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NFAC #2009-81

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

8 April 1981

Deputy Director for National Foreign Assessment

MEMORANDUM FOR: Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment

FROM : Richard Lehman
Chairman, National Intelligence Council

SUBJECT : Strategic Warning Staff

1. You may remember that when I briefed you on warning arrangements I mentioned that we are undertaking a review of the Strategic Warning Staff. The results of that review are attached. They include a recommendation that the Staff be disestablished and a few of the positions moved to Langley to augment the present NIO/W Staff.

2. You told me at that time that you had some ideas about the warning business that you would like to discuss with me later. No further action will be taken on these recommendations without your approval or your instructions to go off in a different direction.

3. the Assistant NIO for Warning, will be resigning from the Agency on 1 July to take a much higher paying private job. It is important that we decide quickly what shape the organization should take or there will not be time to get a suitable replacement from DoD. If you wish to place additional emphasis on the warning account, we probably should think about a full-time NIO at the general officer level, with a CIA civilian assistant.

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Richard Lehman
Chairman
National Intelligence Council

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SUBJECT: Strategic Warning Staff (NFAC #2009-81)

Distribution:

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

7 April 1981

National Intelligence Officers

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : Richard Lehman
National Intelligence Officer for Warning

SUBJECT : Future of the Strategic Warning Staff (SWS)

The Warning Working Group met on 13 March 1981 to discuss the future of the Strategic Warning Staff (or its successor) with a view toward improving its contribution to the Intelligence Community and/or the Policy Community. Attendees at the meeting are listed in Attachment A.

1. The Group considered three papers: a sub-committee report which they had commissioned (Attachment B), and independent view by a consultant (Attachment C), and one reflecting the views of the Director, SWS (Attachment D).

2. In the course of the discussion, a three-part consensus emerged.

-- Emphasis of the Staff or its successor should be on management, both substantive and non-substantive. In the former case, the Staff should ensure that a complete range of the "right questions" are asked of the line production elements thus serving a challenge or conscience function without becoming a separate, competing analytical entity. On non-substantive issues, attention needs to be devoted to the areas of warning resources and planning.

-- The Group leaned toward putting less weight on the independence now embodied in the semi-autonomous state of the SWS and more on serving as a instrument of the NIO/W.

-- Location at either DIA or CIA Hqs. would be acceptable. Since the Staff is entirely dependent on analytical support from line production elements

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3. Implementation of the points contained in the consensus would not be without risk. In a dissenting view, the Director, SWS, made the following arguments:

-- Reasonable alternative hypotheses explaining events of potentially major warning significance, when disseminated beyond the Intelligence Community, serve a useful purpose.

-- The existing Staff [redacted]

[redacted] is fully employed in following situations likely to involve significant security interests of the United States, especially where US-USSR confrontation might result. To broaden this mission, while at the same time reducing the number of people, would be counter-productive.

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-- A semi-autonomous Staff under the general supervision of the NIO/W could provide the directed analytic support necessary to insure that all reasonable interpretations of available evidence having important warning implications are investigated. At the same time, maintaining the Staff in a semi-autonomous status would free the NIO/W from substantive controversy within the Community that might compromise his efforts in coordination of the overall community warning effort.

-- The Staff's experience suggests that, should it no longer be involved in publishing as a separate entity, it is likely to become simply another current intelligence organization, but one that is unheard. Therefore, the SWS recommendation is to maintain an autonomous entity like the SWS, or if that is unacceptable, abolish the SWS, create no follow-on entity, and return the scarce analyst assets to the parent intelligence organization.

4. Notwithstanding the risks expressed in Paragraph 3 above, the Warning Working Group recommends the following:

a. Abolish the SWS.

b. Expand the NIO/W staff at Langley [redacted]

for a [redacted]

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total, counting the NIO/W and A/NIO/W, of

[Redacted]

[Redacted]

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c. Restructure the NIO/W staff's mission to emphasize both substantive and non-substantive management.

d. Rely on occasional issuances by the NIO/W to supplant those of the SWS, restricting normal distribution to the Intelligence Community, but giving the NIO/W discretion to include the Policy Community when he sees fit.



Richard Lehman

Attachments

Attachment A

Attachment B

Attachment C

Attachment D

[Redacted]

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[Redacted]

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SUBJECT: Future of the Strategic Warning Staff (SWS)

NFAC #1958-81
7 April 1981

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Distribution:

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- 1 - DD/NFA (wo/atts.)
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- 1 - NIO/W (wo/atts.)
- 1 - A/NIO/W (w/atts.)
- 1 - ER (wo/atts.)
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-4-

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ATTACHMENT A

Warning Working Group Meeting

13 March 1981

Attendees

Richard Lehman, NIO/W - Chairman

MGen. James L. Brown, DIA

[Redacted] DIA

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Richard J. Kerr, CIA

Robert A. Martin, State/INR

[Redacted] NSA

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Peter C. Oleson, DoD

[Redacted] CTS

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[Redacted] , RMS

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[Redacted] SWS

[Redacted] A/NIO/W

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A T C 4 B

I. Background: The Strategic Warning Staff (SWS) was established in 1974 as a replacement for the National Indications Center. It is manned jointly by the agencies of the Intelligence Community, located in the National Military Intelligence Center, Pentagon, and chaired by a CIA officer. DCID 1/5, National Intelligence Warning, placed the SWS under the supervision of the NIO/Warning. The staff personnel allowance presently stands at [REDACTED]

