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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

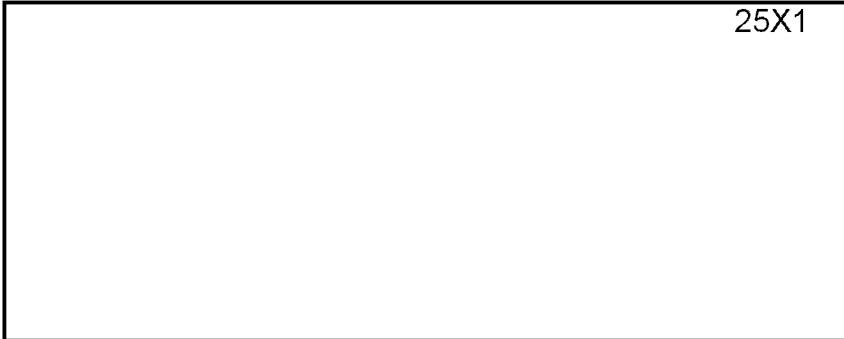
16 August 1972

MEMORANDUM

SUBJECT: 1967's Estimative Record -- Five Years Later

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I. INTRODUCTION

1. A retrospective assessment should avoid being either a white-wash or an exercise in masochism. Of necessity, it must concentrate on the more important issues and papers. (In 1967 ONE turned out 67 NIEs and SNIEs and over 80 estimative memoranda.) The attached discussion focusses primarily on the score or so of estimates which seem to be the most important and on a few of the memoranda which dealt with major issues of 1967.

2. Even when we confine ourselves to the more important issues, a post-mortem review is not a simple matter of grading in the light of right answers and wrong ones. For one thing, most papers contain a number of important estimative judgments and some lesser ones; if one or more major judgments have proven wrong, then the paper as a whole probably rates a bad mark even if all the lesser judgments were good. For another thing, many judgments are necessarily conditional, e.g., *if* a, then b; there is an implicit estimate in the "if" clause, and if the condition suggested fails to materialize, the ensuing judgments cannot be deemed either good or bad. Indeed some of our estimates are addressed entirely to contingencies, and if the assumed circumstances never came about, we have no way of knowing whether we were right or wrong. Thus one of our 1967 estimates assessed foreign reactions to three postulated cases of US force withdrawals from Europe;

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in the event, none took place and the validity of the estimate was not tested.

3. Theoretically among the most successful estimates are those which prove wrong -- but for the right reasons, i.e., the warning in the estimate comes through so persuasively that policy makers, upon reading the estimate, take measures to prevent or minimize the danger. In this case the dire events do not happen and the estimate, though "wrong", turns out to be a triumph for the estimator. But this is a rare case, indeed.

4. Nonetheless, the phenomenon of action and reaction, including the effects of US policy decisions on foreign states, is an important factor in judging estimates. A notable example arises in Soviet weapons developments. Soviet programs have their own technical and bureaucratic imperatives, as do ours, but it is also true that Soviet policy decisions concerning deployment of these weapons are sensitive to changes in US strategic military posture as well. Likewise, while it is not always easy to explain why a specific US force-oriented decision took place, an appreciation of projected changes in the USSR often enters in. Such interplay can seldom be specifically documented, as these decisions on both sides are arrived at out of a complex of considerations.

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Nevertheless, we feel confident that there have been instances when a judgment in an NIE accurately reflected Soviet intentions at the time, but subsequent US policy decisions -- influenced in part by estimates of what the Soviets would do -- caused the Soviets to reappraise the situation and to alter their course, thereby causing the estimate to appear faulty.

5. In assessing particular estimates in the following sections, we have struggled with these and other problems in a fashion which cannot help being subjective. As a general rule we have excluded what appear to be the lesser judgments of estimative papers as well as those judgments which are not readily susceptible to evaluation. This still leaves a large number of estimative statements, and on the basis of these, we have compiled our review.

