

I. Where We Were: Intelligence in the 1970s

- ° troubles were reflection of turmoil in larger society
- ° investigations hurt image; more importantly, hurt morale, recruitment, collection, and production
- ° I.C. budget cut 40%; personnel slashed 50%
- ° NIEs fell to low point in 1980 of 12
- ° growing irrelevance of analysis to policymakers' needs

II. International Changes

- ° while intelligence undergoing trauma, international scene dramatically changing
- ° Soviet Union reached strategic parity; moved aggressively to challenge U.S. in Third World; comprehensive high-level program to steal our technology
- ° challenges increasing as resources being depleted
- ° wider range of issues needed to be dealt with: many new independent states and new international actors such as terrorists, drug and arms traffickers, and economic cartels; the new danger of nuclear proliferation

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III. Where We Are Now: Intelligence in the 1980s

- ° when arrived three years ago, saw three major tasks: 1) re-ignite morale, 2) revamp analytical process and make analysis more relevant, and 3) rebuild resources

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- °with support of this Administration have accomplished much:
 - °enjoyed budget increases in I.C. of some 15 to 20% a year
 - °reorganized Directorate of Intelligence to facilitate integrated analysis
 - °human source collection grown substantially
 - °increased number, timeliness and scope of NIEs; 1983 produced 50 NIEs, 25 other I.C. assessments, more than 800 research projects; even more importantly, reduce time takes to put on President's desk; really hot ones done in 3 days
 - °closer cooperation in I.C.: Watch meeting every Thursday, NFIB functioning as a Board of Estimates, seeking alternative views
 - °analysts brief Vice President Bush, Secretary Weinberger, Secretary Shultz, National Security Advisor Bob McFarlane, and Chairman of the Joint Chiefs of Staff, General Vessey, daily
 - °counterintelligence being rebuilt; KGB on defensive: 117 agents defected or expelled from over 20 countries
 - °reaching outside for new analytical perspectives; draw from 400 companies with 1 million employees
 - °training capabilities expanded, new courses and programs
 - °refurbishing support systems: communications and computers

IV. Where We Are Going: Intelligence's Future, 1985-1990

- °will have more and more information, 2 times current flow
- °Soviet Union will remain most important challenge
 - °monitoring closely leadership transition

- °see no slackening in military buildup or thrust in Third World; have identified more new weapons in first 3 years of 80's than throughout 70's

- °state of world economy and Third World Debt of great concern

- °more concentration on Trade and Technology, including technology transfer issues

- °will continue to watch nuclear proliferation, narcotics (3 people a day caught in Miami airport), and state supported international terrorism (65 terrorist camps)

- °Middle East and Central America probably remain flash points

- °must rebuild comprehensive, encyclopedia data base

V. New Thrust: Improve Quality of Our Skills and Quality of Our Product

- °to recruit best and brightest and to retain, will renew qualities that have made us unique

- °focus on our young people, offer them greater challenges and responsibilities

- °boils down to quest for excellence; undergo self-examination

- °start with clarifying and articulating our standards of excellence and our goals