciplinary analysis, for example, is to give analysts training in disciplines outside their specialties--train political scientists in some of the more important economic concepts, let economists learn more about geography, and military strategists more about political dynamics. At the same time, we need to retain and strengthen our regional expertise.

--Renewed emphasis on language capability. Enhanced language skills also fall in the category of "things we need to improve in the DDI but do little about." There is no rational plan for encouraging analysts to sharpen old skills or learn new ones.

--Greater contact between the DDI and office analysts on substance. To underline our contention that the heart of the DDI is analysis, regular and continuing contact between the DDI himself and analysts engaged in substantive projects should be instituted.

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ISSUES TO BE ADDRESSED

As you can see, we have developed a number of ideas and options for consideration. We have also undertaken some preparatory steps. We're collecting data, for example, that will give us a better grasp of what kind of people we have on board, what their area of expertise is, how much time we spend on producing certain kinds of intelligence, what priorities we attach to various positions, and whether an independent production office is feasible. We have contracted with [redacted] consulting firm to do a study on the DDI organizational setup and will provide them with the results of our labors. We are also planning a review of all our publications. At this point, what we need is some guidance from you. 25X1

Before the directorate decides which way to move as it comes to grips with its problems, there are certain issues that the Executive Advisory Group should address.

--To what extent should the practice of current intelligence as the art of "tending the hot flue" be de-emphasized? Do we want to move away from this aspect--the "news" function--in favor of a more genuinely analytical product? What are the consequences of shifting the emphasis away from interpretive current reporting toward current analysis? At this point, is there any real possibility that we could eliminate the National Intelligence Daily or some version of a slick, well-packaged daily publication for our consumers?

--Should we rely upon the NIOs to solve the problem of operating across organizational lines? Does the CIA have a responsibility for solving these problems within its own house without relying on the NIO structure?

--To what extent should CIA extend its research and analysis beyond the classical intelligence topics to address other foreign and global issues of concern to national policymakers? Should the directorate, for example, be as concerned about scarce natural resources as it is about the possibility of a Communist government in Italy? Produce as much on agricultural production as it does on military sales? Learn as much about population problems as it does about foreign

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political parties? And if attention is paid to such a diversity of topics, will the DDI and indeed the Agency be that much less well-informed on critical issues?

--Should the production offices of the DDS&T be somehow integrated into the DDI production processes? Would such integration require that these offices be transferred to the DDI? And, if so, would the separation from the R&D and data processing activities of the DDS&T unacceptably weaken our capabilities in science and technology?

--Should we endeavor to expand the areas in which we produce "national" (i.e. coordinated inter-agency) intelligence? Would the Agency lose its unique role as an objective observer and interpreter of events if it regularly coordinated longer range studies with agencies that have a decided stake in any intelligence prediction?

--How much effort should we make to put the DDI and the Agency in the forefront of new presentational means and analytic techniques? Is it worth a major investment in terms of resources in fields that are so experimental that the ultimate pay-off could be minimal or at least peripheral to our real mission?

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REPORT TO THE DDI

To a large extent, the problems which face the DDI derive from perspectives and habits that have outlived their time. For example:

--Intelligence analysis is concerned principally with military and political threats to the physical security and political interests of the U.S.;

--Intelligence analysis resources are sufficiently large, and the Agency analysts sufficiently knowledgeable, to provide all the information and analysis needed about all relevant parties and problems in the international system;

--Intelligence analysts provide products principally to officials at the very highest level of government who are themselves generalists without other sources of information and analysis;

--Intelligence analysis has only two alternative stances available: (1) report external developments in a neutral, factual way; or (2) be drawn into the role of supporting the policy preferences of current political officials;

--Intelligence analysts best serve the nation by living a professional life in a career service, apart from governmental decision-makers and from the uncleared professional, political, and business leadership community;

--Intelligence analysis is best done by individual generalists or by small groups organized around specific intellectual disciplines.

In the early days of the Agency, these assumptions were appropriate and no doubt promoted useful production. There were few analysts, their individual coverage was broad, and their data base could be small. At the same time, the user community was small, broad-gauge, and demanded information more than interpretation. Most importantly, the U.S. was

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only beginning to be a significant player on the international scene, and classical politico-military moves were paramount in the country's mind.

But the world, the nation, and the Federal Government no longer reflect these assumptions in the way that they did 30 years ago. No longer is the community worried solely about the Soviet military threat. In purely military areas, the costs of competing proposals for strategic and tactical force structures have led to the creation of enormous analytical efforts to weigh the costs and benefits of alternative weapons systems in light of alternative policies and external reaction to those policies all around the world. Moreover, our national security concerns today range from changes in Chinese leadership to economic pressures exerted by Middle East sheiks, and to longer-range issues of proliferation, terrorism, and the implications of technology transfer. The analysis of context has become as important as the analysis of factual data. A whole new methodology of sophisticated issue-oriented policy analysis has evolved to deal with these kinds of problems and has become institutionalized and heavily relied upon by senior officials in the Executive Office of the President, and in most departments and agencies.

Today's analyst is also forced to deal with staggering amounts of information from many sources, only small parts of which--well buried in the "noise" and highly dependent on context--are likely to be useful. New collection methods and improved communications systems complicated as well as helped the community's ability to deal with changing world and changing user needs.

The trend of the last thirty years is likely to continue--problems will grow in complexity, the U.S. will play an expanded role in world affairs, and the demands for analytical production services will escalate. However, the intelligence community cannot continue its trend toward an ever-increasing number of analysts, each of whom knows more and more about less and less.

The alternative is to reassess the assumptions so as to arrive at a new set of perceptions and procedures for intelligence production that will tailor the resources of the community to newer priorities. For example, a new set of assumptions might be:

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--Intelligence analysis is concerned with military, political, and economic threats to the security of the U.S., and with political, economic, and technological trends that shape the world community in which the U.S. lives;

--Intelligence resources are limited and therefore draw upon outside expertise as much as possible in order to maximize the contributions of those capabilities unique to the community;

--Intelligence analysts provide products to officials at the very highest level of government and to the various staffs that support those officials;

--Intelligence analysis maintains a continuously improving factual data base on key international information that will contribute to the policy analysis process in support of national decision-makers;

--Intelligence analysts are drawn from our national professional, political, and business leadership community for temporary, part-time, or career service and may participate on a classified or unclassified basis, as appropriate;

--Intelligence analysis requires the flexibility to assemble groups of analysts of varying skills ranging from highly specialized to highly general, and to assign very capable individual analysts to very specific problems;

--Intelligence production should be the interface between collection and use, and should reflect the problems and opportunities of the one to the other.

