

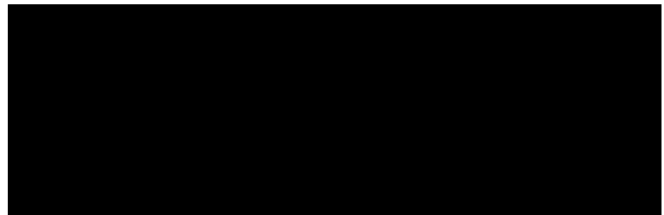
22 July 1963

Dear Mr. McCone:

I enclose the report of the committee of consultants which you appointed to examine the estimative process in the light of the Cuban experience and to make recommendations for improving it.

Sincerely yours,

STATINTL



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INTRODUCTION

STATINTL 1. On 17 May, 1963, the Director of Central Intelligence asked

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[REDACTED] and Col. George Lincoln of the U. S. Military Academy to examine the estimative process in the light of the Cuban experience, and to make recommendations for improving it.

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[REDACTED] received a form of consultant's contract not compatible with his other commitments and this mistake was not corrected in time to make it possible for him to serve on the committee. The other three members of the committee met for three days (8, 9, and 10 July 1963), in the office of ONE, exchanged draft proposals during the next week, and met again on 18 July to discuss the final form of their report.

2. It is obvious that no thorough investigation of the estimative process could be made in this brief period. A number of estimates dealing with Cuba and the USSR were read, two development files were studied, and a few members (or former members) of ONE were interviewed. As consultants, the members of the committee have read, over the past few years, a number of estimates, both in final and in draft form.

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In addition, [REDACTED] was a member of the Board of National Estimates from July 1953 to September 1954. Nevertheless, none of us feels that he is in any position to make emphatic and final judgments about existing estimative procedures.

3. Two of the committee believe that a study in depth of the estimative process by a small group of informed outsiders (not ourselves, we hasten to add) might yield valuable results. Such a study would require access to all constituents of the intelligence community and knowledge of personnel as well as procedures. It would take several weeks, if not months. For these reasons the third member of the committee believes the project is not feasible, and he doubts that it would be useful.

4. The discussion and suggestions which follow are only opinions offered by partially informed outsiders. Perhaps we are fairly typical consumers, and our report might be taken as representing the reactions of some consumers to estimates. But we should emphasize that we have not studied the problem in depth, and that therefore many of our suggestions may be superfluous, impractical, or just wrong-headed. We should also emphasize that our suggestions deal almost entirely with details of procedure, and that even the best procedure will not guarantee good estimates. The essential thing is to find and retain men who have wide knowledge, broad vision and good judgment. As long as the intelligence community has such men it will do a good job, whatever its procedures.

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COL. GEORGE LINCOLN

CHAIRMAN

RECOMMENDATIONS

The best way to remedy any deficiencies which occur in the estimative process is to have full and careful discussion of each problem. In theory the present machinery should ensure such a discussion. In practice, we believe that there are some obstacles and we offer the following suggestions as means of reducing or removing these obstacles.

1) Cut down the number of coordinated papers.

Men who have too much to do in too short a time may not see all possibilities or sense the full impact of changed conditions. Pressure to meet deadlines forces limitation of discussion. Effort devoted to trivial papers means less time and energy for major problems. It would require more knowledge that we possess to determine what papers should be eliminated, but we suspect that many "country papers" fall in this category. We also suspect that requests for coordinated papers are made, and accepted, too easily. But in any case, there is overloading and it has bad results.

(Note that we do not recommend any increase in personnel. The number of people now involved in the estimative process is about as large as can be used efficiently. More people would simply mean more specialization and more meetings. What is needed is the

overall view and time in which too develop it and discuss it. This can be done only by a small group of carefully selected men).

2) Make sure that there are always men with a wide variety of views and experience on the Board of National Estimates. The present distribution of membership on the Board seems well designed to achieve this end. As we understand it, it includes a core of men with long experience in intelligence, other men who have worked in the foreign or armed services, and a younger group who will move on to other positions after a few years on the Board. We suggest that it might be helpful when there are vacancies to add two or three rotating members who would serve for only a year or so. These men could be borrowed from other branches of the government or from universities. If properly selected, they could contribute new ideas and encourage re-examination of accepted formulae.

