

Page Denied



DDI #4944-82

Central Intelligence Agency
Office of the Deputy Director for Intelligence

15 June 1982

NOTE FOR: EA/ADDI

FROM : C/PMS/Planning Group



Here are the talking points for the DDI.
Give me a call if you need anymore. These
points were taken from DCI and DDCI
speeches over the past two years.



STAT

STAT

JUN 1 5 1982

TALKING POINTS
CHALLENGES IN INTELLIGENCE

I. State of U.S. Intelligence Today, and how we got in this condition.

- Intelligence service has fallen behind badly having lost 50% of its manpower and 40% of its funds during the 1970's.

A. 1950's period of "what does the US need to know"

o a time of great investment. Developed encyclopedic knowledge about all countries (fewer countries then). Investment in technology produced U-2 for collection in denied areas.

B. 1960-1970s period of "what can you do without"

o Intelligence Community, like Defense Department, was asked: "Is it cost-effective."

o Vietnam War diverted resources from the basic task of assembling encyclopedic intelligence knowledge.

o Compounded by adverse balance of payments problems. Resulting in reduction of US presence abroad. State Department draws down political and economic reporting officers abroad.

o Budgets were predetermined. Focus of 70s on verifying treaties. Decision made to take advantage of new collection technology, at the expense of giving up manpower dollars.

o Lessened intelligence because of expenditure ceilings, paralleled by failure to think about what kind of challenges would affect US interest in the 1980s.

o Impacted on human collection and analytical assessment for large areas of the world.

C. Period of Congressional investigations

o brought benefit in that new look at intelligence problem revealed the extent of draw down of Intelligence Community's capabilities.

o Recognized that both dollars and people needed to fulfill requirements of what we need to know.

D. Where do we stand today

- Systems built to verify treaties have great capabilities to provide indications and warning.
- Do well following military developments, order of battle, the equipping, the state of training of our principal adversaries.
- Less well in political and economic areas. Result of lack of resources devoted to those problems. Difficulty in knowing intentions of foreign leaders.
- Lack of basic encyclopedic data base. Again, drawn down over long period and reliance on our allies to provide such information.

II. Challenges before us.

- While rebuilding to answer today's requirements we must identify and assess the vulnerabilities we have to face in the mid-to-late 1980s and the 1990s.
- A. Soviet Union, with major weapons systems directed against the US, remains our number one concern
- B. Warsaw Pact forces gaining on NATO forces in quantity and quality.
- C. Soviet ability, directly or through proxies, to project power over long distances.
 - Invasion of Afghanistan
 - Soviet weapons and transport of Cuban troops to Angola and Ethiopia
 - Soviet weapons, training and money enabled Vietnam to impose its will on Laos and Cambodia.
- D. Destabilization, subversion and the backing of insurgents around the world.
 - Targets close to natural resources and the choke points in the world's sea lanes.
 - We have established a Center for the study of Insurgency and Instability which uses a wide range of techniques and methodologies to provide advance warning of instability and potential for destabilization in order to protect us from being caught by surprise.

E. Terrorism

- Soviets provide funding and support for terrorist operations via Eastern Europe and its client nations like Libya and Cuba.

- Working with the intelligence services of friendly nations, we are developing a network to track terrorist organizations and train local quick reaction and rescue forces to fight terrorism worldwide.

F. Exploitation of indigenous religious and political and other regional tensions.

- Shia and Sunni Moslem tensions

- Arabs and Jews

- moderate and radical Arabs

- black and white in Africa

G. Technological revolution in Western society.

- The accuracy, precision and power of Soviet weapons are based on Western technology.

- A Technology Transfer Center has been established to identify and help fight the free ride on our R&D.

H. The Soviet space and laser program could produce a technological breakthrough that could tip the balance of power.

I. Soviet Economy

- burden of enormous military expenditures

- cut rate oil to Eastern Europe

- agricultural inefficiencies

- billions of dollars to Cuba and Vietnam

J. Complex Automatic Information Systems

- The glut in data, with the result that important information is not only harder to find but also harder to sort.