The program which we propose is a step toward redirecting the current effort of the DDI to comport with the changed circumstances that these new assumptions represent. Key to this proposal is the concept of the DDI as "Director of Production" of the Agency, from whom comes much of the leadership in the intelligence community for a new effort--one directed at focusing the resources of the analytical staff on the present and future issues affecting U.S. security. To do this will require the active cooperation of his suppliers, i.e., the collectors, and his consumers, i.e., the users.

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We envision a system in which more nearly than at present the collectors collect what the analysts need to have collected, not what can most readily be collected; where the analysts analyze what the users want analyzed, not what they want to analyze; and finally, where the users request and receive what they need, not use what may be available.

On the Establishment of an Office of Policy Support in the Directorate of Intelligence:

The Proposal

The DDI should establish an Office of Policy Support (OPS) in the Directorate to assist the DDI in the timely production of intelligence analyses helpful to those government officials responsible for developing and analyzing policy options for the President and selected heads of departments and agencies. These analyses also should assist Congressional consideration of major policy issues before the country. The concerns of these consumers center on issues rather than particular events abroad.

The OPS should report directly to the DDI and ADDI. It should assist them as staff in managing the resources of the Directorate in addition to having the line responsibility for formulating, carrying out, and reporting on special analyses with its own personnel, and for tasking other offices in the Directorate to help. It should act as the principal interface between the Agency and the policy analysis community.

This new Office will have four major tasks: (1) develop strong relationships between the DDI as the chief unit for intelligence analysis and the user community just mentioned, and between DDI and the external policy analysis profession; (2) provide a model of a work style and appropriate incentives to induce and assist other DDI offices to produce midterm analyses focused on issues that will better serve the policy formulating and evaluating community; (3) carry out major studies on a small number of critical issues which clearly cut across the specialties of other DDI offices and require major analytic innovations, e.g., nuclear proliferation and arms control, global resource supply, redistribution of international economic power and wealth, assessment of military competence (as distinct from force structure), Africa. The issues would change over a period of several years and might be eliminated or spun off to relevant offices,

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as appropriate; and (4) advise the DDI on changes in collection and information base priorities with the largest probable payoff in policy-relevant analysis.

The Rationale

This proposal reflects considerations both internal and external to the Directorate. Externally, there is a growing sophistication and institutionalization of the analysis of policy options for the consideration of national policy-makers. Increasingly real budget constraints and the rapid technological and political change of the last decade have complicated greatly the formulation of national policy; understanding the uncertainties and the contextual setting of policy options have become major factors in establishing national policy. Policy analysis offices have been established in the National Security Council staff and in many executive departments and agencies; professional practices and standards of policy analysis methodology are beginning to evolve. More and more national policy-makers are looking to this type of analysis and to this community for assistance in formulating national policy. The intelligence community, to serve the national policy-makers in this new environment and to preserve the legitimacy of intelligence institutions, must begin to provide the kinds of intelligence outputs that are needed by the policy analysis community, in addition to providing the estimates and evaluations that are directly useful to the policy-maker himself.

Internally, the Directorate is not organized or managed to undertake many of the quick, multidisciplinary, issue-oriented analyses where the interplay of assumptions, information, uncertainties, and implications is essential to assuring maximum usefulness of intelligence to the policy process. Moreover, the Directorate does not now have the personnel skilled in professional policy analysis methodology that would be necessary to contribute to the policy analysis process that policy-makers increasingly draw upon.

Implementation

There is no point in seeking, from the President or anyone else, some charter to implement this change. The best way to proceed is simply for the DCI and the DDI to begin to develop the capability and to offer more and better help to the policy analysis community.

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This capability is not to be gained by eliminating the more formal, specific, or conclusive intelligence production process now in place, nor can it be accomplished by promotion from within. Rather, it should be implemented as an overlay that can add to and draw upon the existing professional capabilities of the Directorate. This will require the hiring of a number of professionals from outside the intelligence community at senior and intermediate levels to begin to function in the role envisaged.

Three caveats are in order: (1) Absent strong support from the DCI, DDCI, and DDI, this approach will be hard to implement. (2) Even though there is a strong consensus among policy-oriented users of intelligence that this approach to intelligence production is much needed, no one has ever tried to institutionalize it before, so that considerable monitoring and fine-tuning will be needed as the capability is developed; in particular, intelligence analysis for policy support is <u>not</u> the same thing <u>as</u> policy analysis itself. (3) The success of this undertaking is critically dependent upon hiring outstanding people, knowing they can be kept only a few years, and on commitment of adequate contract funds for ample outside assistance.

On the Reorientation of the Office of Economic Research in the Directorate of Intelligence:

<u>The Proposal</u>

The resources of the Office of Economic Research (OER) should be reoriented to provide, in addition to its current worthwhile program, three further kinds of economic analysis: (1) policy-relevant microeconomic analysis of specific industries, countries, technologies, and resources; (2) organizational analysis of economic institutions, including companies, government ministries, markets, procurement processes, and regional and commodity institutions; and (3) forecasts of economic developments and burdens which will pressure foreign regimes to consider foreign and domestic policy changes of importance to the United States. The OER should expand its use of outside consultants and contractors and should increase its sponsorship of unclassified research and symposia on these kinds of analyses.

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The Rationale

The range of economic subject matter on which the President and other key national policy-level decision-makers need intelligence inputs is expanding as national security increasingly depends on many factors other than military force structure. Specifically, trade, technology, monetary policies, and natural resources require more intelligence production in both military and nonmilitary contexts.

Many of the newer tools for policy analysis are built on or closely related to classical economic methods, and OER reasonably ought to be strong in these methodologies, as well as in the statistical estimation methodology and data base maintenance functions it now performs. Consumers of economic intelligence analysis will become increasingly knowledgeable about the applications of these methods and will increasingly assess the value of the OER contribution in light of these methods. Moreover, many of these new kinds of analysis will draw on unclassified sources and will be built on unclassified methodologies; the OER program could be much stronger and engender far more support if it were open to considerable outside input. Importantly, the three sorts of analytic capability recommended for increased emphasis relate in explicit and policy relevant ways to political, military, and technological courses of action that policy-makers must consider.

It will be difficult to succeed with the overall purposes of the new role for the Directorate that we have proposed if OER is not reoriented along these lines to permit it to be an asset rather than a drag on the Office of Policy Support and the Office of Political and Regional Analysis.