3) Make sure that diverse opinions of other members of the community are fully represented in contributions and coordination meetings. Here our knowledge is limited and our recommendations are only tentative. We believe that

that the problem of overloading is even more serious outside CIA than inside. Some representatives apparently have little time to inform themselves or to think about the problems which they are supposed to discuss. We are also uneasy about the tendency to concentrate military contributions in the DIA. There are often sharp differences of opinion among the armed services. Expression of these differences can be very helpful in forming sound judgments.

4) Call in a small group of consultants when difficult problems are to be discussed. We advance this idea with some hesitation and we realize that it might cause more trouble than it was worth. But it might be a way of getting new points of view and of avoiding blind spots. Two or three consultants would probably have a greater impact than a single outsider who might hesitate to contradict the insiders.

5) Indicate in some way when earlier estimates are being quoted or paraphrased. There are many ways of doing this (footnotes, quotation marks, etc.) and any one would be satisfactory. But attention should be called to repetitions, in the hope that this would lead to re-examination of accepted positions.

6) Be somewhat bolder in estimating the impact of U. S. policy and attitudes on the rest of the world. This is a difficult and dangerous task because it can lead to implied criticisms of U. S. policy. But it seems to us that failure to do this is one reason why preconceived ideas (which are still correct) sometimes cause faulty estimates. To be specific: if the Kremlin in the early months of 1962 had reason to think that the posture and resolution of the U. S. were weak, then it should obviously have estimated that the risks of the Cuban adventure were not unduly high. Thus the accepted doctrine that the USSR would avoid grave risks was probably correct; the error was caused by the failure to estimate that the Kremlin estimate of U. S. policy had changed.

7) Make more information about attitudes and methods of foreign intelligence organizations available to estimators. We believe, for example, that the Kremlin attaches more importance to certain kinds of evidence, and less to others, than the U. S. intelligence community would do. We suspect that what information has been acquired about Soviet intelligence procedures is not very widely disseminated. But if the Kremlin does use a peculiar scale

in weighing evidence and if this is not generally known, then the result is bound to be a faulty estimate. One reason for inadequate estimates on Cuba in 1962 was that the intelligence community, as a whole, believed that Soviet leaders must realize how dangerous the introduction of IRBM's and MRBM's would be. Better knowledge of Soviet intelligence procedures might have made it possible to suggest that the Kremlin was undervaluing the evidence which should have led it to this conclusion.

8) Keep a constant watch for signs that a mutation in an existing pattern is about to take place. This is probably a superfluous and useless recommendation. Certainly everyone is on the look-out for such signs and it is much easier to identify them in retrospect than at the moment when they occur. Existing patterns can accommodate themselves to a large number of new ingredients and gradual changes bring about only gradual shifts in policy. But there are some new ingredients so large or so sharp that they may break the old pattern and it is not entirely impossible to identify these. Again to be specific, in 1962 the unprecedented situation in Cuba and the Sino-Soviet dispute were probably such ingredients.

9) Make a few validity studies in depth. At present, validity studies usually involve only a comparison between a new estimate and the immediately preceding estimate on the same topic. Often there has not been enough change in the interval between the two papers to reveal error^s or biases. Our experience in studying the Cuban series of estimates leads us to believe that there would be some value in making, from time to time, a validity study of a whole group of related papers. This might expose persistent biases, rigidities, and inconsistencies. We know that one such study of a group of Soviet estimates was made some years ago. We suggest that more exercises of this sort would be useful, but with *the* caveat that if they became too frequent (say more than one or two a year) their value would sharply decrease. We also suggest that some of these studies be made by consultants, both to reduce the burden on the ONE Staff and to ensure a fresh point of view.

Next to the problem of full discussion comes the problem of communication. It seems to be fairly well agreed that estimates often leave less impact than they should, and that important ideas are missed by hasty readers. Nothing can be done to change the fact that everyone

in government has too much to read and that hasty readers will always miss significant points. No one style or form of presentation will be equally effective with all readers. But perhaps something can be done to make it easier for most consumers to read estimates with more understanding.

1) Put key sentences at the beginning of each section of the estimate, e. g. "We believe that the food problem in Cuba is (is not) causing unrest." Reasons for the statement should follow. At present many important statements are made only after a long list of pro's and con's and thus lose their full impact. Conclusions, as now written, do not always remedy this fault. Perhaps a string of key sentences at the beginning of a estimate would be better.