K. The need for support structures, including communications, that span the earth when and where we need them.

L. Finding and retaining the highest caliber people, while developing and maintaining our professional skills, such as foreign languages.

III. ○ After years of directed searching, and finding intelligence capabilities that we could do without, we have become too lean.

○ Basic areas need attention and strengthening: collection, production, counterintelligence, covert action, and support.

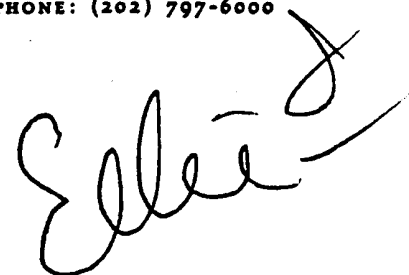
○ Rebuilding will not occur in just a few weeks; but we hope to be better in the 1980s as we attack these challenges of: What we need today, and what we will need in the latter half of the decade.

The Brookings Institution

1775 MASSACHUSETTS AVENUE N.W. / WASHINGTON D.C. 20036 / CABLES: BROOKINST / TELEPHONE: (202) 797-6000

Advanced Study Program

May 5, 1982



Vice Admiral Bobby R. Inman, U.S.N.
Deputy Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Admiral Inman:

Our final Executive Leadership FORUM of the year will be held June 15-18, 1982. This brings together senior business executives and senior government (career) executives from various agencies, to examine at first-hand with policymakers, the issues and policies in NATIONAL SECURITY AND INTERNATIONAL POLITICAL AND ECONOMIC AFFAIRS.

We invite you to speak to the group on the following topic (tentative, subject to your suggestions):

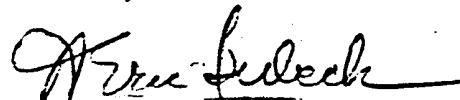
8:00-9:30 a.m.
Friday morning, June 18, 1982
Breakfast Meeting
Brookings, Room 103-S

Topic: ISSUES AND TRENDS IN INTELLIGENCE
IN NATIONAL SECURITY AFFAIRS

Sessions will be informal and off-the-record. Speakers are asked to speak for 10-30 minutes, and then reserve the remainder of the time for questions, discussion, and exchanges between participants.

We very much hope that you will be interested in assisting in this educational program, and that your schedule permits it. In the event that you cannot come, would one of your senior deputies be able to help us? I will be glad to discuss details with your office. I can be reached in Washington, D.C. at: 797-6279 or 797-6280, except for the period May 11-21, when I will be in Williamsburg, Va. at: (804) 229-1000, ask for Bubeck, with Brookings Conference.

Yours,



A. Eric Bubeck
Leadership Forum Chairman
Senior Staff Member, ASP

Returns to R Gates

ACCOMPLISHMENTS TO DATE

I. Attitudes

- After ten years of cuts, pervasive attitude at all levels "what can we can we do without" versus "what do we need to accomplish our mission." With new support from Administration, Congress and public this being turned around.
- After ten years of attacks, pervasive timidity, don't stick your neck out, play it safe. Under Casey, this too changing. People becoming more imaginative, striking out in new directions, more boldness in analysis, more creativity in clandestine service.

II. Analysis

- New, forceful leadership--John McMahon.
- New emphasis on quality of analysis (alternative interpretations, broader perspective, future oriented, more policy relevant, more timely, greater attention to leverage and vulnerabilities, greater realism).
- Significant change in role of NFIB/on substantive matters. Greater collegiality and involvement of NFIB in discussion of substantive intelligence issues.
- Changes in National Estimates process to make them more relevant, timely, and pointed.
- Resolution of major analytical dispute with Department of Defense over past several years--agreement to collaborate jointly on net assessments following projection of major military estimates.

- Cessation of publication of unclassified analysis. Statistical/ reference material still to be produced, but disseminated by NTIS and Library of Congress. Effort to get other agencies to actually issue the reference materials.

25X1

IV. Organization

- After years of major shakeups and reorganizations, there have been no significant reorganizations of line functions in the Agency since January 20.

*No longer
true for NFAC*

- Reorganization of NFAC: parallel rest of govt, improve integration of polit, mil. and econ. intell. etc.

