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**NRO review(s) completed.**

**1. Office of Special Activities**

The largest component of the Directorate was the Office of Special Activities headed by Brig. Gen. Donald H. Ross. Formed in mid-1962 from the Directorate for Plans' Development Projects Division, OSA experienced a more than 60 percent reduction in size -- from a high of [ ] employees -- in the late 1960s but was still the DS&T's largest entity with [ ] positions and a budget of [ ]. This large manpower reduction was a result of having put its fleet of OXCART A-12 aircraft in permanent storage at Palmdale, California, in mid-1968. OSA, however, was still in charge of a fleet of U-2Rs, but these aircraft were considered to be a contingency capability that could be called upon by the U.S. Intelligence Board or higher authority for use in situations where the Air Force U-2 fleet was not diplomatically acceptable.

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OSA also continued to oversee the management and security of [ ] where both the U-2 and A-12 aircraft were tested and pilots were trained. Although OSA assets would be used with great effectiveness on several occasions in the early 1970s, the rationale for the Office and its mission grew more and more difficult to defend. Ultimately, by the end of 1974, it would cease to exist and its assets would be turned over to the Air Force.

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**2. Office of Computer Services**

By the late 1960s, OCS had almost trebled in size from its original 1963 authorized strength of [ ] to a complement of [ ] in 1969, which made it the second largest DS&T unit. Its budget had grown in the same period from [ ] [ ]. In this brief time span, the Office had been through two complete generations of computer technology and was embarking on the acquisition of third-generation IBM 360 machines. OCS was providing support to more than 250 computer projects

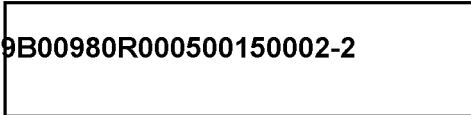
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5. Office of Special Projects

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As the newest of the Directorate's offices, DSP had grown from a [redacted] operation in 1965 to [redacted] positions in 1969 with a CIAP budget of just under [redacted]. Because DSP's primary mission, under Director John J. Crowley, was to oversee the development of satellite collection platforms, it actually supervised the expenditure of [redacted] dollars on [redacted] but the funds belonged to the National Reconnaissance Program and not to the Agency.

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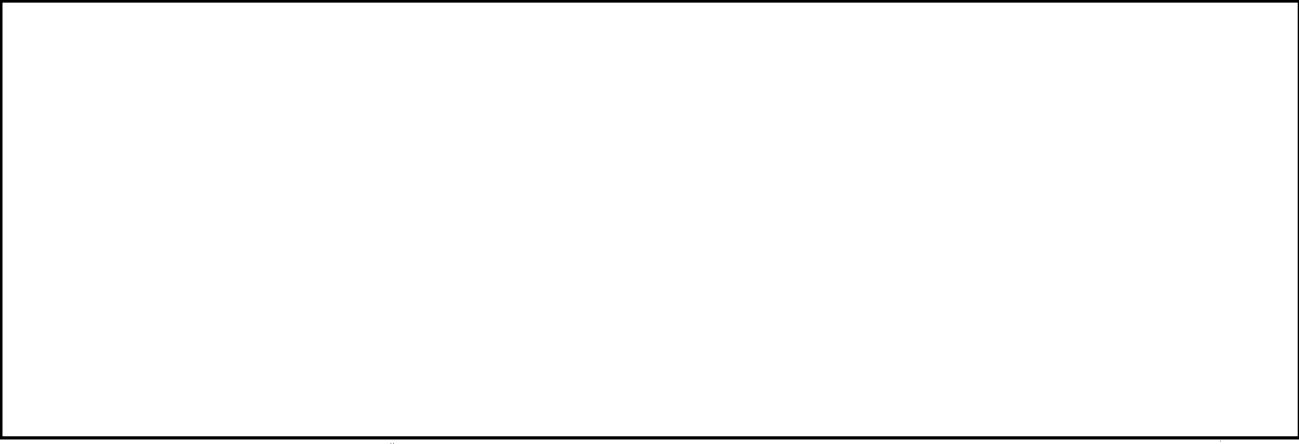
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DSP had inherited from OSA the responsibility for overseeing the procurement of the KH-4A and KH-4B camera systems and the return capsules for the nation's original photosatellite effort, Project CORONA. This project was already more than a decade old and was in the process of being phased out. CORONA satellites, which collected broad-area search photography, were to be replaced by [redacted]

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6. Foreign Missile and Space Analysis Center

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FMSAC was the second smallest unit in the Directorate with [redacted] employees and a budget of [redacted]. It had been organized in November 1963 at the direction of DCI John A. Mc-

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Cone specifically to pull together all analysis and interpretation of data concerning missiles and space. Its founding director had been Carl Duckett, who came to the job from the position as director of U.S. Army Missile Intelligence Activities. Duckett had hand-picked the FMSAC staff and considered it to be the best in the nation. In 1969 it was headed by David S. Brandwein.

Since its inception, FMSAC provided current analyses on a 24-hour basis and produced finished intelligence on foreign strategic weapon and space systems (except for defensive weapons) and in-depth analyses on significant missile and space events. FMSAC focused primarily on Soviet missile and space developments, but also followed Chinese efforts and, to a lesser extent, those of [redacted] and other countries. Its daily publication, the Missile and Space Summary (MASS) was the predecessor of today's Science and Weapons Daily Review (SWDR). MASS was supplemented by articles in OSI's monthly SIDs and ad hoc STIRs. FMSAC analysts also responded to questions by producing Scientific Intelligence Memoranda, and coordinated on current intelligence and estimates with Directorate of Intelligence offices. In cooperation with OSI and OEL, FMSAC helped direct collection efforts in the space and missile field. During the next five years, FMSAC and OSI would be major contributors of analyses used by the SALT Verification Panel in drafting negotiating positions for the talks in Helsinki and Vienna. [redacted]

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7. Office of Research and Development

Although the smallest of the Directorate's offices, ORD by the end of the 1960s had grown to the point where its [redacted] employees oversaw the spending of more than half of the Agency's R&D budget which, at [redacted] was more than three times the budget of OSA, the Directorate's largest of-

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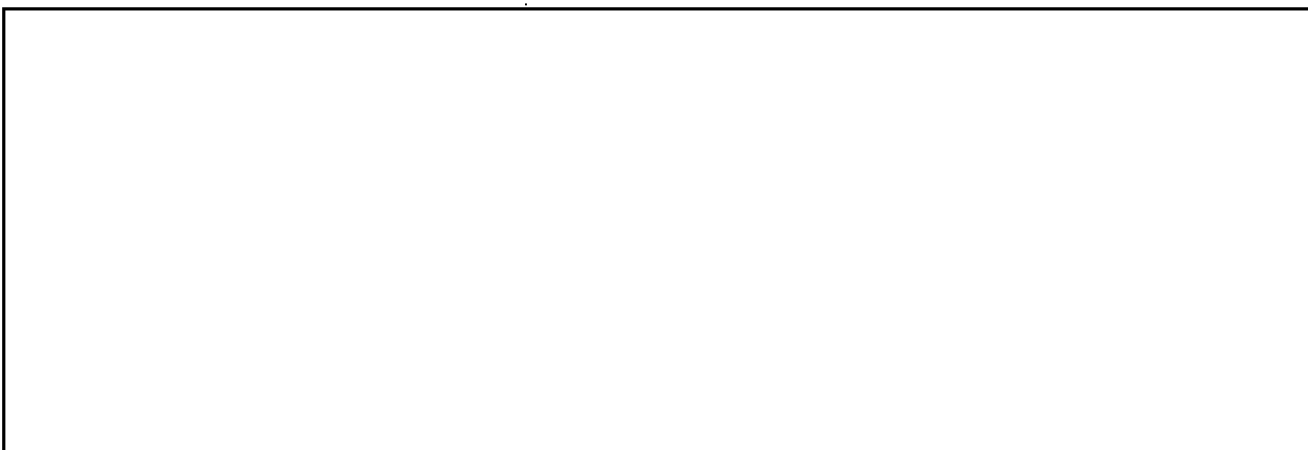
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B. Personnel Changes

Lloyd K. Lauderdale, the directorate's associate deputy director since early 1967, resigned his position at the end of March 1969 to become corporate director of electronics for LTV Corporation in Dallas, Texas. Duckett operated without an assistant for six months before Dr. Donald H. Steininger arrived on 2 November 1969 from his position as assistant to Presidential Science Adviser Lee A. DuBridge. Steininger's arrival coincided with a number of changes in the Agency's hierarchy. DCI Richard M. Helms named E. Henry "Hank" Knoche to be deputy director of Planning, Programming, and Budgeting, and John J. Hicks was appointed executive director of NPIC.

Dr. Alexander Flax resigned as director of the National Reconnaissance Office on 17 March 1969 and was replaced by Dr. John L. McLucas. On 30 June, the Agency's [redacted] resigned as deputy director, NRO, and was replaced by Dr. F. Robert Naka. Although not an Agency employee, Naka had worked for [redacted] and was intimately familiar with most of the Agency's overhead programs. Early in January 1970, [redacted] the Agency's SIGINT officer and Duckett's special assistant, retired.

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In mid-1970, the Director of Special Projects, John J. Crowley, announced his intention to retire. DDS&T Duckett

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Meanwhile, OSA's aircraft programs were limited at this time to the [redacted]

[redacted] U-2s along the coast of the People's Republic of China to collect ELINT. This effort, which had been underway since 1961, was known as Project TACKLE. The Agency also had a small fleet of U-2Rs based at Edwards Air Force Base, California, which was being used less and less. Known as Project IDEALIST, this effort's most recent overseas deployment was to photograph the [redacted]

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imaging too  
  
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On 20 December 1969, DDS&T Duckett accompanied DCI Helms to a 303 Committee meeting, chaired by Henry Kissinger, which discussed the IDEALIST U-2 program in the light of a memorandum from Deputy Defense Secretary Packard recommending the transfer of CIA's remaining U-2 assets to the USAF's Strategic Air Command. Duckett pointed out that cancellation of the program could lead to problems with [redacted]

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[redacted] After a 30-minute discussion, all members present favored continuation of the program through FY-71, with another review before the FY-72 budget was prepared.

