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The Director of Central Intelligence

Washington, D. C. 20505

82-12606/2

02 NOV 1982

Honorable Leo Cherne  
President's Foreign Intelligence Advisory Board  
The White House

Dear Leo:

Thank you very much for your prompt and thoughtful comments on our draft paper, "The Crisis in International Finance." We have since made quite a few changes in the paper, but the main message remains the same. A copy of the finished paper is attached.

Like you, we consider this paper to be only a first step in alerting policy officials as to the problems, risks, and contingencies in international finance. CIA and other elements of the Intelligence Community have a role to play in providing early warning of developments that could do serious harm to international financial structures and to US interests generally. We should be especially concerned about possible developments which conventional wisdom does not consider highly likely, but would have serious consequences if they occurred. Effective warning along these lines will require both an analytical and a collection effort in the Community as well as close cooperation with Treasury, the Federal Reserve, and the private sector.

[redacted] National Intelligence Officer for Economics, is in the process of developing a warning mechanism on global economic issues. Warning on financial issues is going to be at the top of the list; other issues may include energy, key commodities, and aspects of international trade. He will be in touch with you to discuss this matter and we would very much appreciate your assistance and guidance.

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Yours,

**7s/ William J. Casey**

William J. Casey

Attachment,  
As stated

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