## XII. CIA PRODUCTION OF FINISHED INTELLIGENCE

The main purpose of the intelligence system of the United States is to provide the President, his chief advisers, and the Congress in appropriate ways with the best information about activities abroad that can be obtained. It is not surprising, therefore, that the quality of finished intelligence produced by the intelligence agencies has been a source of continuing concern and controversy. Policymakers are understandably seldom satisfied with the intelligence they receive, for they want and need intelligence which eliminates uncertainties and ensures successful policy decisions. Since such perfection is unattainable, however, the realistic question is how to evaluate and improve the quality of our finished intelligence. This is an extremely complicated and difficult area. The simple answer is that there are no objective criteria or standards that can be universally applied. In the end, the assessment by policymakers of the value and quality of our finished intelligence is necessarily subjective. There is a record of steadily improved quality over the years, but the need for a higher level of performance is accepted, both at the policy level and among the intelligence agencies of the U.S. Government.

The Committee's examination of the production of finished intelligence focused on the CIA and within it, the Directorate of Intelligence (DDI). This is by no means the whole of national intelligence, but it is the core element in the production of finished national intelligence. The CIA's Directorate of Intelligence is by far the best analytical organization for the production of finished intelligence within the Government, but it does have shortcomings. The CIA for its part has, in the view of the Committee, made creditable efforts to improve the quality of finshed intelligence, although much remains to be done.

Because the provision of the best possible fact and predictive analysis to our policymakers is the most important mission of our intelligence system, the problems of the production of finished intelligence will require the most searching and systematic examination by a future oversight committee. The preliminary work of the Select Committee in this area is based on interviews and hearings, as well as documents from the Intelligence Community Staff concerning their post-mortems of past intelligence failures. Because of the complexity and difficulty of the subject matter, the examination of the Select Committee can only be regarded as a beginning, only broadly indicative of the problems involved, and suggestive of the areas which will require more thorough and comprehensive attention in the future.

Although the provision of intelligence analysis to policymakers is the major purpose of the intelligence mission, the production of intelligence has been referred to as the "stepchild of the community."[1] It is an area which has been overshadowed by the glamour of clandestine activities and the lure of exotic technical collection systems. Yet

the basic rationale for intelligence operations is the provision of information to the people who need it in order to do their jobs—the President and other senior officials responsible for the formulation and implementation of foreign policy.

The Pearl Harbor experience, which so heavily influenced the establishment of the Central Intelligence Agency in 1947, pointed to the need for the collection, coordination, and analysis of all national intelligence in a centralized fashion, so that policymakers could be assured of receiving all the information they needed, when they needed it. Finished intelligence represents the "payoff" of investment in the plethora of collection activities.

The CIA and its predecessor body, the Central Intelligence Group, were established to rectify the duplication and biases that existed in the intelligence production of the State Department and the military services. By reviewing and analyzing the data collected by these departments, the CIA was to provide senior government officials with high-quality, objective intelligence. In practice, however, the CIA has given precedence to independent collection and production, becoming a competing department in the dissemination of information.

Historically, the departments resisted providing their data to the Agency and thereby prevented the CIA from fulfilling its designated role in the production of "coordinated" intelligence. Moreover, individual Directors of Central Intelligence have not been consistent advocates of the Agency's intelligence production function. For the DCIs, the demands of administering an organization with thousands of employees and in particular, the requirements of supervising clandestine operations encroached on the intended priority of intelligence production. Only three DCIs attempted to address their primary attention to the quality of intelligence production: Walter Bedell Smith, John McCone, and James Schlesinger. In each case, the DCI's attitude was a function of his background, his relative strength as Director, and the particular demands of his time in office.

In recent years, however, and particularly with the introduction of advanced technical collection systems, the requirement for bringing together the vast quantities of information into useable analytic forms has become the primary concern of the intelligence community.

In the course of its investigation, certain problems and issues in the area of the production of finished intelligence in the CIA have come to the attention of the Committee. The Committee believes these problems deserve immediate attention by both the executive branch and future congressional oversight bodies. These problems bear directly on the priority given to finished intelligence by policymakers. Other issues raised here, such as the personnel system of the DDI and the organizational structure of intelligence production, are really functions of the larger issue of priorities.

Briefly defined, the production of intelligence is the process whereby the data collected by the intelligence community is transformed into intelligence reports and studies that are relevant to the concerns of senior policymakers. Intelligence production involves many tasks. It begins with the collation and evaluation of incoming "raw" intelligence reporting—direct from the collectors, whether from open sources, the clandestine service, or signals intercepts and other means

[1] Office of Management and Budget, "A Review of the Intelligence Community," 3/10/71, (hereinafter cited as the Schlesinger Report), p. 11.

of technical collection. The significance of new reporting is analyzed, often in relation to intelligence already available on the subject. The preparation of "finished" intelligence reports—the outcome of the production process—thus entails the evaluation and analysis of the full range of raw reporting from a variety of collection means.

Production of finished intelligence is done within the intelligence community by the Central Intelligence Agency, the Defense Intelligence Agency (DIA), and the State Department's Bureau of Intelligence and Research (INR). Within the CIA (which is responsible for the production of "national intelligence"), both the Intelligence Directorate and the Directorate of Science and Technology (DDS&T) produce finished intelligence. The Select Committee has focused on the DDI, although the issues and problems cited are applicable in varying degrees to the other production elements as well.

### A. Evolution of the CIA's Intelligence Directorate

The scope of the DDI mission is global. It covers the affairs of any foreign country from the standpoint of politics, economics, defense, geography, cartography and biography. Scientific reporting is largely the responsibility of the Directorate of Science and Technology.

The Directorate of Intelligence was formally established on January 2, 1952. Specifically, the intelligence activities which the DDI originally administered were:

a. Production of finished intelligence by the Offices of National Estimates (ONE), Current Intelligence (OCI), Research and Reports (ORR), and Scientific Intelligence (OSI).

b. Collection of essentially overt information by the Divisions of the Office of Operations (OO): Foreign Broadcast Information (FBID), Foreign Documents (FDD), and Contacts (CD).

c. Dissemination, storage and retrieval of unevaluated intelligence information and basic reference documentation by the Office of Collection and Dissemination (OCD).

d. Coordination of intelligence collection by the Office of Intelligence Coordination (OIC).