- Overall emphasis: Movement of personnel from staff positions to line positions.
- This underlay disestablishment of Office of Public Affairs and Office of Legislative Council, both believed to be overstaffed and in latter case not sufficiently efficient, responsive to Members, or capable of ensuring high quality presentations.
- In OLC, kept best and most experienced liaison officers under former deputy to Hitz. Support and administrative functions reduced, no less effective--better organized--better disciplined. Level of representation from DDO and NFAC on Hill for briefings upgraded significantly to ensure better quality support.
- Those aspects of Public Affairs relating to "outreach" and "flacking CIA and its leadership" eliminated. Background briefings for journalists ended except in instances where journalists are traveling to interesting places 25X1
- Purposeful effort to have lower profile more consistent with intelligence organization. 25X1
- Overall, ~~OPA/OLC~~ ^{OLC/OPA} return of 20 percent of total staff being transferred back to line positions.
- Separation of NIC from NFAC to ensure proper treatment of alternative views and full consideration of other agencies' positions. Gives DCI independent view not possible from within NFAC, where NIC becoming just another production office.
- Establishment of first permanent planning staff for CIA not associated with budget office.
- Changes in organization of IC Staff to streamline and make more efficient.

- DCI and DDCI, for their part, contemplate no additional major changes in organization.

V. General

- Enormous improvement in CIA working relationship with other intelligence agencies, Department of State and Department of Defense.
- New Executive Order, more positive about role of intelligence while retaining necessary restrictions and road map relating to responsibilities.

FUTURE PLANS

- Planning now well underway for rebuilding and repairing drawdowns of decade. Future will see implementation of these plans as resources become available.
- May experiment with new organizational forms for analysis, perhaps experimenting with regional organization in some areas to improve integration of political, economic and military analysis.
- Move analysis into twenty-first century with implementation of SAFE System and other analyst tools.
- Renewed emphasis on acquisition of agents, counterintelligence, covert action and capability to carry out paramilitary functions as needed by NSC.
- Improved recruitment, more highly targetted on specialized, needed skills.
- Growing problem of retention, at all levels, of those with skills of value in private sector. (Damage of pay cap, the very possible large-scale retirements this winter in absence of hope of lifting pay cap.)
- *New technical systems*

25X1

-- More experimentation with forms of analysis, moving on subjects heretofore not high priority--societal change, mineral resources, food, etc.

Page Denied

NATIONAL INTELLIGENCE OFFICERS

The relating of intelligence efforts and activities to policy needs and processes and the completion of national estimates and clearing them through the Intelligence Community has been unacceptably confused, ineffective and slow. I am not being adequately staffed to meet the number and variety of requirements which are placed upon me for briefings and for participation in policy deliberations. This is partially because the corps of National Intelligence Officers (NIO) has been allowed to run down in number and partially because I have not been in close enough touch with the NIOs to satisfy the degree of my interest and participation in intelligence estimates and policy processes.

To correct this, I am restructuring the role of the NIOs and the procedures for having the National Foreign Intelligence Board (NFIB) and its constituent members make their inputs into national estimates prepared by the CIA.

National Intelligence Officers will report directly and function as staff to the DCI and DDCI. They will constitute the National Intelligence Council (NIC). The chairman of the NIC (C/NIC) will function as chief of staff in directing and coordinating the work of the NIOs.

Although the Director NFAC (D/NFAC) and the C/NIC will report independently and directly to me, I will expect there to be the closest possible collaboration between them in causing NFAC's intelligence production to become the basis for national estimates and in meeting the other intelligence needs of the NSC, its members and the DCI and DDCI.

The NIOs will continue to be the DCI's principal representatives in policy forums, and will continue to support the DCI in his role as member of the NSC and the DDCI as Intelligence Community representative to the SIGs--working through D/NFAC and NFAC for assistance.

The DCI, DDCI, D/NFAC and C/NIC will meet weekly to review the status of national estimates and other major intelligence products, to determine what new estimates are required and to assign the drafting of the estimate. These drafting assignments will normally go to NFAC, but, when appropriate talent or special expertise is available or for other special reasons, drafting may be assigned to NIC or to other members of the Intelligence Community.

