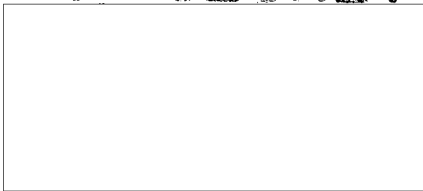


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REPORT # 42

ANNUAL REPORT
OF THE
CENTRAL INTELLIGENCE AGENCY
(FOR FISCAL YEAR 1965)

NSA, DIA, State reviews completed

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30 September 1965

CENTRAL INTELLIGENCE AGENCY

Annual Report to the

President's Foreign Intelligence Advisory Board

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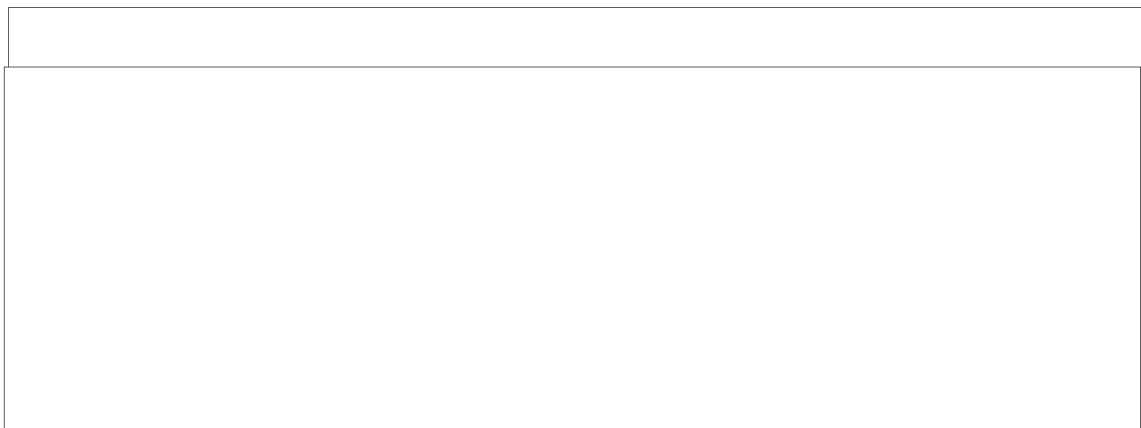
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A. Organizational Arrangements

Since major organizational changes were made during Fiscal Year 1964 in the scientific and technical fields and in centralized financial management activities of the Agency, relatively minor adjustments were required within organizational components to achieve better control, efficiency and economy in FY 1965.

Several changes are planned to take effect in the intelligence collection field in FY 1966. These changes will be made to (1) streamline the overt collection processes to provide more efficient and effective responses to demands for information, and (2) to provide for a separate office dealing with highly-classified reconnaissance projects.

The following organizational charts show:

1. Central Intelligence Agency: Organization and Functions (to Deputy Director level).
2. Office of the Director (including Deputy for National Intelligence Programs Evaluation, Cable Secretariat, Inspector General, General Counsel, and Office of Budget, Program Analysis and Manpower).
3. Deputy Directorate for Plans.
4. Deputy Directorate for Intelligence.
5. Deputy Directorate for Science and Technology.
6. Deputy Directorate for Support.

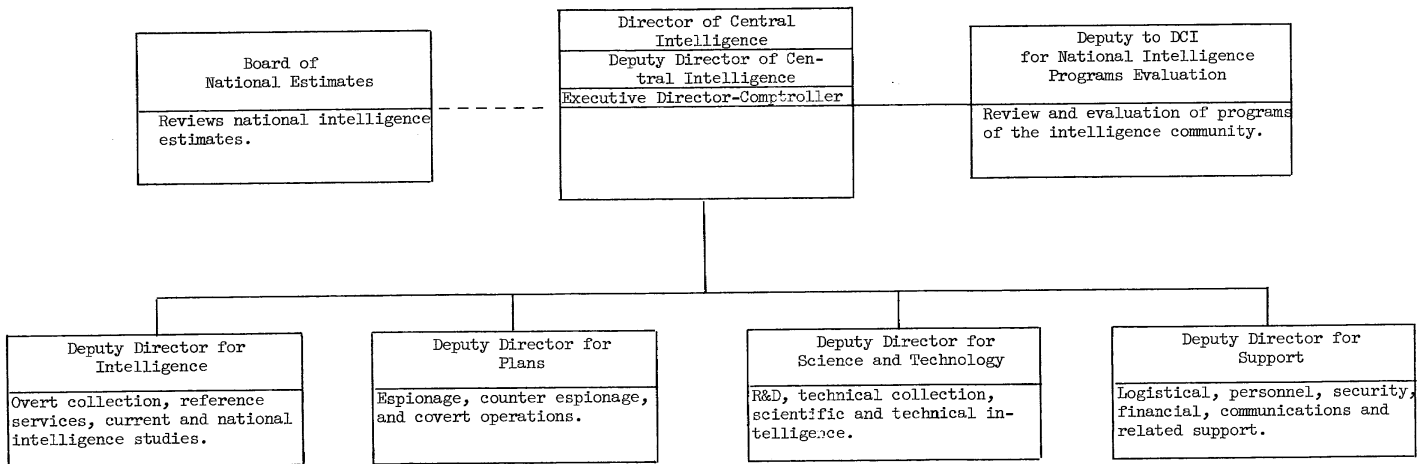
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Central Intelligence Agency
ORGANIZATION AND FUNCTIONS

Authorized Strength (6/30/65)



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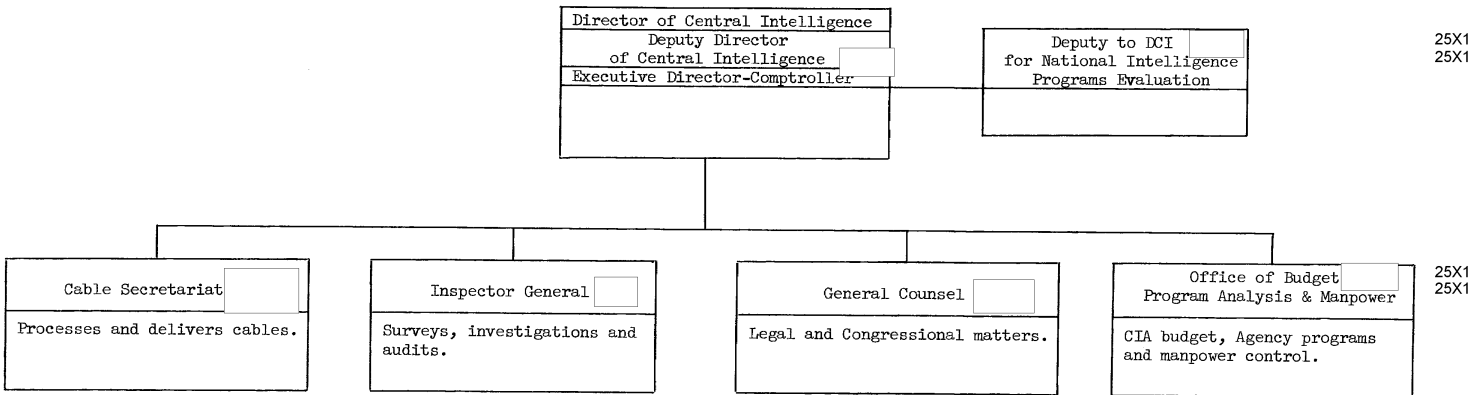
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Central Intelligence Agency
OFFICE OF THE DIRECTOR

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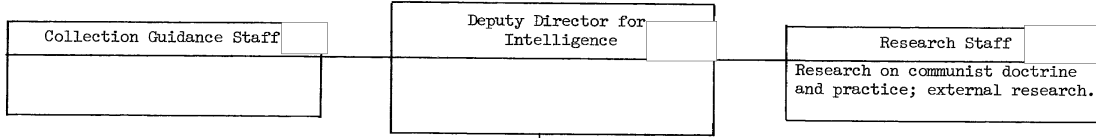
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DIRECTORATE FOR INTELLIGENCE

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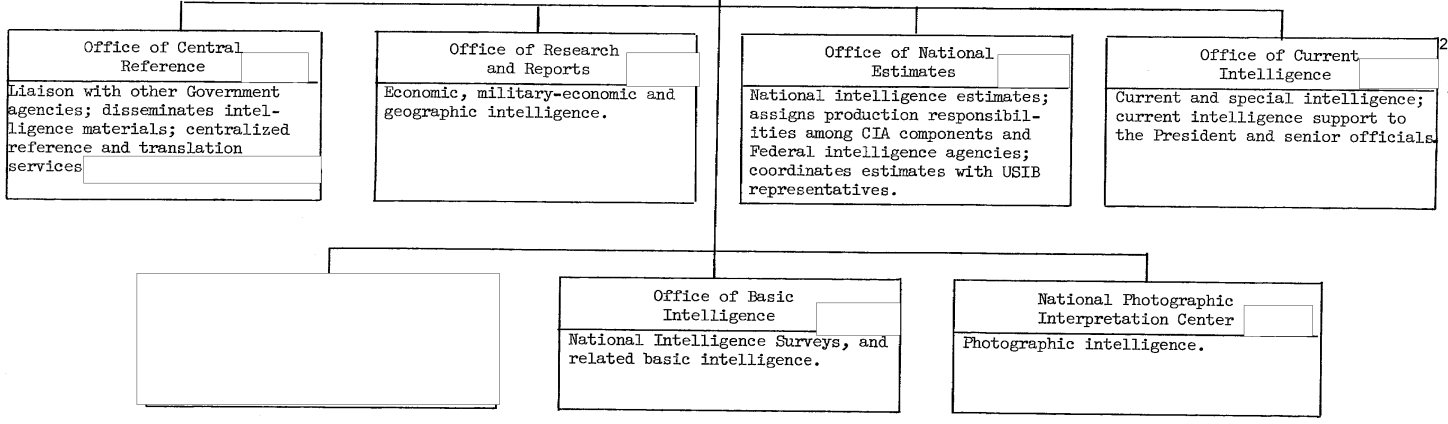
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DIRECTORATE FOR SCIENCE AND TECHNOLOGY