In the twenty-three years since its founding, the Intelligence Directorate has gone through a number of reorganizations stimulated by advice from external panels, changing international circumstances, shifting requirements for finished intelligence production, and reduced resources with which to perform its mission.[2] Changes in the first few years were fairly rare. In 1954, the OIC was abolished, and in 1963 the Office of Scientific Intelligence was transferred to a new Directorate for Science and Technology.

#### *1. Intelligence Production*

*Estimative Intelligence.*—Producing National Intelligence Estimates (NIEs) was the function of the Office of National Estimates

[2] The information contained in this section on the evolution of the DDI is derived primarily from a CIA paper prepared for the Select Committee by the Office of the DDI, "The Directorate of Intelligence: A Brief Description". (Hereinafter cited as "The Directorate of Intelligence.") December 1975.

which was in the Intelligence Directorate until 1966, when it became a staff under the direction of the Director of Central Intelligence. This move was made, in part, to emphasize that the NIEs were the product of the entire intelligence community rather than a single agency. ONE was abolished in 1973 and its responsibilities were transferred to the newly formed National Intelligence Officers attached to the Office of the DCI. With this move, much of the work of producing draft estimates reverted to the production offices of the Intelligence Directorate.

*Current Intelligence.*—Primary responsibilities for producing current intelligence remains where it has been since the Directorate was established—in the Office of Current Intelligence. Originally, OCI was responsible for all current intelligence reporting except economic. At present, however, it concentrates on current political reporting, leaving the preparation of reports on economic, military, geographic and scientific developments to the research offices responsible for these matters. OCI coordinates and consolidates this specialized reporting on all subjects for presentation in its daily intelligence publications.

*Basic Intelligence.*—Production of basic intelligence was stimulated primarily by the realization in World War II that the U.S. Government had too little information about many of the foreign countries with which it was required to deal. The Basic Intelligence Division (BID) or ORR was charged with responsibility for coordinating the production of "factual intelligence . . . of a fundamental and more or less permanent nature on all foreign countries." Because of the scope of the subject matter, the production of this type of intelligence required a cooperative effort involving the resources and capabilities of several departments and agencies of the Federal Government. The product of this government-wide effort was known as the National Intelligence Surveys (NIS).

In 1955, BID became a separate office, the Office of Basic Intelligence (OBI). This was in line with recommendations made in May 1955 by the Task Force on Intelligence Activities.[3] The elevation of Basic Intelligence to Office status was an acknowledgment of the importance that the Agency and the rest of the national security apparatus attached to the NIS Program.

The early years of OBI were devoted mostly to the coordination of this program. Many of the chapters were written by other elements of CIA or by other government agencies on a contractual basis. In 1961, OBI took over responsibility for the production of the political sections of the NIS from the State Department's Bureau of Intelligence and Research when State claimed that it no longer had the resources to do this work. OBI delegated the task of producing these sections to OCI in 1962. In 1965, the geographic research function was transferred from the Office of Research and Reports, creating the Office of Basic and Geographic Intelligence (OBGI). The NISs continued to be published until 1974 when the program was terminated because of lack of resources. At this time, OBGI became the Office of Geographic and Cartographic Research.

*Military Intelligence.*—Until the mid 1950's, the production of intelligence on military matters had been considered the primary respon-

[3] The Clark Task Force, headed by Gen. Mark Clark, of the Hoover Commission. For members of the task force, see Hearings, Vol. 4, p. 112–13.

sibility of the Department of Defense. But the "bomber gap" and later the "missile gap" controversies gave CIA a role in foreign military research, an involvement which has continued and expanded. In 1960 the DDI created an *ad hoc* Guided Missiles Task Force to foster the collection of information on Soviet guided missiles and to produce intelligence on their manufacture and deployment. The Task Force was abolished in 1961 and a Military Research Area was established in ORR. As a result of increasing demands for CIA analysis of military developments, a new Office of Strategic Research was established in 1967 by consolidating the Military-Economic Research Area of ORR and the Military Division of OCI. The scope and focus of responsibilities of OSR have increased over the years and in 1973 a new component for research in Soviet and Chinese strategic policy and military doctrine was added.

*Geographic Intelligence.*—The Geographic Research Area (GRA) of the Office of Research and Reports (ORR) originally had the responsibility for geographic intelligence production. The GRA was transferred in 1965 to the Office of Basic Intelligence changing its title to the Office of Basic and Geographic Intelligence (OBGI). In 1974, OBGI became the Office of Geographic and Cartographic Research when the National Intelligence Survey (NIS) Program was abandoned.

*Economic Intelligence.*—Activity in this area remains the responsibility of the organization that succeeded the Office of Research and Reports in 1967: the Office of Economic Research. In earlier years, the Agency concentrated its economic research largely on the Communist states. In recent years, however, the Department of State has dropped much of its intelligence production on the non-Communist areas, leaving this job to the Agency. OER has also expanded its research into such subject areas as international energy supplies and international trade. Today it is the largest research office in the Intelligence Directorate.

*Biographic Intelligence.*—The Hoover Commission Report of 1949 recommended dividing the responsibility for biographic intelligence production within the Community to prevent costly duplicaton. As a result, the foreign political personality files maintained by OCD were transferred to State. In 1961, however, the Bureau of Intelligence and Research claimed it no longer had the resources to provide this service and the responsibility for reporting on foreign political personalities and, subsequently, for all non-military biographic intelligence reporting was transferred to CIA. The task was taken over by OCD's successor organization, now the Central Reference Service.

*In-Depth Political Research.*—In-depth foreign political intelligence reporting has not been, until recently, represented in the Office structure of the Intelligence Directorate. Originally, whatever efforts were made in this field were concentrated in OCI. In 1962, a modest step toward increased foreign political research was taken with the establishment of a Special Research Staff (SRS) in the Office of the Deputy Director for Intelligence. In recent years, however, the diminished role of State's Bureau of Intelligence and Research in intelligence community affairs, a perceived need for more sophisticated work in this field by CIA, and the appearance of new methods of political re-

search, including computer applications, encouraged the Directorate to invest more resources in this area. Accordingly, an Office of Political Research (OPR) was established in 1974. It incorporated the Special Research Staff, some people from OCI and the then disbanding Office of National Estimates.