Implementation

OER should move immediately to define the priority areas, adding new analytic talent in consultation with the DDI and the heads of the new Offices of Policy Support and Political and Regional Analysis. Specific contract support plans should be developed, and funding support should be sought from the Office of Policy Support and the DDI.

It is likely that some of the present analysts in the OER should be released, since funds and slots for the new

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Office of Policy Support will, in part, have to come from OER, and other OER resources will need to be devoted to the new directions for OER itself. It should be made clear to everyone that such action is an affirmation of the importance of OER and the role of economics in intelligence production, rather than a denigration of past efforts, many of which will continue.

On the Establishment of an Office of Political and Regional Analysis in the Directorate of Intelligence:

The Proposal

The DDI should establish an Office of Political and Regional Analysis (OPRA), which would combine the Office of Political Research and the Office of Current Intelligence, except for the production and journalistic functions presently assigned to the latter office. Consideration should be given to including the analytical activities of CRS and OSI with respect to biographical data in the OPRA.

The Rationale

There is far too little political analysis included in those analytical reports from the Agency which concern military economic, or technical issues. The dominant concern for performing "research" in OPR and "current analysis" in OCI has precluded effective participation of these offices in cooperative, issue-driven analysis, and has increased their isolation from users. A deliberate decision was made, when OPR was created, to insulate it from the NIOs and the user community in order to ensure that the "research" effort would not be aborted by requests for "current analysis". The OCI had excellent working relations with their counterparts in the State Department before the creation of the NIOs eliminated that relationship.

Placing responsibility for publishing the NID in OCI has had a number of undesirable side effects. Excessive resources are being devoted to current reporting in contrast to current event-driven analysis or to longer-term issue-driven analyses. Cooperative efforts are discouraged,

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since recognition and promotions are heavily influenced by the number of articles which an individual is able to get printed.

Finally, maintaining two separate geographically-oriented political offices seems to be an inefficient use of scarce personnel and budget resources. By combining all of the political and regional analysts in one organization, professional analytic standards can be enhanced, and political analytic resources can better be marshalled to cooperate with OER, OSR, and the new OPS.

Implementation

In order to make the new office most effective, we believe the following should accompany the organizational change:

--A charter should be written and distributed to all office employees setting forth the mission and objectives of the new office;

--Close working relationships with the Office of Policy Support, OER, and counterparts in all of the using agencies should be encouraged and supported at all levels of management;

--Individual analysts should be rewarded for cooperative efforts with other DDI components and for their ability to tap the expertise which exists outside of the intelligence community.

On Transferring OSI and OWI from DDS&T to DDI:

The Proposal

OSI and OWI should be transferred from DDS&T to DDI.

The Rationale

An important part of our proposal is the concept that the DDI should be the chief production officer of the CIA, a

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role that has not been explicit in recent years. Science and technology are important considerations in the newer areas of international concern for the Agency, just as they have been in the more traditional politico-military intelligence analysis. It will be important for production management and quality control to have a strong science and technology analysis capability in DDI. These considerations far outweigh the unconvincing arguments for maintaining a single scientific and technical activity in the CIA, or for maintaining close organizational relationships between these two offices and the collectors.

Implementation

In implementing this proposal, consideration should be given to redistributing the three divisions of OSI among existing DDI offices.

OWI should remain as a separate office for the time being, but it may make sense in the future to consolidate OWI and OSR as workload, resources, and management considerations may indicate. 25X1

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D. DDI Decisions on Reorganization

--Establish a Center for Policy Support

--Establish an Office of Regional and Political Analysis

--Establish a Current Reporting Group

--Establish a Publications and Presentations Group

--Recommend transfer of OWI and OSI

--Establish mechanisms linking analytical activities to Agency R&D

--Maintain OSI intact but better relate its programs to policy issues 25X1

[redacted] 25X1

--Re-examine OER's analytical focus in light of [redacted] comments

--Rename IAS in recognition of its production role

--Reject proposal to consolidate all biographic intelligence but undertake a seminal effort in this regard

--Strengthen Global Resource Analysis in OGCR

--Improve Directorate Personnel Policy

--Broaden the function of the Coordinator for Academic Relations and develop for EAG review a plan for strengthening DDI links with the outside world

25X1

--Consider [redacted] security recommendations from more realistic viewpoint

1. Center for Policy Support (CPS)

The Center for Policy Support is established in the Office of the DDI to assist the Deputy Director for Intelligence in carrying out his responsibilities:

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--for increasing the relevance of CIA intelligence production to the needs of policy-makers,

--for executing and managing Directorate-wide intelligence analysis of issues key to the formulation of U.S. policy,

--for monitoring and maintaining effective management control of the production activities of DDI components.

The function of the CPS can be best understood by viewing it as the CIA production linkage between consumers of the CIA analytical product--both within the Intelligence Community and in the policy-formulating sectors of the Government--and the primary producers of this intelligence within the DDI.

Policy Support

In carrying out these responsibilities, the CPS is specifically enjoined from supplanting existing arrangements between the production line components of the Directorate and their principal consumers. It will, however, in the course of other activities, be free to maintain contacts with many of these same consumers, particularly with regard to those intelligence production activities which will be carried on independently by the CPS.

The CPS will be expected to concentrate its policy support activities on those areas where existing producer-consumer relations appear to be inadequate or where consumer interests are broader than the responsibility of any single production component. Examples of these would be the White House, the Office of the Secretary of Defense, including the International Security Affairs component of DOD, and the Arms Control community.

CPS would also be involved in sharpening the focus of intelligence production support to consumers during selected crisis situations.

Directorate-Wide Intelligence Production

This type of intelligence production refers to that interdisciplinary analysis which will be carried on as an independent

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production activity at the DDI level and may, on occasion, include critical intelligence production assignments which involve more than one production office, but are not truly interdisciplinary in nature. The latter usually will not be produced by the CPS but will be produced under the general direction and guidance of the CPS.

It is anticipated that the number of these projects will be small. They will be planned and completed as a DDI research activity done partly with the resources of the CPS, but also with resources made temporarily available to the CPS by line production components.

A candidate list of activities which would be done by the CPS includes:

--Proliferation
--Soviet R&D Costing
--Technology Transfer
--"New World Economic Order"
--Political Impact of Oil Price Rises
--Policy Implications of Global Resource Issues
--Alternative Hypothesis Analysis
--Arms Control Futures and Verification Requirements

Management Control of Production

The third major responsibility of the CPS in support of the DDI will be to review and monitor the production activities of DDI line components. In executing this responsibility, the CPS will also serve as the DDI's focal point to control the tasking of line offices by the NIOs. To assist the DDI in his production management responsibilities, the CPS will be charged with maintaining a DDI production program and will serve as a secretariat for production review matters. This secretariat will also be responsible for assigning line production action for such special support activities as NSSMs, support to the NIO's, and support to the other interagency consumers.