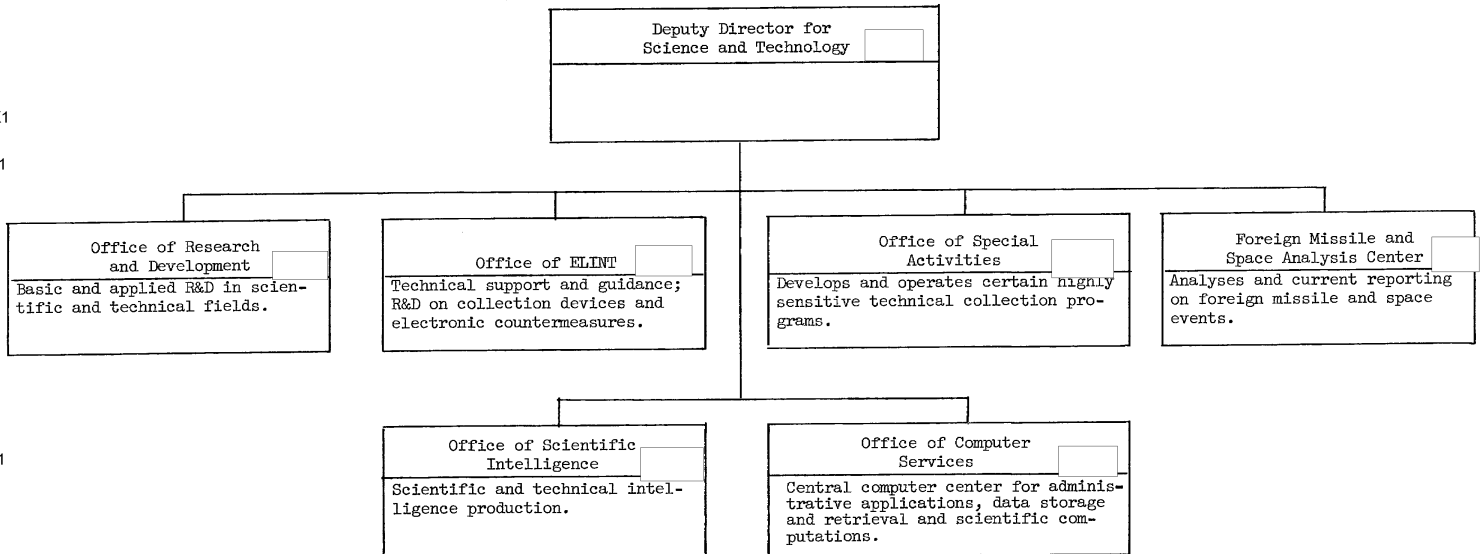
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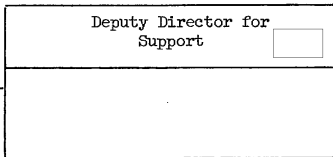
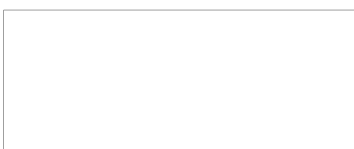
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Central Intelligence Agency
DIRECTORATE FOR SUPPORT

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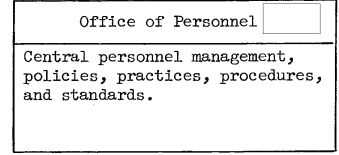
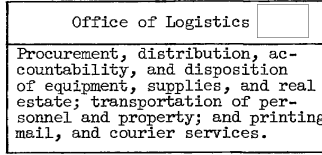
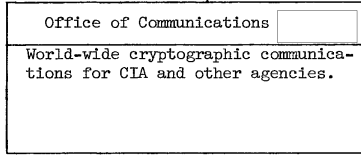
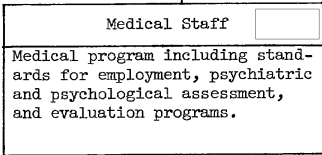
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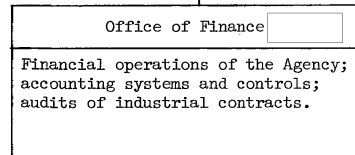
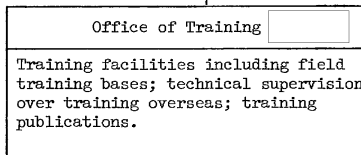
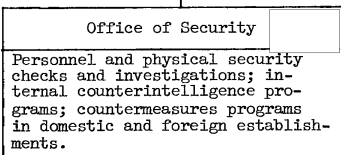
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* Office of Training [] for the Career Officer Trainee complement.

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B. Total Cost Figures, and Manpower Totals at Headquarters and in the Field, with Projections for Each of the Succeeding Five Years

The following cost and manpower schedules for Fiscal Years 1965 through 1970 show the major program activities conducted by the Central Intelligence Agency divided between U. S. operations (headquarters and U. S. field installations) and overseas operations. The figures reflect actual operations for 1965, the currently anticipated program level for 1966, the Director's proposed budget level for 1967, and estimates for 1968 through 1970 developed for use in discussions with the Bureau of the Budget earlier this year.

The schedules reflect adjustment for savings resulting from the President's cost reduction program. [redacted] 25X1

[redacted] The savings are applied against new and expanded requirements growing out of the numerous world crisis situations; otherwise, these requirements would have to be funded from [redacted] supplemental appropriations and larger budget year appropriations. For example, the 1965 savings allowed the Agency to [redacted] 25X1

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[REDACTED] (thereby reducing appropriation requests to the Congress).

The 1966 savings will be used to expand photo interpretation research and development work, to improve the communications network and accelerate automation to speed the flow of communications, and to fund several new unprogrammed political and paramilitary projects.

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[Redacted]

C. Training

The Junior Officer Training Program was redesignated the Career Training Program in recognition of its broadened scope and the rising level of maturity of the trainees.

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[Redacted]

The increase was

designed primarily to fill requirements of DDI and DDS.

Management training in CIA, which heretofore has been oriented to the individual, both in concept and in selection, may evolve toward a team approach. Emphasis has been placed on the Managerial Grid as a training model, and during the past two years [Redacted]

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[Redacted]

participated in Grid seminars on an

experimental basis. A pilot project involving all the supervisors and

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managers, [Redacted] in one major office of the Agency is now in progress.

[Redacted]

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Training [Redacted] increased by [Redacted] per cent during the year.

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[Redacted]

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D. Intelligence Collection Requirements.

The centralizing of requirements responsibility in the Collection Guidance Staff, as reported last year, has made possible more precise definition and validation of our needs for information; more accurate tasking of the appropriate collection system in accordance with the relative priorities of our needs and the capabilities of the system to meet them; and evaluation of the suitability of collection systems to meet defined needs in terms of degree of responsiveness and the cost/effectiveness ratio of each system in comparison with other collection means. Guidance to collectors has been provided not only through established interagency "requirements" channels, but increasingly, and more effectively, through leadership in USIB committees concerned with collection policy, plans and programs, and by participation in ad hoc programming groups, [redacted]

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In the area of overhead reconnaissance, requirements were met to a higher degree, on the whole, during FY 1965 than previously, due principally to improved guidance to system operators which reduced redundancy of coverage and permitted a consequent increase in useful response. [redacted]

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E. Intelligence Collection Activities.

(1) Basic Intelligence

Almost all collection activities of the Central Intelligence Agency provide some measure of basic intelligence.

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[redacted] the acquisition and exploitation of foreign publications, and [redacted]

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[redacted] all contribute substantially in this field. These activities are discussed in other sections of the report.

Although basic intelligence is not a priority area for clandestine collection, there is a good deal of such reporting, particularly in underdeveloped areas, and especially Africa.

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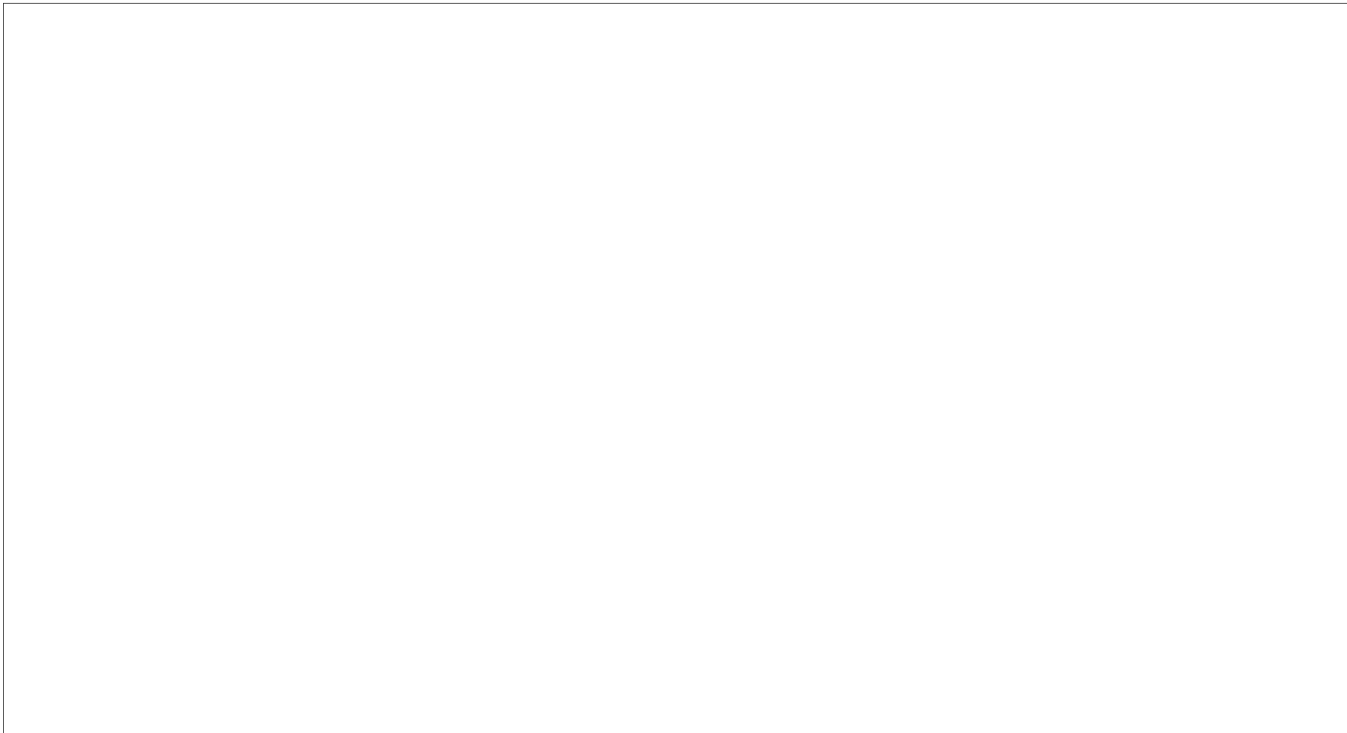
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A thorough review of P. I. reporting procedures was conducted and a Long-Range Exploitation Program developed for implementation in FY 1966. The main purpose of this program is to achieve more efficient P. I. production from limited available personnel while satisfying the rising demands on the Center for its products.