*Round-the-Clock Watch/Alert.*—The Cuban Missile Crisis of the fall of 1962 clearly spotlighted the need for a single Directorate facility for round-the-clock receipt of intelligence information and for a center in which the expertise of all its offices could be rallied in crisis situations. In March 1963, the DDI set up a Special Study Group on DDI Organizational Tasks to study this and other problems. One of the results of its work was the establishment of an operations center under the administrative direction of the Office of Current Intelligence (OCI). Over the next ten years, the Operations Center grew in size and capability, largely as a result of the Vietnam War. In 1974, it was separated from OCI and renamed the CIA Operations Center, a title warranted by the fact that all Directorates of the Agency now maintain permanent duty officers within the Center. Today, the CIA Operations Center provides the mechanism and facilities with which the full information resources of CIA can be mobilized to work in concert with the community in foreign crisis situations.

*2. Intelligence Collection*

At its founding in 1952, the Intelligence Directorate inherited the Office of Operations (OO) from the then Directorate of Plans—today's Operations Directorate. OO was composed of three main elements: the Contact Division, the Foreign Broadcast Information Division, and the Foreign Documents Division. The rationale for including these components in the Intelligence Directorate was that their work was essentially overt and thus inappropriately situated within the Clandestine Service.

The Domestic Contact Service originated in the Central Intelligence Group in 1946 as an outgrowth of the World War II effort to insure that all domestic sources of information on foreign activities were contacted by the Government. It was initially placed in OO to keep its essentially overt work separate from the clandestine activity of the other major collection organizations. It maintained this separate status after the founding of CIA, but in 1951 joined the Directorate of Plans. This arrangement lasted for only one year, however, as the OO and its Contact Division (CD) was moved to the Intelligence Directorate in 1952. By 1953, CD was a network of offices in 15 major cities and several smaller residencies established across the U.S. With the abolition of OO in 1965, CD became an independent office known as the Domestic Contact Service (DCS) and continued in that status until the appointment of William Colby as DCI. In 1973, he decided that maintaining the separation of overt and covert collection elements was less important than the goal of consolidation of all human collection capabilities in the Operations Directorate. Accordingly, the DCS was transferred to the Clandestine Service and renamed the Domestic Collection Division.

The Foreign Broadcast Information Division (FBID) had been founded by the Federal Communications Commission in 1940. With the advent of World War II, it was absorbed by the Office of War

Information and, shortly thereafter, became one of the original elements of the OSS. At the end of the war, it was briefly administered by the Department of the Army before joining the Central Intelligence Group in 1946. It was formally included in the Agency's Directorate of Plans at its founding in December 1950 and remained there as part of OO until its transfer to the Intelligence Directorate in 1952. By then it had established the worldwide network of broadcast monitoring bureaus which—with some alterations in location—it operates today. FBID received the status of an independent office and was renamed the Foreign Broadcast Information Service with the dissolution of the Office of Operations in 1965.

*3. Information Processing*

Between the collection and production phases of the intelligence process there is an activity known as "information processing." Information processing involves special skills or equipment to convert certain kinds of raw information into a form usable by intelligence analysts who are producing finished intelligence. It includes things like photointerpretation and translations of foreign documents as well as the receipt, dissemination, indexing, storage, and retrieval of the great volumes of data which must be available to the production offices if they are to do their analytical work.

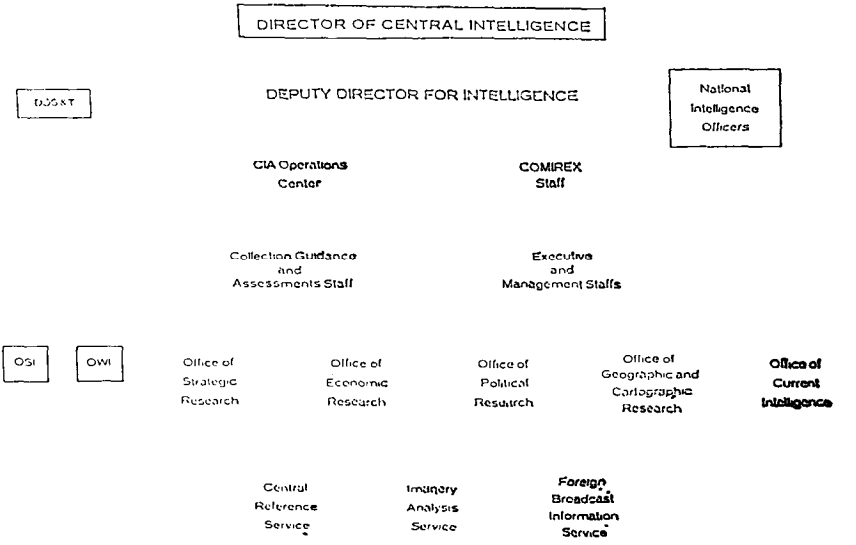
*Information Dissemination, Storage and Retrieval.*—One of the original offices of the Central Intelligence Group, the Office of Collection & Dissemination (OCD), began this work in 1948 when it introduced business machines to improve reference, liaison and document security services. Ultimately, this Office became CIA's own departmental library and centralized document service. Its steady growth in size and capabilities was given a boost in 1954, when responsibility for the procurement of foreign documents was transferred to OCD from the Department of State. Other specialized collections also became a part of the holdings of that office, including those of motion picture film and photography. The systems of storage and retrieval developed by OCD were unusually effective for that time and the Office began to gain recognition throughout the intelligence community. In 1955, OCD was renamed the Office of Central Reference to more accurately reflect its Agency-wide responsibilities. In 1967, OCR was renamed the Central Reference Service (CRS). Today, CRS can offer intelligence analysts throughout the community some of the most sophisticated information storage and retrieval systems to be found anywhere in the world.

*Photographic Interpretation.*– CIA's work with photographic interpretation began in 1952 and was initially centered in the Geographic Research Area, ORR. In 1958, a new Photographic Intelligence Center (PIC) was created by fusing the Photo Intelligence Division of ORR with the Statistical Branch of OCR. The new Center was given office-level status and the responsibility for producing photographic intelligence and providing related services for CIA and the rest of the Intelligence Community. In 1961 PIC was further elevated to become the National Photographic Interpretation Center (NPIC). This Center was staffed by former members of PIC and DIA personnel detailed to NPIC. All personnel were functionally under the Director, NPIC, who continued to report to the DDI.

An interagency study conducted in 1967 concluded that NPIC's national intelligence responsibilities had grown so substantially that departmental imagery analysis requirements were not being adequately served. Accordingly, the DDI established an Imagery Analysis Service (IAS) as a separate office of the Directorate to deal exclusively with the photo intelligence requirements of CIA. In 1973, it was decided that NPIC would be more appropriately placed in the Directorate of Science and Technology with other elements dealing with reconnaissance at the national level.