CPS Staffing

To ensure maximum flexibility and to prevent the creation of competitive organizational units, the size of the CPS will be kept deliberately small. It will consist of a Core Group and a number of small staffs charged with Directorate-wide responsibilities.

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The permanent cadre of the CPS will consist only of the Director, Deputy Director, a Production Control Staff, and requisite clerical help.

The Core Group will consist of personnel detailed from line offices to the CPS on a rotational basis. These rotations will be for a fixed term of 12-24 months. In addition the Core Group will be supplemented by rotational assignments to complete short-term projects. The CPS will also consist of a limited number of non-Agency personnel recruited from other Government agencies on a rotational basis, or from outside the Government on a contractual basis.

The Core Group of CPS personnel will be selected from our most experienced and senior personnel. They will be expected to have the capacity to work effectively at each of the three major responsibilities of the CPS.

The size of the Core Group cannot be stated precisely at this time. It is anticipated that the initial seeding might be satisfied by recruiting personnel with the following skills from the line offices:

Military	-	at least one expert in strategic/ conventional forces and one expert in strategic doctrine
Economic	-	probably a Free World and a Communist economic expert
Geographic	-	at least one expert with a good background in geographic/ environmental matters
Scientific	-	an expert in civil technology and a life scientist
Technical	-	an expert in weapons development and an expert in energy matters
Political	-	for openers, experts on the Middle East, South and Southeast Asia, Africa, Latin America, the USSR, Communist China, and Western Europe

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Research and Development -	two collection specialists to assist the CPS in collection evaluations and to provide Agency R&D components a better understanding of analytic needs

The Director of the CPS should also be responsible for general supervision of other DDI units created specifically to conduct special intelligence support or liaison activities. These would include the SALT Support Staff and the Congressional Liaison Support Staff. The functions of the DDI Coordinator for Academic Relations should also be assumed by the CPS. The position should be made full-time in order to carry out a number of activities designed to expand DDI liaison with academic and policy analysis centers.

Finally, there are a number of activities presently carried on in the line offices which should be transferred to the Directorate level. These include certain activities of the OCI Foreign Liaison Staff and the responsibilities of the DDI Coordinators for Narcotics and International Terrorism. In order to avoid encumbering the CPS with too many functions, these activities will be made the responsibility of the ODDI Executive Staff.

2. Office of Regional and Political Analysis

The Office of Regional and Political Analysis (ORPA) is being established to strengthen our support to policy-makers by consolidating and strengthening our analytical capabilities in these areas. ORPA's three missions will be:

--current intelligence, where the stress will be on the analysis of current events rather than on their reporting.

--midterm analysis, which will focus on issues rather than events over a six-month to two-year time frame.

--long-term research, which will emphasize selected topics of concern to the formulation of U.S. policy.

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ORPA will be the principal office in the Directorate where inter-disciplinary analysis is done on a regional or country basis. It will specialize on papers where regional expertise is paramount and will complement rather than compete with the Center for Policy Support, where analysis will be conducted on a small number of issue-driven, fairly long-term problems requiring inter-disciplinary treatment. Although ORPA will be staffed essentially with political scientists and area specialists, analysts from other disciplines, such as economics, sociology, psychology, etc., will be included where their dominant concern is regional.

ORPA will have a minimum of bureaucratic structure. It will be organized largely along geographical lines, although there will be provision for research on issues of a global character. The analysts in ORPA will work on the full range of current, midterm and long-term research problems under the general supervision of the chief of the geographic divisions.

We are mindful of the need to maintain a proper balance between current/midterm analysis and long-term analysis and to prevent the erosion of either capability. Therefore, the Director of ORPA will have two deputies, one to supervise current/midterm research activities, and the other to supervise long-term activities.

3. Current Reporting Group (CRG)

Providing timely reporting and analysis of current issues on a 24-hour basis remains a high priority of the DDI. The Current Reporting Group (CRG) will be the principal mechanism for carrying out the Agency's responsibilities for reporting national current intelligence. CRG analysts will serve as journalists identifying appropriate areas of news coverage, and writing articles for the current intelligence publications. They will also provide commentary based on their own expertise and on consultation with analysts in the research offices.

The specific responsibilities of the CRG will be:

--to provide current coverage of events for the President via the President's Daily Brief;

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--to support all other consumers by current coverage of significant events via the National Intelligence Daily and a weekly summary;

--to provide key consumers informed comments in cable form on events as they unfold on a 24-hour basis.

The CRG will prepare the President's Daily Brief, the National Intelligence Daily, and a weekly publication. The NID will be the principal daily reporting mechanism and as such should be given much wider distribution than at present. Extremely sensitive material could be disseminated in a separate annex to particular customers with a need to know.

The CRG will limit its reporting in the current intelligence publications to those unfolding events where classified intelligence data and analysis make a significant and special input. Other events, where the DDI can add little to what the newspapers carry, will simply be noted briefly.

The size of the daily publication will not be a predetermined 2, 3 or 4 pages. On any given day, the paper will contain only those articles or commentary and analysis judged essential or useful to the consumer at that point. The emphasis will thus be on selectivity rather than on mass coverage.

The CRG will maintain an intimate relationship with the production offices and will have the responsibility for tasking them with writing articles of an analytical nature, features, and other special items for the daily and weekly publications. The CRG will be independent of the other production offices and will report directly to the DDI.

The CRG will be drawn principally from the present Office of Current Intelligence, with personnel coming from the geographic divisions, from the OCI Production Division, and from the White House Support Group. All production offices and the CIA Operations Center will be expected to provide some analysts to the CRG. Assignments will be on a rotational basis, with analysts serving tours of 6 months to 2 years.

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The senior officers for each shift will be responsible for the substantive content of the publications; layout and technical problems will be left to specialists from the new Publications and Presentations Group. Shifts will be staggered to accommodate the handling of materials as they arrive in the Agency and the demands of publication deadlines. Each shift will include enough area experts, editors, proofreaders, and clericals to make it self-sufficient.

The CRG will work closely both with the CIA Operations Center and the Publications and Presentations Group. The SDO will retain the responsibility for alerting Agency officials to critical intelligence and for supporting the CRG with traffic on a timely basis.