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In February 1979, the NIO/W prepared a paper for the DCI which explored potential roles for the SWS. These included:

-- Option A: A larger SWS: Under this option the SWS would be increased [REDACTED] Such a staff would maintain a working discipline by issuing a daily national-level warning report (emphasis added). Its report in normal periods would be primarily a device for maintaining dialogue and warning consciousness in and with the Community in Washington and the field. In major crisis, however, it would serve as a vehicle for periodic reporting to policy officers. (emphasis added). Manning to this level would permit the Director/SWS to issue such a report without becoming consumed by routine. His analysts would have time to think and to bring their expertise to bear on Community analyses, and the staff would be strong enough to maintain around-the-clock manning in crisis without the augmentation that could be had only with great difficulty in such periods. At the same time, the staff could make a serious contribution to an inter-Agency research program.

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[redacted] analysts working full-time on important questions would provide the core around which a coherent program could be built. 25X1

-- Option B: SWS at Its Present Strength. [redacted] 25X1

[redacted] SWS could either issue a daily report as in Option A or do this weekly and supply some working manpower for research. Crisis operations would require augmentation. 25X1

-- Option C: Reduce Present Strength by [redacted] Under 25X1

this option SWS manning would be reduced [redacted] to provide the NIO with a staff of [redacted] 25X1
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-- Option D: A Sharply Curtailed SWS. Option D would add [redacted] professionals to the NIO's staff, raising its strength [redacted] including the NIO/W. There would be an SWS of perhaps [redacted] 25X1
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[redacted] total manpower by [redacted] percent. At this level the SWS could synthesize agency contributions and probably encourage a dialogue between Washington and the field. Any larger analytic or "conscience" role would have to be assumed by appropriate NIOs. 25X1

-- Option E: No SWS. Further reduction in manning would make maintenance of a separate SWS inefficient. This option

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would therefore further augment the NIO/W staff [redacted]

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[redacted]

These

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positions would provide the nucleus for a strong research effort and provide some additional backup to the NIOs responsible for strategic warning.

-- Option F: No Special Attention to Strategic Warning.

This would not only eliminate SWS but somewhat reduce NIO/W's staff from that in Option E. He would have an A/NIO, [redacted] officers responsible for plumbing, systems, budget, and support to the NIOs, and [redacted] for a total of [redacted] including the NIO/W himself.

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The DCI approved option C, however the transfer [redacted]

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from the SWS to the NIO/W office was never accomplished.

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DCID 1/5 delineates responsibilities for the NIO/W, the NIOs, and the SWS.

Relevant portions follow:

The NIO/W is charged to advise and assist the Director and Deputy Director of Central Intelligence on all matters relating to warning, to coordinate national intelligence warning activities, and to serve as a focal point for warning in the Community. For organizational purposes, he will be located in the National Foreign Assessment Center. He will to the maximum extent rely on existing organizations in carrying out his duties. The responsibilities of the National Intelligence Officer for Warning are:

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i. To oversee analysis of intelligence from all sources which might provide warning. In particular, he should be alert to alternate interpretations within the Community and assess these with a view to the need for issuance of warning. He should encourage consultation and substantive discussion at all levels of the Community.

ii. To recommend to the Director or Deputy Director of Central Intelligence the issuance of warning to the President and National Security Council, and to ensure the dissemination of such warning within and by the organizations of the Intelligence Community. When time is of the essence, the National Intelligence Officer may issue such warning directly to the President and the National Security Council with concurrent dissemination to the Director and Deputy Director of Central Intelligence and senior officers of the Intelligence Community.

iii. To advise the Deputy Director for Collection Tasking and Deputy Director for National Foreign Assessment on appropriate Community response to developing warning situations.

iv. To develop plans and procedures for support of the Director of Central Intelligence in crisis situations.

v. To support the Deputy Director of Central Intelligence and the National Foreign Intelligence Board on warning matters.

vi. To chair the Warning Working Group.

vii. To oversee the warning activities of the National Intelligence Officers.

viii. To supervise the Strategic Warning Staff.

ix. To arrange for intelligence research and production with respect to strategic warning.

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x. To develop a warning consciousness and discipline throughout the Community.

xi. To seek improvements in methodologies and procedures for warning, including communications and dissemination of information.

xii. To arrange with appropriate organizations of the government for provision to the National Intelligence Officer for Warning and the Strategic Warning Staff of the information they need to carry out their mission.

xiii. To promote improved analyst training in indications and warning techniques and in other analytic techniques that might contribute to improved warning.

xiv. To advise the Deputy for Collection Tasking and the Deputy for Research Management, as appropriate, on warning activities that relate to their responsibilities.

The National Intelligence Officers are specifically charged with substantive responsibility for warning in their respective fields. They will conduct Communitywide reviews at least monthly of situations potentially requiring issuance of warning, and will keep the Director of Central Intelligence advised of the results, in consultation with the National Intelligence Officer for Warning. They will be continually alert to the need for immediate issuance of warning.

The Strategic Warning Staff will be under the supervision of the National Intelligence Officer for Warning. Its principal functions are to

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assist him in his responsibilities with respect to strategic warning and to conduct research with respect thereto. It may also engage in other warning related activities within the Intelligence Community with the concurrence of the National Intelligence Officer for Warning.