*Translation Services.*—The Foreign Documents Division (FDD) of the Office of Operations (OO) had its origin in the Army and Navy's Washington Document Center. Founded in 1944, it was a repository for captured Japanese and German records. It was absorbed by the Central Intelligence Group in 1946 and, during the late forties, evolved from a repository into an exploiter of all foreign language documents coming into the community. It joined the Central Intelligence Agency as part of OO in the Directorate of Plans. With the transfer of OO to the Intelligence Directorate in 1952, FDD continued to expand its work into the field of document exploitation, concentrating increasingly on materials received from the communist countries. In 1964, it was separated from OO to become part of the Office of Central Reference (OCR). This arrangement lasted only three years, however, as FDD was transferred again to become part of FBIS in 1967. The intent of this move was to combine the Directorate's efforts to exploit foreign media—radio and press—in a single service and to concentrate its major assets in terms of foreign language capabilities. FDD remains in FBIS to this day, providing translation services for the Agency, the community, and to a lesser degree, for the Government and the general public.

DIRECTORATE OF INTELLIGENCE



## B. The Intelligence Directorate Today

In FY 1976, the DDI had a relatively small share of the Agency's budget and personnel. Resources allocated to intelligence production have represented a relatively steady percentage of the intelligence budget over the years. Intelligence production is a people-intensive activity, requiring relatively little in the way of supplies, equipment, structures, and operational funding. The Intelligence Director spends approximately 75 percent of its budget on salaries. Of the positions in the DDI, 74 percent are classified as professional and 26 percent as clerical. Of the total, 54 percent are directly involved in "intelligence production" (researching data, analyzing information and writing reports), 28 percent are tasked with "intelligence processing" (performing reference and retrieval functions, preparing publications, or providing other support services), and 18% are involved in "intelligence collection" (monitoring overt foreign radio broadcasts and publications).[4]

The most important group of DDI products consists of the daily intelligence publications, designed "to alert the foreign affairs community to significant developments abroad and to analyze specific problems or broadly-based trends in the international arena."[5] These include the *President's Daily Brief;* the *National Intelligence Daily*, prepared for Cabinet and sub-Cabinet level consumers; and the *National Intelligence Bulletin*, distributed more broadly to the defense and foreign affairs communities. The DDI issues a number of weekly periodicals on specialized subjects, prepared in the research offices of the directorate.

The DDI also produces in-depth and analytical studies on a periodic or one-time basis. These are monographs on particular problems; some are DDI-initiated, others respond to specific requests of the policymakers or their staffs. In addition, DDI analysts usually provide the bulk of the staff work for the National Intelligence Estimates (NIEs), which are prepared under the auspices of the National Intelligence Officers (NIOs).[6]

The Intelligence Directorate also performs a variety of coordinating and analytical services in providing intelligence support to policymaking. Most National Security Council (NSC) meetings begin with an assessment of the current situation given by the DCI, and prepared by DDI analysts. The DCI, similarly supported by DDI personnel, also participates in an array of interagency policy groups (e.g., the 40 Committee, the Senior Review Group, the Washington Special Action Group, and the Strategic Arms Limitation Talks [SALT] Verification Panel). The DCI's representatives are involved in lower-level interdepartmental groups, including geographic area groups, functional area groups, and ad hoc groups.

Analysts from DDI frequently contribute to the preparation of National Security Study Memoranda (NSSMs), which are usually

[4] "The Directorate of Intelligence," p. 4.
[5] *Ibid.*, p. 2.
[6] *Ibid.*, p. 2.

drafted by interagency groups under the direction of the NSC staff. Often a NSSM will include an intelligence assessment of the problem at hand as an annex to the memo itself; this might also be summarized in the text.

Three examples illustrate how the DDI contributes such intelligence support. A SALT support staff has been assembled in CIA to coordinate SALT-related activities of production offices in the DDI and DDS&T. The staff serves as the point of contact to respond to intelligence requirements generated by the NSC staff, the Verification Panel, and the U.S. SALT delegation. The staff relies on the analytical offices of the CIA for substantive intelligence.

In another case, after the 1973 Middle East war, the DDI was asked to examine all aspects of possible Sinai withdrawal lines on the basis of political, military, geographic, and ethnic considerations. Eight alternative lines were prepared for the Sinai, a number of which Secretary of State Henry Kissinger used in mediating the negotiations between Egypt and Israel.

Finally, the DDI provided assessments to the policy groups who prepared U.S. positions for the Law of the Sea Conference in 1975, including descriptions of the strategic straits under discussion, analysis of each country's undersea mineral resources, and information about political positions the participating countries would be likely to take.[7]

### The Issues

The Select Committee began its examination of intelligence production by considering the relationship between intelligence and policy, and the limits of intelligence. These considerations served to highlight certain problems in production which the Committee feels deserve further attention by both the executive branch and congressional oversight bodies. These problems bear on the key issues of quality, timeliness and relevance of finished intelligence. They derive in large part from the nature of presidential leadership and the particular emphasis and preoccupations of successive Directors of Central Intelligence. In the past, the national leadership has used the CIA more for operational purposes than for its analytic capabilities. Other concerns derive from the structure of the analytical personnel system, the intelligence culture and the nature of the intelligence process, the overload of the system, the preoccupation with current events, and the lack of sufficient quality control and consumer guidance and evaluation.

## C. The Relationship Between Intelligence and Policy

The relationship between intelligence and policy is a delicate and carefully balanced one. One witness told the Select Committee that there is a "natural tension" between the two and that

> if the policy-intelligence relationship is to work, there must be mutual respect, trust, civility, and also a certain distance. Intelligence people must provide honest and best judgments and avoid intrusion on decisionmaking or attempts to influence it. Policymakers must assume the integrity of the intelli-

[7] Staff summary of briefing given by Edward Proctor (DDI), 4/24/75.

gence provided and avoid attempts to get materials suited to their tastes.[8]

In recent years there has been a tendency on the part of high officials, including Presidents and Secretaries of State, to call for both raw reporting and finished intelligence to flow upwards through separate channels, rather than through a centralized analytical component. This has resulted in many cases in consumers doing the work of intelligence analysts. Presidents and Secretaries of State have all too often relished the role of "crisis managers", moving from one serious issue to another and sacrificing analysis and considered judgment in the pressure of events. In between crises, their attention is turned to other pressing matters, and careful long-range analysis tends to be set aside.