4. DDI Publications and Presentations Group

The Publications and Presentations Group (PPG) is established to provide the offices with a professionally staffed and technically advanced publishing facility for a majority of their analytical products and to fulfill the following production support goals of the Directorate:

--improving the quality of the printed products currently emanating from the Directorate through standardizing formats and making other improvements in publications design, text layout, typography, and the use of graphic arts;

--promoting innovative approaches to our use of print and less conventional media by creating a center in which the development of new presentational means can flourish;

--establishing a focal point for monitoring the totality of the Directorate's production effort, for working out production priorities, and for facilitating coordination with PPD;

--concentrating advanced text-editing equipment in a location where it can be more expertly managed, fully utilized, and easily maintained; and

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--enhancing the professionalism and career opportunities for those Directorate personnel involved in production support activities.

In establishing this group, it is recognized that:

--those Offices presently located outside Headquarters will not be in a position to make frequent use of the PPG and will continue to ready their products for publication much as they do today;

--CRS has a number of computer-processed publications and biographic briefing books which will continue to be prepared with its own equipment;

--all Offices should retain that capability required to produce limited-distribution, quick-response memoranda on an "in-house" basis; and

--Offices presently maintaining internal publishing units will experience a loss of control over the final phase of the production process which will require some adjustment in their current practices.

These limitations notwithstanding, the move to consolidate production support is considered worthwhile because of the opportunity it affords to upgrade the presentational quality of Directorate products, to free personnel for other tasks, to make more efficient use of expensive equipment, and to explore new means of communication with our consumers.

The PPG will have four working groups supervised by a Chief, a Deputy, and a Production Monitoring and Coordination Unit. The groups are: 1) Product Design, Editing, and Graphics Preparation; 2) Text Preparation, Composition, and Proofing; 3) Registry and Dissemination; and 4) Presentational Means Development. The first group will task but will not require the incorporation of the graphics preparation unit of OGCR.

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The resource requirements of the PPG will be less than those of the present decentralized system. In terms of personnel the Group can be staffed with a mixture of full and part-time employees providing approximately [redacted] man-years of effort. Another [redacted] man-years--including at least two production officers for each Office--probably will be needed to sustain the publishing activity not being handled in PPG. The net saving for application elsewhere in the Offices should be about [redacted] man-years. If OSI and OWI are transferred to the Directorate, it is anticipated that the bulk of their production will be processed by the Center. Some of OSI's production support specialists would be expected to serve in the PPG, and a savings in man-years comparable to the other Offices should result.

In terms of equipment, the Group will require a large capacity, shared logic, text-editing and composition system (possibly ETECS), supported by a less sophisticated back-up system and several stand-alone text editors for smaller tasks. The Offices will retain sufficient word-processing equipment to support the work not being done in the PPG, but the total number of machines should show a substantial decline. To further reduce the cost of this equipment and ensure its compatibility with the principal text-editing system, PPG will take the lead in standardizing the Directorate's word-processing inventory. It will also work closely with PPD to select mutually acceptable equipment and procedures for preparing the Directorate's products.

5. Transfer OWI and OSI to the DDI

The production offices of the DD/S&T should be transferred to the DDI in the interests of consolidating the management of CIA analysis and production.

Weapon system performance, technology advances, and other technical matters are such an integral part of national issues that they must be effectively treated in policy-support analyses. There are gross inefficiencies now in combining technical analyses with broader issues in CIA studies. The purposes to be achieved by our overall reorganization of production will be markedly less effective if there is not an intimate incorporation of technical analysis.

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The technical analysis offices have much to offer in providing leadership for issue-oriented studies. They are accustomed to considering the interactions among elements in weapon systems. In many ways, the inter-disciplinary approach for which we are striving is an extension of the systems approach. This experience needs to be incorporated into the DDI production system.

At the same time, it is important to preserve the specialized skills of technical analysis. Organizational changes, therefore, would be at the higher levels only--directed toward the integration of technical analysis in broader studies. Technical analysis would remain a distinct discipline at the basic levels.

OWI has an obvious relation to the military concerns of OSR. There may be some efficiencies to be gained by a closer association of the two offices, but they should remain separate analytic groups.

OSI's activities touch those of the DDI on a much broader front. Separate OSI groups interact naturally with OWI, OSR, OER, and OPR. There is a strong temptation to consider incorporating the functions of OSI in other substantive groups. In the end, however, we have concluded that at this time it is of overriding importance that OSI's specialized technical areas be preserved intact. For this reason, it is proposed to retain OSI as a separate entity. We will, however, have to take strong measures to integrate OSI's work on civil technology with OER's economic analysis.

Safeguards to protect the close association between technical analysts and their data sources will have to be included in the new structure. In addition, rotational slots will be established in the DDI so that collection R&D personnel will have a close and continuing view of the problems and needs of analysts.

The close association of technical analysis with collection R&D within the DD/S&T has been of considerable value. Special provisions will have to be made to insure that R&D personnel continue to have day-to-day access to the concerns of analytic offices and that analysts have the same access to collectors and processors. To this end, we propose the following:

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--Rotational slots in the Center for Policy Support to be established for collection system developers. These personnel would be responsible for collection system evaluations, and for contributing to collection considerations in policy-support analyses. From this vantage point, they would have a good view of the concerns of all elements of the DDI.

--A rotational assignment of an R&D specialist on OWI's Action Staff to serve the same function for weapon systems analysis.

--A similar rotational assignment with OSI, and possibly OSR.

--The creation of a new publication which would provide a regular status report on progress in issue-oriented analysis. This publication would be directed to the policy community, but it should provide DD/S&T management with a continuing appreciation of analytic needs.

We believe these steps will constitute effective measures for maintaining the important relationship between OSI and OWI and developmental elements of the Agency. Hopefully, relationships with other DDI elements will be improved. Furthermore, we note that such relationships have flourished between those developing new analytical methodologies in ORD and their customers in the DDI.

6. Establishment of a Resources Analysis Center in the Office of Geographic and Cartographic Research

The Intelligence Directorate will establish a Resources Analysis Center in OGCR in order to study certain global resource issues in an interdisciplinary fashion.

The Geography Division will form the core of the Center and will provide a central data bank, area and geographical expertise, and leadership for developing interdisciplinary teams. Three or four such teams organized

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around the Geography Division will concentrate on specific issues which lend themselves to analysis by remote-sensing techniques such as agricultural production and resource and energy problems.

A food and agriculture team (the old Environmental Analysis Staff) will continue to estimate Soviet grain production and will in time apply the same methodology to the estimate of Chinese wheat production and other agricultural production. The other teams will accumulate the various specialists--including geographers, photo interpreters, economists, hydrologists, demographers, geologists, systems analysts, etc.--necessary to conduct research in other similar areas. Each team will acquire its core personnel from within the Directorate but will also use contract experts to provide needed technical assistance.