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II. TOPICS OF GREATEST INTEREST

6. Vietnam, the USSR's military strength, and the USSR's position in the world were clearly of great intelligence and policy interest in 1967. A crisis of great import between Israel and its Arab neighbors broke out in May and -- involving as it did both this country and the USSR -- occupied senior policymaking levels of government.

A. *Vietnam*

7. 1967 was a year in which the main intelligence issues of the Vietnamese conflict were addressed at length in a number of NIEs. The issues were: communist capabilities for fighting the war in South Vietnam; the significance of Cambodia to the communist effort; and, communist responses to certain hypothetical escalatory actions.

8. Capabilities were discussed mainly in SNIE 14.3-67, which provided work for many hands in the Community through the year and was finally published in November. It was the second big "capabilities" estimate on the Vietnamese war and covered the subject in great detail, with lengthy arguments during coordination

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on most significant issues. The paper came down heavily on a judgment that communist military strength in South Vietnam was on the decline -- and indeed it was -- but a brief epilogue on strategic options unfortunately pictured Hanoi as resigned to a "protracted war" of attrition against Allied forces; two months later the Tet '68 offensive occurred.

9. The Cambodian role in the war was covered in SNIE 57-67 (January) and SNIE 57/1-67 (December). The Sihanoukville supply issue did not surface in all its vigor until 1968, but these earlier estimates were also characterized by spirited coordination sessions. Both papers emerged, however, with a clearly conservative view of Cambodia's role -- current and potential -- as a funnel for arms to VC/NVA forces in South Vietnam; indeed, there was little evidence to support a contrary view. Nonetheless, in retrospect, one must question the reasoning in January NIE that "it seems unlikely that they (the Vietnamese communists) would rely in any major way on such an uncertain and indirect source (as the Sihanoukville route)." This cast of mind regarding the Sihanoukville route tended to persist through 1968.

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10. The third category of papers on Vietnam falls into the "what if" type. In retrospect, NIEs of this year -- unlikely many of the previous year or two -- were relatively relaxed about Soviet and Chinese reactions to US moves to escalate the conflict. Thus, SNIE 11-11-67, while concluding that US escalation of the war "might" seriously affect a number of bilateral dealings between the USSR and the USA, also stated: "we think it unlikely" that the Soviets would want to provoke a real crisis with the US.

B. Soviet Military Forces

11. The NIEs produced in 1967 on Soviet military forces were more general than present-day estimates, addressed fewer issues, and in much less detail. NIE 11-14-67, *Soviet General Purpose Forces*, for instance, was a document of 28 pages which provided only a broad-brush treatment of Warsaw Pact general purpose forces. In contrast, NIE 11-14-71, *Warsaw Pact Forces for Operations in Eurasia*, was 215 pages long and discussed these forces and their capabilities in great detail.

12. In order to evaluate these NIEs, it is useful to categorize the judgments found in them. Broad general judgments about future capabilities and courses of action have generally held up

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well; such judgments are based on a broad range of considerations, not often subject to change through the appearance of specific new data. Judgments about specific capabilities existing in 1967 have also stood the test of time; they usually had hard evidence to support them, but sometimes did not. Predictions of specific future capabilities and force levels are a more chancy business; estimates in this category were sometimes right on the mark, but sometimes wide of it. NIEs have often been low on numbers for important force projections, but accorded the Soviets a more rapid growth in weapons technology than actually took place. The paragraphs that follow assess a representative group of specific examples of these general statements -- in the areas of air defense, the Soviet navy, the SA-5, ICBM deployment, and MIRVs -- without trying to cover all major judgments.

13. *Judgment on an Existing Operational Capability:* NIE 11-3-67 estimated the Soviet air defense system then to have "generally no capability against low-altitude penetrations below but also estimated that the Soviets would exert major efforts to meet their requirement for lower altitude capability. The deployment of new radars, SAMs, and aircraft predicted in 1967 has improved the situation somewhat and although "Soviet capabilities

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against aircraft penetrating at altitudes below

[redacted]
[redacted]
[redacted] (NIE 11-3-71)

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14. *Judgment on Mission and an Existing Capability.* In 1967 the mission and capabilities of the SA-5 were still in dispute. The NIE said "The mission of the Tallinn system is defense against the airborne threat, particularly against high performance aircraft and standoff weapons."