CONFIDENTIAL

The Agency assigned drafting responsibility will prepare terms of reference which will be circulated by the appropriate NIO to constituent members of the NFIB for comment. All NFIB agency heads should review this outline and respond within 48 hours.

A draft estimate, with the comments of the appropriate NIO, and of NFAC if the draft is prepared elsewhere, shall go to the DCI/DDCI for approval. The appropriate NIO will maintain liaison between the drafting unit and other members of the Intelligence Community in order to reflect their views on the estimate and minimize delay in reflecting the views of other members of the Intelligence Community in the estimate. The NIC may meet or obtain the alternative views of scholars or others outside the Intelligence Community when it appears that this will improve the range or the quality of the estimate.

All estimates except for the large military estimates such as 11-3/8 and 11-4, are to be coordinated by representatives of the Community within three working days after approval of the draft by the DCI. These representatives should be the senior line managers of each agency's component having primary substantive interest in the subject of the estimate. Either by telephone or in a meeting, agencies will present corrections of fact or alternative text where there is a disagreement with the draft. Alternative text will be approved by the agency head. The NIO will be responsible for revising the draft to accommodate corrections and for the inclusion of alternative text in the body of the draft. The holders of alternative views will be identified by agency.

The DCI will authorize circulation of the revised draft to NFIB principals for consideration at the next meeting of the NFIB. All changes agreed at the NFIB will be completed within 48 hours following the meeting and the final estimate provided to the DCI for his approval not later than three days after the NFIB meeting. Agency views or text will not be included in an NIE if received more than 48 hours after an NFIB meeting.

The NIC will have a small support group to help prepare materials for interdepartmental meetings and papers, including NSCs and SIGs, as well as to assist NIOs in their drafting responsibilities. It is my intention that the NCI should be staffed by people of extremely high calibre from within the government and from the outside.

I believe that it is important to expose a small number of our very best analysts to the creative talents of the senior officers chosen as NIOs. The broad perspective, fresh thinking, judgment and wisdom of these officials is a valuable training and educational experience for some of our best young people. Through the NIOs, the analysts also can significantly enlarge their familiarity with a wide range of outside specialists and people with broad foreign policy experience--an invaluable asset and a useful investment for the the future. NFAC and other intelligence organizations from which analysts attached to the NIC are drawn can only benefit from the service in a rotational arrangement. This should help enormously in building a small cadre of analysts in the Community, and especially in NFAC, who have the capability to approach major issues with a geostrategic perspective and drafting skills honed by service in a small but intellectually highly charged and very demanding environment.

12 June 1981

Production of National Estimates

- Plan estimates production schedule
- *Coordinate Community research in support of future estimates
- Initiate and manage production of specific estimates
- *Identify and negotiate for drafters of above
- Coordinate estimates within Community
- Advise the DCI on the substance and Community politics of
estimates in progress

*In the political and economic fields, the NIO will have to depend largely on NFAC.

Production of Other National Intelligence

- Advise the DCI and D/NFAC on NFAC production for national requirements.

12 June 1981

Staff for DCI

- *Represent DCI in IG's
- *Accompany DCI's representative to SIG's
- *Prepare DCI for NSC's
- *Prepare and back up DCI for other substantive appearances
(Congress, etc.)
- Provide think-pieces for DCI
- *Keep DCI informed on trends and events
- Preside over working group of senior Community referents
- Link working group to policy Community
- Coordinate DCI-level substantive actions involving more than one
Community agency
- Advise DCI on Community capabilities
- Operate national warning system
- (?Represent DCI in public fora?)
- *Development of independent centers*

*For these functions the NIO will be almost entirely dependent on NFAC analysts and product. In this role he will act as the DCI's coordinator, transmitting DCI requests to NFAC and shaping the response to meet DCI needs. He will work with NFAC in a manner mutually agreed with D/NFAC. Efficient performance will depend on maximum cooperation between C/NIC and D/NFAC.