II. The Evolution: The NIO/Warning position was established in October, 1978 to provide a single point of accountability for warning at the National level. Prior to that time, emphasis had been on "strategic warning",* and that flavor carried over to the new organization. Most assumed the NIO/W would continue to observe precedence and devote most of his attention to the threat of hostilities involving US military forces (by implication--USSR, North Korea, or China). A trend had already started, however, which was to broaden the scope of warning attention considerably.** Over time, there had been a gradual realization that most "intelligence warning failures" had had nothing to do with the use of military force against US troops, ships, or aircraft, nor had they involved the use of force by the USSR, North Korea, or China. In fact, those analysts who devoted most of their efforts to "strategic warning" were seen by some to be outside the mainstream--sitting around waiting for World War III was a phrase heard not infrequently. The Community was already moving from an emphasis on the more restrictive strategic warning to the broader context of avoiding surprise.

*DCID 1/5 defines strategic warning as "intelligence information or intelligence regarding the threat of the initiation of hostilities against the US or in which US forces may become involved; it may be received at any time prior to the initiation of hostilities. It does not include tactical warning."

**DCID 1/5 defines warning as "those measures taken, and the intelligence information produced, by the intelligence Community to avoid surprise to the President, the NSC, and the Armed Forces of the United States by foreign events of major importance to the security of the United States. It includes strategic, but not tactical warning."

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Concurrently, the NIOs were assuming their revitalized warning roles. The Alert memorandum was revived as the principal national level warning vehicle. Potential crises in Iran, Pakistan, Egypt/Libya, Nicaragua, El Salvador, etc. became the subjects of Alert Memoranda whose production was chaired by the responsible area NIO in concert with the NIO/W. Potential crises, and their warning implications, were judged important as a result of their impact on US policy interests. The old strategic warning-imminent hostilities concept was not abandoned, nor was it deemphasized. Rather, it was subsumed by a broader warning context.

Meanwhile, our concept of the Strategic Warning Staff's mission lagged the realities involving in the Community. The SWS mission had been extrapolated from its previous role--Big W, or strategic warning concerning the USSR, North Korea, and China. Provisions had been made to broaden their area of interest at the discretion of the NIO/W, but this was envisioned as an infrequent, ad hoc occurrence. The Director of the SWS was charged to concentrate on the larger problems threatening general war.

The Chinese-Vietnamese imbroglio, the Soviet invasion of Afghanistan, and the Polish crisis with its potential for Soviet intervention served to keep the Staff occupied through 1979 and 1980. At the same time, however, the NIO for Warning staff of two was hard pressed to keep up with the rest of the world. As the NIO for Warning assumed his role as warning conscience to the regional NIOs and the DCI, it became apparent that he needed more help in areas other than strategic warning.

III. The Problem: No one disagrees that the Community needs a warning conscience, and DCID 1/5 charges the NIO/W with that task. While

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the SWS has supported him admireably with respect to the Soviet Union and China, they have done little or nothing in other areas. Yet []

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[] of the [] Alert Memoranda issued since the establishment of the NIO for Warning have been concerned with other areas. The present NIO/W [] is just not enough.

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In early 1979 the DCI decided to leave the SWS in the Pentagon for various reasons not the least of which were historical. As the warning responsibility has shifted to the NIOs at Langley, it has become increasingly difficult to do business via [] telephone and the Blue bird shuttle bus. As a result, the ability of the Staff to effectively support the NIO for Warning (and the other NIOs) has suffered.

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IV. The Solution: There are five major elements to be considered in establishing a revitalized, pertinent SWS.

-- Director Control by the NIO for Warning

We recommend eliminating the SWS as a separate, semi-autonomous body, and replacing it with an enlarged NIO/W staff consisting of [] CIA [] DIA, and [] NSA and State. One existing SWS slot should be converted to a permanent State billet against which an officer could be charged. Consideration should be given to retaining an additional CIA slot as a liaison to the DIA warning office.

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-- Expansion of Mission: The NIO/W's area of interest and responsibility is worldwide. If his staff is augmented as we recommend, emphasis should be on selecting officers with broad, general experience who are well schooled in the warning discipline.

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The NIO/W staff should review community intelligence production to ensure it adequately treats the warning aspects, provide aggressive skepticism in the face of too comfortable an acceptance of the conventional wisdom, and research longer term matters of warning significance worldwide.

-- Access to Community Resources: Implicit in the arrangement we recommend is broad access to community analytical resources. This should be facilitated by the manning recommended above, with representation by CIA, DIA, NSA, and State. The NIO/W should, like the other NIOs, tap Community resources for assistance when it is needed.

-- Access to the NIO/W and NIOs: The need for effective communication between the NIO/W, NIO/W staff, and the geographic NIOs dictates location of the staff at Langley.

-- Access to Customers: The NIO/W should publish, either routinely or aperiodically, for the consumption of the intelligence community. Subjects should include alternative hypothesis and research in depth on warning matters. In times of impending crisis, the NIO/W should have the option of expanding distribution to include the policy community.

V. Conclusion: In summary then, we recommend replacing the SWS with an NIO/W professionals drawn from the Community and located at Langley whose function would be to support the NIO/W in publishing alternative hypotheses on budding crises and in-depth research papers

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on warning issues. Consideration should also be given to providing an NIO/W liaison officer to the DIA warning office.