2) Call attention to possible courses of action which might have serious consequences, even if the estimate is that they are highly unlikely. Too many readers think that "probably not" equals "never," or that "the possibility cannot be excluded" actually means that it is excluded. Positive rather than negative formulae would help, but we must confess that we are not very good at devising them. Perhaps a phrase such as "there is at least a twenty per

cent chance that" approaches what we need. And perhaps a little more argumentation showing the advantages which might result from the adoption of unlikely courses of action would make the consumer take them more seriously.

3) Emphasize new ideas or facts. Well informed readers find much that is familiar in estimates, especially in the larger estimates. This lulls them into missing useful new material.* Perhaps some typographical device (e. g. side-lining) could be used to indicate places where significant new ideas and facts are introduced. Or perhaps more of the historical and purely descriptive material could be put in annexes.

4) Make sure that the consumer is reminded of key items in other estimates. This is probably an

*For example, there was a very important change in the Cuban estimate of 19 September, 1962 (SNIE 85-3-62). Up to that time, all estimates and memoranda had asserted that the USSR had little to gain by placing MRBM's or IRBM's in Cuba. SNIE 85-3-62, on the contrary, pointed out that the Kremlin might see decided advantages in such a deployment. But no emphasis was put on the fact that this was a changed estimate and we suspect that few readers noticed the shift. One of our group, reading the Cuban estimates seriatim (which few consumers ever have time to do) still failed to observe the fact that there had been a change on this highly significant point.

unnecessary caution, but there is some danger that drafters of an estimate will assume that consumers remember related estimates as well as they do. For example, in SNIE 85-3-62 a little more emphasis might have been placed on the fact that the estimate of the number of operational Soviet ICBM's had recently been sharply reduced.

ANNEX A

"Preconceived Notions"

In response to one of the requests put before us, we have examined ^{the} ██████ estimates on Cuba from January 8 to September 19, 1962. It is generally acknowledged that there was a failure of intelligence, in the sense that ^{USIB} ██████ did not warn the government that the Soviets might be planning to place offensive ballistic missiles in Cuba, and indeed suggested that such a decision was unlikely, though not impossible. This failure has been widely attributed to the presence of "preconceived notions" which prevented ONE, and in fact the entire intelligence community from making a proper judgment. We therefore find it useful to make some observations on the function, utility and drawbacks of such preconceived notions. To do so is in fact indispensable to any search for remedies designed to minimize these drawbacks.

In dealing with a major country, intelligence officers approach their task with a set of expectations of likely patterns of behavior. This is especially true in the case of the Soviet Union, the most frequent target of intelligence. This set of expectations, sometimes called preconceived notions, is based on a professional knowledge of political structures, processes and personalities in the country concerned. It is the distillate of years of experience and has been tested by, and refined through, repeated intelligence estimates. It must be understood

that the formulation of such a set of expectations about a country's likely patterns of behavior is both inevitable and indispensable. It is inevitable that, in doing their job, professionals will, more or less deliberately, build up the set. It is indispensable because the set is a most valuable tool in producing timely, coherent, articulate and, on a probability basis, accurate intelligence. If no pattern can be established, then prediction is almost impossible, and significant variations can be demonstrated only by comparison with an already accepted norm.

Nevertheless, these sets of expectations have their limitations and drawbacks. The history of intelligence is full of instances in which an opponent achieved surprise by adopting a course of action that seemed unlikely in view of the set of expectations dominant among intelligence officers. The Japanese attack in Pearl Harbor is one of the most conspicuous examples. We are not concerned here with what may be called "technical surprise." A "technical surprise" is not incompatible with the prevalent set of expectations. The surprise occurs because the opponent was successful in concealing a particular capability or in keeping a particular course of action secret. We are concerned with an opponent's behavior that surprises because it is incompatible, or seems to be incompatible, with our prevalent set of expectations. There are three possible causes of this type of surprise.

First, the opponent's basic pattern of behavior may change as a result of changes in leadership or various other important conditions,

and our set of expectations may not register this change quickly and correctly. Our set, in other words, is out-of-date. Intelligence professionals must obviously be on the alert for such changes and, generally, take care that their working set of expectations does not become obsolete, stale or unduly rigid.

Second, the opponent may act irrationally. Irrational behavior is, of course, very difficult, if not impossible to predict. It may take all sorts of directions that make no sense to the rational mind. Only if a country's leadership has a record of frequent lapses into irrationality will this observed fact become incorporated into our set of expectations. But even then the estimate of future behavior will be extremely difficult.

