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# SEMIANNUAL REPORT

# OF THE

# CENTRAL INTELLIGENCE AGENCY

# TO THE

# PRESIDENT'S FOREIGN INTELLIGENCE

# ADVISORY BOARD

1 APRIL 1962 - 30 SEPTEMBER 1962

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# SEMIANNUAL REPORT TO THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

1 April 1962 - 30 September 1962

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## A. OFFICE OF THE DIRECTOR

### Reorganization and Procedures

The period under review has been characterized by significant organizational changes within the Agency resulting largely from recommendations made by the Kirkpatrick-Schuyler-Coyne Working Group. This group, established by the DCI to study and advise him on the organization and activities of the Central Intelligence Agency and of the intelligence community, submitted their report during the last reporting period. The following are some of the more important steps already acted upon as suggested in the group's report:

1. The change in organization of the Office of the Director has been accomplished. The staff of the DCI's office now operates under the direction of the Executive Director who holds daily staff meetings. It is quite clearly understood throughout the Agency that there is not a straight vertical line of command--requiring all actions to be cleared with each of the top officers (DCI, DDCI, and Executive Director)--but that decisions may be obtained by going to any one of the three.

2. The Comptroller's office now reports directly to the DCI and has full authority for fiscal control of the Agency. The Comptroller has established the Financial Policy and Budget Committee which meets



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biweekly and is operating as envisaged. The Office of the Comptroller is discussed in more detail elsewhere in this report.

3. Existing sole-source contracts have been reviewed by the DDCI. Any new contracts of this type will be reviewed in advance by the DDCI and Comptroller.

4. The Audit Staff has been combined with the staff of the Inspector General and the merged staff reports directly to the DCI's office. The size of the Inspector General Staff is being increased.

5. The Office of the General Counsel reports directly to the Office of the DCI and has assumed responsibility for the work of the Legislative Counsel.

6. The Cable Secretariat is now under the close supervision of the Executive Director.

7. All senior assignments are currently being checked with the Office of the Director prior to formalization.

8. No public speeches are being given by Agency officials. Background briefings to newspapermen continue. All efforts are being made to keep CIA publicity to a minimum.

9. The DD/R is making progress in establishing his responsibilities. This is discussed in more detail in section F of this report.



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19. The DD/P has centralized the control of liaison with the Department of State and careful records are now maintained of all discussions. 25X

[redacted]

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[redacted]

23. The Agency's [redacted] efforts have been and are being expanded considerably. 25X

24. The DD/I has established a focal point in his office to follow the flow of all intelligence to the White House.



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25. The Board of National Estimates has been strengthened by the addition of a senior DD/P officer, and we have suggested to the Department of State the assignment of a senior Foreign Service officer.

26. The DCI, through USIB, is endeavoring to limit the number of national estimates.

27. The Automatic Data Processing Staff is aggressively pursuing the objective of automation in the Agency toward insuring compatibility with other systems in the intelligence community.

Coordination

28. During the period under review, the DCI has been very active in his capacity as coordinator of national intelligence for the President. Since many of these activities do not properly fall within the purview of this report on CIA, they are not discussed herein. However, this paper in a subsequent section does consider significant coordinating action taken by operating elements of the CIA within the intelligence community.

29. Accomplishments of the United States Intelligence Board (USIB) and its committees are generally not discussed in this paper. However, it should be noted that in many cases the Agency gives very significant support for several USIB committees.


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Office of the General Counsel

30. Upon agreement by responsible components of the Agency, the DCI in August decided to seek the enactment of legislation which would provide for early retirement of certain Agency personnel and instructed the Legislative Counsel to go forward with the work necessary to submit legislation to Congress and to support the enactment of such a law. Specifically, it was desired to make available to CIA the pertinent provisions of the Foreign Service Act. Draft legislation was prepared and formally referred to the President of the Senate and the Speaker. However, the Committee leadership has put off until the next Congress formal consideration of the legislation. It is hoped that this spade work will accelerate enactment next year.

31. Substantive and detailed briefings of our Congressional Subcommittees have taken place with increasing frequency in this session, averaging one briefing for each of the two Armed Service Subcommittees each month.