A Management Services Staff was set up in NPIC, with responsibility for developing effective management programs and techniques; analyzing organizational and management activities and manpower utilization; and providing a comprehensive management information and financial planning program for the Center.

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(10) Geographic and Geodetic Intelligence

This type of information is received in some degree from most of the collection systems, particularly photographic.

CIA does not mount specially-targeted activities in this field. (Production of geographic and geodetic intelligence is discussed in Section G.)

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The Office of Computer Services now regularly processes computer language target files in support of intelligence collection and analysis efforts. These are files generated by Agency analysts as well as those regularly obtained from other agencies. A system to integrate order-of-battle-type files was implemented.

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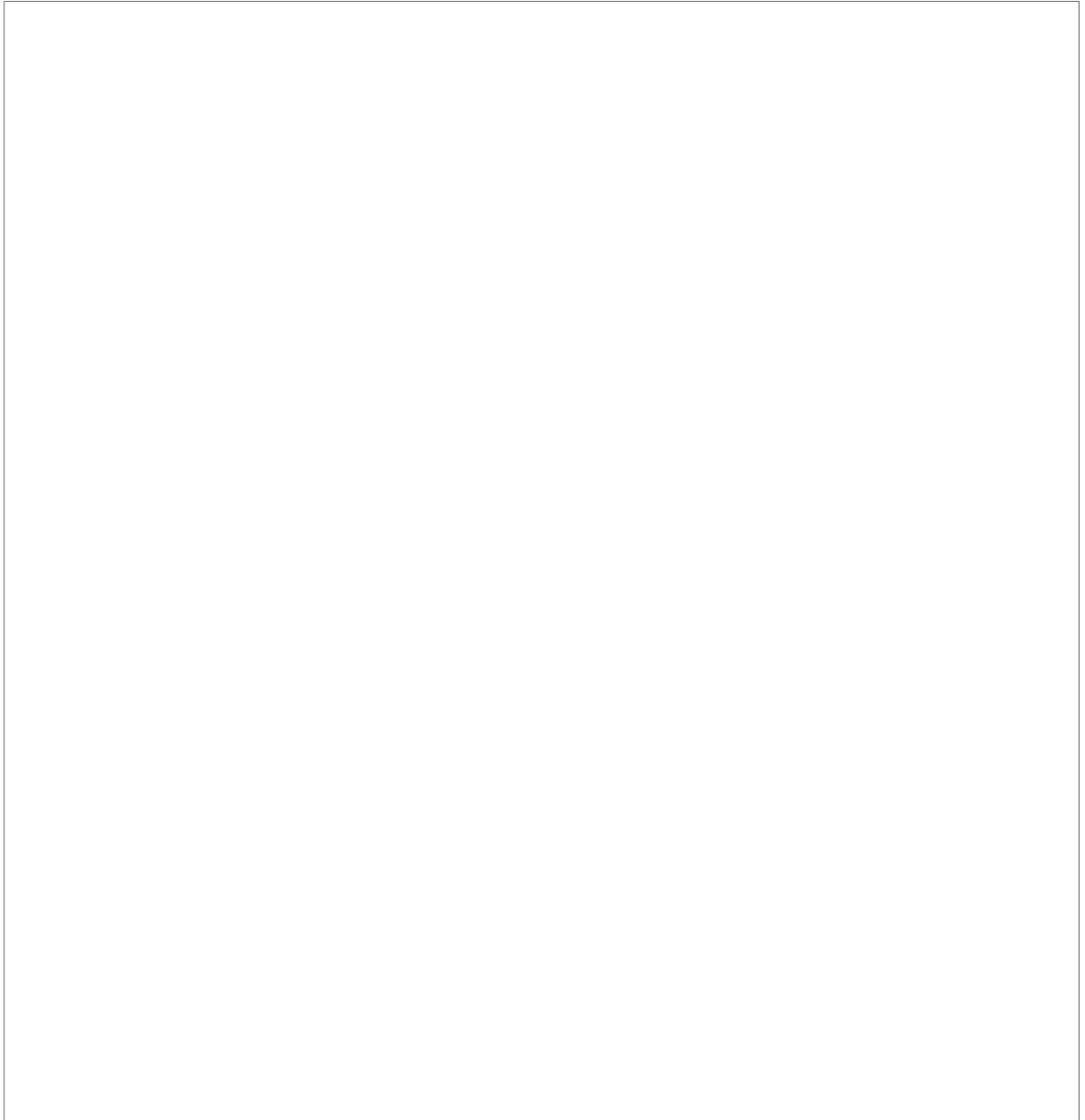
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(b) Publications

Trends and Developments. The importance of foreign publications as a source for intelligence production has been stressed in the recent findings of a task team report to USIB's

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Requirements for the exploitation of the procured publications expanded in several areas of growing intelligence interest. The exploitation of economic and sociological information on areas of Latin America and Africa assumed greater importance, whereas in previous years most emphasis was given information bearing on insurgency and counterinsurgency potentials in those areas.

[Redacted]

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Progress has continued in the development of an Automatic Language Processing system, with the contractor

[Redacted]

Operational testing of this system of machine-aided translation is scheduled to begin in October 1965.

[Redacted]

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The shortage of North Vietnamese publications has been somewhat alleviated, but a new acquisition and exploitation gap is present in the form of Viet Cong publications distributed covertly in South Vietnam.

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SECRETF. Screening of Raw Intelligence

There has been little change in the trends and developments reported last year; the Collection Guidance Staff Requirements Register continues to provide an important management tool for elimination of requirements likely to cause duplicative reporting. However, requirements management is not the sole answer to this problem. During the year we have identified some requirements requesting collection of information already available in various government repositories and files. As means improve for codification and identification of stored information we can look forward to greatly improved screening of requirements against stores of available data before tasking a collection system.

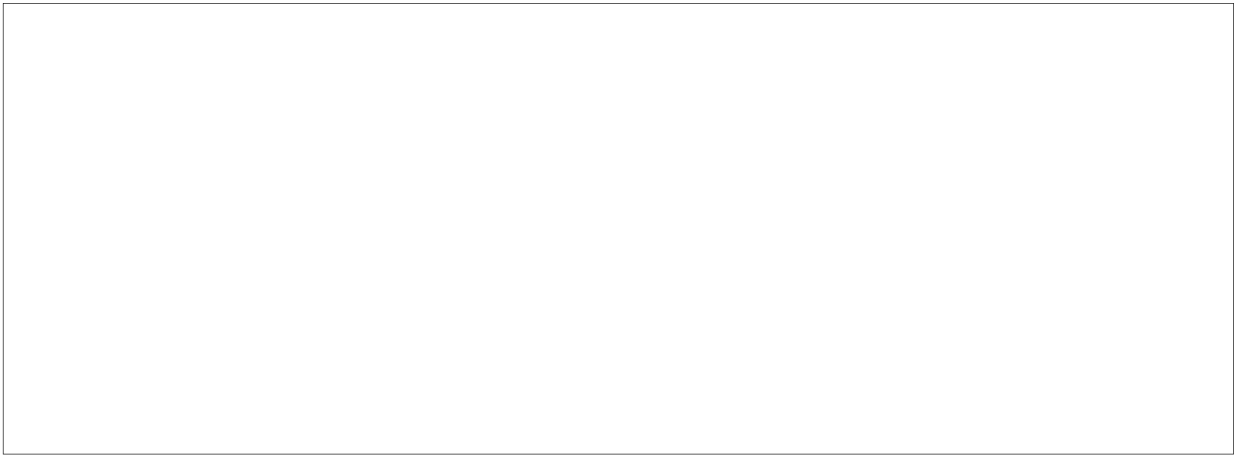
Through Project CHIVE, CIA continued to develop an Agency-wide, computer-driven intelligence information and document retrieval system. During the past year, the major elements of the system's design were completed, culminating in the publication of a seven-volume report. This included recommendations concerning: system organization, functions, and procedures; a document storage system; the EDP program design parameters and equipment required to support it; and the implementation plan for the initial system. The first increment of CHIVE should be implemented by mid-FY 67, the data base being intelligence materials

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Interviewers find consumers wanting better -- harder, higher-level, more precise -- reporting. But until they get it (that is, until better sources are available), they are willing to dispense with little if any of what they get. This is probably related to the fact that for several years there has been a fairly steady increase in the proportion of field reports judged worthy of dissemination

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Country-by-country assessments in depth continued to be made, within the limits of available manpower. To meet growing requests from operating divisions, intensive assessments of particular sources and collection projects increased.

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SECRETG. Intelligence Production.(1) Current Intelligence Analyses.

The chief single function of CIA's Office of Current Intelligence (OCI) continued to be the writing and publication of the President's Daily Brief (formerly the President's Intelligence Checklist) and the Central Intelligence Bulletin, the government's formal, all-source, national-level current intelligence publication. The Brief -- consisting of specially-selected items believed to be of particular interest to the President -- is now delivered to the White House in the evening and is held for printing until the last moment, so as to insure up-to-date coverage. The daily secret-level Current Intelligence Digest, along with the secret and top secret versions of the Current Intelligence Weekly, continue to be produced and widely distributed throughout the U. S. Government.

