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The Director of Central Intelligence

Washington, D.C. 20505

13 February 1984

National Intelligence Council

MEMORANDUM FOR: David B. Low, NIO/AL

FROM : David Y. McManis
National Intelligence Officer for Warning

SUBJECT : Annual Report of the DCI to the Congress: 1983

The following paragraphs respond to your memo of 7 Feb 84. There are two thrusts to our input; first, issues of intelligence process and our responses to them; and secondly, several generalized substantive issues that we hope will fit into other substantive inputs.

a. "In 1978, the HPSCI was critical of the warning capabilities of the intelligence community. They believed that problems that can be addressed primarily with improving technology generally overshadow attention to improving analysis. Second, mechanisms did not ensure that analysts ask all the pertinent questions or that they confront reasonable alternative hypotheses. They also believed that more needed to be done to reduce ambiguity in intelligence judgments to ensure a higher confidence from policy and decision makers.

"I shared the concerns of the House and have taken steps to strengthen the warning process through a clear delineation of responsibilities for the National Intelligence Council and the establishment of a full-time National Intelligence Officer for Warning. Substantively, we have made major strides in ensuring that our analyses and estimates examine alternative scenarios, and that the coordination process does not stifle dissent. We have recognized that the warning equation includes both the warners and those who are being warned, and we are trying to ensure the best possible dialogue between the two communities. Through the NIO for Warning and the National Warning Staff we are conducting research into problems of warning; we are developing a National Warning Training Course which we believe will be of value to both intelligence analysts and personnel from the policy making community; we are strengthening the confederation of operations and intelligence centers in the Washington area,

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and have recognized that that confederation must include representatives of agencies such as Treasury, Energy, and FEMA, as the nature of possible national security emergencies changes; and we are beginning to grapple with the challenges of information handling and analyst support systems. One of the major technology challenges of the decade ahead will be developing the means to efficiently convert the large quantities of data that we collect every day into useful knowledge.

"We know that ambiguity in warning will never be eliminated unless we wait for missiles to be fired before we issue a warning. Therefore, we are focusing on early warning -- making efforts to place economic, political, terrorist, and technological developments in a better warning context. As you know, improving the human intelligence network and improving bilateral intelligence sources are two ways in which we have focused on earlier warning. Putting the economic and political more firmly into our assessments will allow us to make earlier judgments based on incomplete but reasonable evidence that will increase our decision making options and flexibility.

b. "There are several topics that have come to dominate intelligence community attention and they will continue to do so.

"Perhaps the key issue of the past three years, if not the last decade, is the changing political and military balance between the U.S. and the USSR. The Soviets have established their superpower position solely through their military strength. That is why the emphasis on military spending and military application of technology will continue and why the deployment of NATO's INF is so critical in Soviet eyes. For a country with a history of vast defensive measures, the Pershing II system represents a strategic offensive threat that effectively reduces warning time to a purely responsive mode. We believe INF deployment is a truly unsettling event for the Soviets and we must be alert to measures and perhaps calculated risks to counter INF presence.

"We also continually evaluate Soviet and Cuban roles, particularly in our hemisphere. Cuban activities as an economically dependent surrogate of Soviet goals and policies have been consistently troublesome. For Cuba, despite setbacks such as in Grenada, export and encouragement of instability is a basic ingredient of its Soviet-client relationship. It is not likely to change in the near-term. Those efforts will continue and demand our attention as we assess Cuba's strategic position and her value along critical sea and air lines of communication, her

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potential to "hold" or neutralize forces that could best be used elsewhere and her potential as a base of operations for Soviet military and intelligence activities.

"Among the many issues that demand our priority attention, we will continue to add resources to third-world areas where instability offers potential advantage to our adversaries or direct impact on our security interests. In that light, we must also broaden our horizon to include warning watches on places like Yugoslavia, the Philippines, and Mexico and conditions in countries producing strategic materials such as Nigeria where oil exports, economic products and coups interrelate with our own economic well-being.

"Thus, our tasks are even broader and more difficult today if we are to properly assess the impact of activities taken against use well beyond the narrow range of military aggression.



David Y. McManis

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