Kissinger next brought up the question of Bureau of the Budget concerns about the mounting cost of [redacted]. After listening to Duckett's review of the program, Attorney General John Mitchell and Kissinger both said they found it "very strange that everybody but BoB thinks this program is important and necessary."<sup>2</sup>

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Despite the 303 Committee's U-2 decision and President Nixon's endorsement of same, Deputy Defense Secretary Packard continued pushing for studies on consolidation of the Agency and SAC U-2 fleets. In a note to DCI Helms on 17 February 1970, Duckett said: "I still believe the issue of our staying in the U-2 business is primarily policy and not budget." He recommended that the Agency take no further action on the U-2 matter.

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*Much too much on  
SALT*

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## II. New Developments: Nixon, Kissinger, and SALT

President Richard M. Nixon's election in November 1968 set in motion a chain of events which, over the next five years, had a momentous impact on the Directorate of Science and Technology. Earlier in 1968, when President Lyndon B. Johnson's administration was making a concerted effort to prepare for arms-limitation talks with the Soviet Union, Duckett's directorate began expanding its role beyond that of simply contributing to the National Estimates. Unlike his predecessors, Albert D. "Bud" Wheelon and Herbert "Pete" Scoville, Jr., Duckett was a unique combination of salesman and politician<sup>with an encyclopedic memory</sup>, who believed in lighting candles, not hiding them. He was in a unique position to make major contributions to any discussions about the Soviet missile threat.

Carl Duckett considered himself the Agency's No. 1 missile analyst; his successor as DDS&T, Leslie Dirks, referred to him as the nation's "technical intelligence czar."<sup>1</sup> Duckett's expertise was enhanced by his position in the bureaucracy. He had at his beck and call on the FMSAC staff and in OSI's Defensive Systems Division the most astute missile experts in the nation. It should be recalled that Duckett, as the founding director of FMSAC, had personally chosen much of the FMSAC staff, which at this time was headed by David S. Brandwein.

When new pieces of intelligence about Soviet capabilities became available, Carl Duckett was anxious to bring them to the attention of those decision-makers who could put them to some use, be they on Capitol Hill or the White House. He strongly believed that CIA had to "sell" its intelligence product if it hoped to have any influence in the corridors of power. Duckett was also keenly alert to the fact that Agency influence on Cap-

*(James  
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On 13 March 1969, Kissinger issued National Security Study Memorandum (NSSM) No. 28 requesting a formal interagency study on "SALT Criteria." At the same time, he asked CIA to state the verifiability of each weapon limitation proposed in NSSM-28. Work on verification had been going on within the Agency since early 1968 involving FMSAC's Brandwein and OSR's [REDACTED]

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[REDACTED] By late March 1969, verification had become the hub around which the planning for the SALT effort would revolve and Carl Duckett was embarked on a long-term and close association with Kissinger which involved educating Nixon's assistant for national security affairs in the intricacies of estimating Soviet strategic missile threat. Before the year was out, Henry Kissinger would be referring to Carl Duckett as "the professor."

However, early in 1969, CIA's analysis of the Soviet SS-9 mod-4 triplet left no one happy in the Pentagon or the White House. Defense Secretary Melvin Laird insisted that the three warheads on the mod-4 SCARP were the functional equivalent of MIRVs and as such could overwhelm the U.S. Minuteman offensive shield. Kissinger, on the other hand, took the position that the SCARP's triplet "footprint" was designed to match the placement of missiles in the Minuteman launch complex. He hoped thereby to prove that the Minuteman shield was threatened by the Soviets. Kissinger needed this "credible threat" in order to justify development of an ABM system which he wanted to use as a bargaining chip in the forthcoming SALT negotiations. In fact, President Nixon announced on 14 March 1969 his decision to proceed with the phased deployment of an ABM system called Sentinel, later renamed Safeguard.

The question of the strategic threat posed by the SCARP missile was the subject of a 24 March 1969 telephone request from PFIAB member General Maxwell Taylor to John Bross, the deputy to the DCI for National Intelligence Programs Evaluation

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Safeguard and President Nixon met with Soviet Foreign Minister Gromyko.

Early in February 1972, Carl Duckett suffered a heart attack and spent nearly six weeks recuperating. During his absence, various staff officers filled in for Duckett on the various committees and groups, while Donald Steininger, the assistant DDS&T, kept the Directorate's machinery in operation. On 16 February, with Duckett in the hospital recuperating from his heart attack, FMSAC Director Brandwein complained in a memo to ADDS&T Steininger that the DS&T Office chiefs were not working as a team. He said each chief dealt with DS&T management individually and, as a result, the Director was in the hospital exhausted from trying to meet all the challenges single-handedly, the Assistant Director was putting in 12-hour days, but most Office chiefs, like himself, had time to work crossword puzzles.<sup>31</sup> Not until Monday, 13 March 1972, did Duckett resume his duties, and then only part-time. By the end of March, he had more or less resumed a full schedule.

The first quarter of 1972 was a period of relative quiescence in SALT arena. Duckett attended no meetings of the Verification Panel until 27 and 28 April. In early May, the pace quickened once again in preparation for President Nixon's trip to Moscow.

#### H. ABM and SALT-I Agreements Signed

On Thursday afternoon, 25 May 1972, Carl Duckett was invited to the White House Conference Room to attend a ceremony marking the signing in Moscow by President Nixon and Soviet Party Chairman Leonid Brezhnev of a "Declaration on Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics" that limited the deployment of anti-ballistic missiles. The next day Defense

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J. SALT-II, Verification, and the NRP Budget

With the transfer of the Office of Weapons Intelligence to the Directorate for Intelligence in November 1976, the DS&T role in the SALT talks became less active. Unlike Carl Duckett, Leslie Dirks was not interested in the analytical aspect of the Directorate or in continuing the role played by Duckett in advising the White House on SALT matters. He was caught up in the development of intelligence collection systems and the reorganization of the nation's covert SIGINT collection effort. Although DS&T ceased contributing to the policy decision-making process, the Office of Development and Engineering was deeply involved in the search for new systems of verification.

With the inauguration of Jimmy Carter as President in January 1977, a new push began for reaching an even broader accord with the Soviet Union on limiting strategic arms. Once again the debate within the administration and the Congress revolved around this nation's ability to verify any agreement. When NASA's Dr. Hans Mark became Director of the National Reconnaissance Office in August 1977, his major concern was to determine

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State of the Directorate, 1970

At the beginning of the decade of the 1970s, the Directorate had reached a plateau at which both its budget and manpower seemed to stagnate. In fact, the FY-70 CIAP budget of [Redacted] less than the previous year, whereas its personnel strength had increased by a modest six percent to [Redacted]

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In April and May, the topic of SALT verification was taken up at DCI Helms' morning briefings. On 1 April the pros and cons of releasing satellite photography were debated. In mid-May Helms asked that a verification briefing be prepared which avoided a direct input by Art Lundahl's NPIC in order that the role of photography not be overstated.

Office of Special Activities, headed by Colonel Donald F. Ross, remained the largest DS&T entity with a staff of [Redacted] up by [Redacted] positions from FY-69, but its budget declined by 10 percent to [Redacted]. OSA's major U-2 efforts were the Project [Redacted]

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[Redacted] known as Project TACKLE which made occasional flights along the periphery of the People's Republic of China. The Office continued to manage the [Redacted] and parti-

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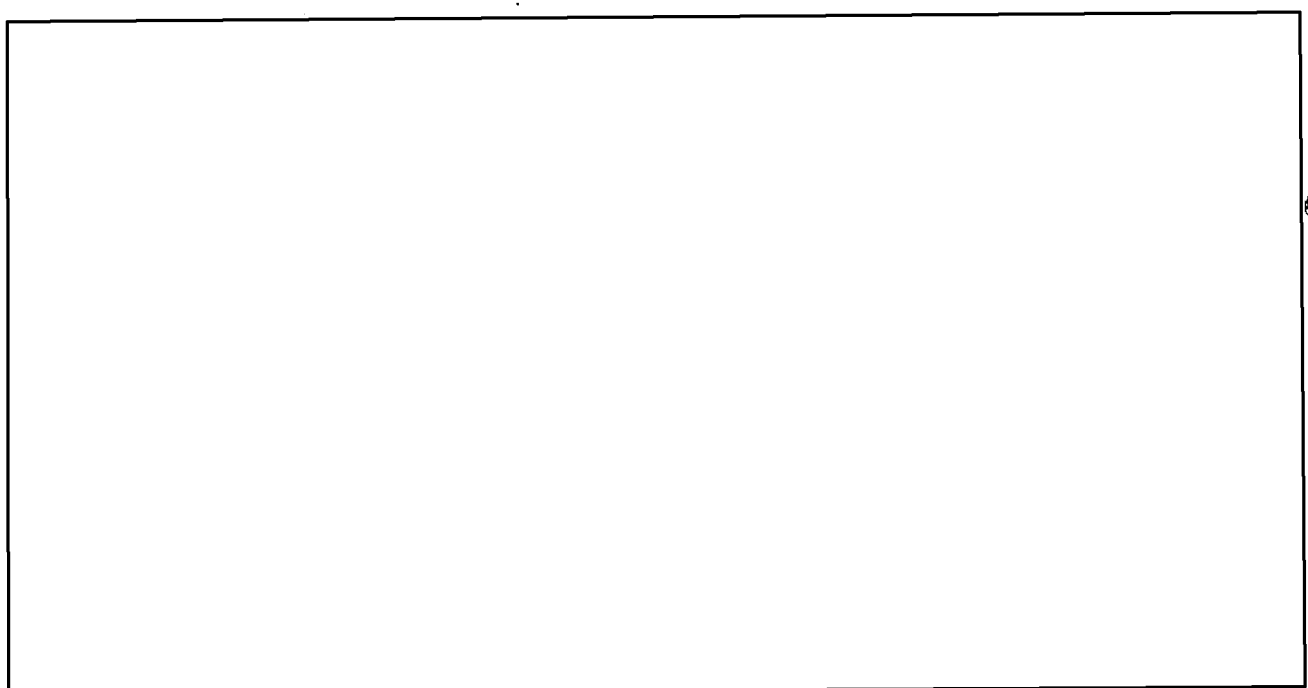
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Early in the year, a memo to DCI Richard Helms from Deputy Defense Secretary David Packard raised the issue of the Agency consolidating its U-2 assets with the Air Force. Throughout 1970, DS&T officials marshalled their arguments for retaining the U-2 programs.

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Office of Computer Services, headed by Acting Director [redacted] with a complement of [redacted] employees and a budget of [redacted] was tied with OSA as the largest DS&T office. The unit had grown steadily in manpower and budget since its establishment and would continue doing so until it was transferred to the Directorate of Management and Services in 1973. John D. Iams was named Office director in September.

