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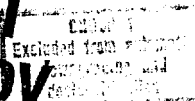
MEMORANDUM FOR: Director of Planning, Programming and Budgeting

SUBJECT : Planning Category - Production of Intelligence

1. As my Staff has discussed informally with your Office in the last few days, we have been studying ways of making our planning subcategories and elements under Production of Intelligence more meaningful, and manageable, from a programmatic point of view. The two subcategories now in use, i.e., Estimative and Current and Research and Analysis, are in our judgment not only too vague to be of real value for planning purposes but they also are not separable functions in any practical sense. For example, within the Directorate of Science and Technology both OSI and FMSAC spend a great deal of in-house effort and almost all their external contract money on Research and Analysis to build a capability to write Estimative and Current Intelligence, including major inputs to NIE's (e.g., Soviet and Chinese weapons' estimates and others), items for the Central Intelligence Bulletin, and total production responsibility for several other types of scientific and technical studies and current intelligence publications. I believe that almost certainly these same arguments apply equally to much of the DDI.

2. For these reasons we have again examined possible ways of structuring our planning and budgetary activities under the Production of Intelligence category that would allow both a more meaningful way of programming our analysis and reporting responsibilities over a five-year period as well as a more precise way of measuring the costs of such activities.

3. We have reached the conclusion that the most practical way of doing this would be to organize our planning, programming and budgeting in a functional way along the lines of our main substantive areas of intelligence coverage, i.e., guided missiles, nuclear energy, defensive systems, basic sciences, etc. This method will permit us to look ahead at anticipated changes of emphasis in intelligence problem areas such as ABM, country advanced weapon capabilities, future scientific and technological threat assessments, etc., so as to program the necessary personnel and external analysis funding levels to enable us in turn to maintain a proper balance of effort against these important and changing responsibilities. It clearly would also

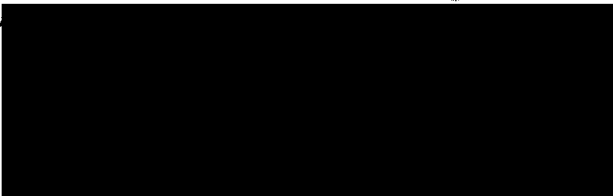
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enable a much more meaningful and accurate way of measuring costs of these activities, as both our organizational structure and external analysis efforts can be directly related to these major intelligence areas.

4. I am attaching a revised subcategory, Scientific and Technical Intelligence, which we urge you to examine for use in next year's Combined Program Call as we agree that it probably would not be practicable to effect a change in concert with the DDI for the current exercise. We also show, for your information, the elements we would propose to use for our internal programming and budgeting. I believe this proposal provides a way out of our dilemma that will permit us a much more realistic way of ction responsibilities.

Acting Deputy Director  
for  
Science and Technology

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Attachment  
a/s

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