32. Responsible Agency components have developed and refined procedures for the appointment of consultants in accordance with the President's memorandum of February 1962 which sought to avoid creating conflict-of-interest situations with consultants. The memorandum imposes a specific responsibility on the legal office of each agency.





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Office of the Inspector General

33. In addition to regular duties the Inspector General Staff reviewed all appeals from termination under HR [redacted], the surplus personnel program. The staff investigated [redacted] formal appeals and had many interviews with employees who wanted guidance but did not wish to appeal. 25X 25X

34. As a result of the transfer of the audit function to the Inspector General, formal inspection reports of Agency components will include a summary of significant audit findings.



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B. COORDINATION

During the period under review, great emphasis has been given by all Agency components to coordinating activities within the intelligence community. A number of significant actions, apart from routine coordination, were taken within CIA toward this goal.

1. Based on a review by General Carter, the new Chairman of the USIB Watch Committee, a thorough review was made of the NIC operations. Steps have been taken to see that NIC is adequately manned with competent personnel. Methods of operations of the Watch Committee have now been aligned in accordance with the objectives of the Working Group.

2. The DCI and the Secretary of Defense jointly established a National Reconnaissance Office (NRO) with plans to draw personnel from both agencies and a Director responsible jointly to the DCI and the Secretary of Defense. Guidance to the NRO regarding the priority needs of the intelligence community as a whole will be furnished through the USIB's Committee on Overhead Reconnaissance (COMOR).

3. CIA has strengthened the resources and facilities of the National Photographic Interpretation Center to enable it to serve more effectively as a focal point for coordinating the photographic interpretation activities of the community.





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4. As a result of a USIB review of the committee structure, several committees originally created to assist CIA in carrying out certain services of common concern have been disestablished, thus strengthening coordination responsibility assigned directly to CIA.

5. The establishment of a Deputy Director for Research to serve as a focal point for research and development activity within CIA will also materially facilitate coordination of this effort with related activities within the Department of Defense and other government organizations. This is responsive to Joint Study Group Recommendation No. 39 as regards CIA.

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7. On the recommendation of CIA, the USIB issued policy guidance to the intelligence community concerning the handling of

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8. Since the issuance of the Working Group report, a special team composed of a senior representative from the Agency and from



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## C. INTELLIGENCE PRODUCTION

### National Intelligence

#### National Intelligence Estimates

1. Production of estimates has continued at the same high level as in the preceding period. Thirty-eight estimates were completed compared with 39 in the previous six months. The total for the year ending 30 September 1962 was 77 compared with 76 in the previous 12-month period.

2. The half year saw a considerable amount of activity in the Office of National Estimates (ONE) and the community at large on the broad question of the approach to cold war crisis intelligence coverage and the related area of counterinsurgency.

3. There was established in August a joint Central Intelligence Agency and Defense Intelligence Agency working group (CIA/DIA Joint Analysis Group) to prepare for the Secretary of Defense ten-year projections of alternative Sino-Soviet force postures. The group consists of six full-time members (including the Chairman), three in the grade of colonel or captain from DIA and three senior officers from CIA. The Chairman, currently an officer detailed from ONE, reports to the DCI and to the Director, DIA. Guidance



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for the group is provided by the Chairman of the Board of National Estimates and the Deputy Director, DIA. ONE also furnishes administrative support. 25X

National Intelligence Surveys (NIS)

5. NIS production has increased from the level noted in the previous report as a result of the transition from State to new staffs in CIA and non-USIB departments. However, production continues to be limited by the fact that professional staffing of these new components has not been completed and the fact that DIA has been drawing off manpower from Service components contributing to the NIS but has not yet begun centralized NIS production.

6. Both a sustained higher level of production and full implementation of plans for streamlining and accelerating NIS coverage are presently contingent in part on the DIA Production Center becoming operational.

7. The number of NIS topical units produced to date now totals more than 6,000, of which approximately 1,600 have been maintenance revisions of previously published units. This represents essentially complete initial world-wide coverage and provides a base for concentration at this time on more rapidly updating NIS held by users.

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