By circumventing the available analytical process, the consumers of intelligence may not only be depriving themselves of the skills of intelligence professionals; they may also be sacrificing necessary time and useful objectivity. In making his own intelligence judgment based on the large volume of often conflicting reports and undigested raw intelligence instead of on a well-considered finished piece of intelligence analysis, a high official may be seeking conclusions more favorable to his policy preferences than the situation may in fact warrant.

The essential questions about the intelligence product concern its usefulness to the policymakers for whom it is intended. Does intelligence address the right questions? Does it deliver the kinds of information and insights policymakers need in order to make foreign policy decisions? Is it timely? Is it presented and disseminated in the manner and format most useful to the consumers? Will they read it in other than crisis situations? The answers to these questions are by no means simple. Still, the Select Committee believes they are deserving of examination—and periodic reexamination—in the interests of maintaining an effective intelligence service.

While intelligence analysts have a very good record in the area of technical assessment (e.g., hard data on foreign military hardware), the record is weaker in qualitative judgments, trend forecasting, and political estimating. While analysts may be able to furnish fairly complete and reliable reporting on tangible factors such as numbers and make-up of Soviet strategic missile forces, they are not as good at assessing such intangibles as why the Soviets are building such a force. The problem pertains to other issues, too, for example, in analyzing the likely negotiating stance of a particular country in economic negotiations of interest to the United States.

In particular, some policymakers feel that intelligence analysts have not been especially helpful to policymakers on the more subtle questions of political, economic, and military intentions of foreign groups and leaders. The view from the top is, of course, very different from the view held by analysts in the departments and agencies or in the field. Too often analysts are not willing to address such questions directly. Analysts tend to believe that policymakers want answers instead of insights. Some consumers argue that intelligence analysts lack sufficient awareness of the real nature of the national security

[8] John Huizenga testimony, 1/26/76, p. 14.

decisionmaking process—how it really works, where and how intelligence fits in, and what kinds of information are important.[9]

On the other hand, the Select Committee is concerned that analysts are not always kept sufficiently informed, in a timely fashion, of U.S. policies and activities which affect their analyses and estimates. The Committee is concerned that the secrecy and compartmentation surrounding security policy decisionmaking affects the relevance and quality of intelligence analysis. The analysts in the DDI may not always be aware of what a key foreign leader has told high-level American policymakers in private, and so they may be missing crucial information on a particular nation's intentions in a given situation.

The Select Committee's study of covert action has revealed that on a number of occasions in the past intelligence analysts were not told what U.S. covert operators were doing abroad, an omission which could seriously affect the accuracy of intelligence assessments. Likewise, because of security compartmentation, DDI analysts sometimes did not know about particular U.S. strategic weapons R&D programs, and so were not able to assess completely the reasons for countermeasures that were being taken in the development of Soviet strategic forces.

### D. The Limits of Intelligence

Clearly what is needed is a realistic understanding by both producers and consumers about the limits of intelligence: what it can and cannot do. As a former senior analyst explained to the Select Committee,[10] what intelligence *can* do is to follow the behavior of foreign leaders and groups over a long period of time in order to get a sense of the parameters within which their policies move. American policymakers are not then likely to be greatly surprised by foreign behavior even though intelligence analysts might not be able to predict precise intentions at any given moment with respect to a given situation. Nor can analysts be expected to predict human events when often the actors themselves do not know in advance what they will do. As the Schlesinger Report said:

> In a world of perfect information, there would be no uncertainties about the present and future intentions, capabilities, and activities of foreign powers. Information, however, is bound to be imperfect for the most part. Consequently, the intelligence community can at best reduce the uncertainties and construct plausible hypotheses about these factors on the basis of what continues to be partial and often conflicting evidence.[11]

To expect more may be to court disappointment. Despite this recognition on the part of many policymakers, if analysis is not correct, there is often the charge of an "intelligence failure." Good intelligence or accurate predictions cannot insure against bad policy, in any case. For example, as the current Deputy Director for Intelligence maintains, the pessimistic CIA estimates on Vietnam had little or no effect on U.S. policy decisions there. Vietnam may have been a policy failure.

---

[9] *Staff summary of Andrew Marshall interview, 2/10/76.*
[10] Huizenga, 1/26/76, p. 24.
[11] Schlesinger Report, p. 10a.

It was not an intelligence failure.[12] Similarly, the United States had intelligence on the possibility of a Turkish invasion of Cyprus in 1974. The problem of taking effective action to prevent such an invasion was a policy question and not an intelligence failure.

### E. The Personnel System

To some extent, problems in the quality of the analytical performance of the intelligence community are simply in the nature of things. The collection function lends itself to technical and managerial approaches, while the analytical job is more dependent on the intangibles of brainpower. In the final analysis, the intelligence product can only be as good as the people who produce it.

The CIA prides itself on the qualifications of its analysts. The Agency's exemption from Civil Service constraints—unlike the DIA, for example—has enabled the DDI to attract the best analysts in the community. Nevertheless, those in the highest positions in the CIA have traditionally come from the operations side of the Agency.

The Agency's promotion system is structured in such a way that the most outstanding lower-level people are singled out for advancement into managerial positions. Such a system works well for the purposes of the Directorate of Operations (DDO), where the skills necessary for good management are essentially the same as those required of a good case officer. But when applied to the DDI, that system encourages the best analysts to assume supervisory positions, reducing the time available to utilize their analytical skills.

Although the CIA has several hundred "supergrade" positions[13]—and very few government agencies are permitted so high a number—there are virtually no "supergrade" slots which involve only, or even primarily, analytic responsibilities. The Agency maintains that DDI supervisors are indeed analysts, since they review and critique the work of junior analysts. In this view, supervisory positions amplify the analytical capabilities of senior personnel. Thus, there is not "supervision" in the usual sense by DDI supervisors; they are viewed as participants in the analytical process.[14]

The Office of National Estimates was the only place where a regular arrangement for high-level analysts existed, but that office was abolished in 1973. Today only the DDI's Office of Political Research (OPR) has been able to retain several supergrade staffers who do only analysis (out of a staff of about 40 to 50 analysts.) The OPR, created only in 1974, is treated by the DDI as an elite group. Much of its work is interdisciplinary in nature. The emphasis is placed on keeping OPR analysts out of the everyday routine of requests for current intelligence work which can be performed by other offices in the directorate.[15]

Some analysts complain that the personnel system has fostered too much bureaucratic "layering," and that there are too many people writing reports *about* reports. The effects are predictable. In the words of former DCI and Secretary of Defense James Schlesinger, "If you've

