

Auth: E012958  
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ACTIVITY IS LEVEL-FUNDED OR INCREASING SLIGHTLY. THE RECENT PAY RAISES HAVE IN FACT RESULTED IN A LARGE REDUCTION OF PERSONNEL IN THE NIS. BOTH AGENT STRENGTH AND TOTAL STRENGTH HAVE RADICALLY DECLINED. THOUGH SOME OF THIS REDUCTION HAS BEEN CAUSED BY A DECREASE IN THE TOTAL PERSONNEL OF THE NAVY, CONCURRENTLY CRIMINAL AND DRUG ABUSE TYPE CASES HAVE BEEN ON THE INCREASE. A MUCH LARGER PERCENTAGE OF OUR INVESTIGATIVE MAN-HOURS ARE NOW UTILIZED IN CRIMINAL-TYPE CASES AND LESS TIME IS AVAILABLE FOR PERSONNEL SECURITY TYPE INVESTIGATIONS, EVEN THOUGH REQUIREMENTS FOR SECURITY INVESTIGATIONS ARE EXTENDED TO MORE AND MORE BILLETS AS TIME PASSES.

NEXT LET ME TAKE UP A CLOSER LOOK AT OUR BUDGET, WHICH I BELIEVE IS ONE OF YOUR PRIMARY AREAS OF INTEREST AND WHICH SHOULD BE FAR MORE UNDERSTANDABLE WHEN VIEWED AGAINST THE BACKGROUND WE HAVE JUST ESTABLISHED.

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THE FISCAL YEAR 1972 BUDGET REQUEST WHICH IS UNDER CONSIDERATION BY CONGRESS AT THIS TIME CONTAINS NAVAL INTELLIGENCE MONEY IN SIX APPROPRIATIONS--MILITARY CONSTRUCTION, PROCUREMENT, OPERATION AND MAINTENANCE, MILITARY PERSONNEL, SHIP CONSTRUCTION, AND RESEARCH AND DEVELOPMENT. THIS VU-GRAPH SHOWS YOU HOW MUCH OF THE TOTAL OF THESE IS DEVOTED TO EACH INTELLIGENCE PROGRAM ELEMENT.

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THE INCREASE IN 1972 INCLUDES ONE MILLION DOLLARS FOR THE FLEET INTELLIGENCE TACTICAL SUPPORT GROUP, WHICH HAS BEEN TRANSFERRED FROM PROGRAM 7 TO PROGRAM 3. OTHERWISE, THE INCREASES PROVIDE PRIMARILY FOR THE CIVILIAN PAY RAISE WHICH BECAME EFFECTIVE IN JANUARY 1971, FOR THE ANTI-SHIP MISSILE PROGRAM, THE ACOUSTIC INTELLIGENCE PROGRAM, AND FOR ADP SUPPORT TO THE OCEAN SURVEILLANCE INFORMATION SYSTEM.

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~~THE BUDGET ALSO SHOWS HOW MUCH MONEY WE HAVE PROGRAMMED FOR THESE ELEMENTS IN FISCAL YEAR 1972~~

IF I HAD TO ESTIMATE THE BASIC QUESTIONS IN YOUR MINDS, THEY MIGHT GO SOMETHING LIKE THIS: "IS ADMIRAL RECTANUS ARRANGING AND APPLYING HIS ASSETS TO THE MAXIMUM BENEFIT OF THE UNITED STATES?" "IS HE MEETING EVERY BONEFIDE NATIONAL NEED FOR NAVAL INTELLIGENCE, AND IF NOT WHY NOT?" IN ANSWERING SUCH QUESTIONS, LET ME ASSURE YOU THAT I AND MY STAFF LABOR EVERY DAY DIRECTLY ON THE PROBLEM OF MAXIMIZING OUR OVER-ALL USEFULNESS TO THE NATION. THIS INCREASINGLY MEANS INTEGRATING OURSELVES INTO THE LARGER INTELLIGENCE COMMUNITY, WHICH WE HEARTILY WELCOME. WE ARE PROUD OF OUR PRODUCTS, WE NEED MANY PRODUCTS PRODUCED BY OTHER AGENCIES, AND WE INCREASINGLY FIND THAT TEAM WORK IS THE ONLY VIABLE APPROACH TO TASK ACCOMPLISHMENT IN A LIMITED RESOURCE

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CLIMATE. I OCCASIONALLY FEEL FRUSTRATED THAT MY ORGANIZATION CANNOT BE INSTANTLY ADAPTABLE TO CHANGING PRIORITIES, IN SPITE OF THE CARE WE TAKE TO BUILD FLEXIBILITY INTO IT AT EVERY OPPORTUNITY. I THINK, IN GENERAL, WE DO WELL IN THIS REGARD BUT CERTAIN CONSTRAINTS IMPEDE US. THE MOST OBVIOUS OF THESE IS THE PHYSICAL DISPERSION OF MY COMMAND ELEMENTS. WE ARE PURSUING A PLAN TO CONSOLIDATE THE NAVINTCOM HEADQUARTERS AND ALL ITS FIELD ACTIVITIES EXCEPT NFOIO IN NEW MILITARY CONSTRUCTION IN THE SUITLAND FEDERAL ~~CAMP~~ <sup>CENTER.</sup> CONCEPTUAL DESIGN AND FACILITIES REQUIREMENT STUDIES WERE COMPLETED AND A FOUR-PHASED MILITARY CONSTRUCTION PROGRAM DEVELOPED. THE FIRST PHASE WAS DEFERRED BY THE HOUSE ARMED SERVICES COMMITTEE THIS YEAR FOR LACK OF FUNDING. WE CERTAINLY PLAN TO CONTINUE OUR EFFORTS TO GET OUT OF LEASED SPACE, WHERE AN INTELLIGENCE ORGANIZATION FACES NUMEROUS PROBLEMS AND LIMITATIONS, AND INTO A CONSOLIDATED LOCATION WHERE WE CAN DRAMATICALLY INCREASE OUR EFFICIENCY. AND, AS WE HAVE ALREADY DISCUSSED, FUNDING CONSTRAINS US CONSIDERALLY.