[redacted]

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15. In 1971 the intelligence community agreed "that the SA-5 system is not now used to provide ABM defense and is not well suited for such use." It further agreed that "there is ample evidence that currently deployed SAMs have not been modified to provide them

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with a ballistic missile defense capability" and that this is a "very unlikely Soviet course of action." But the NIE did agree that the SA-5 could have some limited capabilities against unscreened ballistic missiles with large radar cross sections in defense of a very small area around the SAM site.

16. *Judgments on General Future Developments.* NIE 11-14-67 concluded that "The Soviets are well on their way toward developing a large modern Navy as an instrument for the projection of national power...The Soviets are developing forces which, over the longer term, will significantly improve their ability to support their political interests in other parts of the world, but we doubt that they intend to develop a capability to engage in distant limited warfare with a major power." Soviet ship construction, command and control developments, training, and exercises have in the past five years rapidly increased the size and flexibility of the Soviet Navy. A greater number of ships have operated further from home, demonstrating a powerful presence in many sea areas of the world. But the Soviets have not in this time constructed the afloat air or logistic forces to permit them to support distant operations against major opposition.

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17. *Judgments on Specific Future Developments.* NIE 11-8-67, *Soviet Strategic Attack Forces*, had more specific "out on a limb" estimates than any of the other NIEs. It said the Soviets would have 1,000-1,300 ICBMs by mid-1972, giving as a rationale that they would wish at least rough equality with the US. We interpreted this general goal -- since confirmed by SALT -- to mean numbers equal to or slightly higher than US numbers.* That the Soviets have built more ICBMs than we estimated is now well known. The Soviets now have 1,407 ICBM launchers at regular ICBM complexes [redacted] (which are probably intended for use against peripheral targets) and [redacted] more under construction.

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18. Once we detect the prototype of a new weapon system, or the initial testing of one, we try to predict the time when it will first be introduced into the operational forces [redacted]

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[redacted] In some cases, however, the Soviets have met unforeseen problems and our predictions have been off by a year or so.

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- Estimates correctly predicted the initial operational capability (IOC) of the Soviet SS-13 ICBM and Y-class submarine two years in advance, and of the Flogger aircraft five years in advance

* *We thought the lower end of the range appropriate if the Soviets were to phase out the SS-7 and SS-8, but the high side if they did not.*

-- On the other hand, the IOC of Foxbat was two years later than we had estimated.

19. In other instances we have estimated that the Soviets could, or would, develop important new weapon systems on which we had little or no evidence at the time the judgment was made. NIE 11-8-67, for example, estimated that the Soviets *could* develop and deploy MIRVs on a new large liquid ICBM with greatly improved accuracy by as early as 1972 "if development were to be initiated in the very near future." While the NIE did not say such a development *would* take place, many interpreted it to mean this. For some reason the Soviets have not yet fielded a MIRV system. We do not know whether this is because they have not yet acquired the necessary technology, whether they have up to now not considered a MIRV system necessary, or whether they have encountered problems in the development stage. Our present judgment is that they will soon begin testing a MIRV system.

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C. The USSR and Its Confrontation with the US

20. The Soviet confrontation with the US, a central issue in 1967 as in other years, is covered in NIEs on a number of problems

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in different parts of the world. The Soviet response to possible US escalation in Vietnam has been addressed in Section A. And Soviet actions and policies in the Mediterranean and Middle East will provide the transition at the end of this section to the Arab-Israeli crisis.