---

[12] Staff summary of Edward Proctor interview, 5/16/75.
[13] John Clarke testimony, 2/4/76, p. 37.
[14] Proctor (Staff summary), 3/1/76.
[15] *Ibid.*

got too much specialization and pigeonholing of people, you get the kind of people in the intelligence game who don t mind being pigeonholed, and the entire U.S. intelligence establishment is too much bureaucratized." [16] The Intelligence Community (IC) staff, in its post-mortems of major U.S. intelligence failures, has pointed in all cases to the shortage of talented personnel. As the former deputy head of the IC staff pointed out to the Select Committee in his testimony, "giving people more flexibility in pay scale and so forth doesn't always guarantee that they hire the right people." [17]

### F. Recruitment and Training of Analysts

The Agency tends to bring analysts in early in their professional life, emphasizing lifetime careers in intelligence work and the development of institutional commitment. There has traditionally been minimal lateral entry of established analysts and experts into the profession at middle and upper levels (more in DDS&T than in DDI.)[18] This might be characterized as the "craft guild" approach to intelligence, where recruits are brought in to serve their apprenticeships within the ranks of the profession.[19]

Specialized analytical training for intelligence analysts is quite limited. The CIA's Office of Training (OTR) has a program in methodology and research techniques and a variety of mid-career courses and senior seminars. About 25% of the DDI personnel who receive in-house training are in management and executive development courses. Various DDI offices sponsor courses on specific skills such as computers and statistics.[20] For the most part in the past the Agency-run courses available were oriented toward developing skills necessary for clandestine activity. According to Dr. Schlesinger:

> Within the CIA, most of the training effort in the past has gone into training operators rather than training analysts.[21]

The Agency maintains there is now an increased emphasis on the development of sophisticated analytical skills and understanding.

Most of the substantive training for intelligence analysts takes place outside the Agency, both in academic institutions and in other government departments. Of the total number of DDI personnel participating in such external training in FY 1975, about one quarter were involved in training courses longer than 6 weeks in duration.

### G. The Intelligence Culture and Analytical Bias

There is a set of problems stemming from what might be called the intelligence "culture"—a particular outlook sometimes attributed to the analysts which tends to affect the overall quality of judgment reflected in their work. Although the problem of preconceptions is one of the most intractable in intelligence analysis, it clearly is one

---

[16] James Schlesinger testimony, 2/2/76, p. 72.
[17] Clarke, 2/5/76, p. 38.
[18] In FY 1975, 18 analysts out of 105 hired from outside the CIA by the DDI were at GS–12 to 15.
[19] Marshall (Staff summary), 2/10/76.
[20] Proctor (Staff summary), 3/1/76.
[21] Schlesinger, 2/2/76, p. 27.

of the most critical, and has been a focal point of the IC staff post-mortems. As one former senior official told the Select Committee, "By and large, good intelligence production should be as free as possible from ideological biases, and the higher the degree of ideological bias, the greater will be the blind spots." [22]

Among the examples of analytical/intellectual bias and preconceptions are the following: In 1962, some CIA analysts judged that the Soviets would not put missiles into Cuba because such a move would be "aberrational." [23] In 1973 most of the intelligence community was disposed to believe that the Arabs were unlikely to resort to war against Israel because to do so would be "irrational," in light of relative Arab-Israeli military capabilities.[24]

The same mechanism operated—the inability to foresee critical events, in the face of mounting evidence to the contrary—during the Cyprus crisis in the summer of 1974. According to the IC Staff post-mortem of that episode, the CIA analysts were again prey to:

> the perhaps subconscious conviction (and hope) that, ultimately, reason and rationality will prevail, that apparently irrational moves (the Arab attack, the Greek-sponsored coup) will not be made by essentially rational men.[25]

The charge is frequently made that intelligence estimates issued by the Defense Department and the military services are not wholly objective, since those groups have particular departmental interests and programs to advocate. By contrast, the CIA is supposed to be free from such bias. But although the DDI is not in the position of having to defend budgetary items or particular weapons systems, in the view of other parts of the intelligence community, there has been a tendency for a CIA institutional bias to develop over time. The Committee notes that some observers have pointed to a CIA "line" on certain issues.[25a]

### H. The Nature of the Production Process: Consensus Versus Competition

The nature of the production process can itself undermine the quality of the product. That process is consensus-oriented, varying in degree from the formal United States Intelligence Board (USIB) coordination involved in producing a National Intelligence Estimate [26] to the less structured daily analyst-to-analyst coordination, which takes place at the working level. For the monographs produced on an irregular basis by the Intelligence Directorate's research offices, the bulk of the coordination effort is between these offices, although occasionally such coordination will cross directorate lines, and less frequently it will involve going outside the Agency. An analyst from the DDI may meet with his opposite numbers in State or DIA prior to

---

[22] *Ibid.*
[23] Huizenga, 1/26/76, p. 25.
[24] IC Staff post-mortem on 1973 Middle East war (January 1974), p. 14.
[25] IC Staff post-mortem on 1974 Cyprus crisis, p. iv.
[25a] See Chapter V, pp. 76–77.
[26] Prior to the President's February 1976 reorganization of the intelligence community, the USIB approved all National Intelligence Estimates. See the chapter of this report on "The Director of Central Intelligence" (pp. 74 ff.) for a fuller discussion of the estimates coordination process.

publishing an article in their mutual field.[27] The coordination process, however necessary and desirable, may tend to produce a "reinforcing consensus," whereby divergent views of individual analysts can become "submerged in a sea of conventional collective wisdom," and doubts or disagreements can simply disappear in the face of mutually reinforcing agreements.[28]

Although the purpose of coordination is "to assure that the facts and judgments presented therein are as comprehensive, objective, and accurate as possible," [29] it sometimes has the unfortunate side-effect of blurring both the form and content of the product. The NIEs have been criticized, on occasion, for this. The estimates undergo the most formal coordination process, one which is integral to policy consensus-building. Some consumers complain that finished intelligence frequently lacks clarity, especially clarity of judgment, and that it is often presented in waffly or "delphic" forms, without attribution of views. Opposing views are not always clearly articulated. Judgments on difficult subjects are sometimes hedged, or represent the outcome of compromise, and are couched in fuzzy, imprecise terms. Yet intelligence consumers increasingly maintain that they want a more clearly spelled out distinction between different interpretations, with judgments as to relative probabilities.