OVERALL I FEEL CONFIDENT THAT THE NAVAL INTELLIGENCE ORGANIZATION COULD WITHSTAND CLOSE SCRUTINY OF ITS ASSET UTILIZATION. AS A NORMAL MATTER I EXPECT MY COMMAND TO OUT-PERFORM ITS ASSET LIMITATIONS AND IT

USUALLY DOES.

ON THE SUBJECT OF WHETHER ALL BONEFIDE NATIONAL NEEDS FOR NAVAL INTELLIGENCE ARE BEING MET, I WOULD ANSWER WITH A QUALIFIED YES. I SEE MY MOST IMPORTANT FUNCTION IN THIS CONTEXT TO BE THE ANTICIPATION OF FUTURE REQUIREMENTS, SINCE THE SYTEMS AND CAPABILITIES IN PLACE AND OPERATING AT ANY GIVEN TIME ARE THE PRODUCT OF PLANNING THAT HAS BEEN DONE MONTHS OR YEARS PREVIOUSLY. ADDITIONALLY I AM CONCERNED ABOUT A NUMBER OF NAVAL INTELLIGENCE EFFORTS WHICH I FEEL ARE IMPORTANT, WHICH ARE SIMPLY BEYOND THE CAPABILITY OF AVAILABLE MONEY, MATERIAL, AND PERSONNEL ASSETS. THESE WOULD INCLUDE THE FOLLOWING:

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1. I NOW HAVE TO BE VERY SELECTIVE IN RESPONDING TO REQUESTS FOR INTELLIGENCE COLLECTION SUPPORT WHICH COME TO ME FROM THE FLEET. I CANNOT SUPPORT ALL OPERATIONS WHICH REALLY REQUIRE IT.
2. THE OSIS CAPABILITY WHICH I HAVE DISCUSSED HAS BEEN DELAYED AND HAMPERED IN IT DEVELOPMENT.
3. WE ARE FOREGOING OPPORTUNITIES FOR HUMINT COLLECTION BECAUSE WE CAN'T AFFORD THE PLANNED EXPANSION IN THIS AREA.
4. THE GROWING SOVIET NAVAL THREAT IN THE AREA OF ELECTRO-OPTICS SERIOUSLY CONCERNS THE NAVY AS NEW DEVEL-

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OPMENTS IN THIS FIELD COULD NEGATE MANY OF OUR EXISTING ELECTRONIC JAMMING AND COUNTERMEASURES EQUIPMENT. HE HAVE ESTIMATED THE DIMENTION OF THESE DEFICIENCIES AT \$5 MILLION THIS FISCAL YEAR.

I DO FEEL THAT THE BASIC ESSENTIAL NATIONAL PROGRAMS ARE BEING ADEQUATELY SUPPORTED BY NAVAL INTELLIGENCE.

GENTLEMEN, LET ME SUMMARIZE. WE CONCEIVE OF THE SOVIET NAVY AS A MOST SERIOUS THREAT TO THE INTERESTS OF THE UNITED STATES. I HAVE A RATHER COMPLEX, BUT, I BELIEVE, WELL INTEGRATED AND FUNCTIONAL ORGANIZATION COMMITTED PRIMARILY TO RESPONDING TO THAT THREAT. OUR FUNDING IS AN INCREASINGLY SERIOUS PROBLEM WHICH MUST SOON FORCE SOME HARD DECISIONS AT THE NATIONAL LEVEL IN TERMS OF JUST WHAT CAPABILITIES NAVAL INTELLIGENCE IS TO HAVE IN THE YEARS TO COME. I FEEL THAT THE DESTRUCTIVE POTENTIAL OF MODERN WEAPONRY DICTATES AN EVEN GREATER NEED FOR A HIGHLY EFFICIENT ORGANIZATION USING ADVANCED AUTOMATED ANALYSIS FACILITIES AND COMMUNICATIONS NETWORKS. IMMEDIATE ACCESS TO INTELLIGENCE BY PERSONNEL IN WIDELY SEPARATED LOCATIONS IS A REQUISITE IN SUCH AN ENVIRONMENT. TO MEET THIS NEED, A REAL-TIME EXCHANGE OF INTELLIGENCE DATA IS ENVISIONED, WITH AUTOMATIC INPUT TO A FAMILY OF SPECIALIZED INTELLIGENCE DATA BASES FED BY SPACE, AIR, SURFACE, AND SUB-SURFACE SENSOR

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SYSTEMS. THE GOAL IS TO ACHIEVE A COMPLETELY INTEGRATED INTELLIGENCE COMMAND AND CONTROL SYSTEM CAPABLE OF PRODUCING TIMELY VALIDATED INTELLIGENCE INFORMATION IN SUPPORT OF THE OPERATIONAL AND TACTICAL COMMANDER. THIS WE FEEL IS ESSENTIAL TO PRESERVING OUR PRE-EMINENCE ON THE SEAS AND DEFENDING THE WELFARE OF OUR NATION.

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