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19 October 1965

TO : Director of Central Intelligence

SUBJECT: Organizational Placement of the Board and Office of National Estimates

1. PROBLEM:

To determine what changes in Agency organization and regulations are necessary to make clear that the Chairman of the Board of National Estimates and/or the Director of National Estimates are subordinated directly to the Director of Central Intelligence.

2. FACTS BEARING ON THE PROBLEM:

a. Agency regulations set forth the following responsibilities:

(1) The Deputy Director for Intelligence is responsible for:

(a) "Directing and coordinating the activities of the Offices of . . . National Estimates"

(b) "Developing a coordinated CIA position on USIB matters for the approval of the Deputy Director of Central Intelligence . . . except the following: The preparation and coordination of National Intelligence Estimates and Special National Intelligence Estimates, which will be the responsibility of the Office of National Estimates" (In practice, this means that the Agency position is developed by the Director of National Estimates with minimum if any review by the Deputy Director for Intelligence. It also means that the Chairman and the CIA member of USIB receive identical substantive advice on a national estimate.)

(2) The Director of National Estimates shall:

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GROUP 1
Excluded from automatic
downgrading and
declassification

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(a) "Direct the production of national intelligence estimates. This includes the setting of priorities and the assignment of production responsibilities among the components of the Central Intelligence Agency, and among the intelligence agencies of the Federal Government.

(b) "Sit as Chairman of the Board of National Estimates."

b. The Director has requested that existing Agency regulations be amended as may be necessary to reflect that the estimative machinery of the Agency be subordinated to him directly.

c. The position of Chairman of the Board of National Estimates is established in our Executive Pay Scale at Level IV (\$27,000), which is the equivalent of Deputy Directors and the Executive Director-Comptroller.

d. The Director has requested Sherman Kent, the present Chairman of the Board and Director of the Office of National Estimates, to remain on duty with the Agency for at least the calendar year 1966.

3. DISCUSSION:

a. The Board of National Estimates/Office of National Estimates complex can be divided into two parts: (1) the Board of about members, and (2) the Office of about analysts who serve as staff in support of the Board. On any given estimate one or two members of the Board and appropriate members of the staff work as a team from beginning to end. In the judgment of Sherman Kent and Abbot Smith it would be unworkable to separate the staff from this close relationship to the Board, and any thought of combining the ONE staff with other DD/I units, which might be reorganized on a geographic basis, would make the Board dependent upon task forces for support in the development of estimates and is unthinkable. Further, while they are greatly appreciative of the necessity of being supported by DD/I as well as other Agency units, they argue that the best intelligence officers many times are not well qualified to draft national estimates. They feel quite strongly that disturbing the close working relationship and team concept now existing between the ONE staff and the Board would be a great mistake. They are equally strong in their feelings that on estimative matters, be they Agency or community, the Director of National Estimates must not be subordinate to the Deputy Director for Intelligence.

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b. The Deputy Director for Intelligence, on the other hand, feels that organizationally ONE and the Board should be subordinate to the DD/I. He would have the DD/I be the Chairman of the Board. He would also reorganize the DD/I on a geographic basis which would include the present ONE staff. In fact, he has formally proposed that as a first step the ONE Estimates Staff and the OCI Area Staffs be merged, leaving the Board of National Estimates intact.

c. Regardless of the merit of either of these two extreme positions, one cannot exclude the personalities involved. In fact, they are in the short range more important than regulations or organization charts. In

[redacted] [redacted]

Since

the Director has requested Sherman Kent to remain on duty through at least calendar year 1966, no action should be taken to disrupt the existing relationship of the Board of National Estimates and the Office of National Estimates, i. e. , they should be kept intact.

d. A simple administrative solution would be to remove the Board and Office of National Estimates from DD/I and to place them immediately subordinate to the Director. One can argue that this would have at least three disadvantages: (1) ONE might not receive the strong DD/I support which it must have in order to do its job properly; (2) the DD/I would naturally have less interest in ensuring that ONE was staffed with the highest caliber of personnel, and career service rotation would be much more difficult; and (3) if at some later date we should decide to merge the ONE staff with the remainder of DD/I, this might be more difficult to accomplish than than now.

e. These arguments are not convincing, however, when one considers the small size of ONE -- about [redacted] analysts and [redacted] members of the Board. The professionals would still belong to the Intelligence Career Service and certainly the cooperation in this area must be no less than it is now or, for that matter, has been under Ray Cline's predecessors. Further, removal of ONE from the DD/I organization need not postpone reorganization along geographic lines which DD/I has said he wishes to go forward with regardless of the ONE question. Whether or not this is wise is a separate issue. If we should decide at some later date to fold ONE into a DD/I geographic organization, it is small enough not to pose insurmountable difficulties.

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f. There are two other questions to consider.

(1) First, while there is no question that the Director looks to the Director of National Estimates to produce NIE's, there is a variety of other intelligence memoranda and papers, estimative in character, some of which are now produced by ONE and some by the DD/I or other components, particularly OCI. OCI, in order to do its current intelligence reporting job, must necessarily inject itself into the estimating field to a degree; and there must, of course, always be full exchange and cooperation between ONE and other Agency components. It does seem appropriate, however, that the Director look to ONE for the production of important Agency and interagency papers which are clearly estimative in character. He should look to DD/I for those research, situation, and other reports which are primarily factual rather than estimative in character.

(2) The other question has to do with the staffing of CIA positions on matters coming before USIB other than national estimates. It would appear that the CIA member of USIB should continue to look to the DD/I for the preparation and coordination of all substantive papers other than estimates which are to come before USIB, except SIGINT matters for which he should look to the CIA SIGINT Officer.

4. RECOMMENDATIONS:

- a. That both the Board and Office of National Estimates be removed from the DD/I organization and be made an independent component directly subordinate to the DCI.
- b. That the Director of National Estimates continue to be the Chairman of the Board of National Estimates.
- c. That the members of the Office of National Estimates continue to be members of the Intelligence Career Service.
- d. That the Director look to the Director of National Estimates for the preparation of important papers which are clearly estimative in character and to the DD/I for other substantive intelligence reports.

[Redacted Signature]

L. K. White

Executive Director-Comptroller

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STAFF STUDY

SUBJECT: Organizational Placement of the Board and Office of
National Estimates

CONCUR:

<u><i>Richard Helms</i></u>	<u>12 27 1965</u>
Richard Helms	Date
Deputy Director of Central Intelligence	

The recommendations in paragraph 4 are approved:

<u><i>W. F. Raborn</i></u>	<u>27 Oct 65</u>
W. F. Raborn	Date
Director of Central Intelligence	

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S/Typed closely -
will need to read
in close study
of Secy. Ryan problem.
Must be released
outside office
w/o my permission

WJ
6 Jan 66

MEMORANDUM FOR: Executive Director

The Director does not want this paper released from your hands or published until he or I so instruct. The reasons for this I will explain to you when I see you privately.

Richard
Richard Helms

Attachment - Ex.Dir.'s memo of 19 Oct. 1965,
Subject: Organizational Placement of the
Board and Office of National Estimates.

28 Oct. 1965
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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