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ATEM C

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC #501/81

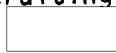
30 January 1981

MEMORANDUM FOR: National Intelligence Officer
for Warning


SUBJECT : Review of the Strategic Warning Staff



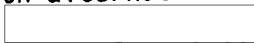
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1. The following is based on several days of interviewing former directors of the Strategic Warning Staff (SWS), looking at a few of the staff's products and reading background memoranda on alternatives to the SWS that have been considered in the last few years. This brief review has not led me to any earth-shaking insights or novel recommendations, or to extremely high confidence in my conclusions. My basic impression is that preservation of SWS as a separate entity is not vital as long as its demise is coupled with a beefing up of your Warning Staff at CIA. By the same token, however, it is not obvious that abolition of SWS under that condition would serve much purpose beyond marginal administrative consolidation and budgetary savings. How those savings balance out against the slight political advantages (in terms of bureaucratic credibility and congressional oversight) of retaining a separate unit, I can't judge. But it is not clear that the SWS' operational problems (such as recruiting better personnel) would be solved by moving it to Langley. 

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2. A third alternative of abolishing SWS without compensating expansion of staff under the National Intelligence Officer for Warning (NIO/W)--as a gesture toward the new austerity in government--would be a mistake. While it might not dramatically raise the odds of a (non-) warning disaster, the incremental increase in the odds of unpleasant surprises, or reduction in the means for prodding analysts into more "warning consciousness," probably outweigh the savings from paring a few analysts off the employment roles. 

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3. Finally, a fourth alternative of compromise, reducing the size of SWS but transferring  people to your staff at CIA, probably makes little sense. One staff with a critical mass seems

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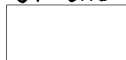
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better than two mini-staffs. If SWS as it stands is inadequate or superfluous, what is to be gained by keeping it at a level that would further reduce its competence? Fish or cut bait. 

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4. In short, the scale and function of SWS should be preserved, but its form or location need not be. The attached report, "Assessment of the Strategic Warning Staff," offers the reasoning behind these views.



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Consultant to the
National Intelligence Council

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ASSESSMENT OF THE STRATEGIC WARNING STAFF

I. Reasons for Preserving the SWS Function

1. The original grounds for establishing SWS have not changed. As Dianne LaVoy's HPSCI staff report on warning noted, the Watch Committee and National Indications Center "had not adequately performed the long-term trend analysis essential to warning. Rather it had become little more than the synthesizer of current intelligence production." The five other major watch centers in Washington are really geared more to tactical warning than strategic. The SWS directors I interviewed, including ones who would not mind seeing the present SWS abolished, agreed on three things:

(1) There should be some unit, somewhere, worrying about strategic warning "in a Community way."

(2) There is a need for a "middle ground" warning product between current intelligence and estimates. The assumption that Current Intelligence producers' inattention to trend analysis could be compensated for by in-depth analysis by estimators was no longer valid by the time ONE was disestablished.

(3) Regular analysts or managers responsible for particular areas cannot, alone, satisfactorily perform these functions.

[redacted] noted in an earlier memorandum to you, there is a "constant...struggle between the warners, who wish to act earlier, and the analysts, who like to wait for more evidence." Non-expert kibitzers are needed as an antidote to the natural tendency of a specialist to see more continuity and predictability

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in a troubled area than a "professional warner" (without the working assumptions of the expert) might see. As one interviewer said, "It's like watching a beard grow. If you look at it everyday you don't realize how much change there's actually been." [redacted]

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2. The two obvious questions are whether SWS met the needs mentioned, and why SWS' role was not logically superseded when your position, NIO/W, was established. (The answers of course are related.) LaVoy cited problems in effectiveness that flowed from SWS' principal virtue: independent-minded detachment. The Staff could not ensure that the Community would respond to what it produced. Most interviewees felt that establishment of NIO/W alleviated some of the problem, and also helped circumvent current intelligence analysts' resistance to SWS. Also, one of the principal advantages of SWS is the speed with which it can disseminate products, compared with other units, because there is no bureaucratic hierarchy above it other than NIO/W. [redacted]

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II. Organizational Questions

3. Why not just make SWS the NIO/W's personal staff, rather than keeping the current separation? The only reasons I have heard are, first, that this would reduce the credibility of the staff in the eyes of other elements of the Community, especially in DoD, by making it appear to be a CIA organ; and second, there are operational advantages to having the staff located in the Pentagon, near the NMIC. These considerations, on balance, seem marginal. [redacted]

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4. The apparent bureaucratic political advantage suggested in the first point has already been mitigated by placing the Staff under the [redacted]

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authority of NIO/W. Earlier, when the Director of SWS reported to the DCI through the Deputy Director of DIA, the arrangement may have gained it a few psychological brownie points with units in DoD, but no one I talked to thought the advantage of a more symbolically visible inter-agency character for the Staff was a vital one. [redacted]

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5. Location in the Pentagon also did not impress most Directors as important. One did recall that by being there he "could push a button and get an answer, from NSA or DoD, as I couldn't do in CIA," and that he got to see imagery and some other data six to eight hours before superiors at Langley. Another, however, said "There should be an advantage in having it in the Pentagon, but there wasn't." And the others were indifferent or favored locating the Staff at CIA. Proximity to the principal substantive area analysts was generally considered to offset whatever advantage there was to staying in the Pentagon. One Director thought the Staff could even be moved to the Community Headquarters

[redacted] and still not lose anything. As to the option of leaving one person in the Pentagon as a liaison, no practical benefit was cited that could not be obtained through a phone connection to the DIA warning shop. [redacted]

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6. Change in location, however, could have a slight negative impact on personnel incentives, and the personnel problem has been the big headache of SWS. As it is, service on the Staff is not a career-enhancing assignment, and for those detailed from DoD or State, movement to Langley might even worsen the situation. There is also the minor factor of personal convenience; people at other agencies did not choose where they would live according to commuting distance from CIA. (But then that is a problem for any detailee or government job-changer.)