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Office of Scientific Intelligence, still headed by Dr. Donald Chamberlain, remained the third largest unit, but both its manpower, [redacted] slots, and its budget, [redacted] had continued to decline. Karl Weber remained Dr. Chamberlain's deputy.

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[redacted] that OSI analysts were unable to keep up with it for lack of personnel.

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itol Hill meant money for CIA's technical collection programs, which were expensive.

#### A. Beginnings of SALT During Johnson Administration

As early as March 1968, Duckett was asked by State Department's General Jack Davis what methods this nation could use to determine which missiles the Soviet Union was deploying in SS-3 and SS-4 silos. At the time, General Davis was preparing a paper on the subject of strategic armaments for Secretary of State Dean Rusk. In his reply, Duckett expressed reservations about this nation's ability to detect the conversion of intermediate-range and medium-range missile silos for use by intercontinental ballistic missiles. He also commented on the absence of a U.S. capability for determining the technical differences between several Soviet anti-ballistic missile (ABM) systems.<sup>2</sup>

Ten weeks later, in May 1968, Duckett began devoting more attention to the political aspects of the weapons race between the Soviet Union and the United States. This change in direction was brought about partly by Dr. Ruben Mettler, president of TRW Corporation and the new chairman of the Agency's Strategic Intelligence Panel. In the spring of 1968, Dr. Mettler suggested reorienting his panel's membership from its emphasis on technical aspects of strategic weapons to the political aspects. Although Duckett feared that such a reorientation might challenge the Board of National Estimates, he appreciated Mettler's concern that scientists become involved in the issue of compliance verification.<sup>3</sup>

Indeed, Duckett's involvement in the strategic-political arena was to become so intense in the early 1970s that his intentions became suspect among high-ranking officials of the Directorate of Intelligence who felt he was usurping their prerogatives. His stint as adviser to Henry Kissinger, President

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President Johnson, to falter. As a result, National Security Adviser Kissinger's involvement in the arms limitation arena intensified before the month was over.

At the center of the stormy period set in motion by the strategic arms limitation effort was the question of the Soviet ICBM known as the SS-9, mod-4 triplet, or SCARP. This large, liquid-fueled missile was believed by some analysts within the Intelligence Community to be equipped with three warheads that were multiple, independently-targeted, reentry vehicles (MIRVs). Others, particularly Agency analysts, believed the SCARP had only three multiple reentry vehicles (MRVs). The difference between the two views was that MRVs could not be targeted individually, but merely resulted in a three-burst cluster.

All analysis done throughout the government was based on work accomplished by [redacted] a very clever telemetry analyst who worked for [redacted] under a CIA contract known as [redacted] analysis was based on [redacted]

[redacted] FMSAC Chief Brandwein had worked with [redacted] in the 1960-63 period when both were employed by [redacted] According to Brandwein, [redacted] was a very competent analyst who nevertheless permitted his conservative, rightwing politics to color his ultimate conclusions.<sup>6</sup> FMSAC's stable of analysts included three men who had worked with Duckett at Huntsville -- [redacted]

[redacted] and M. Corely Wonus. Brandwein believed that [redacted] knew more about the SS-9 than anyone else in the United States and that [redacted] was the finest trajectory analyst in the country.<sup>7</sup> The Huntsville trio along with other

FMSAC analysts [redacted] and R. Evans Hine- man were convinced that the results of the [redacted]

[redacted] as it was called, could not be used to prove that the missile's warheads were independently targeted. In addition to [redacted] basic research, FMSAC's SS-9 ana-

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#### IV. James Schlesinger: Five Months That Changed CIA

In Agency folklore, DCI James R. Schlesinger is considered a "scourge" whose "ruthless" efforts in reorganizing the CIA and reducing its staff might best be compared with the activities of Attila the Hun. After more than a decade, the impact of the changes wrought by Schlesinger seem much more benign and even far-sightful. If anything, the resentment was engendered more by Schlesinger's management style and philosophy than by any actual harm to the Agency's structure. His personnel cuts were less severe than those under DCI Stansfield Turner and his reorganization more considerate and less radical than the National Foreign Assessment Center experiment also under Turner. Unlike the dismantling of NFAC and reestablishment of the Directorate of Intelligence, very little of Schlesinger's reorganization has had to be undone.

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Without a doubt, the major beneficiary of Schlesinger's activities was the Directorate of Science and Technology. It grew and prospered during Schlesinger's five-month reign. And it did so because Schlesinger had a concept that involved concentrating the scientific, research, development, and engineering efforts of CIA under central management. This plan was carefully thought out before Schlesinger was even offered the job by President Nixon. Of all the DCIs who came from outside the Agency, it is apparent that James Schlesinger was the one best acquainted with the Agency and its role within the Intelligence Community.

##### A. White House Study: "Intelligence Community Review"

In December 1970, President Nixon appointed James Schlesinger, who was, at the time, the assistant director of the newly established Office of Management and Budget (OMB), to

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sticking point for several senators and Colby was reluctant to serve as DCI until he had been confirmed. The DCI-designate went on extended leave between the time the Senate voted to confirm him, on 2 August, and his swearing in on 4 September 1973.

The Acting Director for Central Intelligence during this period was the DDCI, Army Lieutenant General Walters. Unlike previous DDCIs, General Walters refused to assume responsibility for the day-to-day operations of the Agency and spent lengthy periods traveling abroad acting as President Nixon's personal ambassador. As a result, during the two-month hiatus between Schlesinger and Colby, Duckett became the unofficial Executive Secretary of the CIA Management Committee. For almost three years, from July 1973 through April 1976, Carl Duckett performed this function.<sup>12</sup>

By default, Carl Duckett had become the third-ranking official of the Agency as well as the head of CIA's only vertically integrated intelligence directorate. Duckett believed that his position had been reinforced by Schlesinger's and Colby's confidences that he might be next in line for the DDCI appointment. Duckett's was a position of power experienced by few Agency employees before or since. Its demands proved greater than the man and contributed to his departure in the spring of 1976, but not before he had served as a deputy director longer than any person in Agency history.

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Schlesinger's tenure as DCI also had a significant impact on the Agency's organization. Shortly after naming Harold Brownman to succeed John Coffey as Deputy Director for Support, Schlesinger authorized the transfer of the Office of Computer Services (OCS) from the DS&T to the newly renamed Directorate of Management and Services (DM&S). This move, which became effective on 1 April 1973, was the first step in a program

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floor where Schlesinger personally signed them. Headquarters notices are usually signed by the Deputy Director for Management and Services, but in this case, the DCI felt he could not wait for Brownman's return. 16

The movement of NPIC into the DS&T had been under discussion since early 1971 when it became apparent that major changes had to be made at NPIC

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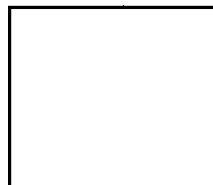
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Such changes demanded technology of the highest level and in invest-

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ment. The DI was not equipped to handle programs of such magnitude and expense and, thus, transfer of NPIC from the DI to the DS&T was only logical. NPIC Director Lundahl was amenable to this change; DDI Edward Proctor, however, was not. He was concerned lest <sup>that</sup> the loss of NPIC from his directorate <sup>would</sup> cause a gap in photo-intelligence expertise. Although he agreed with the reorganization, Lundahl realized that the challenge of upgrading NPIC would require greater physical and mental effort than he could muster. He had suffered for years from arthritis, which by this time was becoming increasingly more debilitating. After almost two decades of service to the nation, Art Lundahl chose to retire. Although he wanted NPIC to retain its own developmental capability for exploitation needs, NPIC Director Lundahl was amenable to the change.

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VI. NPIC Moves to DS&T, Gets 21st Century Technology

By 1973, the National Photographic Interpretation Center (NPIC) had grown to be the largest and most expensive component within the Directorate of Intelligence with a complement of [Redacted] employees and a budget of [Redacted]. From its modest beginnings in 1952-53 as the [Redacted] Photo Intelligence Division (PID) of the old Office of Research, <sup>and Reports</sup> this important activity had evolved into a national-level, multidepartmental component of the Intelligence Community.

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Under Arthur C. Lundahl's <sup>evolved</sup> ~~left~~ guidance, PID first ~~mutated~~ into the Photographic Intelligence Center (PIC) in 1956 and ultimately into NPIC in January 1961. In the beginning, PID worked primarily with captured German (GX) and Japanese (JX) photography from World War II and some tactical photos acquired during the Korean War. <sup>the Center</sup> With the advent of the U-2 aircraft, <sup>evolved</sup> this facility rapidly assumed national importance as the <sup>aircraft reconnaissance missions,</sup> ~~sil-~~ ver-voiced Lundahl began briefing President Dwight D. Eisenhower, <sup>Cabinet officials, selected members of Congress, and leaders of friendly foreign governments</sup> after every U-2 mission.

As new reconnaissance systems came on line, NPIC had to gear up to handle the differing types of imagery. In the summer of 1960 NPIC began interpreting the 70mm photography collected by the first successful photosatellite system called CORONA and its succession of KH-1, -2, -3, and -4 cameras. In 1963, NPIC began handling the high-resolution 9-inch film from the [Redacted] camera. Almost simultaneously it began preparing to interpret three different film sizes and formats planned for cameras in the Agency's superfast OXCART A-12 aircraft as well as yet a fourth format from the camera being built for the Air Force's SR-71 airplane.