SECRET

I. National Estimates/Estimative Process

-- The most important task for any DCI is to bring the full resources of the Intelligence Community to bear on the critical issues of national security policy. The established mechanism for accomplishing this is the National Intelligence Estimate.

-- The NIE does not, however, exist in a vacuum. It must be intimately linked to the policy process. It must answer a question that the policy office has asked, or is about to ask, or should have asked--in all cases one with which he is immediately concerned.

-- When I became DCI, I expected that the production of estimates would be one of my primary concerns. I found, however, that while the foundations for a revitalized national estimates process had been laid with the creation of the National Intelligence Council, much more needed to be done. A number of mutually reinforcing tendencies had to be reversed.

- The input of intelligence to the policy process had become very much ad hoc. To a considerable degree, the advantages of an

SECRET

SECRET

orderly assembly of knowledge and judgment and a systematic exposure of divergent views had been sacrificed in an effort to keep up with a policy process that had itself become frenetic and ad hoc.

- Because the formal estimate was no longer integrated into policy formulation, it was viewed as less important by Community management. In CIA, the National Intelligence Council was part of the Directorate of Intelligence (NFAC) and did not report directly to the DCI as ONE and the NIOs had in the past. A parallel attitudinal change was evident in the other agencies. The lack of senior managerial involvement was reflected in a deterioration of the National Foreign Intelligence Board. It met irregularly and infrequently, and its deliberations were often characterized by acrimonious debates over procedural issues. Substantive discussions gave way to sterile repetition of staff positions.

SECRET

- Because NFIB did not energize the production of estimates, the machinery had slowed down, making it even less responsive to policy needs. The period from inception to publication had grown to several months at a minimum, and sometimes even years. In one notorious case, an estimate on Sino-Soviet relations conceived in 1976 was completed in June of 1980.

- The number of estimates produced had decreased sharply even as the turbulence of the nation's foreign affairs had increased. While 50-60 NIEs and SNIEs had been produced annually in the relatively placid 1950s, nine were produced in 1978 and eleven in 1979. While the National Intelligence Council had raised the total in 1980 to nineteen, there was a long way to go.

- Finally, the most important deficiency we found was an absence of strategic context in the estimates produced. For a number of reasons, organizational and attitudinal, analysts had fallen out of the habit of thinking strategically. They tend to treat each situation or issue in isolation, rather than seeing in it the interplay of global

SECRET

political, economic, and military forces. Thus an estimate on the Horn of Africa seemed to treat the Ethiopia-Somalia rivalry as if the two countries were the only actors involved. The thrust of Soviet policy, the significance of Sudan, Chad and South Yemen, the threat to US interests in the region as a whole were virtually ignored. An estimate on Cuban foreign policy in Latin America contained no reference to the Soviet Union and its relationship with Cuba.

We have done a great deal to put this situation right:

- I have brought the National Intelligence Council back under my direct supervision. Over the last eighteen months, it has been almost fully restaffed.

- I have made it clear to my colleagues on NFIB that I view NFIB as the central forum for Community concerns, that I want its members to involve themselves personally and deeply in the substance of estimates as they are formulated, and that I value their assistance in improving the product. This has produced a sharp change in atmosphere; our meetings are no longer adversarial

-4-
SECRET

SECRET

and our discussions no longer sterile. This change was perhaps symbolized a few weeks ago when I asked General Williams, Director of DIA, to chair the Board in my absence.

- In mid-81 NFIB agreed to and issued new guidelines for the production of estimates. These were designed to reduce radically the time of estimate production, to enable--indeed to force--early substantive engagement of the NFIB principals, and to restore order to a process that had become chaotic.
- I have used my position as the President's senior intelligence officer to focus our estimates on the truly important issues, seeking to demonstrate that a reinvigorated Community can meet policy needs in a systematic way.
- We have insisted that terms of reference be broadened to include strategic considerations and external forces, that they in all cases treat US interests and, where important, Soviet goals and activities.
- I believe we can show some results from these steps. The number of estimates produced rose to 28 in 1981 and to 17 in the first four months of 1982, as compared to

SECRET

11 in all of 1979. More important, the preparation of SNIEs--estimates produced in a few days or weeks in response to quite specific policy issues--has increased strikingly. In 1979, 3 of 11 were SNIEs; in 1981, 18 of 28; so far in 1982, 13 of 17. This is strong evidence that our estimates are more relevant and more useful to the policy officer.