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[redacted]

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7. You are well aware of the chronic personnel problem at SWS. I was interested, though, that the current Director of the Staff (unlike all the others) was very upbeat, saying "the bums have all been replaced." He was not sure the current good quality was due to more than luck. Other agencies still do not let him in on the selection process for assignees, but OPA and OSR did. It is not clear to me that reconstituting the Staff under NIO/W would have any favorable impact on quality, at least for the non-CIA representatives. Trimming a couple of the non-CIA billets might be the only way to deal with Navy and State Department unwillingness to fill their slots, but visible shrinkage of the Community character of the Staff, while not critical, would be unfortunate. [redacted]

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III. Operational Problems

8. If organizational changes are going to be made, you might want to consider whether there is anything that can or should be done at the same time to deal with procedural impediments to the Staff's work. One example, though it was not a major pressing concern to anyone I interviewed, is the apparent persistence of occasional difficulties in access to information. [redacted]

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9. It is axiomatic that compartmentation hinders warning analysts. Perhaps there is no problem, since DCID 1/5 stipulates that SWS receive "all information from every source pertinent to the strategic warning mission," unless the DDCI agrees it is too sensitive, in which case only you get it. But NSAM 226 of 1963 made similar provisions, yet just before the October 1973 Middle East War the Watch Committee was denied some very relevant clandestine reports because of their sensitivity. The first director of SWS told me that he had trouble getting DDO information. [redacted]

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Another complained that he always had difficulty getting "blue-side" data from the military. The current director said he had less trouble in general than DIA did in getting access to information but he noted that SWS is the only Community unit in which personnel are not cleared by a single security organization. This means that he cannot plug into CIA data systems because the rest of the SWS would then have access, and they are not all CIA-cleared [redacted]

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10. The current director also mentioned an instance in which accurate interpretation of an important recent warning event was damaged by lack of relevant information about US activities. [redacted]

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[redacted]

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[redacted] Without this knowledge how could a warner assess [redacted]

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intentions or perceptions? And this was exactly the sort of event where the role of the SWS is most important. [redacted]

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11. There may be no consistent way around this sort of problem, but the specification of what constitutes all "pertinent" data (in the language of DCID 1/5) might be explored a little further if SWS or its successor is to have better odds of warning wisely [redacted]

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IV. Scope of Activities

12. If SWS is abolished or whittled down in size, or a smaller staff is moved over to NIO/W, this may affect the range of concerns the

[redacted]

[redacted]

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staff can deal with. Apparently directors of the Staff have had a fair amount of discretion about how wide a net to cast. One made the case for defining the Staff mission as narrowly as possible: to focus on Soviet troop movements. Another was slightly more ambitious, saying "It's not my job to say a couple of Arab countries are going to have at it," but reserving the need to warn about non-Soviet threats if they seem to impinge significantly on US interests. Still another, working under DCI Turner's broadened definition of warning that involves anything that would produce surprise, interpreted his mandate freely to cover a wide range of dangerous activities throughout the world.

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13. Any more explicit definition of mission that might coincide with review of the SWS should be flexible, allowing expansion or contraction according to changes in either personnel or general international conditions. If improvement in personnel assigned is not permanent, the Staff will be hard-pressed to cover a broad range of politico-military concerns. The director who interpreted SWS responsibilities most broadly admitted that personnel problems made much activity "a one-man show" (himself). The one who preceded him, though, said his biggest problem had been "trying to keep everybody usefully employed." The autonomous status of the Staff created temptations "to generate crises, to show we're doing the job." (He recommended shrinking the staff to a couple of people from CIA and from DIA, and one each from State and NSA.)

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14. What intervened between those two views, however, was an acceleration of crises in various parts of the world, which created more for warning analysts to do. This trend has only gotten worse in the past year. It seems sensible to encourage the Staff to venture beyond

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narrow "Big W" sorts of work if times are calm or if personnel improve, and to expect a more limited focus when either or both conditions are reversed. [redacted]

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15. As you noted in your memorandum to the DDCI of 22 February 1979, there is a trade off between a charter for SWS that is too narrow (producing stagnation) or too broad (producing overlap with current intelligence and diffusion of effort). I would err in the direction of breadth, softening the problem of overlap and diffusion by stipulating that SWS be selective in choosing which problems beyond "Big W" to meddle in. The Staff or its successor should have a license to hunt but not a quota to fulfill. [redacted]

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16. The issue which hinges on these considerations is the research function of SWS. One director considered that task "impossible" because the agencies would not assign people capable of serious research. Another, however, believed research on warning methodology (working, for example, with EUCCOM) should be the primary function of the Staff because it could not really live up to its other responsibility: warning itself. He felt the Staff could not compete effectively with other agencies in warning ("If NSA gets a good scoop, they put it all over town themselves"), and was less important since the establishment of NIO/W. [redacted]