The new Center will consist of the present Geogphy Division and the OGCR Environmental Analysis Staff. The remaining positions will come from other offices and components within the Directorate now doing work in these areas.

7. Directorate Personnel Management

The Directorate's current personnel policies have tended to foster narrow career tracks that have inhibited the development of analytical skills and expertise on a Directorate-wide basis. To correct these deficiencies and to develop a personnel management system that will facilitate the accomplishment of our mission, the Directorate will take a number of positive steps:

--creation of a single Directorate career service that will provide for systematic selection and promotion of employees above the "journeyman" level on a Directorate-wide basis;

--creation of an Assignments Board to improve the selection of personnel for rotational assignments, to ensure career service consideration of people while on rotation, and to ensure proper placement of returning assignees.

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--establishment of a Director of Career Development responsible for promoting career development programs and monitoring their implementation.

--establishment of new career management procedures for Directorate clericals, to improve selection for assignments, training, and promotions.

--provision of incentives now missing for accomplishing Directorate-wide analytical objectives.

--elimination of selected management positions to put many highly-talented analysts back into the production process and to emphasize the primacy of analysis by separating it from administration.

--development of training programs which will enhance analytical skills, including frequent seminars and lectures by outside experts from a wide range of disciplines.

--development of a more systematic means of selecting and training Directorate managers by identifying those people who have managerial talents early enough to provide them with the proper training.

--fostering the development of analysts' skills and understanding of the policy support process through planned rotational assignments within and outside the Directorate.

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Annex A

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ANNEX A

Coordination and Review of Intelligence Production

The purpose of coordinating intelligence products among concerned elements of the Agency and the Community prior to publication is to assure that the facts and judgments presented therein are as comprehensive, objective and accurate as possible.

The time and effort required to accomplish coordination varies according to the subject being considered, the type of publication, and its potential use. In most instances, it is a simple process carried out between analysts regularly in communication with one another and sharing some interests about the topic involved. Sometimes it becomes more complex when legitimate differences on form and/or substance have to be worked out. On occasion, the process may be obstructed by an attempt by one or more parties to avoid or delay the publication of unwelcome information or analysis. Usually, an irreconcilable difference of opinion can be accommodated by publishing the opposing view as a part of the text, or as a footnote or annex to the original product. However coordination is achieved, the Intelligence Directorate is committed to the principle of multiple examination of intelligence production prior to publication to insure that in its reporting on important events abroad every reasonable interpretation of these events is brought to the attention of the policymakers.

The starting point in the coordination process is notification. For the Directorate's daily publications, this is accomplished by the Current Reporting Group (CRG) which routinely distributes a list of all articles it plans to run in the next day's publications to all of the appropriate offices in the Community. For less time-urgent publications, primarily monographs produced by the research offices, much more lead-time is available through the exchange of quarterly research and production programs. For major studies, such as a National Intelligence Estimate (NIE) or interagency memoranda, in which other Community elements participate, a formal notification procedure is followed.

The methods of achieving coordination and the degree for which an identity of views is sought also vary. For example, the drafts of articles for the National Intelligence Daily Cable, a Community product published by CIA, are exchanged between agencies by long-distance xerography and no part is published without word-by-word agreement. For

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drafts of articles for the National Intelligence Daily, Intelligence Directorate analysts discuss differences with their Community counterparts by secure telephone. But, because CIA is solely responsible for the content of this publication, it is not obligated to change its texts if these differences cannot be resolved. Even here, if differences are of major significance, opposing views can be included. No coordination is attempted on articles in the President's Daily Brief (PDB) on the grounds that this document represents a personal communication between the Director of Central Intelligence and the Chief Executive.

For the monographs produced on an aperiodic basis by the Intelligence Directorate's research offices, the bulk of the coordination effort is between these offices. For example, an economic analyst writing on conditions in Brazil might routinely consult his counterparts in the Office of Regional and Political Analysis (ORPA) and the Current Reporting Group (CRG) for political insights. Occasionally such coordination will cross directorate lines as, for example, between the Office of Strategic Research (OSR) and the DDS&T's Office of ELINT (OEL). Moreover, most Intelligence Directorate reports are passed in draft to the appropriate country desks in the Operations Directorate. Coordination outside the Agency of these kinds of intelligence products is less frequent. An Intelligence Directorate analyst may meet with his opposite numbers in State or DIA prior to publishing an article in their mutual field, but the consultation is likely to take place in the research phase of the project rather than after the text has been drafted.

For the formal estimates which Intelligence Directorate offices produce in concert with other elements of the Community, the method of achieving coordination is quite structured and the degree of consensus attempted is high. Drafts are circulated to all the participants and written comments solicited. Meetings are held to air differences of opinion on the data and the judgments and if all issues are not resolved, the minority views are printed in full as addendums to the basic text.

In addition to these various efforts to coordinate among the producers of intelligence reporting, there are several procedures for senior review of the finished products either before or after publication. For example, the Director of Central Intelligence regularly reviews the National Intelligence Daily prior to publication and the Deputy Director for Intelligence checks over each edition of the President's Daily Brief. National Intelligence Officers supervise the production of studies released under the auspices of the Community. The NFIB formally reviews all NIEs before they are signed and released by the DCI. After publication, further reviews are conducted, sometimes by the Intelligence Directorate, and most frequently by the Intelligence Community Staff. Its Product Review Division regularly appraises all

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articles and studies, testing them for objectivity, balance and responsiveness. In addition to this continuing process, the Division periodically focuses on the performance of the Directorate and the Community in their reporting on specific developments in foreign affairs--especially crisis situations--to determine the completeness and accuracy of their intelligence production.

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Annex B

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ANNEX B

Organizational History of the Intelligence Directorate

The Directorate of Intelligence was formally established on January 2, 1952, with the following charter:

"The Deputy Director (Intelligence) will assist the Director of Central Intelligence in the coordination of the intelligence activities of the Government, as prescribed by statute and by National Security Council directives. He will also be responsible for directing and coordinating the activities of the Office of Collection and Dissemination, Research and Reports, National Estimates, Intelligence Coordination, Current Intelligence, Scientific Intelligence, and Operations, for the fulfillment of such additional functions as may be specified by the Director." (CIA Regulation

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Specifically, the intelligence activities which the DDI originally administered were:

a. Production of finished intelligence by the Offices of National Estimates (ONE), Current Intelligence (OCI), Research and Reports (ORR), and Scientific Intelligence (OSI).

c. Dissemination, storage and retrieval of unevaluated intelligence information and basic reference documentation by the Office of Collection and Dissemination (OCD).