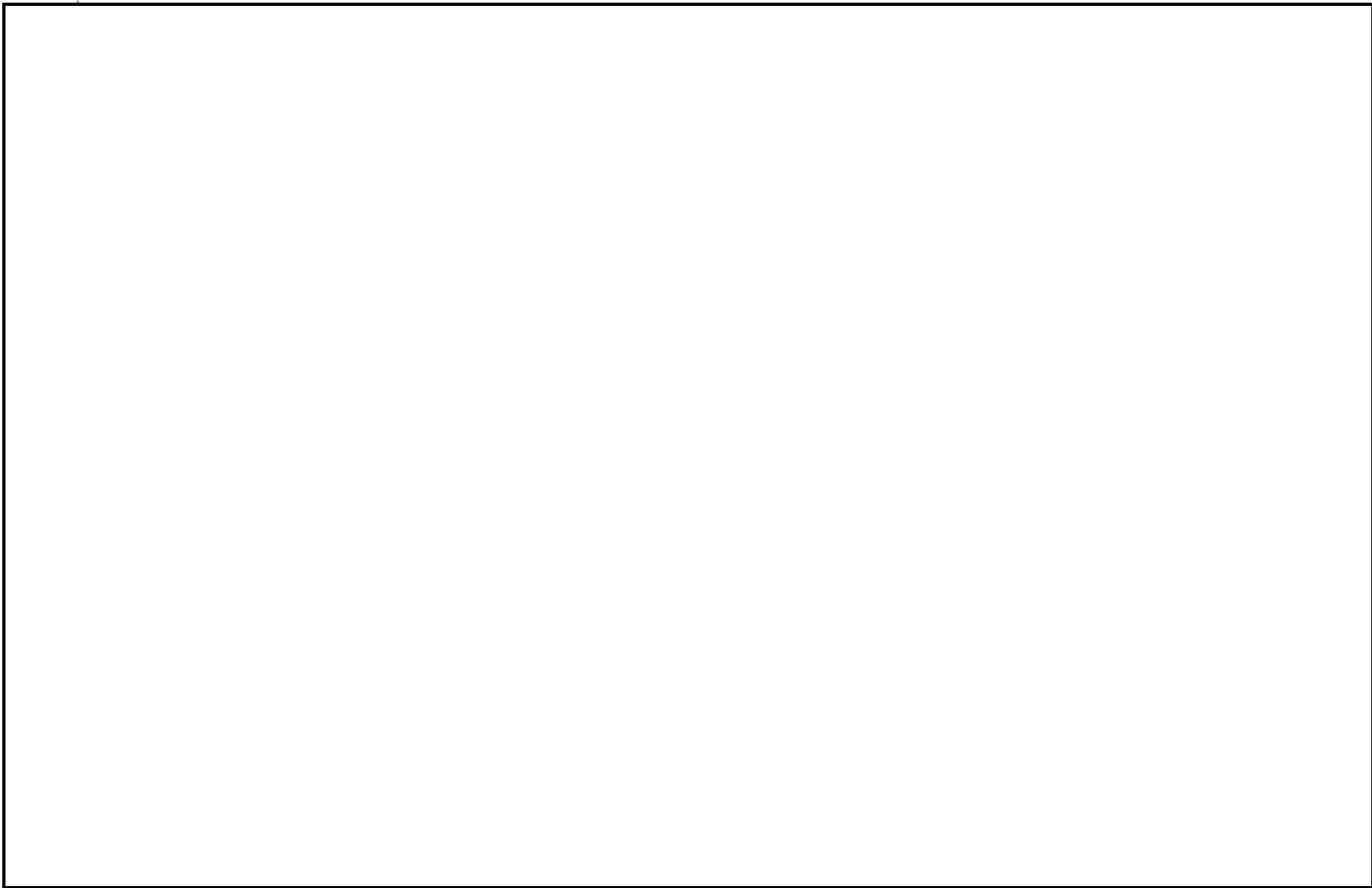
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A. Growing Demands, Diminishing Funds

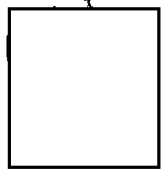
In contrast to its predecessors, whose primary missions were to collect either order of battle or strategic-economic imagery, [redacted] had a unique and demanding mission for which it was specifically designed: verification of Soviet strategic missile forces. All of this made Lundahl keenly aware that, while quantum leaps were being made in collection technology, owing to budget restrictions NPIC had not kept pace with new developments.

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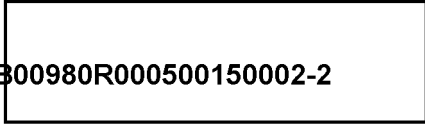
*exploit the increasing volume of imagery, and to take on the added function of maintenance*

By the early 1970s, NPIC needed improved light tables and optics, more accurate mensuration equipment, and advanced computer systems in order to provide verification of Soviet compliance with the SALT agreements. Being the largest part of the Directorate of Intelligence, NPIC had to fight hard for financial resources just to keep its head above water. Al-

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though NPIC had managed to exploit the modest amounts of CO-  
RONA, [redacted] OXCART, and SR-71 film in monitoring Soviet  
strategic deployment of ICBMs, long-range bombers, anti-bal-  
listic missiles (ABMs), and ballistic-missile submarines, the  
Center [redacted]

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[redacted] It needed more and better  
trained personnel, upgraded equipment, and larger facilities.

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Lundahl recognized that these objectives could never be  
attained with the limited resources afforded within the con-  
straints of the DI budget. In the DS&T, which was overseeing  
the [redacted] there was also concern  
about NPIC's ability to handle the imagery. DDS&T Carl Duckett  
was convinced that the transfer of NPIC to his directorate  
would facilitate better management of the millions of dollars  
in contracts necessary for insuring that advancements in ex-  
ploitation technology would be commensurate with those in col-  
lection technology.<sup>1</sup>

Deputy Director for Intelligence Edward Proctor, however,  
was not so sanguine. He was concerned lest his directorate's  
loss of NPIC could result in the loss of Agency leadership in  
substantive photo-intelligence expertise. At this time there  
was considerable skepticism about the nation's capability to  
monitor strategic arms limitation agreements using satellite  
photography. When he was DCI, Richard Helms was particularly  
concerned about the effect of the "Potemkin village factor" in  
using satellite photos to detect Soviet violations of SALT  
agreements.

Discussion as to which of the two directorates was the  
optimum location for NPIC continued through the end of DCI  
Helms' administration and into that of DCI James Schlesinger.  
Lundahl had tried to convince Helms and DDI Proctor that the  
gains in photo-intelligence capabilities to be derived from  
transfer of NPIC to the DS&T far outweighed any danger of

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potential losses. It was not until Schlesinger's regime, however, that a decision was taken on the matter and NPIC became part of DS&T on 21 May 1973.

B. NPIC Moves to DS&T; Lundahl Retires; Hicks Takes Over

~~Not only~~ <sup>Although</sup> was Lundahl <sup>was</sup> fully agreeable to transferring his Center to the DS&T, ~~but~~ he was also painfully aware that the physical and mental demands of the next few years were greater than he could muster. The crippling effects of his arthritis were worsening and he knew he would not be able to oversee the <sup>upgrading</sup> rebuilding of his beloved NPIC. After 20 years of superior service to his country, Arthur Lundahl retired in June 1973 and was replaced by John J. Hicks.

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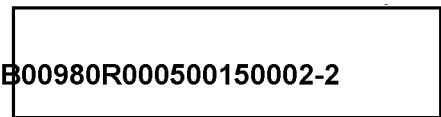
Hicks was no newcomer to the arena of photographic interpretation. He was an experienced military intelligence analyst who had gained an appreciation for the total intelligence process in the DI's Office of Current Intelligence and as deputy to Bruce Clarke in the Office of Strategic Research. Hicks had made important substantive contributions to a number of National Intelligence Estimates on Soviet strategic weapons capabilities and space programs, and had been [redacted]

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[redacted] At the time of his appointment, Hicks was serving as NPIC's Executive Director.

Under Hicks' leadership, NPIC entered an entirely new era in photo intelligence, both analytical and technical. The enhanced quality and quantity of imagery derived from increasingly sophisticated collection systems demanded new exploitation and reporting procedures. Hicks assumed the reins of NPIC at a uniquely important time: the joint U.S.-USSR Strategic Arms Limitation accords had just been signed on 21 June 1973. That agreement hinged on <sup>the signatories'</sup> this nation's ability to verify Soviet compliance through the use of satellite imagery. The existing imagery interpretation rating scale used by the nation's photo-

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interpreters was purely subjective -- it used such descriptors as excellent, good, fair, and poor -- was outmoded, and was totally inadequate. A national rating system was needed that was independent of the collection system and was applicable to both search and surveillance imagery. It had to be designed to insure consistency in judgment by the photo-interpreters, directly relatable to specific intelligence problems and exploitation requirements, and be compatible with computer-based recording systems.

Hicks appointed an ad hoc SALT Accountability Task Team which set to work defining the problem and designing a new system. By March 1974, the Task Team had developed a refined scale of categories 0 through 9 for use throughout the Intelligence Community. It was called the National Imagery Interpretation Rating Scale (NIIRS) and was tested against [redacted] before it was accepted by COMIREX signatories and promulgated by the U.S. Intelligence Board in September 1974.

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~~Almost immediately~~ the NIIRS scale was adopted by [redacted]

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[redacted] for evaluating simulated [redacted] During 1975, all NFIC photo-interpreters were trained and certified for proficiency in using NIIRS. This new scale has since become a basic criterion for decompartmenting imagery-derived intelligence produced in the late 1970s and still provides a universal language and common denominator for intelligence and imagery analysts as well as collectors throughout the Intelligence Community.

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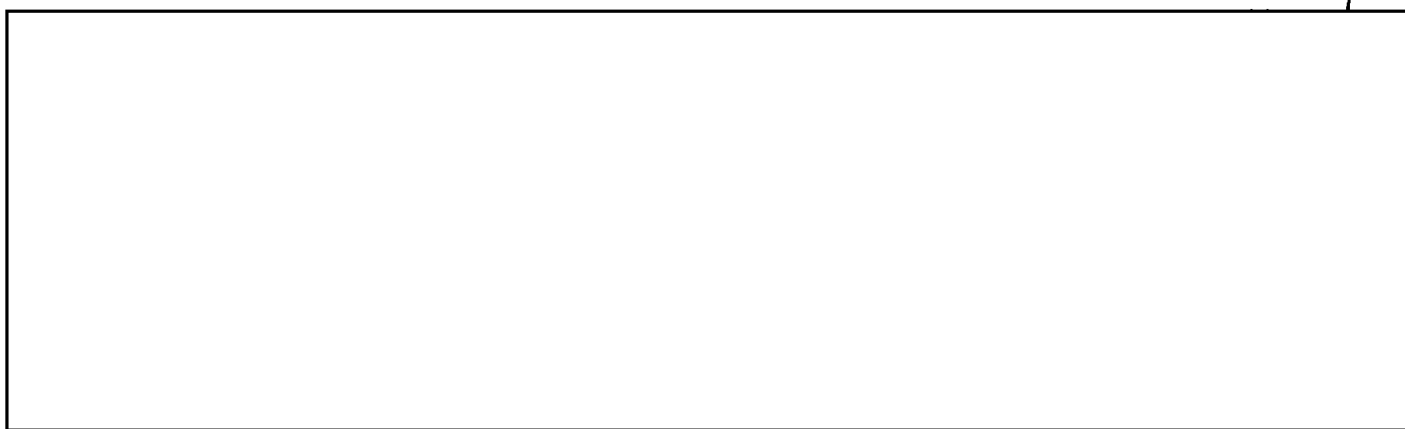
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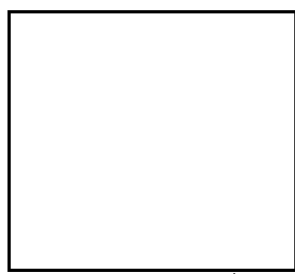
the mid-1970s, NPIC Director Hicks had to deal with such substantive intelligence concerns as the continued monitoring of the Middle East Disengagement Agreement, Soviet adherence to the <sup>ABM and</sup> SALT-I <sup>ies,</sup> treaty, <sup>activity in</sup> the Korean Demilitarized Zone, and Soviet infiltration of Third World revolutionary movements in Libya, Ethiopia, Angola, Cuba, and Southeast Asia. Incidental to these major issues, NPIC also used overhead imagery to assess the damage caused by <sup>natural catastrophes such as</sup> the February 1976 earthquake in Guatemala and the Tangshan earthquake in China in August 1976.