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17. Primary emphasis on methodological research, however, does not seem practical. It would transform the Staff, since different types of people would be needed. And after a while the product would deteriorate as topics were researched to death and analysts reached the point of diminishing returns in ideas. If effort on methodology is left as one of several tasks it's more likely to yield better ideas (though fewer), and less likely to lead to spinning wheels in the sand. [redacted]

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18. Some substantive research mission is necessary, at the least to keep the Staff from twiddling its thumbs in slack periods, but it should not be defined too specifically. Given personnel problems that are likely to persist, the director should have the flexibility to match his analysts, or himself as time permits, against targets of opportunity, without having a carefully prefabricated set of topics on which he has to produce. Similarly, regularly scheduled publications may not be as useful as ones produced ad hoc. One director who grappled with the Weekly left over from the Watch Committee felt pressure to dig up anomalies, to find things to put in it. The current director feels his practice of putting out special reports irregularly, as events indicate, works better, and he sounded convincing to me. [redacted]

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19. Routinization of publication schedules would also seem to take the edge off of warnings; by making warning data something to be expected in the mail every, say, Thursday, it reduces the odds that users will see such warnings as real reason to worry. Leaving the anticipated form and schedule of publication flexible should also make it easier for the Staff to switch back and forth between activities as events require. As the current director suggests, "Do research when you don't have to do warning, and drop the research if things get hot." [redacted]

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V. Criteria for Success

20. Allow me an excursion on how a warning track record ought to be evaluated in case this figures in decisions on reorganization.

[redacted] 17 November 1980 memorandum to you suggests to me that the track record of Alert Memoranda since your position was established is pretty good, and if SWS' contribution to the Memoranda were significant

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and figured evenly in successes and "failures," maybe it hasn't been doing so badly. The reason the record looks good to me, despite [redacted] tabulation which shows about as many false alarms as "on the mark" Memoranda, is that a 50-50 record for a professional warner is probably better than 100%. If the warner never issues a false alarm, he's probably being too cautious, failing to flag potential dangers that it's his business to make users worry about. As long as the false alarms don't comprise well over half of the Alert Memoranda, they won't feed the cry-wolf syndrome. If every second or third Alert Memorandum turns out to be right, users should take all of them seriously. Thus erring on the side of warning within those bounds seems the proper norm for a warning staff. [redacted]

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21. Also, [redacted] in that memorandum that there "has been a definite trend to include more analysis of the policy implications attendant to the papers" sounds encouraging. This is a hobby horse of mine, and perhaps it's not as controversial as it used to be, but intelligence without implications for policy is not much good for anything. If users are more inclined to accept such policy-tinged analysis from a warning staff than from other producers, that may be a minor "plus" of sorts to consider when totting up the advantages and inadequacies of a large warning staff, whether it remains as SWS in the Pentagon or is reconstituted under you at CIA. [redacted]

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VI. Alternatives to Current SWS

22. As I suggested at the beginning, it seems to me that it doesn't matter whether SWS remains, provided that moving the staff responsibility over to you doesn't cut the total manpower involved by [redacted]

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more than a few slots. There are two reasons why, despite the government-wide push to trim bureaucratic "fat," there is a good case for retaining a warning staff of [redacted] people:

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(1) If the earlier public rhetoric of many of President Reagan's intelligence advisors is indicative of thinking at higher levels today, the administration places a high priority on warning, including some form of "challenge" function, competitive analysis, devil's advocacy, etc. A staff of "professional warners," designed to prod substantive expert analysts--to make them see that the "beard" has "grown"--may be best suited to this function. It should have some of the advantages of an official devil's advocate without many of the disadvantages (since it would not be intended to subvert conventional wisdom just for the sake of challenge, or to fabricate a case for warning when reasonable grounds did not exist).

(2) As long as the NIO/W has more than one hat, and is distracted from warning issues much of the time, he has a special need for augmented staff. Getting rid of the NIO/W's other responsibilities is not a good alternative. Although one interviewee said "there really isn't an NIO for Warning, given Lehman's absorption in other jobs," it seems likely that the double-hat arrangement enhances the warning function: you have more authority to move things. If NIO/W is not higher in the pecking order than the other NIOs, whatever the disposition of SWS, the situation may revert de facto to what was criticized

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as the inadequacy of the Strategic Warning Staff before NIO/W was created: detached reflection or challenge without clout, inability to force serious attention to warning staff concerns. [redacted]

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23. Another solution proposed by several interviewees was to take the NIO/W position out of the NIC structure and make him a Special Assistant to the DCI, with no intervening filter. One former SWS director argued, "An NIO responsible to the Director of NFAC doesn't hack it, in the competition with NSA or other organizations, compared to an NIO responsible to the DCI." Whether or not this alternative makes any better sense is something you, DD/NFA, and the DCI can judge much better than I. [redacted]

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VII. Audience and Dissemination

24. A final consideration for either a continued SWS or new NIO/W Staff is the proper form, style, and distribution of warning products. The status of the Staff has not been precisely defined. Two former SWS directors gave me starkly different views:

(1) One argued that he wanted to change the normal operating style of his predecessor, which was based on memoranda directly to NIO/W, because it was harder to reach people outside the Community--the users who should get the warnings--that way. "The memoranda to Lehman were pooh-poohed when they were circulated; the warnings get dropped when they reach the substantive analysts, out of deference to expertise." In this respect warnings on the Afghanistan invasion failed the test. He wanted to circulate reports widely and directly from SWS, and felt that the results of doing so--substantial feedback from users--validated the

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change. He did not see the controversy and complaints this sometimes generated among other analysts as grounds for questioning the practice: "If you're going to warn you're going to have to get people upset."