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d. Coordination of intelligence collection by the Office of Intelligence Coordination (OIC).

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In the twenty-three years since its founding, the Intelligence Directorate has gone through a number of reorganizations stimulated by advice from external panels, changing international circumstances, shifting requirements for finished intelligence production, and dwindling resources with which to perform its mission. Changes in the early years were fairly numerous but were mostly realignments of activities within the DDI and between Directorates. In 1976 a major reform was undertaken designed to consolidate production under the leadership of the DDI, to improve support to the policy analysis community, to emphasize interdisciplinary research and analysis, and to achieve greater efficiency in the production process. The early changes and this recent restructuring of the organization and functional activities are described below.

I. Intelligence Production

Policy Support

A Center for Policy Support was established in late 1976 in recognition of the need to strengthen decision making on intelligence production priorities and on the allocation of resources, and to make intelligence more accessible and relevant to the policymakers' needs. This small, select staff will focus on 1) improving the Directorate's usefulness to the policymaking community by establishing working relationships with key staff officers responsible for developing foreign policy options, 2) producing in-depth studies of emerging foreign intelligence issues, and 3) exercising management control of production to insure its increasingly interdisciplinary character.

Estimative Intelligence

Producing National Intelligence Estimates (NIE) was the function of the Office of National Estimates (ONE) which was in the Intelligence Directorate until 1966, when it became a staff under the direction of the Director of Central Intelligence. This move was made, in part, to emphasize that the NIEs were the product of the entire Intelligence Community rather than a single agency. ONE was abolished in 1973 and its responsibilities were transfered to the newly formed National Intelligence Officers attached to the Office of the DCI. With this move, much of the work of producing draft estimates reverted to the production offices of the Intelligence Directorate.

Current Intelligence

Until the reorganization of 1976, primary responsibility for producing current intelligence remained where it had been since the Directorate was established--i.e., in the Office of Current Intelligence. Originally, OCI was responsible for all current intelligence reporting

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except economic. In recent years it concentrated on current political analysis reporting, leaving the preparation of reports on economic, military, geographic and scientific developments to the research offices responsible for these matters. OCI coordinated and consolidated reporting on all subjects for presentation in its daily intelligence publications.

In late 1976, the responsiblity for political reporting was consolidated in a newly established Office of Regional and Political Analysis and a new Current Reporting Group was established to prepare the daily intelligence publications and see them through the coordination and publication process. The CRG prepares on-the-spot analyses for the daily publications while longer, in-depth analyses are prepared by those offices responsible for political, military, economic, geographic and scientific intelligence, which submit them to the CRG for publication in current dailies.

Political Research

In-depth foreign political intelligence reporting has not been, until recently, represented in the Office structure of the Intelligence Directorate. Originally, whatever efforts were made in this field were concentrated in OCI. In 1962, a modest step toward increased foreign political research was taken with the establishment of a Special Research Staff (SRS) in the Office of the Deputy Director for Intelligence. In recent years, however, the diminished role of State's Bureau of Intelligence and Research in Community affairs, a perceived need for more sophisticated work in this field by CIA and the appearance of new methods of political research, including computer applications, encouraged the Directorate to invest more resources in this area. Accordingly, an Office of Political Research (OPR) was established in 1974. It incorporated the Special Research Staff, some people from OCI and the then disbanding Office of National Estimates.

There was recognition in 1976 that political analyses had come to concentrate excessively on either immediate reporting or in-depth research of an academic character that had insufficient impact on the Directorate's key customers. Consequently OPR and analysts from the defunct OCI were fused into the Office of Regional and Political Analysis (ORPA). ORPA will retain responsibility for current analysis and long-range research, but will also focus on the production of mid-term studies of issues which are of key interest to policy analysts. The quality of this research will be enriched by the inclusion of specialists from other disciplines, e.g. economics, sociology, science and military affairs, into the ORPA structure. ORPA will also augment its coverage of political developments by increasingly analyzing events from a regional point of view and by focusing more on emerging trans-national issues.

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Basic Intelligence

Production of basic intelligence was stimulated primarily by the realization in World War II that the US Government had too little information about many of the foreign countries with which it was required to deal. The basic Intelligence Division (BID) of ORR was charged with responsibility for coordinating the production of "factual intelligence...of a fundamental and more or less permanent nature on all foreign countries." Because of the scope of the subject matter, the production of this type of intelligence required a cooperative effort involving the resources and capabilities of several departments and agencies of the Federal Government. The product of this government-wide effort was known as the National Intelligence Surveys (NIS).

In 1955, BID became a separate office, the Office of Basic Intelligence (OBI). This was in line with recommendations made in May 1955 by the Task Force on Intelligence Activities*. The elevation of Basic Intelligence to Office status was an acknowledgement of the importance that the Agency and the rest of the national security apparatus attached to the NIS Program.

The early years of OBI were devoted mostly to the coordination of this program. Many of the chapters were written by other elements of CIA or by other government agencies on a contractual basis. In 1961, OBI took over responsibility for the production of the political sections of the NIS from the State Department's Bureau of Intelligence Research when State claimed that it no longer had the resources to do this work. OBI delegated the task of producing these sections to OCI in 1962. In 1965, the geographic research funtion was transferred from the Office of Research and Reports creating the Office of Basic and Geographic Intelligence. The NISs continued to be published until 1974 when the program was terminated because of lack of resources. At this time, OBGI became the Office of Geographic and Cartographic Research (see below).

Geographic Intelligence

The Geographic Research Area (GRA) of the Office of Research and Reports (ORR) originally had the responsibility for geographic intelligence production. The GRA was transferred in 1965 to the Office of Basic Intelligence changing its title to the Office of Basic and

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*The Clark Task Force, headed by Gen. Mark Clark, of the Hoover Commission.

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Geographic Intelligence (OBGI). In 1974, OBGI became the Office of Geographic and Cartographic Research (OGCR) when the National Intelligence Survey (NIS) Program was abandoned.

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The study of Soviet grain production undertaken by OGCR has proved to be the most successful application of interdisciplinary analysis in the Directorate. Starting with data provided by [redacted] and combining it with information provided by a host of other sources, OGCR has assembled a team of geographers, agronomists, economists, photointerpreters and meteorologists to produce remarkably accurate forecasts of wheat output in the Soviet Union. The Directorate has capitalized on the success of these analytical techniques and organizational approach by establishing a new Environmental and Resources Center in OGCR to continue and enlarge upon this research. The Directorate expects, also, to expand this research to include food crops in Communist China, world water resources, and other basic materials whose exploitation or scarcity can have an impact on strategic balance between nations.