During the year, OCI organized task forces

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to keep top officials informed of crisis developments on a 24-hour basis. The production demands on the office continued to increase. Until May 1965 it produced a daily Checklist on Cuba and is continuing to produce one on developments in Vietnam. In collaboration with the National Photographic Interpretation Center, OCI produces preliminary

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assessment reports of photo-reconnaissance missions. Office personnel participate in interdepartmental committees dealing with specialized intelligence and defense matters.

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Activities in the field of long-term research were expanded. In response to USIB recommendations for broader world coverage through more frequent "General Surveys," long-term research in support of the National Intelligence Survey Program was increased. Several in-depth Intelligence Studies were undertaken on subjects which may develop into difficult problems of the future. A series of easily-updated country handbooks, designed to provide salient facts to readers unfamiliar with the area covered, was initiated.

In November 1964, the Operations Center of the DDI's Collection Guidance Staff was merged organizationally with the CIA Watch Office to become the CIA Operations Center, functioning as a staff of the DDI under the executive agency of the Director, Office of Current Intelligence.

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The newly constituted Operations Center is charged with:

(a) Maintaining an around-the-clock

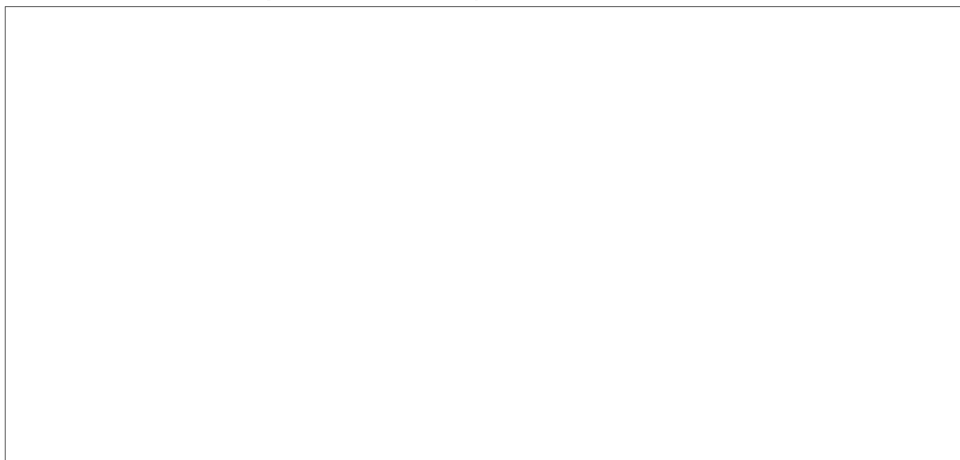
Watch Office manned at all times by a Senior Duty Officer and three Watch Officers for the purpose of scanning incoming information to alert senior government officials to the receipt of critical information and to keep senior Agency officials informed on "selected" material.

(b) Maintaining a well-equipped Situation

Room where information can be obtained on international situations and U.S. and allied military plans and operations.

(c) Furnishing working space, facilities

support and information input for two crisis task forces simultaneously if necessary.



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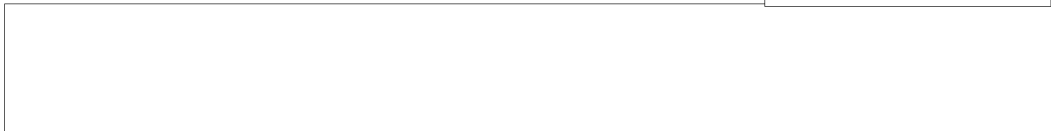
(e) Providing around-the-clock action officer representation in the NMCC.

(f) Providing officers to staff the White House International Situation Room on a continuing basis.

During FY 1965, the Office of Scientific Intelligence (OSI) reoriented analytical emphasis to parallel changing world-wide scientific and technical developments. Reporting was also altered to meet the expanding need for daily, weekly, and monthly production on foreign S&T and military R&D activities. Greater emphasis is being placed on current reporting (although the volume of depth-study publications has been maintained, particularly through the increased use of external contractors). The Scientific Intelligence Report was continued as a mechanism for quick flagging of very important events, and was utilized to present new intelligence analysis techniques

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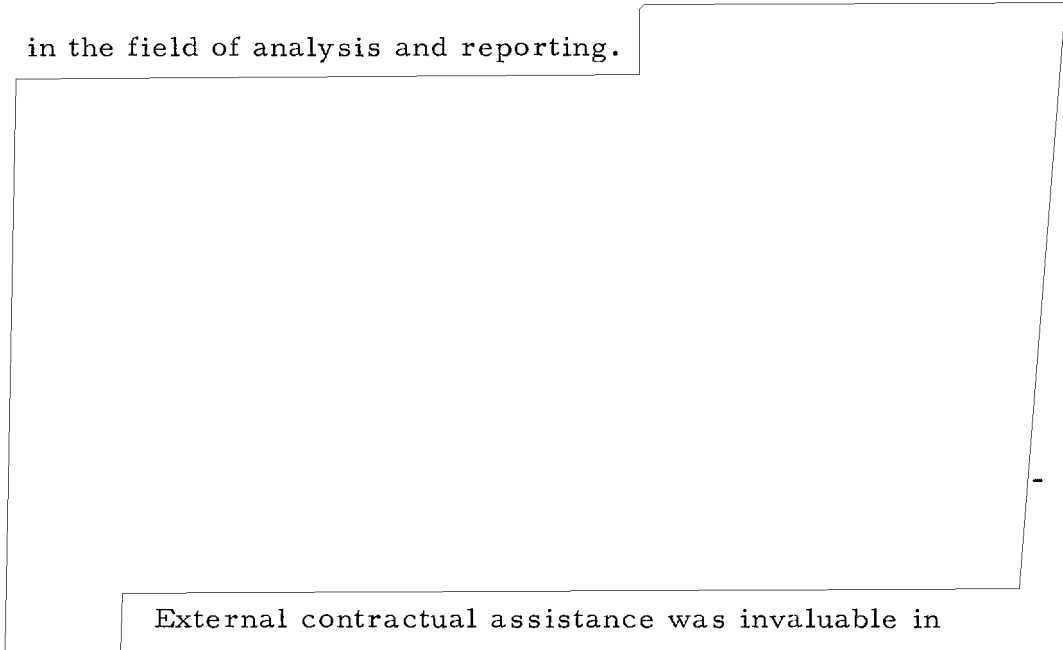
A new daily publication, the Surveyor, appeared during the year. This contains brief current S&T intelligence items and comments of immediate interest, for intra-Agency dissemination. A similar publication is planned for community distribution.

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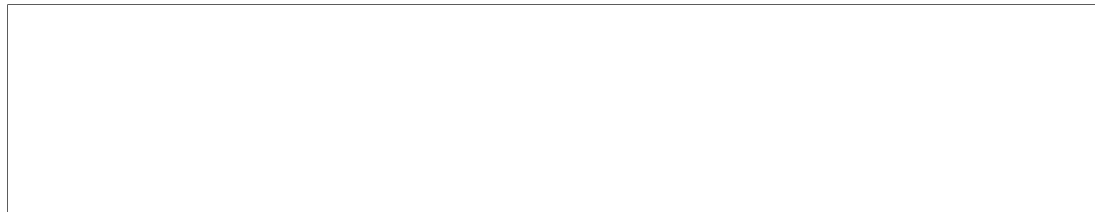
The Foreign Missile and Space Analysis

Center (FMSAC) has developed a highly respected position in the field of analysis and reporting.



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External contractual assistance was invaluable in providing FMSAC with the analytical background necessary to enable prompt and accurate reporting. External contractors



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In addition to existing formal relationships, the Director, FMSAC, acting in that capacity and as Chairman of the Guided Missile and Astronautics Intelligence Committee, has established excellent informal contacts with many of the senior policy officials in the U.S. Government.



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SECRET(2) National and Special Intelligence Estimates

Sixty-four National Intelligence Estimates were completed, as compared with 55 the previous year. Other major estimative publications included the Intelligence Assumptions for Planning, the Priority National Intelligence Objectives (and quarterly supplements),

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and indications of Communist Intentions in South Vietnam. There were 95 substantive intelligence memoranda completed by the Office of National Estimates (ONE), which included Memoranda for the DCI and for the USIB, as compared with 133 such memoranda during FY 1964.

The number of estimates produced (64) is eight more than the average yearly number of estimates produced (56) during the 15 years that ONE has been in business. There was increasing contact between members of ONE and various policy-making committees of the U.S. Government, and considerable time continued to be spent in providing assistance and written critiques for them.

The CIA/DIA Joint Analysis Group (JAG) produced a two-volume study, projecting Soviet military forces through 1975, to meet the needs of the Department of Defense and service planners for indications of threats with which the U.S. might have to deal beyond the time periods covered in estimates. A third volume,

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analyzing the costs of alternative forces, is in preparation. JAG also worked closely with the U.S. Army in establishing a program to collect important information on

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Estimative production was again responsive to the need for timely assessments of critical areas, with considerable attention devoted to Vietnam. Indicative of the extent to which estimates are addressed to specific, and frequently urgent, policy requirements is the fact that almost one-half of the estimates completed were in the "unscheduled" category; the need for most of these had been anticipated in the Quarterly Estimates Program, but the exact date for their completion was left open.

The Soviet Bloc continued to receive major attention, with estimates being produced on all important aspects of the military and scientific establishment, foreign policy, and economic problems. For the first time, ONE was given the responsibility of drafting and coordinating the estimate on the Soviet Atomic Energy Program, a task formerly assigned to the Joint Atomic Energy Intelligence Committee. The formidable Intelligence Assumptions for Planning (IAP) was published in July 1964 to meet the needs of major consumers in the Department of Defense. During the year considerable effort

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was devoted to updating three sections of this document to conform to the changes in the basic estimates as they were completed.

Experience during the past year indicates that the demand for estimates in the military/technical field will continue to grow. Of more significance for the future, however, are the new requirements levied on ONE for planning papers to be used in formulating U.S. defense policy -- requirements which previously were met by departmental, rather than national, intelligence. At least for the next few years, meeting these requirements may well be the most demanding single task imposed on ONE. Of significance also is the fact that four estimates were produced during the year on Communist Chinese military matters. These estimates consumed a disproportionate amount of staff time because the extra coordination required for technical estimates.