(2) Another argued for the other mode of operation-- preparing reports informally and giving them to the NIO/W for decisions on further dissemination. "If you publish under hard covers it gets to the policy level immediately, where they don't realize it's not coordinated. This creates potential for serious misunderstanding." The SWS should serve a staff function, and should not be an autonomous Warning body.

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25. From outside, both views seem to have merit. If the warning staff function is moved over from SWS to NIO/W, this would seem more consistent with the second view. In a way the idea of an SWS Director and an NIO/W both taking responsibility for product dissemination seems strange. At the same time, however, I would hate to see the advantages of feedback and controversy (cited in the first view) lost. To the extent there is some necessary choice between freewheeling behavior and caution, a warning group should tilt toward the former. Could the danger of misunderstanding at the policy level be mitigated by making the disclaimers about coordination obtrusive, e.g. splashing "UNCOORDINATED/NO-CONSENSUS" across the cover in big block letters? My own bias about what consumers should get is that coordination should not be enshrined as a vital process, especially where warning is concerned. If the issue is clear enough and unpressing so that an unwatered consensus

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can be obtained in time, the issue is probably not a serious warning problem anyway.

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26. Lacking some familiarity with all the ins-and-outs of bureaucratic protocol, I'm not sure whether this issue impinges directly on the choice of maintaining a separate SWS or increasing the NIO/W staff. If one or the other structure would be more likely to minimize impediments to circulating unorthodox views, that element of the issue should have some weight in the final decision.

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Strategic Warning Staff

Washington, D.C. 20301

S-0007/SWS

6 February 1981

MEMORANDUM FOR THE NATIONAL INTELLIGENCE OFFICER FOR WARNING

SUBJECT : Review of the Role of the Strategic Warning Staff

Reference: NFAC Memo #353/81, Strategic Warning Staff, 29 Jan 81.

1. The following sets forth the view of the Strategic Warning Staff of the mission, composition, subordination, location, and publication policy of the Strategic Warning Staff, including improvements thereto, especially as related to the referenced study.
2. The mission of the Strategic Warning Staff, however its role is defined, is properly accomplished only if it ultimately improves the quality and timeliness of warning intelligence to consumers in the national security policy community. The strategic warning with which the Staff, and indeed the NIO/W, should be most concerned is that of events likely to have great significance to the security of the United States either because they involve vital national interests such as availability of Persian Gulf oil, or because they carry strong possibilities of bringing the forces of the United States into confrontation with the forces of the Soviet Union, North Korea, or China. There are indeed other changes in the world environment for which the policymakers would like warning but which are of less significance to United States security policy. The reporting and analysis of these changes seems more properly the domain of the large and well organized current intelligence establishments of the members of the intelligence community. Neither the Strategic Warning Staff nor any other part of the national intelligence warning system should become involved in the establishment of another current intelligence organization. There are clearly enough in the community.
3. As set forth in the DCID 1/5, the mission and role of the Strategic Warning Staff are tightly entwined with those of the NIO/W. The NIO/W's Letter of Instruction (LOI) for the Director, SWS of 2 October 1979, and subsequent advance work plans, reflect the close relationship of the Staff and the NIO/W's duties. The NIO/W outlined in the LOI the three main functions of the Staff as: serving as the conscience of the Intelligence Community with regard to strategic warning; providing synthesis of military, political, and economic intelligence related to strategic warning; and conducting research on strategic warning matters and promoting Community intelligence production in this field. The subsequent advance work plans broadened the specific areas of interest to include those that were, at the time, likely to involve significant

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security interests of the United States, such as Soviet penetration of specific nations along the sea lanes for shipment of oil from the Persian Gulf to Europe, especially where Soviet involvement might bring the US and USSR into confrontation. Based on the experience of the last year in a survey of some of the principal consumers of warning intelligence outside the intelligence community, the NIO/W directives as outlined above seem appropriate.

4. Consumers of intelligence and especially of warning intelligence have for some time--about ten years--pleaded for full expression of intelligence conclusions describing or predicting events, even including what has come to be known as alternative hypotheses. The Strategic Warning Staff was directed to provide "reasonable hypotheses not covered in other community publications, providing alternate explanations and short-term forecasts for situations of a threatening nature." According to some of the consumers of warning intelligence in security policy circles, the provision of alternative hypotheses has been invaluable. A complaint or lament often registered is that there have been too few instances over the years where such alternative hypotheses have been offered. Our experience on the Staff suggests that, although not impossible, it is extremely difficult for the main intelligence organizations to systematically provide such hypotheses. There is a certain normal inertia in bureaucracies that tends to slow a change in opinion about political or political-military events. It is clear, therefore, that some organization is needed to provide reasonable hypotheses not covered in other community publications to provide alternative explanations and short-term forecasts for situations of a threatening nature. Recent experience does, however, suggest that whatever organization is expected to provide such hypotheses should be autonomous from the main line intelligence production organizations, and preferably have direct access to the DCI. It should not be encumbered by an association with one or another production members of the intelligence community.