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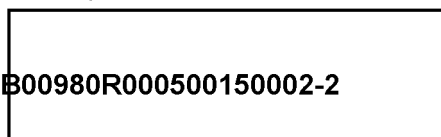


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FOOTNOTES

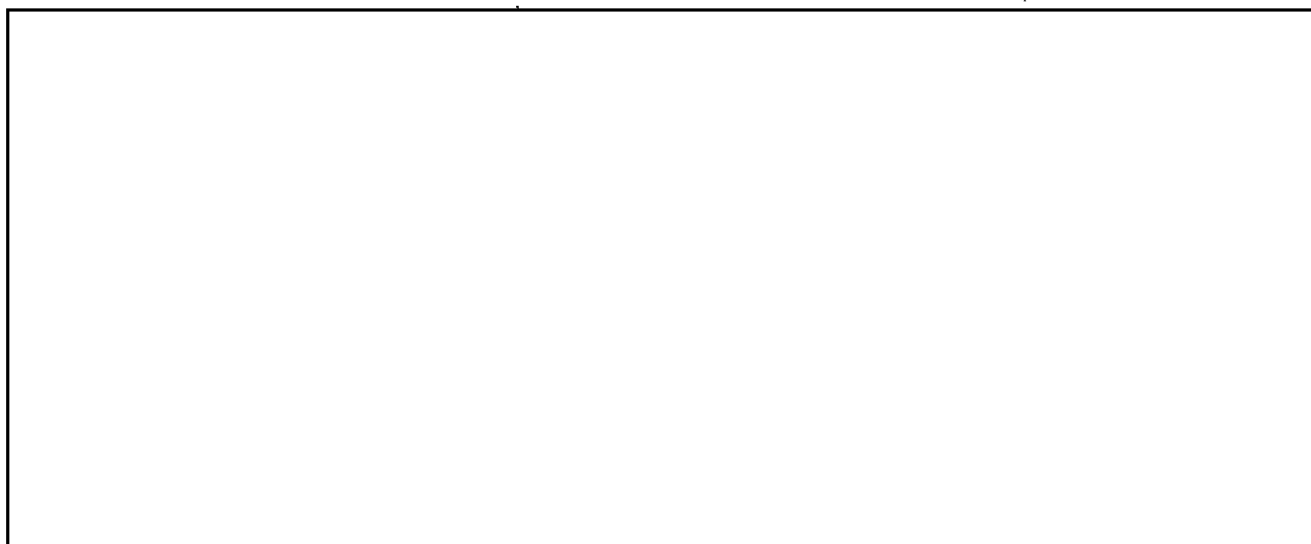
1. Duckett interview.
2. Executive Order 11828 of 4 January 1975.



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Office of Technical Service, formerly the Technical Services Division of the Directorate of Plans/Operations, with its [redacted] of which were contract positions) and budget of [redacted] became the second largest unit in the Directorate when it was moved to the DS&T in May 1973. John McMahon, the Director of ELINT, was moved to South Building to head the new organization on the very day of its transfer into the DS&T. TSD's former chief, Sidney Gottlieb, retired on 1 July 1973 and his deputy, [redacted] continued in that post under McMahon.



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Office of Computer Services, when it was transferred to the Directorate of Management and Services in April 1973, had the largest number of slots in the DS&T, [redacted] employees, and a [redacted] budget. Director John Iams and his deputy, [redacted] transferred with their unit when it became the Office of Joint Computer Services.

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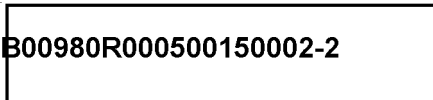
Office of Special Activities was still headed by Brigadier General Wendell Bevan. Its decline was less precipitate in FY-73 but DNRO John McLucas would eventually win out in his effort to have CIA's U-2 program transferred to the Air Force. On 21 November 1973, the NRP ExCom agreed to give OSA's U-2 assets to the Air Force at the end of FY-74 and decided that no monies

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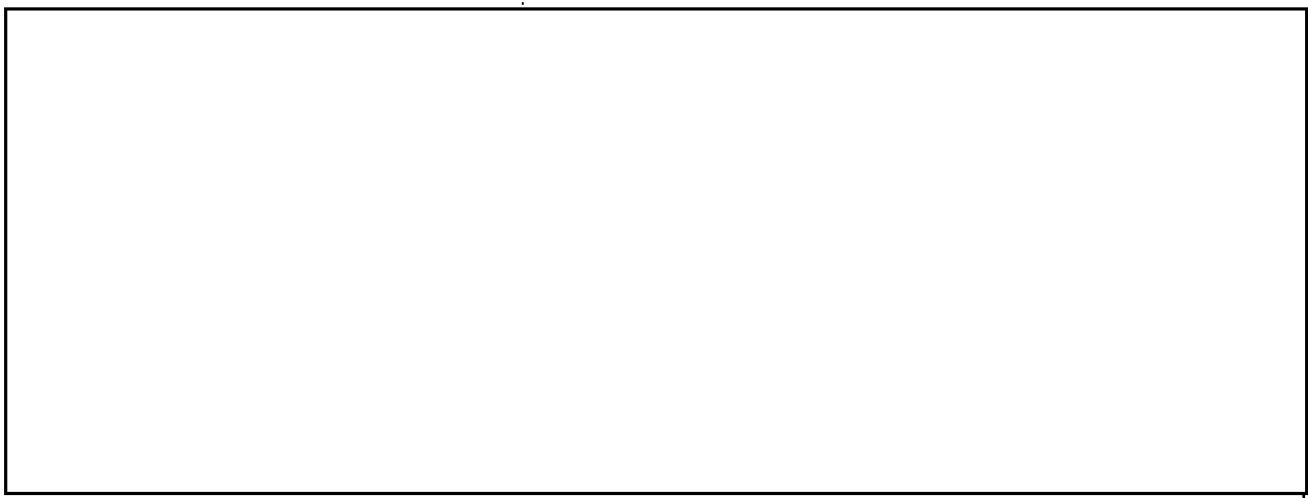
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National Photographic Interpretation Center continued making preparations for [redacted] and Director Hicks named Rutledge P. Hazzard to be director of [redacted]. NPIC gained [redacted] contract slots in FY-75, increasing its authorized strength to [redacted] and got a modest budget increase to [redacted]. During FY-75, NPIC employees led the Directorate and the Agency in making suggestions and collecting \$9,340 in awards.

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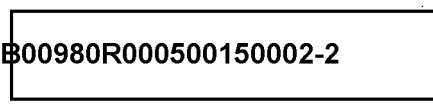
Office of Technical Service, having survived its public exposure during the Watergate investigations of 1974, was in the public view again during 1975. It was thrust into the limelight in January when DCI Colby testified before the Church Committee that CIA had been involved in mail-intercept activities in New York from 1953 to 1973 and that TSD/OTS was the Agency unit responsible for assisting the FBI. Later in the summer, after the discovery of MKNAOMI's shellfish toxin and other poisons in a disused laboratory in South Building, OTS was again in public view. ADDS&T Stevens and DCI Colby testified before the Senate Select Committee on the matter. The toxin was eventually transferred to the Food and Drug Administration [redacted]. In FY-75, OTS Director David Brandwein and his deputy, [redacted] saw their Office budget reduced by [redacted] and its staffing cut by [redacted].

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Dirks urged DDCI Carlucci to issue an Agency notice no later than 1 October committing CIA to an incentive bonus plan analogous to the Federal SES bonus. In a separate memo to the Director of Personnel, Dirks said he was fearful lest the new system destroy the flexibility he had for hiring highly technical specialists as SPS officers without regard to supergrade ceilings. He also took exception to limiting bonuses to the top 50 percent of SIS cadre. A week later, Dirks complained about plans to include his SPS managers in the SIS schedule which he felt would jeopardized his headroom.

National Photographic Interpretation Center Director Rutledge Hazzard had a budget of [redacted] for FY-79 and a staff of [redacted] down one from FY-78. In addition to continuing the upgrading of the NPIC Data System, Hazzard set in motion the [redacted] studies to define future requirements for mensuration, collateral reference, and computer support. Work was also underway on the engineering model of the Imagery Interpretation Station (IISEM) which encountered problems with its stereo performance. The requirement for digital soft-copy imagery exploitation was revalidated by an IDEX working group. The challenge was to develop a system that would be compatible with [redacted]

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[redacted] by 1985-86. In April, the Soviet Union shot down a South Korean airliner over the Kola Peninsula. [redacted] imaged the downed aircraft and NPIC delivered prints to President Carter [redacted] In August and September, the Center began reporting on a buildup of military facilities and supplies at Termez and Kushka near the border with Afghanistan. In the late autumn, photo interpreters saw an increase in Soviet airborne regiment activity in that area which intensified in early December. The Soviet invasion of Afghanistan began on Christmas Eve 1979. On 4 November, Iranian <sup>revolutionaries</sup> ~~students~~ stormed the American Embassy in Tehran and seized 69 U.S. hostages. [redacted] [redacted] NPIC analysts began [redacted] monitoring of the Embassy situation. The presence of a Soviet brigade-size unit

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in Cuba

NPIC, in cooperation with

the DI's Office of Imagery Analysis and DIA, made an exhaustive search of imagery to determine how long the brigade had been in Cuba.

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termined that the Soviet unit had been in Cuba since the October 1962 missile crisis.