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(3) National Intelligence Surveys

In consonance with the USIB-approved reorientation of the National Intelligence Survey Program, the General Survey has been fully established as the primary unit of NIS coverage. Production of General Surveys represented 54% of the total NIS effort for the year and a 67% increase over that for the previous year. The production forecast for FY 1966 and FY 1967 was approved by USIB in February 1965. This forecast sustains the increased emphasis on General Surveys, and greater selectivity of material planned for other NIS units. In this connection, NIS treatment of Subversion is being modified to satisfy more directly Department of Defense counter-insurgency requirements.

In order to provide interim updating of statistical information in the General Survey, the NIS Basic Intelligence Factbook was developed during the year as a regular component of the Program, complementing the more analytical coverage in the General Survey. The Factbook provides essential basic data on about 155 countries or areas and is produced semiannually by components of the DIA and the DDI. The NIS Committee took steps to compress the time lag between manuscript and final publication. Format and

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outline guides are being examined critically in terms of appropriate detail, adaptability, economy of production resources, and responsiveness to user requirements.

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SECRET(4) Other Significant Intelligence Production(a) Geographic and Geodetic Intelligence

Considerable progress was achieved during the year in the joint CIA-DIA intelligence map project on the USSR. Research was completed on [] map sheets [] As of 30 June 1965, intelligence data have been compiled on a total of [] sheets, of which [] have been printed and disseminated. A CIA proposal to extend the project to cover Communist China was agreed to by DIA.

Research continued to emphasize terrain, local populations, and similar "realities" as factors in foreign situations of security interest to the U. S. A series of studies was completed that assessed proposed territorial solutions to the Cyprus problem. In response to community interest in changes foreshadowed by the increasing independence of the European Satellites, we analyzed the current status and potential for trouble of the minority populations in those countries. Other widely distributed policy-support studies dealt with the international boundaries of "Indochina," China's border with the USSR, and a variety of questions relating to counterinsurgency planning in Vietnam, the Congo, []

Continuing attention was given to the analysis of sociological-anthropological factors in critical areas. Studies were

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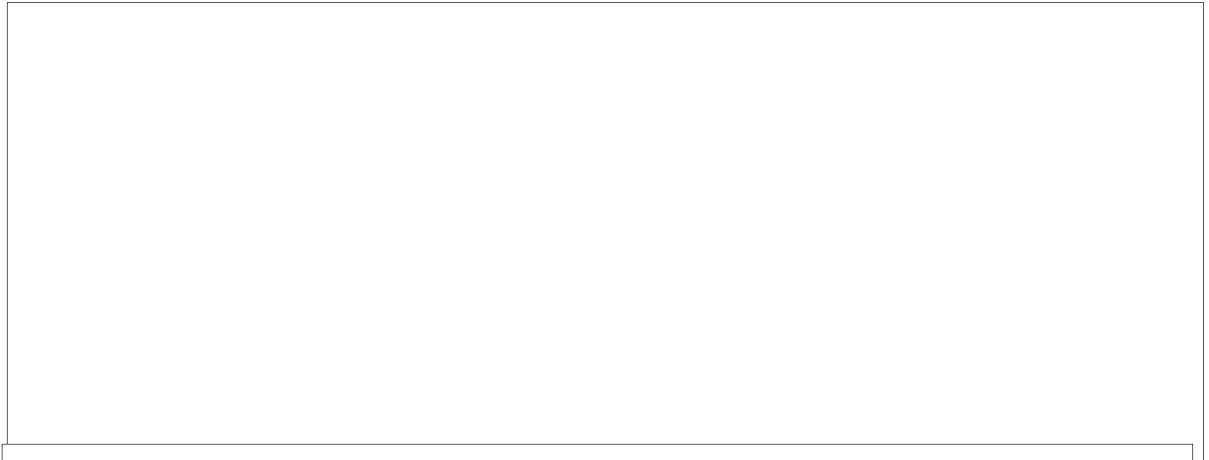
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prepared on [redacted] [redacted] China and on selected ethnic

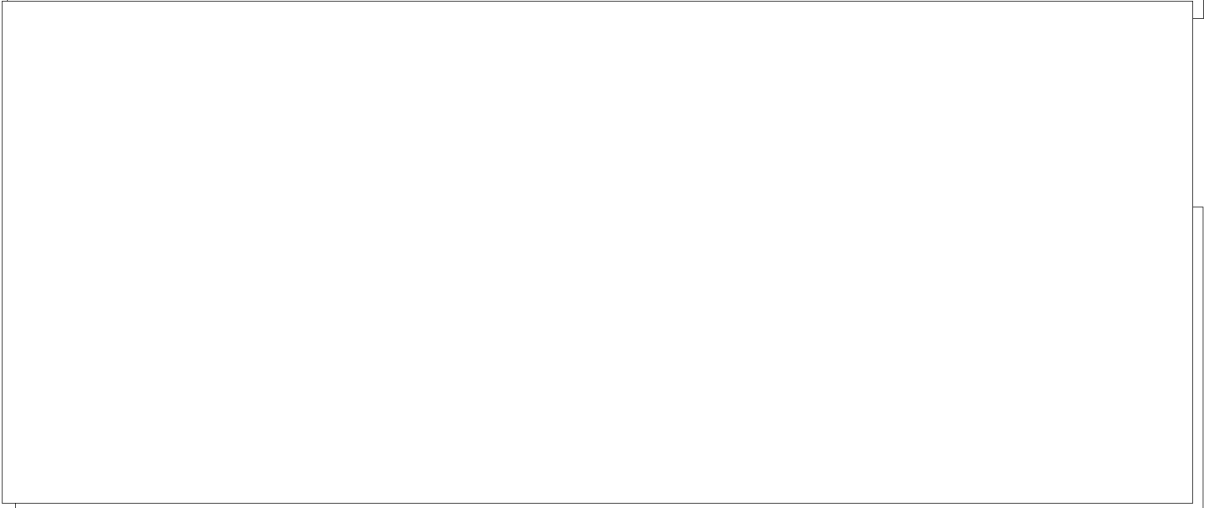
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groups of Southeast Asia. An intensive case study of dissidence in Sinkiang in 1962 was undertaken as part of a broader program of analysis of dissidence and regime control mechanisms in Communist China. Additional ethnic research contributed in large measure to contingency operational planning for Africa and Latin America.

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During FY 1965 [redacted] maps and

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[redacted] related publications were collected through the coordinated interagency map collection program conducted by the Map Library

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through the Department of State.

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Cartographic support to intelligence production

increased [Redacted] in FY 1964 to [Redacted] in FY 1965, a gain of 9%. Support was provided all major components of the Agency and a number in the Department of State.

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[Redacted]

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Automatic data processing applications in the field of cartography expanded in FY 1965, especially in the preparation of special projections for satellite tracking and in advanced research into new applications. A number of research projects were initiated to develop practical applications and techniques for automatic plotting and drafting of maps and projections. When fully developed, these projects should result in providing expanded cartographic services and in improved production efficiency.

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(b) Economic Intelligence

During FY 1965 economic research on the USSR was focused on the major problems facing the post-Khrushchev regime; mounting pressures for reallocating resources, faltering progress of critical new programs in chemicals and agriculture, the impact of military expenditures on scarce high-quality resources, the persistent slowdown in civilian industrial production, and shortcomings of traditional Soviet techniques for managing the economy.

Research on the European Satellites provided U. S. policy-makers information on trends in economic growth in the individual countries and in Eastern Europe as a whole, trends toward economic independence from the USSR, experimentation with new techniques of management, and attempts to accelerate the introduction of new technology. Research on Communist China provided further analysis of the economic stagnation of that country and the prospects for recovery, the status of defense industries, developments in construction and transportation, and problems of agriculture and food supply.

Research on the international economic activities of the Communist countries continued at a high level. Reports were completed on Communist merchant fleet activities, the development of a Communist "Peace Corps," Communist trade with the Free

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World, and participation of Communist countries in international commodity agreements. An extensive contribution was prepared for the use of the President's Ad Hoc Committee on U.S. -Soviet Bloc Trade Policy. Detailed reporting on Communist and Free World shipping to Cuba and Vietnam continued on a regular basis, and various economic activities of the USSR and Communist China in Asia and Africa received close attention.

Economic intelligence support of counterinsurgency increased substantially and included continuing studies of the construction of military, port, and highway facilities supporting insurgent groups in Laos and Vietnam, location and significance of electric power plants in the Hanoi-Haiphong power network, and the effects of interdiction operations in Vietnam.

Economic research on Free World countries of special interest to U.S. policy-makers included reports on economic conditions in Cambodia, Ghana, [redacted]

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[redacted]

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[redacted] and the natural rubber industry of South Vietnam.

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Toward the end of FY 1965 the Economic Research Area was reorganized to enable more effective support for the production of economic intelligence on Free World areas and on the resource impact of foreign military and space programs, without

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impairing other research on the economies of Communist countries. To this end, research on Free World areas was grouped together in an International Division, and a Strategic Impact Branch was established.

The Economic Research Area has been able to meet an ever growing number of responsibilities, involving an increasing variety of customers and research topics, but the effort to satisfy all priority requests for policy support and commitments for contributions to NIE's and NIS's has required the postponement of some essential basic research. This must be undertaken to keep pace with the increasing need of U.S. officials for more intensive economic assessments, and the demand for more support to counterinsurgency activities, as well as to obtain the maximum intelligence advantage from the mounting volume of economic data on most areas. Neither present nor anticipated levels of personnel will permit complete fulfillment of needs for basic economic research, and some worthwhile activities of lower priority will have to give way to make room for essential additions to the present stock of research capital.

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SECRET**(c) Military-Economic Intelligence**

Major contributions were made to several NIE's in the form of military-economic analyses. Research in depth on all major weapons systems of Communist countries, and on advanced weapons systems of selected Free World countries continued to be carried out. In each field, papers included future projections as well as estimates for the past and present; where required, the related military expenditures also were included.

