MEMORANDUM FOR: Assistant Director for Research and Reports

THROUGH: Chief, Economic Research, ORR

FROM: Chief, Industrial Division, ORR

SUBJECT: Comments on Draft DCID 3/4, "Production of Guided Missile and Astronautics Intelligence" (Prepared by ORR, 31 December 1958)

1. The discussion which follows centers around the meaning and implication of paragraph 4.c. on page 5 of subject document which reads in part:

   Specific responsibilities of the ORR shall include the following:

   c. To produce (1) coordinated drafts of national intelligence estimates, ...

2. Since the wording of this paragraph has been changed from what appears in the current ORR charter ("Preparing coordinated contributions for...") and since the wording is consistent with that of the JARIC charter, it is assumed that the procedure which is proposed for ORR is to be the same as that of JARIC. This would imply that ORR would draft and coordinate the estimate to be presented to the WHC for its approval. The usual ORR procedure of contributions to ORR, ORR Staff draft, and coordination of the WHC by the Board and the usual ORR representatives for WHC's would be circumvented. The procedure would allow a very limited amount of time for a very general review of the ORR draft by the Board of National Estimates, which could then recommend changes (presumably to ORR and the DCI).

3. The arguments presented in the attached ORR memorandum to the Director (particularly, paragraphs 3 and 4) are basic to the decision which he must make; it is recommended that this Office adhere ORR's recommendations in subparagraphs 6. b. and c. and support AD/RE in this matter to the fullest extent.
SUBJECT: Comments on Draft DCID 3/4

4. In addition to the general arguments presented in the
Ab/HK's memorandum, the Economic Research Area has serious rese-
rveations as to GMHC's capability to evaluate our contribution to
the broad economic cost and feasibility considerations which have
been and should be an important part of HK's on the over-all
capabilities of the Sino-Soviet Bloc in the field of guided missiles
and space activities. These reservations center around the fact
that GMHC does not now have nor is it likely to have, the capability
to evaluate our contributions to such estimates. Although our contri-
butions are good and have significantly improved the over-all quality
of these estimates, we feel that they deserve the type of data led
review and constructive criticism which only the Staff and Board
have been able to give to this subject which so greatly influences
US foreign and domestic policy. The proposed DCID would not permit
this.

5. Furthermore, if certain alternative paragraphs in other part
of the subject paper are approved, GMHC would be barred from writing
the over-all type of estimate which is required for national policy
decisions. Specifically, if paragraph 3. b. (1), page 3, as recom-
mended by the military services is approved, GMHC would have a
substantive responsibility for numerical requirements or deployment
and would be limited to writing an estimate covering only scientific,
technical and production aspects of the problem. The CIA recomenda-
tion for this paragraph would give GMHC the broadness of coverage
necessary for an over-all estimate.

6. Another alternative procedure might meet most of the objec-
tions to the current procedure and that proposed in the subject DCID.
The steps involved in this procedure are outlined in Table I and are
compared with the other two currently under consideration. It is
alternative differs from the DCID procedure in that the estimate is
drafted by the GMHC Staff rather than by GMHC and is coordinated
by the Board of National Estimates together with the GMHC representa-
tives. An additional advantage would be that GMHC would have more
time to carry out its other functions which could improve the intelli-
gence on which the estimate depends.

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