Scientific and Military Intelligence

Until the mid 1950's, the production of intelligence on military matters had been considered the primary responsibility of the Department of Defense. But the "bomber gap" and later the "missile gap" controversies gave CIA a prominent role in foreign military research, an involvement which has continued and expanded because of the utility policymakers find in having an independent source of analysis and reporting on important military matters. In 1960 the DDI created an ad hoc Guided Missiles Task Force to foster the collection of information on Soviet deployment. The Task Force was abolished in 1961 and a Military Research Area was established in ORR. As a result of increasing demands for CIA analysis of military developments, a new Office of Strategic Research was established in 1967 by consolidating the Military-Economic Research Area of ORR and the Military Division of OCI. The scope and focus of responsibilities of OSR have increased over the years and in 1973 a new component for research in Soviet and Chinese strategic policy and military doctrine was added.

When the Agency's Science and Technology Directorate was founded (in 1962) to concentrate primarily on the technical collection and analysis of information about Soviet strategic weapons systems, it was decided that the Office of Scientific Intelligence (OSI) should be transferred from the Intelligence Directorate to enrich the new organization's analytical base. Subsequently, a second analytical element was created in the DDS&T called the Office of Weapons Intelligence (OWI). These offices accomplished their initial purpose admirably but left the Agency's principal organization for analysis, the Intelligence

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Directorate, without a scientific dimension and became less vital to the DDS&T as it has evolved primarily into the technical collection counterpart of the Agency's human collection organization, the Operations Directorate.

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Economic Intelligence

Activity in this area remains the responsibility of the organization that succeeded the Office of Research and Reports in 1967: the Office of Economic Research. In earlier years, the Agency concentrated its economic research largely on the Communist states. In recent years, however, the Department of State has dropped much of its intelligence production on the non-Communist areas, leaving this job to the Agency. OER has also expanded its research into such subject areas as international energy supplies and international trade. Today it is the largest research office in the Intelligence Directorate.

Biographic Intelligence

Prior to the establishment of the Intelligence Directorate, the Office of Collection and Dissemination was in and then out of the business of biographic reporting. The Hoover Commission Report of 1949 recommended dividing the responsibility for biographic intelligence production within the Community to prevent costly duplication. As a result, the political personality dossiers maintained by OCD were transferred to State. In 1961, however, the Bureau of Intelligence Research claimed it no longer had the resources to provide this service and the responsibility for reporting on foreign political personalities and, subsequently, for all non-military biographic intelligence reporting was transferred to CIA. The task was taken over by OCD's successor organization, now the Office of Central Reference.

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Round-the-Clock Watch/Alert

The Cuban Missile Crisis of the fall of 1962 clearly spotlighted the need for a single Directorate facility for round-the-clock receipt of intelligence information and for a center in which the expertise of all its offices could be rallied in crisis situations. In March 1963, the DDI set up a Special Study Group on DDI Organizational Tasks to study this and other problems. One of the results of its work was the establishment of an operations center under the administrative direction of the then Office of Current Intelligence (OCI). Over the next ten years, the Operations Center grew in size and capability largely as a result of the Vietnam War. In 1974, it was separated from OCI and renamed the CIA Operations Center, a title warranted by the fact that all Directorates of the Agency now maintain permanent duty officers within the Center. Today, the CIA Operations Center provides the mechanism and facilities with which the full information resources of CIA can be mobilized to work in concert with the Community in foreign crisis situations. 25X1

II. Intelligence Collection

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The history of the Foreign Documents Division is discussed below under Information Processing.

III. Information Processing

Between the collection and production phases of the intelligence process there is an activity known as "information processing." Information processing involves special skills or equipment to convert certain kinds of raw information into a form usable by intelligence analysts who are producing finished intelligence. It includes things like photo interpretation and translations of foreign documents as well as the receipt, dissemination, indexing, storage, and retrieval of the great volumes of data which must be available to the production offices if they are to do their analytical work.

Information Dissemination, Storage and Retrieval

One of the original offices of the Central Intelligence Group, the Office of Collection & Dissemination (OCD), began this work in 1948 when it introduced business machines to

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improve reference, liaison and document security services. Ultimately, this Office became CIA's own departmental library and centralized document service. [redacted] In 1955, OCD was renamed the Office of Central Reference to more accurately reflect its Agency-wide responsibilities. In 1967, OCR was renamed the Central Reference Service but in 1976 it was redesignated the Office of Central Reference. Today OCR can offer intelligence analysts throughout the Community some of the most sophisticated information storage and retrieval systems to be found anywhere in the world. 25X1

Photographic Interpretation

CIA's work with photographic interpretation began in 1952 and was initially centered in the Geographic Research Area, ORR. In 1958, a new Photographic Intelligence Center (PIC) was created by fusing the Photo Intelligence Division of ORR with the Statistical Branch of OCR. The new Center was given office-level status and the responsibility for producing photographic intelligence and providing related services for CIA and the rest of the Intelligence Community. In 1961 PIC was further elevated to become the National Photographic Interpretation Center (NPIC). This Center was staffed by former members of PIC and DIA personnel detailed to NPIC. All personnel were functionally under the Director, NPIC, who continued to report to the DDI.

An interagency study conducted in 1967 concluded that NPIC's national intelligence responsibilities had grown so substantially that departmental imagery analysis requirements were not being adequately served. Accordingly, the DDI established an Imagery Analysis Service (IAS) as a separate office of the Directorate to deal exclusively with the photo intelligence requirements of CIA. in 1973, it was decided that NPIC would be more appropriately placed in the Directorate of Science and Technology with other elements dealing with reconnaissance at the national level. [redacted] 25X1

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[redacted] In 1976 IAS was redesignated the Office of Imagery Analysis (OIA) in recognition of its unique production capability.

Translation Services

The Foreign Documents Divisions (FDD) of the Office of Operations (OO) had its origin in the Army and Navy's Washington Document Center. Founded in 1944, it was a repository for captured Japanese and German records. It was absorbed by the Central Intelligence Group in 1946 and, during the late forties, evolved from a repository into an exploiter of all foreign language documents coming into the Community. It joined the Central Intelligence Agency [redacted] in 1952, FDD continued to expand its work into the field of document exploitation, concentrating increasingly on materials received from the Communist countries. [redacted] 25X1

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