21. NIE 11-7-67, *Soviet Foreign Policy*, (September 1967) was the principal estimative paper on the USSR for the year. It covered: (a) The Post-Khrushchev record; (b) Foreign Policy and the Leadership; and (c) Current Issues of Policy. The discussions under these headings emphasized Soviet setbacks, problems, and caution, and it could be said that they did so to a fault. Certainly the paper failed to anticipate the more vigorous Soviet foreign policy evident during the past couple of years. But the emphasis appears appropriate for 1967 and the judgments were generally sound for 1968 and 1969. And the NIE did anticipate the survival of the collective leadership, expect continued problems for the Soviets in Eastern Europe, suggest a forward Soviet detente policy in Western Europe, emphasize Moscow's likely desire to keep channels to Washington open, warn of continued trouble with China, and so on.

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22. The heavy Soviet presence in the Middle East and eastern Mediterranean was by 1967 a fact of international life, accepted even by those powers most anxious to limit or contest it. Its beginnings date back to 1955 and 1956, when, as NIE 11-4-56 put it, "A concurrence of developments... combined to provide the USSR an opportunity to inject its influence forcefully into the Middle East." Subsequent NIEs took much the same estimative path, warning of strong Soviet ambitions in the area, noting the opportunities available to the USSR, and cautioning that there are constraints on Soviet behavior.

23. The general judgments of NIE 11-6-67, *Soviet Strategy and Intentions in the Mediterranean Basin*, have passed the test of time. For example: "...Soviet policy is likely to find numerous opportunities in the Mediterranean and its adjacent areas in the years ahead", and "...local conflicts might occur in which the Soviets would wish to support their clients at some fairly high level of risk short of actual intervention". The estimate also correctly judged that the USSR would not run high risks of an East-West conflict for the sake of the Arab cause. SNIE 11-13-67 of 20 July assessed what the Russians were up to in rearming the Arab states. It correctly noted the likelihood of " a further

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influx of Soviet advisors,...(and) and increased Soviet military presence in Arab ports and military facilities."

24. SNIE 11-9-68 of 18 January accurately totted up the account, noting that USSR faced "both new problems and new opportunities" that the Arabs were more dependent on it, that resumption of hostilities would produce a dangerous and unpredictable situation, and that Soviet and Egyptian policies on many important issues would remain congruent. It also advised that Arab ports and airbases could be used and might even be run in part by Soviet advisory personnel. The estimate also said, "The Soviets will probably continue efforts to make the Mediterranean a less favorable environment for US naval forces....". They have.

25. Overall, the estimative record on projecting Soviet activity in this area has been good -- neither reassuring in terms of Soviet designs nor overly alarmist in terms of likely Soviet accomplishments. The papers did not foresee certain specific events of the kind which subsequently transform the attitudes and actions of the interested parties. The Arab-Israeli war of 1967 is a most important one; it not only led to a

transformation of the Russian-Egyptian relationship but also to a shift in US policy from something near even-handedness to much closer alignment with Israel. Another specific example is Israeli resort to air action which publicly exposed Egypt's weakness in the winter of 1969-1970 and resulted in the deployment of Soviet combat forces to Egypt. And though we have, for many years and in many instances, emphasized the force of nationalism in the Middle East and elsewhere as a constraint on the spread of Soviet influence, none of these estimates suggested -- and none could have foreseen -- the sudden and dramatic reversal received by the Soviets in Egypt since July 1972.

D. The Arab-Israeli Crisis

26. We published an estimate (NIE 30-67) on 13 April which addressed the possibility that a basic change might be occurring in the Arab-Israeli crisis. We noted that "Rivalries and disputes among the Arabs ...create some danger of precipitating crises from which large-scale Arab-Israeli hostilities could develop," and that "The Israelis ...would resort to force on a large-scale only if they felt their security endangered." Very true, but the estimate hardly conveyed to the reader that such a crisis would appear within two months. Moreover, the estimate concluded with the

pronouncement: "In any event, the threat of great power intervention has had a sobering effect upon proposals to resolve the problem by military force, and the chances are good that it will continue to do so". The crisis that led to the war, however, proceeded from a series of miscalculations which could hardly have been foreseen in the estimate.