In fact, the issue of consensus versus competition in analysis represents a persistent conceptual dilemma for the intelligence community. Policymakers tend to want one "answer" to an intelligence question, but at the same time they do not want anything to be hidden from them. Consumer needs can change drastically in a short period of time, and the same policymakers may need different kinds of intelligence for different kinds of situations.

Some members of the intelligence and foreign policy communities today argue that the consensus approach to intelligence production has improperly come to substitute for competing centers of analysis which could deliver more and different interpretations on the critical questions on which only partial data is available. This conceptual conflict should be closely examined by the successor oversight committee.

## I. The "Current Events" Syndrome

The task of producing current intelligence—analyzing day-to-day events for quick dissemination—today occupies much of the resources of the DDI. Responding to the growing demands for information of current concern by policymakers for more coverage of more topics, the DDI has of necessity resorted to a "current events" approach to much of its research. There is less interest in and fewer resources have been devoted to in-depth analysis of problems with long-range importance to policymakers. The Directorate has had to devote considerable resources in order to keep up on a day-to-day basis with events as they happen. To some extent, analysts feel they must compete for timeliness with the considerable amount of raw reporting which reaches consumers.

---

[27] "The Directorate of Intelligence," Annex A, p. 2.
[28] IC Staff post-mortem on the 1973 Middle-East War, p. 18.
[29] "The Directorate of Intelligence," Annex A, p. 1.

According to some observers, this syndrome has had an unfavorable impact on the quality of crisis warning and the recognition of longer term trends. The "current events" approach has fostered the problem of "incremental analysis," the tendency to focus myopically on the latest piece of information without systematic consideration of an accumulated body of integrated evidence. Analysts in their haste to compile the day's traffic, tend to lose sight of underlying factors and relationships.[30]

For example, the 1966 Cunningham Report points out that the CIA's sinologists were so immersed in the large volume of daily FBIS [31] and other source reports on Communist China in the early 1960s that they failed to consider adequately the broader question of the slowly developing Sino-Soviet dispute.[32]

The Intelligence Directorate is now turning more attention to such increasingly important long-term (and inter-disciplinary) problems as world food balances, raw material supplies, population pressures and pollution of the environment. Nevertheless, the DDI itself feels that an even greater effort should be made in these areas. "Such matters have not been the focus of national security interest in the past, but they clearly will be within the next ten years and this Directorate should be building its capacity to analyze and report in these fields." [33]

### J. Innovation

The CIA is thought by many observers to be technologically one of the most innovative research centers in the country, and it allocates considerable funds to continue the search for new technology. But despite recent increases, the intelligence community still expends relatively little effort on R&D in the analytical field—in contrast to intensive effort in new and costly collection methods.

The analytic community has suffered from the secrecy that surrounds the work of the intelligence community as a whole. This insulation is recognized to have had a detrimental effect on the quality of analysis. The Agency recognizes the need for conducting a free exchange with academics, contractors, and consultants. For example, in FY 1976, 17 analysts were on leave at private institutions with an additional 14 people in various Government programs (e.g., the State Department senior seminar, or the Congressional Fellows program).[34]

Some DDI offices have panels of consultants (outsiders) to review major papers, and outside speakers are on occasion brought in for special seminars. There have been efforts like the one made by OPR to arrange for one-year sabbaticals for visiting academics during which the visitor could produce both government and public papers. Such efforts have been only partially successful.

---

[30] See IC Staff post-mortems on Middle East war and Cyprus crisis.

[31] The Foreign Broadcast Information Service, run by the Intelligence Directorate, monitors foreign media and open source material and publishes daily surveys by area.

[32] CIA Inspector General, "Foreign Intelligence Collection Requirements," December 1966 (The Cunningham Report), pp. VII–13, 14.

[33] "The Directorate of Intelligence," p. 12.

[34] Proctor (Staff summary), 3/1/76.

The question of CIA relations with academics and private groups like foundations and research organizations is a controversial one.[35] The Committee notes the desirability of a more open attitude on both sides, one which both recognizes the legitimacy of the analytic work of the intelligence community and refrains from the secret use of academics and others for operational purposes.

## K. Overload on Analysts and Consumers

Few observers would dispute the fact that as consumer demands have grown and the amount of data collected has burgeoned, the analysts' work load has become a serious problem. But ten years ago the Cunningham Report expressed the concern that:

> In the long run it is not the crude question of work load which matters most, nor even the point that each item uses up customers' time and attention which cannot be given to any other item, so that each of our products must receive steadily less. What matters most is the question whether this quantity of information is degrading the quality of all our work.[36]

And the 1971 Schlesinger Report said that it was "not at all clear that our hypotheses about foreign intentions, capabilities, and activities have improved commensurately in scope and quality as more data comes in from modern collection methods." [37]

Yet today the intelligence establishment remains structured in such a way that collection guides production, rather than vice versa; available data and "the impetus of technology" tend to govern what is produced.[38] To be sure, much of the proliferation in data collected has proven invaluable to the analytic effort. Technical collection systems have provided "hard" data, e.g., on missile silos which have contributed to the generally acknowledged high quality of CIA assessments of Soviet and Chinese strategic forces.

In 1971, the Schlesinger Report said, "It has become commonplace to translate product criticism into demands for enlarged collection efforts. Seldom does anyone ask if a further reduction in uncertainty, however small, is worth its cost." [39] The community's heavy emphasis on collection is itself detrimental to correcting product problems, said the report, for each department or agency sees the maintenance and expansion of collection capabilities as the route to survival and strength within the community. There is a "strong presumption" that additional data collection rather than improved analysis will provide answers to particular intelligence problems.[40]

Analysts naturally attempt to read all the relevant raw data reports on the subjects they are working on, for fear of missing an important piece of information. The Cunningham Report referred to this as the

---

[35] See Chapter X of this report on the CIA's relations with these groups in support of intelligence collection and covert action.

[36] Cunningham Report, p. VIII–13.

[37] Schlesinger Report, p. 10a.

[38] *Ibid.*, p. 10a.

[39] *Ibid.*, p. 11.

[40] *Ibid.*, p. 11.

"jigsaw theory" of intelligence—that one little scrap might be the missing piece.[41] The present trend within the DDI is to reduce the amount of raw data coming to analysts by more effective screening processes.

In the opinion of one intelligence community official, analysts in the future are going to have to rely to a greater extent than heretofore on others' judgments. The collectors themselves may have to present their output in summary form, with some means of highlighting important information,[42] despite the community's sensitivity to the distinction between "raw" and "finished" intelligence reporting.