Four major cost analyses were made in support of alternative Soviet force structures postulated by the CIA/DIA Joint Analysis Group. The results of these studies will be summarized in a report titled: Alternative Projections of Soviet Military Forces (1965-75), planned for publication during August 1965. In line with the Department of Defense's systematic planning for future U.S. forces, the Military-Economic Research Area contributed heavily to the National Intelligence Projections for Planning (NIPP) for USIB, a study which gives U.S. military planners detailed quantitative assumptions on the entire Soviet military establishment through 1970.

The CIA/DIA Panel on Soviet ground forces produced a second report titled: A Study of the Soviet Ground Force.

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The new joint CIA/DIA Panel

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on the Soviet ground forces is in the process of publishing a fifteen volume series of its findings.

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Military-economic intelligence support to the Arms Control and Disarmament Agency continued to increase. Production of advanced weapons analyses on selected Free World countries [redacted]

[redacted] continued.

The military capabilities and programs of Communist China are rapidly emerging as increasingly significant priority intelligence targets. This will require a much greater emphasis on forecasting Chinese military programs, force structures, and related military expenditures and will result in a general broadening of the scope of military-economic support to NIE's and to U. S. military planners. [redacted]

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(e) Reference and Information Systems Support

The Graphics Register (GR), which supports intelligence production, developed evidence that both the USSR and China are increasingly turning to television and motion picture film as a means of propaganda against the Free World and uncommitted or underdeveloped nations.

The Moscow telecast, Rockets Guard Peace, provided the best coverage yet available on Soviet missile systems.

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[Redacted]

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[Redacted]

The Special Register (SR), which provides reference service from specially controlled intelligence documents, provided

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[Redacted] references and [Redacted] documents in response

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to [Redacted] requests in FY 1965. This is an increase of about

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[Redacted] references and [Redacted] requests, but a decrease of about

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[Redacted] documents provided, in comparison with FY 1964.

Special Register has now designed and implemented a direct key-punch system for controlling all special reports. In

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addition to serving as an inventory control, it is used to service standing and ad hoc requirements in terms of security category, originator, collection point, general subject, nationality, and case notation. With the implementation of this project, SR now has under some machine control all current receipts of hard copy documents. It has also instituted a new processing technique

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which saves considerable analytic transcription time.

SR has also published keyword title indexes on a monthly or quarterly basis for special intelligence, specially controlled special intelligence and limited distribution special intelligence, as well as for telemetry, NPIC, and DDI-internal-use intelligence reports regardless of security classification. Restricted Data document titles were also added to SR's keyword title control system.

The CIA Library's manual document delivery system was tested

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Greatly improved semi-automatic equipment (3M Quadrant) for printing from aperture cards was obtained, resulting in faster and more versatile service. The options now available to the requester include reading hard copy reports; viewing reports on microfilm readers; making prints of a few pages on a reader-printer;

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requesting that prints be made for him while he waits; or ordering prints for routine delivery.

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The DARE equipment, developed for CIA

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[redacted] for printing electrostatically a reduced image of an entire page onto an IBM card, is now operational. All cards going into the Intellofax subject, area, and source files since 1 November 1964 have carried DARE images, permitting a reduction in the manpower required for input processing. Reading equipment to enlarge the image has been developed and assembled by the OCR Machine Division.

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Selectivity of information and targets and improved machine techniques made it possible [redacted] to reduce its holdings by 50%, while at the same time making continued progress in coverage of

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[redacted]

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As a part of Phase II, of Project CHIVE, modification of the Intelligence Subject Code began in order to accommodate all-source indexing. Transcription techniques were developed to reduce redundant entries.

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The Phase II report also formulated requirements for a semi-automated interim system for the storage of documents and their rapid retrieval in readable form. Two basic alternatives for equipment for the system were presented. OCR management has chosen one of these and has ordered the necessary equipment (Filmsort 2000 Camera and 3M Octant Printer). This system could evolve into a fully automated one.

Phase III (Detailed Design and Implementation) will get under way in early FY 1966. The ultimate goal is a world-wide integration of the information systems of CIA and the other members of the community. Although beyond the present state-of-the-art, the system's ability for remote query by the analyst is also envisaged. The system will represent the development of a reasonable balance between the needs of the analyst responsible for input and querying and the capabilities and limitations of electronic equipment.

Project CHIVE will be pushed as rapidly as possible, subject to the careful evaluation of the system, step-by-step, to avoid costly errors. It should be at least partially operational on one country - - by the end of 1966.

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I. Research and Development

The memorandum of 14 July from the DCI to the Board, which discussed the activities of the Directorate of Science and Technology, highlighted the progress made in major R&D areas during the past fiscal year. Further elaboration and some repetition appears appropriate within the context of this annual report. The Board has been separately briefed or otherwise furnished with reports on certain R&D aspects of satellites and manned aircraft. Other significant R&D programs include:

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The polygraph improvement program is progressing toward completion of the evaluation phase. Design of the improved system is expected to begin in January 1966 with tests, analysis and refinement to be completed by January 1968.

(h) The Office of Computer Services (OCS) maintains the CIA computer center, which is in operation around-the-clock. During the past year the IBM 1410 computer was upgraded to an IBM 7010 and a digital incremental plotter was acquired. It is planned to replace the existing IBM 7090, IBM 7010, IBM 1401, RCA 501, and RCA 301 computers with third-generation computing equipment (IBM/System 360). The IBM 1401 and IBM 7090 will be replaced by System 360/Mod 30 and System 360/Mod 65 computers, respectively, during FY 1966. Also included in OCS equipment plans for the next year are a high-speed analog-to-digital conversion device and an automatic table plotter.

OCS currently has under development, or in operational status, approximately 90 computer applications. Some of these are:

(1) Scientific

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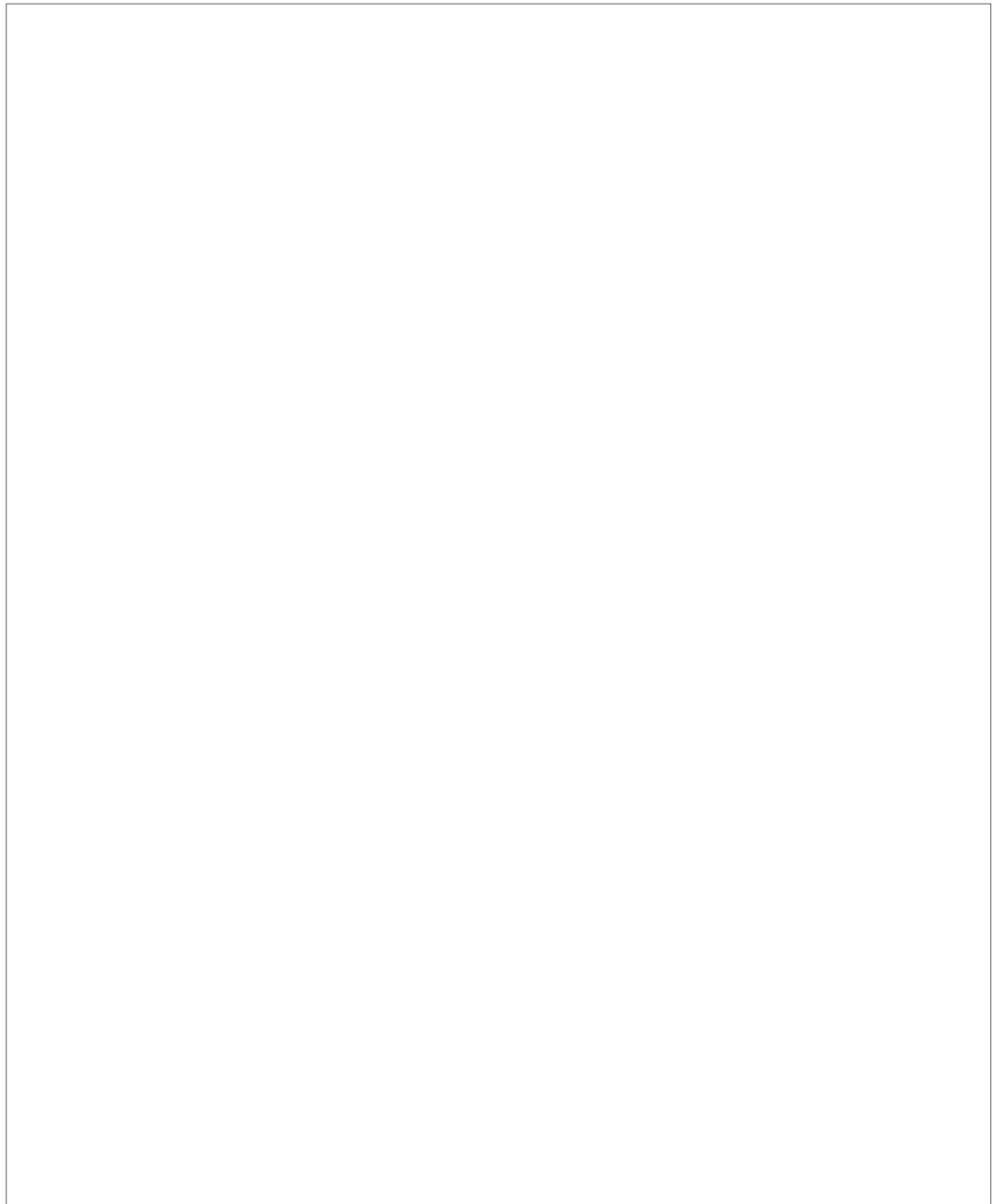
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(2) Automatic Map Making - A study is being made of how computers and digital plotters might be used to draw base maps automatically. Such a system could make possible the rapid production of maps of any area of the world at any scale on any projection.