27. On the other hand, the estimate was categoric and clear about Israel's military superiority over the Arab states. The Israelis "could best any one of their neighbors and probably all of them collectively."

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It has not been difficult over the years to be right on Israeli military superiority -- SNIE 30-3-67 of August said that Tel Aviv's margin of superiority was even greater than before the war -- but it has sometimes been hard to convince others in the Community and elsewhere in Washington that Israel could and would wallop the Arabs under virtually any conceivable circumstance.

28. The Office did a good deal of estimating and judging via memoranda during that crisis. A memorandum for the White House

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III. OTHER IMPORTANT TOPICS

A. *China*

29. The review of events connected with the Cultural Revolution looks fairly good in retrospect. The judgment that China's domestic situation would remain tense and inherently unstable so long as Mao remained in control seems justified by last year's purge of Lin Piao and company. Estimates on the succession have yet to be tested. But the scenario in NIE 13-7-67 would not be greatly altered if written today; although the purge of Lin Piao obviously changes the lineup. The estimate argued that Lin lacked the "political acumen" to survive the inevitable infighting, a judgment borne out earlier than expected. The main conclusion on internal prospects was that despite the divisive impact of the Cultural Revolution and the remote chance of a coup against Mao, the basic thrust was toward preservation of national unity -- a judgment not particularly startling now, but considered fairly bold at the time.

30. The major error in NIE 13-7-67 is the failure to allow for greater flexibility in Peking's foreign policy. Specifically,

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the estimate states that "so long as the Maoists retain control, Peking is unlikely to make any important changes in the general line of its foreign policy...unremitting hostility to the US and the USSR is likely to remain the predominant feature...". Some may argue as to whether Maoists are currently in charge, but in any case the currently improved US-Chinese relations are a consequence of interaction between Washington and Peking, and determining how much is due to China and how much to the US is not simple.

31. NIE 13-5-67 on the *Economic Outlook for Communist China* discussed the probable impact of the Cultural Revolution on the economy, saying that if turmoil continued, the economy "... seems likely to deteriorate somewhat, though probably not to the point of causing a sharp decline in industrial production, widespread unemployment, or acute food shortages". Turmoil hit its peak in 1967 and slowly subsided through 1968 into 1969; further substantial deterioration in the economy did not occur thereafter. The estimate correctly concluded that another "leap forward" which was expected at the time by several knowledgeable analysts, was *not* likely. The estimate also pointed out accurately that the high priority for the weapons program would be maintained.

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32. In NIE 13-3-67, *Communist China's Military Policy and Its General Purpose and Air Defense Forces*, the judgment that "whatever the outcome of the current [1967] political crisis, any Chinese leadership will probably continue to work towards a dominant position in Asia and a great power status on the world scene" is one of those generalities that could hardly be expected to have gone wrong. It is just as true today as 5 years ago.

33. The same NIE said, "The present outlook is for a gradual but general increase in the capabilities of the forces as the process of modernization goes forward over the next few years." But "the limitations and demands on China's economic and technical capabilities are such that conventional forces will remain deficient in modern equipment at least into the 1970s".

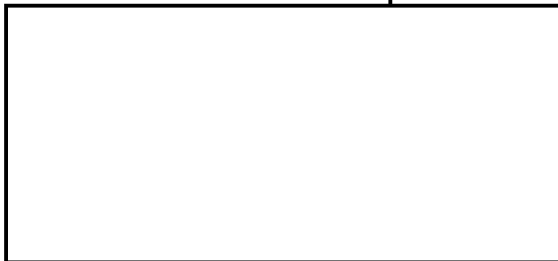
34. As in the case of Soviet military papers, a few estimates overshot the mark and few fell short in the matter of timing of IOC of weapons. NIE 13.8-67 estimated a Chinese ICBM "in the early 1970s, possibly as early as 1970-1971 but probably later". We now estimate mid-1970s.