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[ ] slots bringing it up to the [ ] level. After five years of decline, the Office of the DS&T reached a plateau of

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[ ] slots and an FY-80 budget of [ ]

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National Photographic Interpretation Center began covering the Iran-Iraq War in September and overhead imagery was the primary source of information on the war. A large earthquake shook southern Italy in late November causing widespread devastation. The Italian Government appealed to the United States for help in determining the extent and magnitude of the destruction. President Carter ordered U-2 photo coverage of the area and NPIC provided Italy with a damage assessment and photographic enlargements showing the damage. A government-ordered increase in food prices in Poland in June resulted in numerous strikes and the formation of the free trade union "Solidarity." By September, Polish unrest reached such a state that NPIC analysts began detecting signs of increased Soviet and bloc military activity around Poland. By December, there were signs of Soviet preparations for an invasion and NPIC began preparing a "Summary of Soviet Reaction to the Polish Crisis." The crisis abated and the Soviet forces stood down by the beginning of 1981. Beginning in early April and continuing throughout the summer, NPIC prepared reports for the White House on the Mariel Boat Lift from Cuba that brought thousands of Cubans to Florida. [ ]

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Director Hazzard's FY-80 budget grew by a modest three percent to [ ] but NPIC's manpower remained constant at [ ] for the fourth consecutive year. [ ]

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State of the Directorate, 1981

Another major change occurred in the Agency in January with the arrival on the seventh floor of President Ronald Reagan's campaign manager, William J. Casey, as the new DCI. He was joined in February by a new DDCI in the person of Admiral Bobby R. Inman, who moved over from his position as director of NSA. DDS&T Dirks' fifth year on the sixth floor found him in charge of a staff of [Redacted] with an FY-81 CIAP budget of [Redacted]. [Redacted] The Office of the Director grew by one slot to [Redacted] and had a budget of [Redacted].

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National Photographic Interpretation Center in FY-81 got its first manpower increase since FY-77 with the addition of [Redacted] new slots, boosting its complement to [Redacted] positions. Director Rutledge Hazzard also got a bigger budget, up [Redacted] to [Redacted]. The new Reagan administration caused an abrupt change in U.S. policy vis-a-vis the Polisario revolutionaries in the Western Sahara. Under President Carter, arms sales to Morocco, the object of the Polisario attacks, were restricted. Following King Hassan's appeal for U.S. help, President Reagan immediately ordered U-2 overflights, known as SENIOR LOOK missions, of the Polisario areas and removed the Carter arms embargo. NPIC analyzed the U-2 imagery and prepared reports on Polisario activities [Redacted].

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[Redacted] Early in the year, Cuba began sending Soviet armor, guns, and other military equipment to Nicaragua. The Reagan administration ordered SR-71 and U-2 missions over the area as well as satellite imagery when possible. NPIC exploitation of the Nicaraguan imagery [Redacted]. In November, NPIC analysts discovered a new Soviet bomber, the [Redacted] also called the BLACKJACK, at the Ramenskoye installation. NPIC assigned a full-time imagery analyst to the Inter-

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replaced John W. Coffey as Deputy Director for Support; Colby replaced Karamessines as Deputy Director for Plans/Operations for a brief period and was replaced, in turn, by William E. Nelson; and Schlesinger's own sudden departure to become Secretary of Defense -- the composition of the CIA Management Committee also changed. Schlesinger left for the Pentagon on 2 July 1973, but William Colby, his replacement, ran into difficulties during a protracted series of hearings before the Senate Armed Services Committee which had to confirm his appointment. His involvement in the Phoenix Program in Vietnam was a sticking point for several senators and Colby was reluctant to serve as DCI until he had been <sup>sworn in</sup> confirmed. The DCI-designate went on extended leave between the time the Senate voted to confirm him, on 2 August, and his swearing in on 4 September 1973.

The Acting Director for Central Intelligence during this period was the DDCI, Army Lieutenant General Walters. Unlike previous DDCIs, General Walters <sup>was reluctant</sup> refused to assume responsibility for the day-to-day operations of the Agency and spent lengthy periods traveling abroad acting as President Nixon's personal ambassador. As a result, during the two-month hiatus between Schlesinger and Colby, Duckett <sup>felt that he was</sup> became the unofficial Executive Secretary of the CIA Management Committee. ~~For almost three years, from July 1973 through April 1976, Carl Duckett performed this function.~~ 13

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By default, Carl Duckett had become the <sup>unofficial</sup> third-ranking official of the Agency as well as the head of CIA's only vertically integrated intelligence directorate. Duckett believed that his position had been reinforced by Schlesinger's and Colby's confidences that he might be next in line for the DDCI appointment. Duckett's was a position of power experienced by few Agency employees before or since. Its demands proved greater than the man and contributed to his departure in the

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search, FMSAC, and OSI's Defensive Systems Division, to be headed by David Brandwein. Duckett also envisioned a Net Assessments Staff to be headed by [redacted] and a Mission Analysis and Advanced Design Staff headed by Leslie Dirks.<sup>15</sup>

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Duckett's letter suggested moving into the DS&T the Intelligence Directorate's NPIC, OSR, and [redacted]. From the Operations Directorate, Duckett wanted the Design and Engineering part of the Technical Services Division, Foreign Intelligence [redacted] and the Air Operations part of Special Operations Division. Not even the new Directorate of Management and Services escaped Duckett's wish list. He wanted the Office of Communications' R&D unit and its Technical Operations group.

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While he never succeeded in convincing Schlesinger as to the wisdom of creating the three staffs, within a matter of months Duckett had gotten control of much of his wish list. Just two weeks after receiving Duckett's letter, DCI Schlesinger transferred to the DS&T the Technical Services Division from the newly renamed Directorate of Operations and the National Photographic Interpretation Center from the Directorate of Intelligence.

Schlesinger's seemingly precipitate action late in the afternoon of Friday, 4 May 1973 had considerable thought behind it. He had learned during the first week of May about the possibility of a Congressional investigation into Howard Hunt's Watergate activities. The DCI was aware of TSD's involvement, through Hunt and G. Gordon Liddy, with the Republican National Committee's "plumbers" group and realized the Agency would eventually be pulled into the vortex of any Congressional action. He did not want any Agency reorganization to appear to be part of a coverup and was anxious that the TSD and NPIC

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IV-10

## IV. James Schlesinger: Five Months That Changed CIA

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In Agency folklore, DCI James R. Schlesinger is considered a "scourge" whose "ruthless" efforts in reorganizing the CIA and reducing its staff might best be compared with the activities of Attila the Hun. After more than a decade, the impact of the changes wrought by Schlesinger seem much more benign and even far-sightful. If anything, the resentment was engendered more by Schlesinger's management style and philosophy than by any actual harm to the Agency's structure. His personnel cuts were less severe than those under DCI Stansfield Turner and his reorganization more considerate and less radical than the National Foreign Assessment Center experiment also under Turner. Unlike the dismantling of NFAC and reestablishment of the Directorate of Intelligence, very little of Schlesinger's reorganization has had to be undone.

Without a doubt, the major beneficiary of Schlesinger's activities was the Directorate of Science and Technology. It grew and prospered during Schlesinger's five-month reign. And it did so because Schlesinger had a concept that involved concentrating the scientific, research, development, and engineering efforts of CIA under central management. This plan was carefully thought out before Schlesinger was even offered the job by President Nixon. Of all the DCIs who came from outside the Agency, it is apparent that James Schlesinger was the one best acquainted with the Agency and its role within the Intelligence Community.

## A. White House Study: "Intelligence Community Review"

In December 1970, President Nixon appointed James Schlesinger, who was, at the time, the assistant director of the newly established Office of Management and Budget (OMB), to

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head a special study group to look into the agencies and organization of the Intelligence Community. The group's preliminary report, titled "A Review of the Intelligence Community," was issued in late March 1971. DDS&T Carl E. Duckett reviewed the document and set down his observations and recommendations in a 12 April memo to DCI Helms. He noted that "a number of conclusions and assertions regarding the performance of the Intelligence Community are incorrect and misleading, but I believe it would be unwise to attack the paper." Nonetheless, he listed two points that needed to be addressed.<sup>1</sup>

The first was the assertion that the Director of the National Reconnaissance Office was "unable to control a large part of his program which is run by the Deputy Director for Science and Technology in CIA." Duckett said this was overdrawn because "the guy who controls the purse strings is in fact controlling the program."

Duckett's second point was that the suggestion for turning over to NSA the DS&T's relatively small Office of ELINT, which had been a major contributor to the national collection program, should be resisted. "This is proposed despite a clear recognition in the report that there are serious management problems in various DoD intelligence programs, particularly NSA."

Duckett's memo went on to suggest "establishment of a separate independent agency to manage intelligence collection" to assume responsibility for all national intelligence collection, with a provision that tactical collection responsibility be returned to the military services. He also suggested that the NRO Executive Committee (ExCom) oversee the entire apparatus.

Among the recommendations made by the Schlesinger report and implemented by the DoD was the creation of the post of Assistant Secretary of Defense (Intelligence) (ASD/I). At the

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same time, President Nixon abolished the position of the Special Assistant to the President for Science and Technology. These two developments had a profound influence on the NRO ExCom concept -- since 1965, the ExCom had been comprised of the Deputy Secretary of Defense (DepSecDef) as chairman, the DCI, and the President's Science Adviser. By replacing the DepSecDef with the new ASD/I as the DoD representative on the ExCom and making the DCI chairman of this two-man panel, President Nixon totally altered the character of this advisory body. Not only was the ASD/I lower in rank than the DepSecDef, but he did not have power of the purse as did the Deputy Secretary, who, as ExCom chairman, was able to back ExCom decisions with DoD funding. In addition, without the participation of the Science Adviser, the ExCom lacked a White House representative. Up to this time, the Science Adviser always brought with him a representative of the Budget Bureau, who also had power of the purse and could speak authoritatively on the topic of funding the expensive collection systems. When Schlesinger worked at the Bureau of the Budget, it was he who accompanied Science Adviser Lee DuBridge to NRP ExCom meetings.