5. Warning situations are by their very nature time-sensitive and are not appropriate subjects for long, drawn out substantive negotiations among members of the community. Among organizations, persuasiveness is often equated with bureaucratic power rather than substantive attractiveness. It is for this reason that whatever entity takes on the responsibility of providing alternative hypotheses it must be clearly separate from the other organizations and be able to publish the case for an alternative hypothesis for the consumption of non-intelligence security policy consumers. Over the past year and a half, conclusions of Strategic Warning Staff analysis have almost always failed to persuade the community, in a timely fashion, to address the issue of an alternative hypothesis except when the Staff published on its own. The cases of the invasion of Afghanistan and the Iran-Iraq war, both of which were correctly analyzed by the Staff, but for which the analysis was not published outside the

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intelligence community, were cases where the security policy consumer was not provided with alternative hypotheses in a timely manner. On the other hand, the Staff's alternative hypotheses with respect to changes in Soviet policy toward Iran and the Soviet's sense of urgency over the events in Poland, received close attention by the intelligence community and early attention by policymakers because of the Staff's published conclusions which were distributed to the national security policymakers.

6. The NIO/W is responsible for many other warning related activities of the intelligence community that require him to be closely associated with research and training efforts, production efforts, and coordination of warning related matters within the whole community. It would seem a difficult challenge indeed for the NIO/W to accomplish these cooperative functions while personally engaging in the production of alternative hypotheses to those offered by the organizations with which he must be associated. It has been useful, we believe, for the Warning Staff to initiate these alternative analyses that, although done with the approval of the NIO/W, are not personally associated with him. The proposals of the Warning Working Group, if implemented, would probably make it difficult for the NIO/W to publicize alternative hypotheses, as his own, without putting in jeopardy his close working relationship with the intelligence agencies.

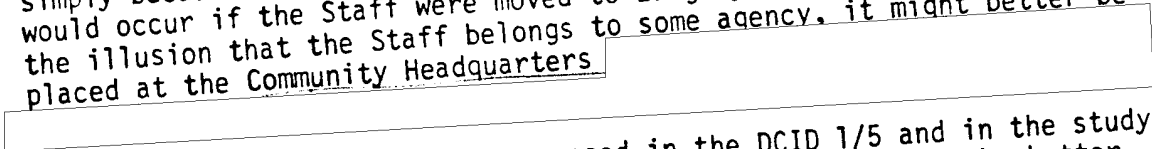
7. The Strategic Warning Staff has been functioning well since its manning level has again approached that authorized and would no doubt operate better if the State Department filled its slot. The experience of the past year has shown how important it is to have analysts assigned to the Staff who are familiar with the political analysis community, the photo interpretation community, the SIGINT community, and the military analysis community. Some better balance and considerably more flexibility would accrue to the Staff, should the State Department fill its slot. It has seemed important that analysts on the Staff come from at least the three main intelligence organizations; because of particular expertise, because of different bases from which they approach the problem, and because of the ability to communicate back with analysts of their parent agency. Although the Staff has not always been provided with quality analysts, there has been a noticeable change for the better since the current DCID 1/5 was promulgated in May 1979. Only experienced analysts are of use to the Staff because warning is a predictive action, almost like the detection of change yet to come. Inexperienced analysts would have an inadequate basis for detecting or predicting such change. The present staff includes nine substantive and four administrative personnel. With the world in its current volatile condition, the Staff would be hard pressed to sustain operations with fewer persons.

8. The location of the Strategic Warning Staff, or its follow-on, is important only to the extent that it allows access to the flow of intelligence information and the NIO/W. The Staff's effectiveness would probably be improved by some sort of more direct access to the DCI. Location might have

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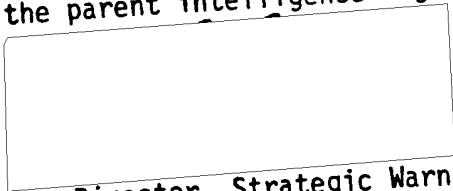
some bearing on said access. As implied earlier in this paper, it is important, however, that the location of the Strategic Warning Staff not be taken by the intelligence community at large as an indication that the Staff, by whatever name, is owned by some one of the agencies. We have noticed for example that some of our conclusions were thought of as DIA conclusions simply because our mailing address is DIA/SWS; presumably the same problem would occur if the Staff were moved to Langley. With respect to avoiding the illusion that the Staff belongs to some agency, it might better be placed at the Community Headquarters



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9. The warning function, as expressed in the DCID 1/5 and in the study by the House Permanent Select Committee on Intelligence, might be better performed with somewhat more publication by the Staff, by a closer relationship with the NIO/W, and by a closer relationship of the NIO/W with the DCI concerning the analysis done by the Staff. On the other hand, the Staff's experience with the community when its conclusions were not published suggests that, should the Staff no longer be involved in publishing as a separate entity, it is likely to become simply another current intelligence organization, but one that is unheard. An enlarged staff for the NIO/W, intended to cover the world, would be like a smaller version of the old National Indications Center with less capability to provide either the basis to act as a conscience of the community or good current intelligence. The solution as recommended in the referenced NFAC memo seems costly in analyst assets but not very valuable as an intelligence tool. It might even be counterproductive if seen as a threat to the reporting responsibility of other current intelligence organizations, preventing the NIO/W from establishing and maintaining the close relationship intended by the DCID 1/5. Our recommendation is to maintain an autonomous entity like the SWS, or if that is unacceptable, abolish the SWS, create no follow-on entity, and return the scarce analyst assets to the parent intelligence organizations.



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Director, Strategic Warning Staff

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