On the other hand, consumers tend to treat the intelligence product as a free good. Instead of articulating priorities, they demand information about everything, and the demand exceeds the supply. And analysts, perhaps for fear of being accused of an "intelligence failure," feel that they *have* to cover every possible topic, with little regard for its relevance to U.S. foreign policy interests. The community must part with the notion that it has to beat the newspapers in reporting coups in remote areas of the world if what happens in those areas is only of marginal interest to U.S. policymakers. In this regard, there are serious efforts being made by DDI to focus analysis on major areas of importance to the United States.

The community has looked increasingly to the advent of automated information-handling systems to solve the problems of systems overload, but the impact of computerization is not yet clear. In 1966 the Cunningham Report warned that "great technological advances in storage and retrieval" of information can do more harm than good if "drastically higher standards" for what is to be stored and retrieved are not instituted.[43]

It has often been pointed out that not only are analysts swamped with information, but the consumers also are inundated with intelligence reporting, both "finished" and "raw." The volume of paper degrades the overall effectiveness of the product, since there is simply too much to read, from too many sources. In addition to the daily DDI publications and the various DDI Offices' specialized weeklies and other memoranda, a variety of other intelligence publications, regularly cross the desks of senior Government officials. As former DCI Richard Helms has told the Select Committee:

> It seems to me that one of the things that's tended to happen is that almost every agency has got to have its national publication. In other words, it's got to have a publication that arrives in the White House every morning.[44]

Policymakers receive DIA's Defense Intelligence Notices (DINs), produced on particular subjects as the occasion demands—sometimes several per day on a given topic. NSA sends out a daily SIGINT Summary, which is not classed as finished intelligence. And a consid-

---

[41] Cunningham Report, p. VII–19.
[42] Staff summary of Richard Shryock interview, 2/10/76.
[43] Cunningham Report, p. VII–12 (footnote).
[44] Richard Helms testimony, 1/30/76, p. 29.

erable amount of raw reporting of clandestine human source intelligence is routinely distributed to consumers on the NSC staff, at the Departments of State and Defense, and in the military services.

This glut of paper raises a number of issues which the Select Committee feels deserve further attention. The proliferation of departmental publications tends to undermine the centralized nature of the system for the production of national intelligence. It contributes to confusion rather than clarity in the decisionmaking process, since different publications often present different conclusions. Often the reasons for the differences are only clear to a sophisticated intelligence analyst. And direct reporting from the collectors usually arrives before the analytical reporting can, preempting the analysts' work in evaluating the data.

### L. Quality Control

In 1972 a "Product Review Division" (PRD) was established within the IC Staff. It has the task of regularly appraising intelligence articles and studies, "testing them for objectivity, balance, and responsiveness." [45] The Intelligence Directorate has no formal or independent system for quality control, depending instead upon its regular review and coordination process.[46]

Most of PRD's attention to date has been directed to the conduct of communitywide post-mortems on particular crises—for example, the 1973 Middle East war, the Cyprus crisis in 1974, the Indian nuclear detonation, and the Mayaguez incident. The Division was involved in changing the old daily *Central Intelligence Bulletin* from a CIA publication into a community publication (now called the *National Intelligence Bulletin*). PRD participated in discussions leading to the transformation of the old Watch Committee into the DCI's Special Assistant for Warning, with a Strategic Warning Staff.

PRD has not yet been significantly involved in the development of new analytical methods, in resource allocation for production elements, or in training or recruitment issues. Contact with the consumers of the intelligence product has been on an irregular basis (mostly for post-mortems), although PRD is currently at work, through the NIOs, collecting consumer reactions on particular papers of concern to the USIB.

The Division has no authority to order changes in the management of production which might affect the quality of the product; rather, it has been in the position of making recommendations to the USIB and encouraging their implementation.

### M. Consumer Guidance and Evaluation

The DDI manages its production planning by compiling a Quarterly Production and a Quarterly Research Schedule, outlining those finished intelligence studies slated for publication in the following three months as well as projects which support other intelligence efforts, but which may not be published. The quarterly schedules are prepared by DDI's Executive Staff based on inputs received from

[45] Shryock (staff summary), 2/10/76.
[46] Proctor (staff summary), 3/1/76.

each office within the Intelligence Directorate, and the Associate DDI reviews them to ensure that the planned projects are responsive to consumer needs.[47]

While there is no formal or institutionalized review by consumers of the quarterly schedules, there are frequent Directorate-level contacts with policymakers who express an interest in intelligence information and assessments on particular foreign policy issues.

Evaluation of the intelligence product by the consumers themselves is virtually nonexistent. The NSC Intelligence Committee, which was supposed to perform that function, was largely inactive and has now been abolished in the President's reorganization plan. Rarely, if ever, do high officials take the time to review the product carefully with the analysts and explain to them how the product could be improved and made more useful to policymakers. The intelligence community, then, by default, evaluates its own performance without the benefit of any real feedback. One former senior analyst told the Select Committee:

> I believe there ought to be requirements on the policy side to respond by comment or otherwise to major intelligence products, obviously not the whole flow of stuff, and I think that there ought to be a responsibility at an appropriate level, say at an Assistant Secretary level, to do this, and at the NSC level. This kind of recognition, the sense of participation in a serious process is, I think, the best thing that can be done for analysts.[48]

## N. The Congressional Role

Congress does not at present receive National Intelligence Estimates, although some of the estimative material is presented to the Congress in occasional briefings by intelligence officials. In the past, the Senate Foreign Relations and Armed Services Committees received the *National Intelligence Daily*, which could be cut off at executive will, and has been on some occasions, most recently in January 1976.[49] In 1975, the DDI began publishing a daily *Intelligence Checklist* specifically tailored to what it perceived to be the intelligence needs of the Congress.

With the resurgence of an active congressional role in the foreign and national security policymaking process comes the need for members to receive high quality, reliable, and timely information on which to base congressional decisions and actions. Access to the best available intelligence product should be insisted upon by the legislative branch. Precisely what kinds of intelligence the Congress requires to better perform its constitutional responsibilities remains to be worked out between the two branches of government, but the Select Committee believes that the *need* for information and the *right* to it is clear.

---

[47] "The Directorate of Intelligence," p. 8.

[48] Huizenga, 1/26/76, p. 23.

[49] Laurence Stern, "CIA Stops Sending Daily Report to Hill," *Washington Post*, 2/4/76.