- This shift to the SNIE has by itself resulted in a sharp reduction in preparation time. We can now meet the deadlines imposed by policy formulation, however short. Usually we have two or three weeks, but twice in the last year we have turned out estimates in about three days, on the consequences of Sadat's assassination [redacted]

25X1

[redacted] The machinery still runs somewhat more ponderously for our longer-range NIEs, but these, especially the military series, are usually scheduled well in advance.

25X1

-- In search of a less quantitative measure of performance, I asked the Senior Review Panel last fall to review our production since the first of the year to determine where it had been deficient in providing support in major policy issues. The results were quite reassuring.

SECRET

The Panel, speaking both of estimates and of DDI (NFAC) production as a whole, found "effective performance-- with a few notable exceptions."

- The Panel identified twelve major issues. To summarize:
 - o On US strategic arms improvements, theater nuclear forces, arms for Saudi Arabia, Libya, arms for China and Taiwan, and grain exports to the USSR, the Panel found our production timely and of high quality.
 - o On Pakistan, Southern Africa, and economic aid to Poland, it noted some specific deficiencies of coverage or timeliness.
 - o On Central America, the Panel stated its belief that performance had steadily improved. Initially "fragmentary, locally-centered, and tangential," it had become analytically integrated, focused on critical issues, and accurate in projecting general trends. There remained, however, "persisting weaknesses" in certain areas.

SECRET

- o On the Siberia-Western Europe pipeline, the Panel found assessments timely and accurate as far as they went. "Only following DCI guidance on possible lines of policy-maker interest was the analysis extended and intensified. . ." on the critical issues. This illustrates the essential requirement for feedback from the policy to the Intelligence Community.

- o Finally, on the Sudan the Panel found that no estimative analyses had been produced.

-- While I take some comfort from these indications that we have made progress, there is clearly a long way to go. I would like to see the link between estimates and policy institutionalized as it was in the '50s and '60s. We need free two-way communication on a daily basis between the policy office and his analytic opposite number. We need to be more conscious of gaps in our knowledge and our coverage and to do something about them. We must learn to ask ourselves the questions today that the policy officer will ask us, or ought to ask us, tomorrow, and build the capabilities to answer them. We need to overcome the analysts' reluctance to use his imagination and judgment when his evidence runs

-8-
SECRET

SECRET

out, to speculate, to dare to be wrong. Too often we report and assess when we should estimate and project. We need to give greater attention to alternate hypotheses, to make it clear to our reader that there are other, if less probable, outcomes than the one we choose, unpleasant surprises against which we must guard. Intelligence is a game of uncertainty; we can deal with it better.

-- Let me address two issues in many peoples' minds: integrity and competitive analysis. First, the concept of the national estimate as the pinnacle of national intelligence production is intact. The principles laid down by Beedle Smith, Bill Langer, and Sherman Kent have stood up well over three decades. Their standards of courage, objectivity, relevance, accuracy, and independence have not been watered down and I do not intend to water them. We have tinkered with the production machinery a little, but our efforts are directed toward enforcing those standards more firmly.

- Second, I believe as strongly as my predecessors in the need to present differing judgments whenever they exist, whether among the agencies of the Community or within them. That NFIB has become a more constructive and less combative

SECRET

body does not mean that it automatically tends to consensus. NFIB certainly does not--nor should it--always achieve consensus. Agency views are as wide-ranging and strongly defended as ever.

-- In this regard, much as been said of the necessity for competitive analysis in intelligence. I have found that there exists in the estimates process a lively competition, among the agencies of the Community, reflected in the dissents to our estimates. It is healthy, and it works on any issue to which several agencies bring significant analytic strengths. Where it is weakest, on political and economic issues, we need stronger capabilities outside CIA.