Third, the opponent may adopt a course of action that seems to us to be in conflict with our set of expectations, but actually is not. A set of expectations is based on the attitudes and predispositions that, we have learned, strongly affect the opponent's behavior. The important point to note is that attitudes, though they shape behavior, do not determine it. Behavior also depends upon the information which the opponent possesses. It is this information which brings his attitudes into play and which gives him a basis for calculating the advantages and disadvantages of a course of action. Hence, we may go wrong in an estimate, not because our set of expectations is faulty, but because we assume that the opponent acts on approximately the same information that we have. Clearly, to minimize

this source of possible intelligence failure, we require not only a good set of expectations but also some idea of the information that the opponent uses in his cost-gains calculus.

We do not think that the failure of the intelligence community to predict the Soviet deployment of medium range missiles resulted essentially from its set of "preconceived notions" about the Soviet Union. In our opinion, the community's set of expectations was, at that time at least, sophisticated and realistic. According to the set, the Soviet Union was considered unlikely to depart from its cautious behavior in the military field or to undertake actions involving a high risk of war with the United States. That this expectation about Soviet behavior was basically correct was, after all, confirmed by the great caution with which Kruchshev acted when the missile crisis broke in October. HCP

Nor do we believe, as some experts have suggested, that the Soviet decision was largely irrational. It is true that the Berlin statement, Chinese criticism, and possible differences of opinion within the Soviet leadership had put Khrushchev under some ^{pressure} to score a success in foreign policy. It is also true that during the last year he has seemed somewhat less sure of himself than before and has abruptly reversed himself on several issues. But while he and other members of the top leadership may have been perplexed by current difficulties there is no evidence to suggest that they became reckless gamblers. At the most, they may have been a little more willing to take a chance than

they would have been under other circumstances. And a strong case can be made for arguing that Soviet behavior was entirely compatible with rational decision-making.

We believe that more important factors in the Soviet decision were inadequate information and, resulting from this, an erroneous assessment of the situation. They did not have the fund of information about the mood and temper of the US government and people which the intelligence community thought they must possess. They saw the balance of advantages and disadvantages differently from the way Washington officials thought they should see it. It is in this area that the intelligence community failed although we defer for the moment the question of the extent to which the community can be held accountable for the failure.

It is fairly clear in retrospect that the intelligence community both underestimated the gains that Moscow believed it could derive from introducing offensive missiles in Cuba and overestimated the risks which the Kremlin thought it ran in adopting this course of action. In reading the various estimates seriatim, we were struck by the fact that, although the question of the deployment in Cuba of Soviet medium-range missiles was raised in a Memorandum to the Director of January 8, 1962, it was concluded repeatedly until early September that the Soviet Union could not thereby add substantially to its strategic capabilities. The reason given was that targets in the United States capable of being reached by medium-range missiles from Cuba were already covered by ICBM's

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deployed on Soviet territory. Only on September 6 were doubts raised about this conclusion. The Special NIE of September 19, conceded that Soviet planners might see some advantage in deploying IRBM's and MRBM's in Cuba in order to supplement the limited number of ICBM's believed to be operational in the Soviet Union. The delay in coming to this conclusion is surprising in view of the fact that it had been estimated several months earlier that the USSR had only a small number of operational ICBM's. In this situation one obvious way for the Soviet Union to supplement its small force of ICBM's was to deploy a proportion of its large supply of medium-range missiles within appropriate striking distance of the United States. We are not, in fact, sure that such a deployment constituted, objectively, a substantial improvement of their strategic position, though Soviet planners, of course, may well have thought so. We are sure, however, that the Soviet Union would have gained enormously in prestige and, indirectly, greatly in the military balance of power and deterrence, if it had succeeded in installing "offensive" missiles in Cuba and maintaining them there. Soviet leaders, like all rational leaders, must be expected to accept a higher level of risk for great gains than for small gains. We note that this was not acknowledged in the estimates we examined.

Even when it was admitted that the Soviet Union might secure possible strategic advantages by employing IRBM's and MRBM's in Cuba (NIE 85-3-62, September 19, 1962), the conclusion remained that the Soviets were unlikely to do so because the risks would be too great

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and acceptance of so great a risk would represent a sharp departure from Soviet practice. This was the crucial view that prevented assigning any high degree of probability to the course of action that the USSR pursued. However, this view was justified only if the Kremlin assessed the risk factor approximately as it was assessed in Washington. The intelligence community thought that the risk was very high. It knew it to be so. Yet it is fairly clear in retrospect that the Soviet leaders did not share this knowledge, that they assessed the risk at a lower level and that, given this assessment, their deployment of "offensive" missiles in Cuba, did not seem unduly risky to them. In that case, their action did not, as they saw it, constitute a sharp departure from their normally cautious military behavior.

