

Central Intelligence Agency



Washington, D.C. 20505

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*OEXA 83-0846*  
7 April 1983

*SSCI*

The Honorable Barry M. Goldwater  
Chairman, Senate Select Committee  
on Intelligence  
Senate Russell Office Building  
Washington, D.C. 20510

Dear Mr. Chairman:

Attached is the requested impact statement on the Subcommittee's recommended cut of  positions in the FY-84 budget request for the Directorate of Intelligence. Together with the detailed description of the specific analyst specialties we are seeking (provided to the Committee staff earlier) this document expands on the explanation in the budget submission on the role and importance of the requested positions.

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The United States has paid a heavy price in recent years for the inadequacy of intelligence resources to investigate problems of instability, international economic and finance problems and the Soviet defense industrial complex. Over the last two years this Agency, with the support of the Senate Select Committee, has been attempting to remedy these shortcomings both in terms of resources and improving the quality of our analysis. As the listing of positions provided to the Committee makes explicit, we are looking principally for military analysts, economists and computer specialists -- not people in the soft sciences. We consider it essential to keep our analysis of the problems I have described as down to earth and specific as possible. This not only ensures more accurate analysis, it also makes it more helpful to the decisionmaker.

The FY-84 Directorate of Intelligence budget submission was developed on the basis of our view of our resource needs both now and for the next several years, and was influenced considerably by the judgment of the Senate Select Committee itself, which last year assessed our analytical resources as inadequate and even added positions to our request for more analysts for the Directorate of Intelligence.

Mr. Casey and I strongly endorse the request for  positions for the Directorate of Intelligence and earnestly hope that the Committee will support this request. CIA's entire program is keyed to our analytical needs which in turn are based on requirements assigned us by the President and other members of the National Security Council. We must have the analytical resources to evaluate and analyze the increasing amount of high quality

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The Honorable Barry M. Goldwater  
Chairman, Senate Select Committee  
on Intelligence

information flowing in from our present and projected collection capabilities and to get this analysis into the hands of the decisionmaker.

Sincerely,



John N. McMahon  
Acting Director of Central Intelligence

Attachment:  
As Stated

[All Portions of this Letter  
are Classified SECRET]

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RECOMMENDATION: Delete [ ] new positions for production of political/economic 25X1  
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CIA COMMENT:

The deletion of [ ] new positions would have a devastating impact on CIA's 25X1  
efforts to rebuild analytical capabilities lost over the past 20 years (e.g. the  
Soviet defense industries; Third World data base) and to develop new capabilities  
to meet present and future needs of senior decisionmakers (e.g. technology transfer,

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identification of instability of the kind that led to the revolutions in Iran and  
Nicaragua and economic problems of East Europe and LDCs that impact heavily on  
the US). This agenda reflects the tasks we have been given by the President, the  
National Security Council and the Departments of State, Treasury and Commerce.  
CIA is the only source of analytical support for the US Government in most of  
these areas.

Of the [ ] positions requested for FY-84, [ ] are for analysts. Of these, 25X1  
we seek [ ] economists, [ ] military analysts, [ ] area specialists/political 25X1  
scientists, and [ ] imagery analysts, four of whom are needed for DDO and DDS&T 25X1  
operations. The other [ ] positions include [ ] specialists to develop and maintain 25X1  
our automated data bases and large economic models [ ] positions for the DCI's 25X1  
Technology Transfer Intelligence Committee Staff, and [ ] positions for secretaries, 25X1  
cartographers and other support functions.

In sum, the Directorate of Intelligence request for additional personnel  
focuses on economic and military analyst positions, with computer specialists the  
next largest group. These are hard requirements in key areas. We hope these break-  
downs will allay Committee concerns that we seek to add only political scientists  
and others in the "soft sciences."

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We also understand that the Subcommittee is concerned about whether CIA should be involved in four specific areas of analysis--international finance, Third World instability, civil technology and psychological assessments. While our FY-84 personnel requests for these four areas together total fewer than a  positions out of the  (and no new positions at all for civil technology or psychological assessments) we take this opportunity to explain the nature of our work in these fields.

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