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B. *Korea*

35. SNIE 14.2-67, published in September, was our first estimative response to the North Korean shift to violent tactics against South Korea. With little intramural fighting, the estimators agreed that the North's actions did *not* indicate an intention to invade the South or to escalate toward other forms of major military action.



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The estimate was also on the mark in downgrading the possibilities for a communist-led guerrilla movement in the South.

36. The same NIE warned of "miscalculations" by the aggressive North Koreans which might indeed lead to serious fighting with the South, though it saw such acts chiefly in the context of some interchange along the DMZ. In January 1968, of course, the Blue House/pueblo crisis erupted. A February 1968 "Memo to Holders" reaffirmed our belief that Pyongyang wanted no war and would

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not "deliberately provoke" it, but underlined the obviously increased perils of "miscalculation". A year later, we had the EC-121 shootdown, and further cause for concern; but since then relative quiet has prevailed in Korea.

C. *Latin America*

37. The most ambitious Latin American estimate in 1967 was NIE 80/90-67, *Economic Trends and Prospects in Latin America*. This was the first estimative treatment of economic developments in Latin America as a whole. The main judgment of the estimate was that economic prospects for the region were not good. While this assessment was not welcomed by some policy makers who were trying to make the Alliance for Progress a success, subsequent developments in Latin America have borne out the correctness of the judgment.

38. During 1967 much effort went into the preparation of NIE 80/90-68, *The Potential for Revolution in Latin America*, which was completed in March of 1968. Its major judgments were: (1) that the revolutionary potential for guerrilla insurgencies was quite limited; (2) that revolutionary forces were shifting to the cities; (3) that nationalism was a stronger motivating

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force than ideology; and (4) that the government to be elected in Chile in 1970 might follow revolutionary policies. All of these points look good in retrospect.

39. NIE 84-67 addressed the prospects for the Canal Treaties and correctly indicated that they were in trouble. It also estimated that the Panamanian traditional elite would be hard-pressed to maintain their dominance of Panamanian politics. In retrospect, one wished that the judgments could have been more sharply put, but the message was there and the reader was furnished a rough guide to the future.

D. *Yugoslavia*

40. NIE 15-67, *The Yugoslav Experiment*, 13 April 1967. This was a good paper -- its judgments were perceptive and were convincingly conveyed. It addressed the right issues -- the nationalities problem, the direction of the various economic and political programs, the country's likely international position, and possible developments in the post-Tito period -- and drew the appropriate conclusions. To be sure, were we rewriting the estimate today, we would not make all our judgments in exactly the same way. There would be differences in emphasis, for example, in our treatment of the

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course of Yugoslav development after Tito. The 1967 paper was somewhat more optimistic about the chances of federal survival than we would be today; our current view gives greater stress to the chances of internal tension and conflict in post-Tito Yugoslavia. But we still hold the view that Yugoslavia will survive intact.

E. Africa

41. The major event in Africa in 1967 was the outbreak of civil war in Nigeria. ONE produced a Memo for the Director in mid-June which assessed the deterioration of Nigerian unity, and stated that war between the Federal Government and Eastern Nigeria was imminent. The war began in the first few days of July. We correctly evaluated the effectiveness of the combatants, in suitably negative terms. We erred, however, in assessing the probable length of the war. We thought it would be over in a short time, basing our judgment on the ineptness of the armies, logistic problems, and the general African tendency either to patch up a seemingly irreconcilable quarrel or to lose interest fairly quickly in the whole thing. We did not pick a winner since neither side presented many winning qualities. In actual fact, the war lasted until early 1970.

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42. In an estimate on the Nigerian War, issued in May 1968, the Conclusions begin with: "The Federal Military Governments' forces clearly hold the upper hand...and a military victory for Biafra seems highly unlikely." Not all of the judgments in the 1968 estimate were accurate, but it has always been hard to coordinate Nigerian estimates.