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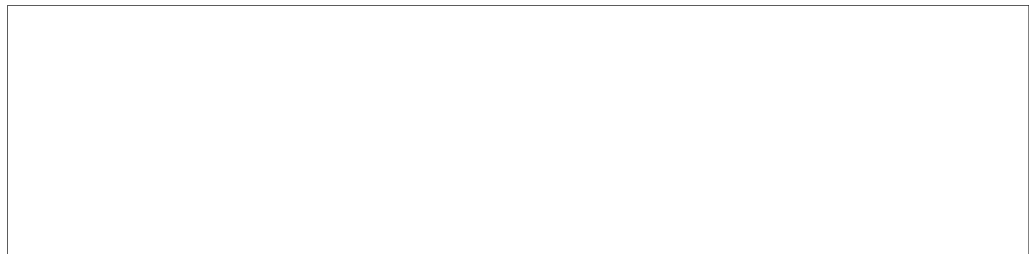
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(3) Management Information

Agency Management Information System (MIS) -

Initial efforts are aimed at the selection and arrangement of information needed for executing planning and control into a system of reports that will provide the Director with the kinds of data he needs for making administrative decisions. Teams are engaged in fact finding and the analyzing and evaluating of both human and materiel resources. Based on these findings, program design should begin for some of these areas during the next year. The entire effort is expected to take from three to five years.





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(4) Developmental Projects

A special-purpose computer configuration called

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 is under development to perform rudimentary translation of Russian to English, and high-speed transcription from stenotype tapes. During the past year, emphasis has been on the development of procedures, training of operators and lexicographers, and preparation of the site for the 

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system, scheduled for installation in October 1965. Intensive testing and evaluation will take place during the next year.

System design and programming has continued

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which will link the computer and photo-

composing equipment to produce page makeup automatically.

A new technique called "Hyphenless Justification," which

will permit the setting up of a printed page without the use

of hyphens, has been developed. The technique has been

written up in two national trade publications and can be ex-

pected to be used by industry and other government agencies.

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(i) In May 1965 the Foreign Missile and Space Analysis

Center (FMSAC) was able to take over missile and space vehicle

trajectory analysis



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This will result

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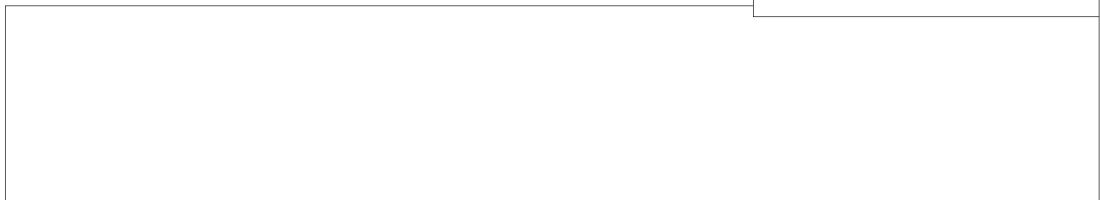
in a considerable saving to the government.

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services of  also have been retained to study and derive

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new methods for trajectory analysis 

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The NPIC research and development program concentrated on a number of projects started during previous years and on new ones designed to enable the Center to cope with the products of new and improved collection systems as well as to keep abreast of the rapidly expanding reconnaissance technology. Major emphasis was placed on improving management of the R&D program to define more precisely its goals and objectives and to establish priorities for the future.

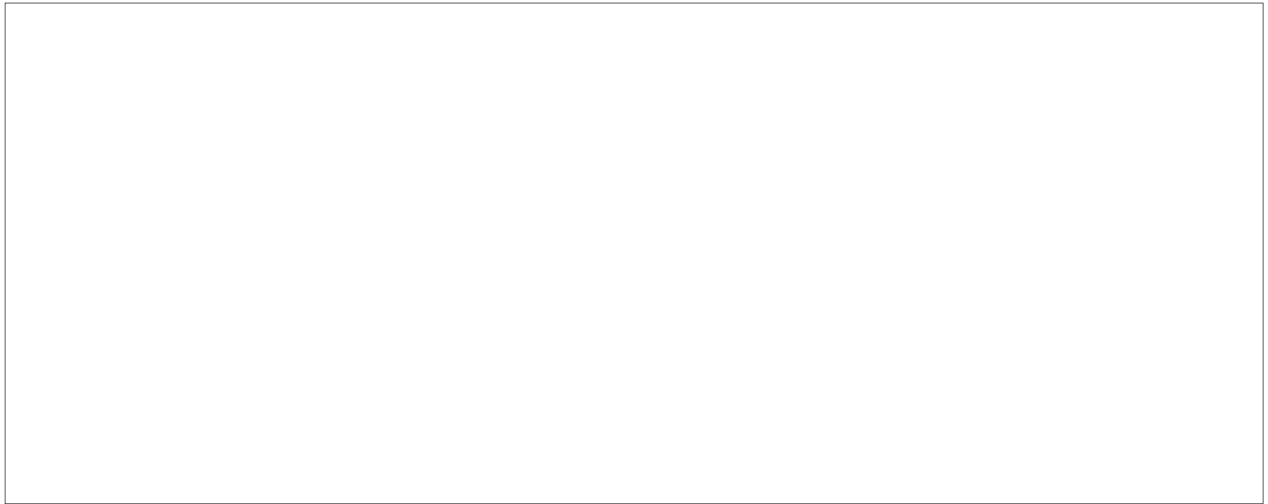
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A Committee on Photographic Exploitation Equipment (COPE), under the chairmanship of NPIC, was established, and will begin meeting early in FY 1966. It will seek to eliminate duplication of effort in the development of exploitation equipment.

Reconnaissance technology has been expanding at a much faster rate than exploitation techniques, and a quantum jump forward will be required. Major emphasis will be placed on applying technological advances to expanded production activities, automating the process wherever possible. Increasing the efficiency of photo interpretation equipment for more rapid intelligence and technical information readouts will remain a prime objective, as well as seeking entirely new techniques in the exploitation process to limit to the extent possible expanding requirements for additional personnel. Dynamic changes in planned inputs to the Center will make obsolete much of the equipment currently on hand. As a result efforts will necessarily be



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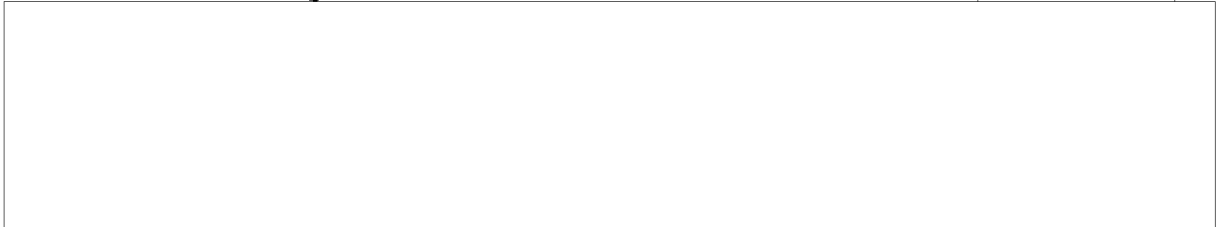
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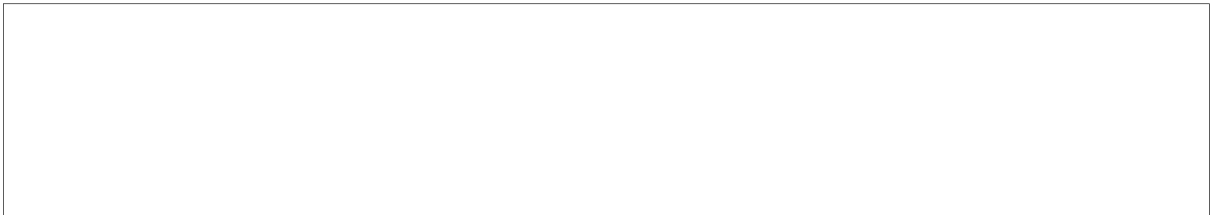


directed to such problems as larger film widths, changed formats with
larger scales and increased film area, higher information packing
densities resulting from system and material improvement,

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J. Scientific and Technical (Organization and Coordination)

The organization of scientific and technical resources for intelligence has been discussed at length in previous correspondence to the Board. Arrangements for coordination with other agencies are discussed below.

Production of S&T intelligence by OSI, OEL, and FMSAC is channelled through the GMAIC, JAEIC, SIC, and SIGINT Committees, whose Chairmen are also senior line officers of the Directorate of Science and Technology. This provides good substantive coordination to most facets of technical intelligence production and statements of requirements and, to some extent, for the direction of collection assets.

The Office of ELINT (OEL) is responsible for the coordination of all Agency ELINT activities with appropriate Department of Defense components. General authority is derived from NSCID 5, NSCID 6, DCID 6/21, DCID 6/22, SecDef/DCI NRO Agreement, and special agreements with NSA in designated areas.

Responsibility for the Agency's production of finished intelligence on foreign scientific and technical activities rests with the Office of Scientific Intelligence (OSI), under the authority of NSCID 3, DCID 3/3 for atomic energy, DCID 3/4 for guided missiles and astronautics, and DCID 3/5 for other scientific and technical intelligence.

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The [redacted] arrangement was recently given a complete evaluation in the light of demonstrated needs for a more formally constituted group. As a result, the formation of a Strategic Weapons Intelligence Panel has recently been approved. [redacted] will serve as Chairman of the group, which will be an advisory body to the DCI. It will review and make recommendations regarding judgments of the community on available data; investigate and make recommendations as to trends in foreign strategic weapons developments; evaluate and recommend improvements in analytical techniques; and evaluate and make recommendations for improvements in U. S. collection programs.