The Agency's response to the Schlesinger report was prepared by Executive Director-Comptroller Lawrence White on 15 April 1971. Duckett's review of White's paper was critical because he felt the response did not address strongly enough the Agency's role in technical collection. Duckett stressed that CIA should hold the line against any attempt to get the Agency out of reconnaissance.<sup>2</sup>

In a 22 April 1971 note to Colonel White, Duckett suggested that the agenda for an upcoming deputy directors' meeting at [REDACTED] address two points. The first was "for each Deputy to explain his view of the White House study." The second was to replace a scheduled discussion of the National Intelligence Resources Board with "a little soul searching as to the objec-

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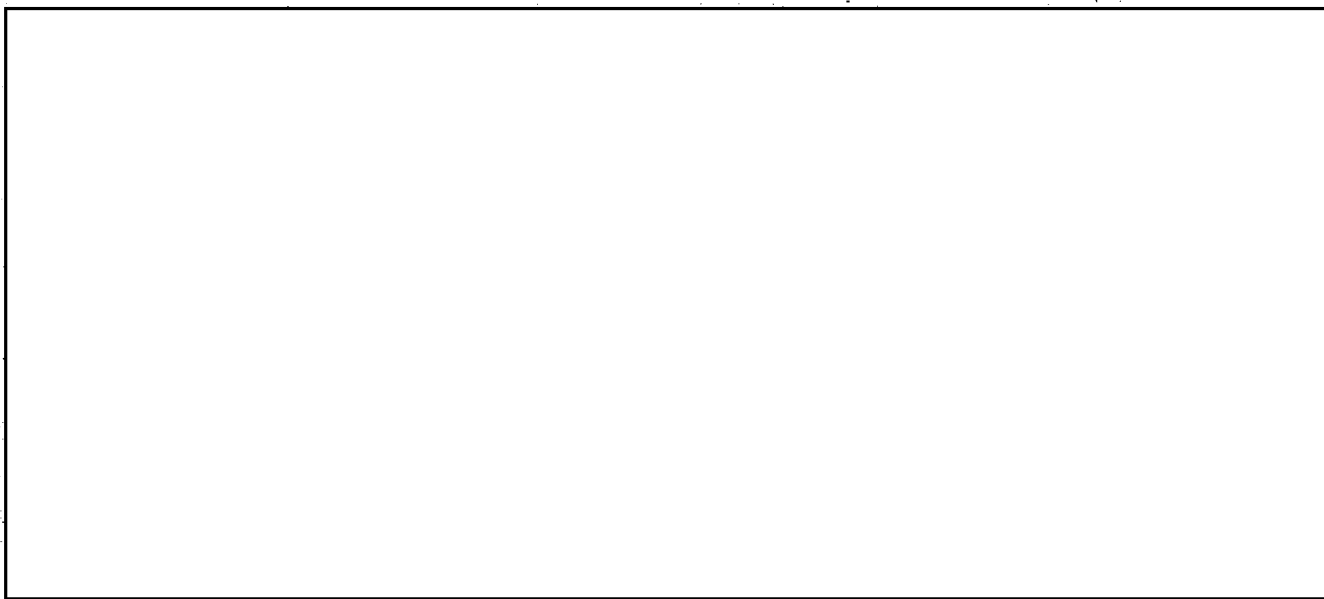
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tivity and accuracy of our current intelligence publications as well as NIEs and other documents."<sup>3</sup>

While the Schlesinger report was critical of the Agency as a whole, it had complimentary things to say about the DS&T. The report cited expensive technical intelligence collection as worthwhile because it produced better information than old-fashioned political intelligence. Schlesinger later told Duckett that he believed DS&T was the best managed directorate in the Agency.<sup>4</sup>

#### B. Duckett and Schlesinger -- Old Friends, New Circumstances

DDS&T Carl Duckett first met James Schlesinger in the late 1960s at NRP ExCom meetings when Schlesinger, a Bureau of the Budget official, accompanied Presidential Science Adviser DuBridge to advise him on program costs. Duckett and Schlesinger got to be "on a friendly basis during that period" until Schlesinger left the Office of Management and Budget to become chairman of the Atomic Energy Commission.



In the middle of these negotiations, President Nixon relieved DCI Helms of his job and named Schlesinger to replace

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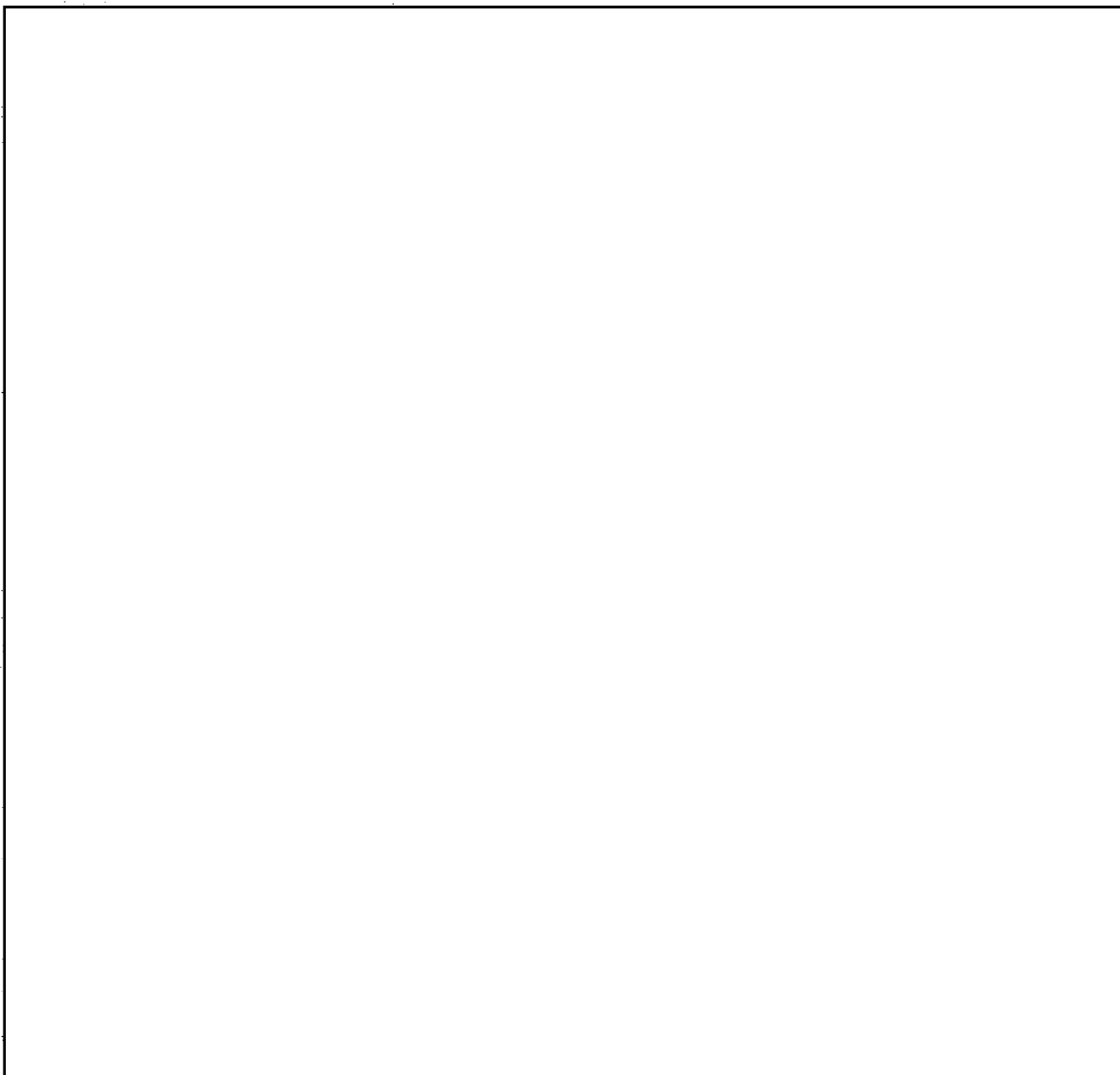
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him on 2 February 1973. When Duckett learned of Schlesinger's appointment, he called the DCI-designate at his AEC office and said: "I'm not saying I'm happy to see Dick Helms leave, but I'm happy that you've been chosen. I want you to be assured that I'm anxious to do whatever I can to help." Duckett offered to provide the new DCI with any information or briefings he needed.<sup>5</sup>



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Duckett began by saying the term Clandestine Services should be abolished from the Agency's lexicon because too many of the employees of the Plans Directorate believed their mission was to be clandestine and not to conduct operations. In fact, to make the point clear, Duckett suggested changing the directorate's name from Plans to Operations. Schlesinger liked the idea and on Thursday, 1 March 1973, he signed a directive renaming the directorate.<sup>7</sup>

The 14 February Headquarters Notice also announced the establishment of the CIA Management Committee. This was an idea fostered by Executive Director-Comptroller William E. Colby. Membership on this committee was limited to the DCI as chairman, the DDCI, Lieutenant General Vernon A. Walters, as vice chairman, Colby as executive secretary, and the four deputy directors. The Office of the Executive Director-Comptroller was suspended.

After his return from London, Schlesinger set out to reduce the size of the Agency. He began this task by calling on Carl Duckett in mid-March to come up with a list of marginal DS&T employees. The DCI began by telling Duckett he believed OSI was inhabited by a bunch of old, tired GS-15s. Duckett told Schlesinger that was untrue, adding that the DCI had probably been told that by former DDS&T Wheelon. Schlesinger admitted that Wheelon was the source of the information. Duckett then stated that OSI chief Donald Chamberlain had conducted a campaign over the past several years to have the youngest branch chiefs in the Agency and had succeeded. Next, the DDS&T said he had a list of [redacted] employees he thought should be released, retired, or demoted which had been prepared for him by his Directorate's Career Service Board.

At a Morning Meeting a short time later, DCI Schlesinger held up Duckett's list of names and said: "I have already made clear to all of you that I think the DS&T is the best Director-

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ate we have. These are the numbers Carl has provided, so I wouldn't like to see you other deputy directors come up with any smaller numbers than these, percentagewise."<sup>10</sup>

### C. Schlesinger Moves to Pentagon; Colby Succeeds Him

In early May, the DCI was called to the White House and informed by President Nixon that he wanted Schlesinger to become Secretary of Defense when Melvin Laird departed in July. At the time, Schlesinger had been at Langley only three months. As Schlesinger's replacement, the President chose the Agency's current Deputy Director for Operations, William Colby.