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43. Two other African estimates of 1967, in retrospect pretty routine, addressed topics which at that time were controversial. NIE 73-67, *South Africa*, and NIE 70-1-67, *Liberation Movements*, came to the conclusions that white rule in southern Africa was likely to prevail for quite some time, and that the black African insurgencies would not accomplish much.

F. *South Asia*

44. Two estimates, SNIE 31/32-67, *The Indo-Pakistani Arms Race and Its Economic Implications*, and NIE 31-67, *India's Domestic Prospects*, reflect the very different situation -- and the very

different US policy -- of the time. The former was requested as an input to a policy proposal that the US get India and Pakistan to agree to mutual reduction of forces. The estimate's judgment that the proposed cuts would have only a nominal economic impact was a conclusion which certain policy makers disliked. The military forces of the time were accurately described and future force projections were on target. The estimate also said that India could beat Pakistan and that, with increasing domestic arms production and Soviet military aid, the former's margin of superiority would increase.

45. NIE 31-67 was less satisfactory. The economic analysis was flawed by over-emphasis on India's balance of payments problems and consequent need for larger amounts of foreign aid. Coming after two bad agricultural years in India, it did not foresee the rapid rise in wheat production of the 1969-1971 period, which gave India 110 million tons of food grains in the latter year, and hence it underestimated overall growth prospects. The political section was an accurate prognosis, in general terms, of the 1967-1969 period. Written before Mrs. Gandhi began to show her political muscle, it didn't predict her ultimate triumph. It is doubtful that even she thought then that she could dominate India to the extent that she does today.

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IV. REFLECTIONS ON THE RECORD

46. This review has been confined to one year, but it was a fairly representative year, and ought to permit some useful reflections on the capabilities of the estimating process and on systemic strengths and limitations of the art. It serves little purpose to say the record is good, bad or indifferent, or to give it a grade, as Stewart Alsop once did in an article on intelligence estimates (B or even B+). This kind of shorthand label really has no meaning, and depends entirely on selection of criteria. The real question is, good, bad or indifferent in relation to what?

47. Some will argue that the occurrence of any important international event -- or even unimportant ones -- not clearly predicted in so many words in a recent NIE adds up to an estimative failure. This is to expect too much. The art of estimating has improved over the years, but there has been no breakthrough into prophetic revelation. History is not foreordained or immune from accident, the interaction of leaders' whims and the occasional long shot. Many important features of today's scene would have appeared quite improbable five or ten years ago, and could have been predicted only by wildly lucky guesses.

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48. At the other extreme is the view that an estimate must be judged correct if some general language in it can be reasonably interpreted to "cover" an event or series of events that subsequently occur. This approach can easily turn into talmudic justification of little interest to anyone but the author of the language in question. Between these extremes, a serious inquiry into the quality and relevance of the estimative record must take into account a number of matters including selection of subject, what should have been addressed that was not, what emphases were misplaced, what prevailing prejudices affected the estimates either directly or in terms of impelling the estimators to argue against some widespread attitude deemed fallacious, etc.

49. This last consideration involves a perennial problem. The goal, of course, is to make estimates -- in scope, emphasis and substance -- strictly objective pieces, not only purveying our best judgments without fear or favor but also giving right and proper treatment in terms of emphasis, of the questions asked. In the real world, one is often tempted to "estimate against" something; that is, to dwell with more or with less emphasis on some aspect of a question because, in the prevailing climate, one is aware that this particular aspect is a matter of widely-held misconceptions or of particular bureaucratic conflicts which

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suggest that if the message is to be got across, some adjustment in emphasis is the only way to do it; it will otherwise be lost. This fact of life can affect not only what we say but what subjects are addressed. The only sound principle must remain that of objectivity, of faithfully reflecting reality as we see it. But in assessing the record, one must keep in mind the context within which estimates were prepared at any given time, since this will sometimes explain why particular problems were addressed rather than others, and why they were treated in particular ways.