The extent to which the intelligence community can be held accountable for neglecting the possible gap between their information and our information is not clear to us. Such gaps are a possible source of intelligence failure to which the professional should be alert. In retrospect it would certainly have been better if the possibility of this gap, and its possible implications, had been acknowledged in the estimates. If it had been, it might have qualified the impact of an erroneous conclusion.

On the other hand, it is patently very difficult for our intelligence services to have sufficient knowledge of Soviet intelligence to ascertain or predict intelligence failures in the Soviet Union. Moreover, there

is reason to believe that much of the intelligence community, including ONE, is not provided with such knowledge of Soviet intelligence activities, and their organization as is available to a part of the community. Yet this is the kind of knowledge which would have been required for a correct prediction of the Soviet move in Cuba.

Moreover, the intelligence officer is also handicapped in speculating about national differences in estimating the risk of particular courses of action as long as he may not take relevant United States policies fully into account, and have adequate information about these policies and their implementation to the extent that they are known, or must be assumed to be known, to the Soviet Union.

However, even if these handicaps were removed, or at least appreciably diminished, the consumer of intelligence would be wrong to expect the intelligence community to be able in all cases to obtain sufficient information on the opponent's estimates of the advantages and disadvantages of contemplated courses of action. For this reason alone, and not necessarily as a result of "preconceived notions," the best intelligence service cannot help failing from time to time. It would be unfair and utterly unrealistic, in our opinion, to expect otherwise.

On the other hand, the inevitability of occasional failure does not justify either complacency or resignation. No organization stays at the same level of performance over a long time -- if only because

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of changes in personnel -- and there may always be room for improve-
ment. There are good reasons for reviewing institutional practices
from time to time with a view of raising the batting average by a few
per cent.

ANNEX B

Rejected Proposals

We have considered, and have rejected as impractical, the following proposals.

1) "Devil's advocates", professional dissenters, etc.

We hope that the intelligence community will always include tough-minded, skeptical individuals who will advance unpopular ideas and who will query accepted doctrine. But any attempt to institutionalize this function would be self-defeating. No one can be skeptical all the time and the views of a man who was being paid to act as a professional dissenter would not carry great weight.

2) Dual or multiple estimates. For example, one group might make an estimate from the Soviet point of view while another estimated the same problem from the US point of view. The difficulty here is what to do in case of disagreement. Either some higher group would reach a final decision, in which case we would be back where we started, or the consumer would make a final estimate, in which case the community would have abdicated its responsibility. Moreover, there is certain artificiality about this procedure which would probably erode its value very quickly.

3) Make less effort to reach agreed language in estimates, and encourage dissents. It is possible that under pressure of time some dissents which might have been helpful are never made. But while a few footnotes are useful in alerting the consumer to the difficulties of a problem a steady diet of footnotes would blunt his attention. If there were too many points on which agreement could not be reached the consumer would have to make his own estimate and the community would again have abdicated its responsibility. In short, dissents on minor points should not be encouraged, and it seems unlikely that dissents on major points are, or could be suppressed. We note that in the Cuban estimates of 1962 (and in others which we can remember) the worst mistakes were not caused by suppressing disagreements or by watering down correct judgments in order to obtain an agreed text. They were caused by mistaken judgments which were held almost unanimously throughout the intelligence community.

4) Make more effort to keep estimates up-to-date by issuing frequent revisions. Carried to an extreme, this would obviously lead to a confusion between estimates and current intelligence. Even a moderate increase in the number of revisions would probably do more harm than good by forcing estimators to concentrate on minor fluctuations in policy rather

than on longer-range problems. When an estimate has been overtaken by events nothing can be gained by issuing a hasty revision which simply says that the preceding estimate was wrong. When a situation has gone operational revision of earlier estimates should wait until there are some firm indications of new policies and courses of action. At this point current intelligence will give policy-makers the flow of information which they require. To refer once more to our case study, we doubt that more frequent revisions of the basic estimates on Cuba between 1 August and 19 September, 1962 would have changed the opinions held by the intelligence community in any important way.