Upon his return from the White House meeting with President Nixon, DCI Schlesinger stopped at DDS&T Duckett's sixth floor office to tell him about this new development. Schlesinger also confided to the DDS&T that the President had specifically told him to tell Carl Duckett that General Walters would not be in the DDCI slot forever and that there was nothing in the law which said that the DCI and DDCI could not both be civilians. Duckett took this to mean that he was next in line for the DDCI position. Several weeks later, DCI-designate Colby related the same story to Duckett.<sup>11</sup>

With the drastic changes that took place within the Agency during the spring and summer of 1973 -- Harold L. Brownman had replaced John W. Coffey as Deputy Director for Support; Colby replaced Karamessines as Deputy Director for Plans/Operations for a brief period and was replaced, in turn, by William E. Nelson; and Schlesinger's own sudden departure to become Secretary of Defense -- the composition of the CIA Management Committee also changed. Schlesinger left for the Pentagon on 2 July 1973, but William Colby, his replacement, ran into difficulties during a protracted series of hearings before the Senate Armed Services Committee which had to confirm his appointment. His involvement in the Phoenix Program in Vietnam was a

sticking point for several senators and Colby was reluctant to serve as DCI until he had been confirmed. The DCI-designate went on extended leave between the time the Senate voted to confirm him, on 2 August, and his swearing in on 4 September 1973.

The Acting Director for Central Intelligence during this period was the DDCI, Army Lieutenant General Walters. Unlike previous DDCIs, General Walters refused to assume responsibility for the day-to-day operations of the Agency and spent lengthy periods traveling abroad acting as President Nixon's personal ambassador. As a result, during the two-month hiatus between Schlesinger and Colby, Duckett became the unofficial Executive Secretary of the CIA Management Committee. For almost three years, from July 1973 through April 1976, Carl Duckett performed this function.<sup>12</sup>

By default, Carl Duckett had become the third-ranking official of the Agency as well as the head of CIA's only vertically integrated intelligence directorate. Duckett believed that his position had been reinforced by Schlesinger's and Colby's confidences that he might be next in line for the DDCI appointment. Duckett's was a position of power experienced by few Agency employees before or since. Its demands proved greater than the man and contributed to his departure in the spring of 1976, but not before he had served as a deputy director longer than any person in Agency history.

Schlesinger's tenure as DCI also had a significant impact on the Agency's organization. Shortly after naming Harold Brownman to succeed John Coffey as Deputy Director for Support, Schlesinger authorized the transfer of the Office of Computer Services (OCS) from the DS&T to the newly renamed Directorate of Management and Services (DM&S). This move, which became effective on 1 April 1973, was the first step in a program

aimed at centralizing all of the Agency's computer resources into a new Office of Joint Computer Services (OJCS).

Three weeks later, the new DCI abolished the Office of Special Projects which had been headed by Brownman prior to his becoming the DDM&S. Headquarters Notice [ ] of 20 April 1973 announced the establishment of the Office of Development and Engineering (OD&E) within the DS&T effective 23 April. OD&E was given the responsibility for engineering and system development in general support of Agency activities. Schlesinger named Leslie C. Dirks to be OD&E's first director and gave him the additional responsibility of performing those analyses necessary for developing an overall Agency R&D strategy and plan.<sup>13</sup>

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#### D. Duckett's Blueprint for an Empire

Carl Duckett's rapport with James Schlesinger was such that he felt secure in making suggestions for rather extensive changes in the Agency's organization. Although his more grandiose plans were never realized, enough parts of these ideas came to fruition that the result was almost the same. For example, in an informal letter to DCI Schlesinger on 19 April 1973 Duckett suggested creating three staffs within his Directorate. He wanted to set up a Strategic Studies and Future Threat Staff, comprised of the DI's Office of Strategic Research, FMSAC, and OSI's Defensive Systems Division, to be headed by David Brandwein. Duckett also envisioned a Net Assessments Staff to be headed by [ ] and a Mission Analysis and Advanced Design Staff headed by Leslie Dirks.<sup>14</sup>

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Duckett's letter suggested moving into the DS&T the Intelligence Directorate's NPIC, OSR, [ ] From the Operations Directorate, Duckett wanted the Design and Engineering part of the Technical Services Division, Foreign Intelligence [ ] and the Air Operations part of Special

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Operations Division. Not even the new Directorate of Management and Services escaped Duckett's wish list. He wanted the Office of Communications' R&D unit and its Technical Operations group.

While he never succeeded in convincing Schlesinger as to the wisdom of creating the three staffs, within a matter of months Duckett had gotten control of much of his wish list. Just two weeks after receiving Duckett's letter, DCI Schlesinger transferred to the DS&T the Technical Services Division from the newly renamed Directorate of Operations and the National Photographic Interpretation Center from the Directorate of Intelligence.

Schlesinger's seemingly precipitate action late in the afternoon of Friday, 4 May 1973 had considerable thought behind it. He had learned during the first week of May about the possibility of a Congressional investigation into Howard Hunt's Watergate activities. The DCI was aware of TSD's involvement, through Hunt and G. Gordon Liddy, with the Republican National Committee's "plumbers" group and realized the Agency would eventually be pulled into the vortex of any Congressional action. He did not want any Agency reorganization to appear to be part of a coverup and was anxious that the TSD and NPIC transfers be effective before any formal developments could take place on Capitol Hill.<sup>15</sup>

This was the thinking behind Schlesinger's insistence that DDS&T Carl Duckett get the headquarters notices prepared for his signature before he left Headquarters that evening. Duckett discovered that DDM&S Harold Brownman was out of town and his assistant, Robert Wattles, was in [redacted] participating in the annual CIA golfers' outing. Wattles returned to Langley immediately, prepared [redacted] announcing TSD's transfer and [redacted] announcing NPIC's transfer, both effective that day, 4 May, and took them to the seventh

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floor where Schlesinger personally signed them. Headquarters notices are usually signed by the Deputy Director for Management and Services, but in this case, the DCI felt he could not wait for Brownman's return.<sup>16</sup>

The movement of NPIC into the DS&T had been under discussion since early 1971 when it became apparent that major changes had to be made at NPIC [REDACTED]

[REDACTED] Such changes demanded technology of the highest level and [REDACTED] in investment. The DI was not equipped to handle programs of such magnitude and expense and, thus, transfer of NPIC from the DI to the DS&T was only logical. NPIC Director Lundahl was amenable to this change; DDI Edward Proctor, however, was not. He was concerned lest the loss of NPIC from his directorate cause a gap in photo-intelligence expertise. Although he agreed with the reorganization, Lundahl realized that the challenge of upgrading NPIC would require greater physical and mental effort than he could muster. He had suffered for years from arthritis, which by this time was becoming increasingly more debilitating. After almost two decades of service to the nation, Art Lundahl chose to retire.

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## FOOTNOTES

1. C.E. Duckett memo for DCI R.M. Helms, 12 Apr 71; Duckett Chrono File.
2. C.E. Duckett memo to Executive Director-Comptroller, titled: "Remarks About 'Comments on a Review of the Intelligence Community,'" dated 16 Apr 71, Top Secret; Duckett Chrono File.
3. Duckett note to L. White, 22 Apr 71; Duckett Chrono File.
4. Duckett interview.
5. Duckett interview.
6. Duckett's desk calendar.
7. [redacted] "Organization Change," 14 Feb 73.
8. Irons had been Schlesinger's secretary at the AEC -- Duckett interview.
9. Duckett interview; [redacted] "Redesignation of the Directorate of Plans," 1 Mar 73.
10. Duckett interview.
11. Duckett interview.
12. Duckett interview.
13. [redacted] 20 Apr 73, "Establishment of Office of Development and Engineering of the Directorate of Science and Technology."
14. C.E. Duckett letter to DCI Schlesinger dated 19 Apr 73; Duckett Chrono File.
15. Duckett interview.
16. Duckett interview.



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[redacted] slots bringing it up to the [redacted] level. After five years of decline, the Office of the DS&T reached a plateau of

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[redacted] slots and an FY-80 budget of [redacted]

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National Photographic Interpretation Center began covering the Iran-Iraq War in September and overhead imagery was the primary source of information on the war. A large earthquake shook southern Italy in late November causing widespread devastation. The Italian Government appeal to the United States for help in determining the extent and magnitude of the destruction. President Carter ordered U-2 photo coverage of the area and NPIC provided Italy with a damage assessment and photographic enlargements showing the damage. A government-ordered increase in food prices in Poland in June resulted in numerous strikes and the formation of the free trade union "Solidarity." By September, Polish unrest reached such a state that NPIC analysts began detecting signs of increased Soviet and bloc military activity around Poland. By December, there were signs of Soviet preparations for an invasion and NPIC began preparing a "Summary of Soviet Reaction to the Polish Crisis." The crisis abated and the Soviet forces stood down by the beginning of 1981. Beginning in early April and continuing throughout the summer, NPIC prepared reports for the White House on the Mariel Boat Lift from Cuba that brought thousands of Cubans to Florida.

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[redacted]

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Director Hazzard's FY-80 budget grew by a modest three percent to [redacted] but NPIC's manpower remained constant at [redacted] for the fourth consecutive year.

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[redacted]

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[redacted]

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State of the Directorate, 1981

Another major change occurred in the Agency in January with the arrival on the seventh floor of President Ronald Reagan's campaign manager, William J. Casey, as the new DCI. He was joined in February by a new DDCI in the person of Admiral Bobby R. Inman, who moved over from his position as director of NSA. DDS&T Dirks' fifth year on the sixth floor found him in charge of a staff of [Redacted] with an FY-81 CIAP budget of [Redacted]. [Redacted] The Office of the Director grew by one slot to [Redacted] and had a budget of [Redacted].

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National Photographic Interpretation Center in FY-81 got its first manpower increase since FY-77 with the addition of [Redacted] new slots, boosting its complement to [Redacted] positions. Director Rutledge Hazzard also got a bigger budget, up [Redacted] to [Redacted]. The new Reagan administration caused an abrupt change in U.S. policy vis-a-vis the Polisario revolutionaries in the Western Sahara. Under President Carter, arms sales to Morocco, the object of the Polisario attacks, were restricted. Following King Hassan's appeal for U.S. help, President Reagan immediately ordered U-2 overflights, known as SENIOR LOOK missions, of the Polisario areas and removed the Carter arms embargo. NPIC analyzed the U-2 imagery and prepared reports on Polisario activities [Redacted].

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[Redacted] Early in the year, Cuba began sending Soviet armor, guns, and other military equipment to Nicaragua. The Reagan administration ordered SR-71 and U-2 missions over the area as well as satellite imagery when possible. NPIC exploitation of the Nicaraguan imagery [Redacted]. In November, NPIC analysts discovered a new Soviet bomber, the [Redacted] also called the BLACKJACK, at the Ramenskoye installation. NPIC assigned a full-time imagery analyst to the Inter-

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