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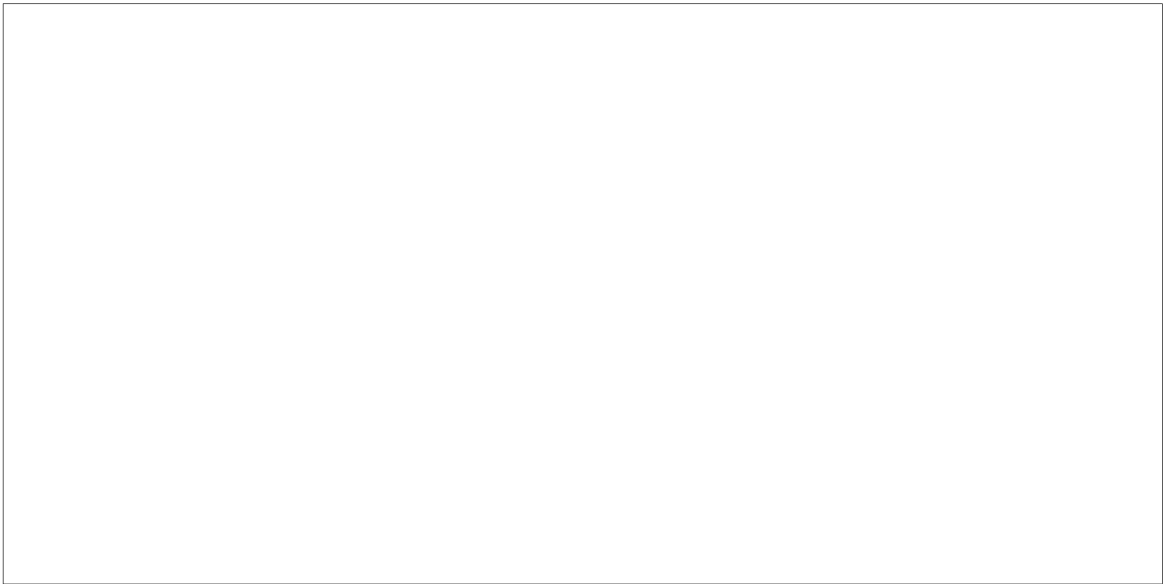
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(6) Coordination



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The Agency distributed [redacted] counterintelligence reports to the security offices of the U. S. intelligence community (CSCI series) and [redacted] less sensitive counterintelligence reports to the community at large (CS series).

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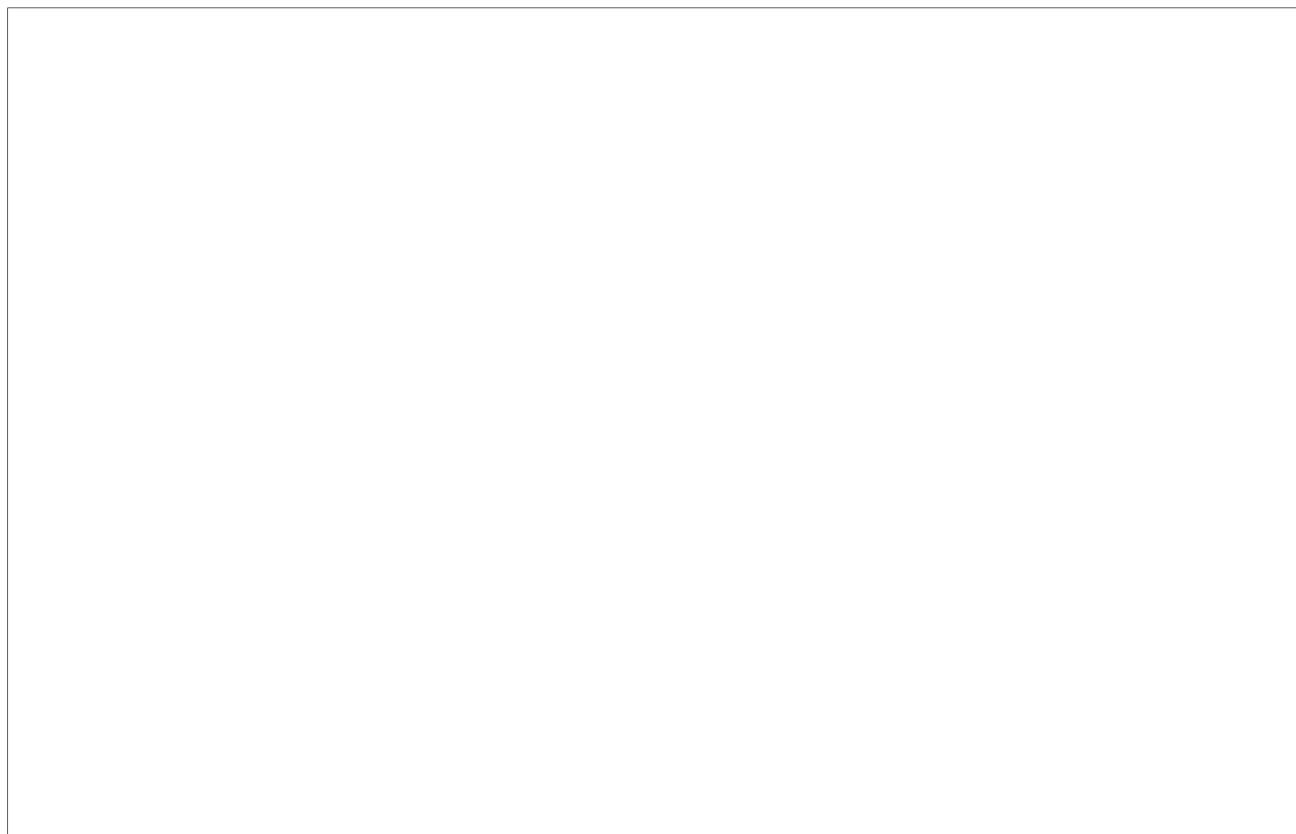
Mechanization of Counterintelligence Records. CIA continues to be charged under NSCID 5 with the maintenance of the central index and repository of foreign counterintelligence information, with the utilization of that material [redacted] and with producing all needed reports and studies. The Clandestine Services is proceeding with the conversion of its files to machine records.

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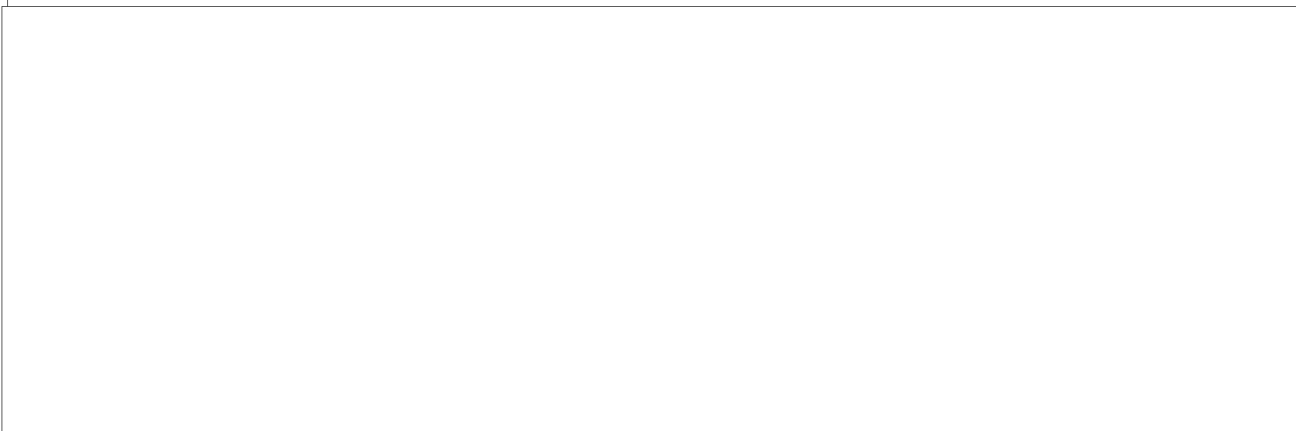
A number of machine programs have been undertaken to permit rapid collation and manipulation of counterintelligence information. [redacted]

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The Agency continues to work with various departments and agencies on machine records and machine collation. During the past year the following were briefed: the Department of Defense, DIA, ACSI/Army, OSI/Air Force, NSA, I&NS, State and the ADP Subcommittee of the President's Cabinet Committee to Examine Protection

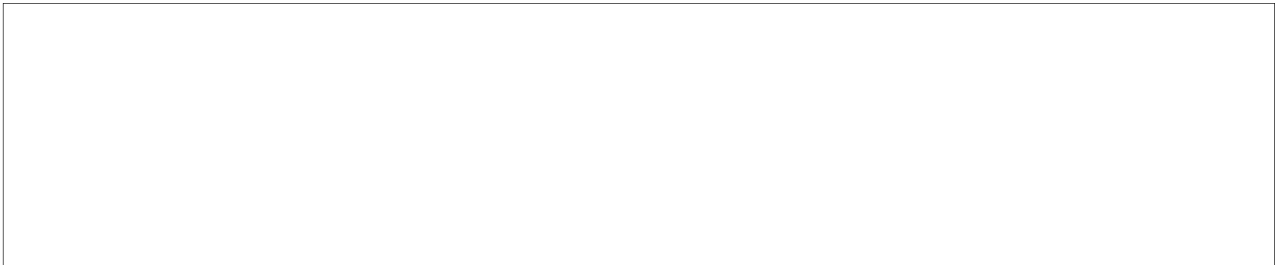
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of the President. CIA also participated in and chaired two task teams of the USIB Committee on Documentation (CODIB), one of which surveyed large biographic holdings of the government and which will formulate recommendations concerning automation of them. The other team is charged with the development of a typewriter for use in the teletape system, that can be used securely overseas by all USIB agencies.

A counterintelligence seminar for security officers of the Department of State was inaugurated, with officers having attended 25X1 to date. Counterintelligence seminars held for Air Force officers (as reported previously) were adapted by the Air Force and used in its own 25X1 instruction at foreign and domestic installations.



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Progress in implementing Project CHIVE, programmed research and development in the field of photographic interpretation, and other planned ADP applications, offer some encouragement that the deficiencies can be overcome. This is of course not only a CIA problem, and the Agency's efforts are coordinated with the rest of the community through the USIB Committee on Documentation.

(8) The increasing demand for spot reporting on current intelligence situations, coupled with requests from a variety of consumers for intelligence production on an increasing number of research topics, has made it very difficult to maintain an adequate level of long-range research in depth. In order to maintain the quality of the Agency's intelligence product it is essential that a certain minimum of basic fundamental research be undertaken on certain over-all political, economic and military problems which underlie current world-wide developments.

If we are to maintain, much less increase, our present reservoir of "research capital" we will probably have to establish priorities, which may result in inability to fulfill all requests for production in this field.

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(13) Recruitment of sufficient qualified scientists remains a problem, which is of course not unique to CIA.

Continuing selectively-targeted recruitment efforts have had some success in meeting this problem. Where it has been particularly acute, reliance has been placed on contractual agreements with national laboratories (e. g. , assistance to OSI and FMSAC in dealing with analytical problems in the missile, space and nuclear fields).

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