50. Despite the essential distinction between estimating and prophecy, it remains true that insights into the future *are* what people mainly want and expect from estimates, and what they are most often retrospectively judged on. In judging them, one ought to employ realistic criteria about what can reasonably be expected. Estimates do not and cannot serve very well as vehicles for precise prediction of specific events, sudden or dramatic occurrences which, almost by definition, involve the unexpected and the unusual. The exact nature and especially the timing of such occurrences are too subject to accident, coincidence and other uncertainties. We have sometimes done reasonably well in allowing for these possibilities -- particularly when they loomed in advance as contingencies which would have important effects.

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More often we have not, and the moral is that estimates can be no substitute for daily attention to current reporting. The two forms of intelligence must be used together.

51. As an office, it is part of our job to keep the important estimates under constant review in the light of new events and intelligence. We do so formally in connection with the quarterly scheduling process, informally in a variety of daily ways. Sometimes we propose an estimate to supplement or supplant one which has been dated; often we schedule a less formal memorandum to assess a new development in relation to judgments in standing estimates. In recent years we have been doing the latter more frequently and systematically than was once the practice.

52. By and large in 1967, we addressed the right issues in national estimates or memoranda-- but not all of them. It should, of course, be noted that sometimes the community omits doing NIE's, not because an important matter is overlooked or underappreciated, but because it was so much covered elsewhere or there is such wide agreement that an NIE would have added little. A retrospective review will always suggest some subjects that, if they had been done, would make the record look more complete but would at the time have been considered by all a waste of time and effort.

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53. If it is not fair to judge an estimate by success or failure in predictions of discrete events, it is certainly legitimate to ask whether it identified and interpreted the major forces at work in a situation. If it failed to do this, it is a poor job by any standards. A review of 1967 does not turn up any serious deficiencies on this score, and it is probably fair to say that if some hypothetical policy maker had relied on the body of estimative literature of that year, supplemented by current reporting, he would not have gone far wrong in any important respects.



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we decided after long and detailed debate on the merits, that the paper should reflect disagreement and show clearly why. This approach has been used quite frequently in the major military estimates, and all testimony is that consumers find it helpful. The important thing, as we see it, is to use the technique sparingly, confining it to important issues on which there is legitimate room for uncertainty and disagreement, and to make sure that the conflicting arguments face each other responsively.

55. Another way in which we have moved toward leveling with the reader in recent years is to pay more attention to identifying our uncertainties, and not just when they involve dissents by one or more agencies. We have all been sufficiently impressed with the limits on our ability to foresee the future, so that increasingly national estimates address alternate lines of development, even where this involves exploring the short end of the odds. We still feel obligation, where possible, to delineate the most probable case, but it has been customary in recent years to follow this up by acknowledging that things could go in different ways and to suggest, so far as we can, not only what different ways but what factors or contingencies, sometimes including possible US actions, might make the difference between alternatives -- (This

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is known in modern social science as isolating the variables and is highly approved). In fact, it rests on a decent appreciation of the dynamic and often chancy qualities that shape history and on the fact that intelligence coverage of most problems no matter how good, is seldom complete and the gaps may prove important determinants in the event. This approach is more realistic and intellectually defensible than static prediction -- though often harder to do -- and it is, or ought to be, more useful to the serious user of estimates. Estimates are, after all, not essays in academic speculation but hopefully aids to appreciating a problem and what may or may not be done about it.

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MEMORANDUM FOR: The Director

You may recall that at the annual planning conference, in connection with a discussion of ways to evaluate performance, you asked that we undertake a retrospective assessment of our production of five years ago. This paper is the result. For those of us regularly seized of the problems of estimating, such an exercise has modest utility, since we are only too well aware of our successes and failures and the limitations of our craft. But the paper may give you a better feel for where we were then and where we think we are now.

John Huizenga

17 August 1972

(DATE)

*w/cy #1 to DCI
(Rtn + master file cy)*

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

*Cy #2 - Follow on file (Attached)
Cy #3 - To Colby for DCI Schlesinger - 12 Jan 73
Cy #4 to DDCI w/photo of DCI backslip
#5 to Colby*

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