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26 DEC 1979

MEMORANDUM FOR: Deputy Director for Administration
Director, National Foreign Assessment Center
Deputy Director for Operations
Deputy Director for Science and Technology
Administrative Officer, DCI

FROM : Deputy Director of Central Intelligence

SUBJECT : The 1982 CIA Program (U)

1. As I look ahead to 1982, I think it is important to build on what we have achieved and learned during the 1981 budget process. Following a decade-long decline in our resources and the prospect of major costs for the Community collection systems, we went into 1981 in a defensive posture. The DCI argued effectively for both continued improvement in the Community's technical collection systems and adequate resources for analysis and human source collection. As a result, CIA got about 1 percent real growth in 1981. I think we ought to do better in 1982. But the burden quite properly rests on us to document our needs and demonstrate that our programs will result in better intelligence for the country in the 1980s. (S)

2. Against the background of turbulence in many parts of the world and particularly recent events in Iran, the call for more and better intelligence has become more insistent. One message is clear: the country and the policymakers want "no more surprises." This is by no means a new or fresh demand, but the fragility of the international system and America's increased vulnerability add a new dimension and urgency to the policymakers' call. It is our job to meet this call by defining the concrete objectives we should achieve over the next few years and by detailing the actions required to attain them. I will give you my perspective on where our emphasis for 1982 should be, but I look to you to translate this into specific, well focused programs. (C)

3. The CIA human source collection program must be strengthened in 1982. I am well aware that many of the most important things we do to respond to changing intelligence needs are not dependent on additional resources. But I am also convinced that we cannot shortchange our investments in people and technology if our human source collection program is to develop as it should in the coming years. We will need

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new technology to improve both the security and productivity of our agents and case officers in an increasingly harsh overseas environment. I will want to pay particular attention to the match up between the needs and availability of agent gear, and to the development of the CRAFT system to help make our overseas stations more efficient and more secure. (S)

4. While gathering more and better human source intelligence is primary to our 1982 program, we will also continue and expand our efforts to ensure a strong CIA collection capability in the mid- to late-1980s. The CT program will be our basic vehicle to expand and train our complement of case officers, but specialized and cross training will also be used to maintain the proper level and mix of vital skills. Similarly, we need to assure an adequate level of new agent gear for effective operations in the overseas environment throughout the 1980s. Also, I am prepared to listen responsively to any suggestions to get more data from our overt human source collection program. (C)

5. We need to preserve a vigorous research and development effort in 1982. In 1981 we established a solid base for exploratory research; in 1982 we must maintain that base and prove out the basic value of this decision. Over the next few years we should shoot for an R&D program with about 5 percent real growth. Our most important effort is to provide new technology carefully tailored to the needs of human source collection, but we must also meet the needs of CIA's unique SIGINT and imagery responsibilities. In an expanded era of digital imagery, we will be called upon to bring systems like IDEX to more users and to foster an environment for their effective use. We will also need to keep pace with the growing complexity and size of the analytic data base. (S)

6. The events of the past year indicate there is likely to be a much heavier call on political action in the 1980s. Here the need is to develop a comprehensive framework for the future, acquire more assets for a wider propaganda network, and possibly include some initiatives in our 1982 program. In considering a strengthened covert action capability, we also need to determine the scope and size of a prudent and realistic special operations effort. I wish to play a personal role in the development of the CA study that is to be done in conjunction with the 1982 budget. (C)

7. We will not, of course, neglect our other major categories of activity. Production, after being favored for the past three years, will continue to get close attention; but from the standpoint of resources, 1982 will generally be a year of consolidation. In imagery, the concentration will remain on getting ready to exploit the new systems coming on stream in the mid-1980s. For 1982 this preparation may entail some additional staff, their specialized training, and possibly some site

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modifications. In SIGINT, we will continue to pursue alternatives to [REDACTED] and seek to develop new collection opportunities for the Agency's clandestine SIGINT program. (S)

8. General support will continue to have a call on about the same proportion--roughly one third--of total Agency resources as it has maintained since the late 1960s. Within that total there may have to be some adjustments, however, to provide for expenditures required to keep the continuing modernization of the Agency communications network and ADP support in phase with the growing requirements of both the Agency and Community. We will also want to look carefully at whether our resources in the security area are adequate to meet the new demands on us. (S)

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9. You will note that the 1982 Program Call describes a new feature of our program ranking--a [REDACTED] above zero growth that is reserved for theme packages. I have two main objectives here. First, I want to get more new ideas into our program. I want to encourage more interdirectorate planning that will result in initiative oriented substantive decision packages, rather than solely organizational ones. And second, creation of theme packages is not just skillful merchandising--important as that factor may be in selling our program. The marshalling of our collection, exploitation, production, and support assets in a coordinated effort is an effective way to deal with many complex issues. I am confident that we will have no difficulty in identifying the appropriate topics for this approach. (S)

10. We will be aiming for 5 percent real growth in 1982, but even that increase will not get us everything we need. It is up to each of you to help me accomplish the goals outlined above--plus any additional ones you may have--by phasing the schedule and budget for your program properly and cancelling activities you judge are not essential to our main effort. (S)

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[REDACTED]
Frank C. Carlucci