-- The competition works because the formal estimates process imposes rules on it and provides an umpire, the NIO, to enforce them. All information must be shared; agencies must work to a common and agreed terms of reference, differing views must be brought out and presented in a systematic way. This is why it is important that the major intelligence input to policy remain the national estimate. Without such rules, input becomes fragmentary, one-sided, and ad hoc. It is to get away from that kind of chaotic bureaucratic free-for-all that we are trying to rebuild.

II. DDI Organizational Changes

- Turn now to efforts to revitalize, improve DDI and quality of analysis in CIA.

- For nearly 20 years the Directorate of Intelligence was organized along purely functional lines. Political scientists, economists, military analysts, geographers, etc., were in separate offices. Long-standing problems with this structure.

- Imposed difficulties in preparing integrated analysis on problems involving more than one discipline.

- Encouraged narrow approach to broad problems, limited perspective.

- Requirements grew more diverse which compelled us to develop substantial capabilities for dealing with a range of economic problems and analysis of non-Soviet regions, both of which made the functional structure less and less sensible.

- Bureautically, completely out of step with the rest of the government and even the rest of our own agency.

- Coordination among offices time consuming, often resulted in compromises, sapping vitality, insight from analysis.
- With my strong support, then Director, NFAC, John McMahon, reorganized the directorate along regional lines.
- Offices of Economic Research, Strategic Research and Political Analysis were dissolved and in their place was created five regional offices: European Analysis, Soviet Analysis, East Asian Analysis, African Latin American Analysis, Soviet Analysis, East Asian Analysis, African Latin American Analysis, and Near East and South Asian Analysis. An Office of Global Issues was also established to ensure coverage of topics that naturally cut across geographic lines.
- This long overdue change provides the institutional stage for a major improvement in the quality of analysis. Political, economic, and military analysts working on the same country or region now are part of the same office and can bring together, for the first time, their diverse specialties in the form of genuinely integrated multidisciplinary analysis.

-- Many entrenched bureaucracies and vested interests needed to be overcome. Proceeded because needed to be done.

-- Already bearing fruit--improved quality and perspective, more straight-forward.

III. Quality of Intelligence in DDI

-- Sixteen months ago found analytical organization beset by

- Superiority complex, arrogant and yet timid.
- Scared of being wrong.
- Highly paid group of historians and statisticians-- looking back rather than forward.
- Resentful of different interpretations of evidence.
- Defensive against outside criticism.
- Too isolated from consumers as well as from our clandestine side and outside experts.
- Only one explanation for any given set of evidence or circumstances.
- No political/military analytical capability.
- Often failed to focus on problems from the perspective of US interests; issues unimportant to US consumed as much time as important ones.
- Performance on future trends and intentions poor, too vague.

- Primitive in multidisciplinary analysis.
 - Analysts failed to perceive events in strategic context. (e.g. Africa, Latin America)
- Reorganization created essential bureaucratic climate for improvement in capabilities and quality of intelligence. It also provided a structure conducive to enhanced cooperation between the DDI and DDO, a goal I have pushed. (For the first time, career DDO officer heading DDI analytic office--Ames.)
- Upon McMahon becoming Executive Director, named DDI careerist Robert Gates to DDI position.
- With my strong support and guidance, comprehensive program to improve quality of intelligence underway in the DDI, to wit:
- Revamped approach to research program providing for research on issues of importance and relevance to US Government. For first, broad coherent program based on key problems and wide range of assets in and out of government.
 - Each office required to develop aggressive program of contacts, conferences and seminars with outsiders on important subjects tying into research plan.

- To take advantage of most experienced and knowledgeable people in US, have begun aggressive program of acquiring highly qualified consultants who will review and critique DDI drafts in areas of their speciality. Especially interested in people who have different perspective.
- Outside training now required for every analyst every two years to refresh and expand substantive knowledge and broaden perspective by exposing them to different and new people and new ideas.
- A new program established of one-year rotational tours in policy agencies for very promising middle-level managers to help them understand how the policy process works and how agencies use intelligence.
- For first time, each office now required to develop and maintain a production file on each analyst that over time will enable supervisors to gauge whether the analyst is improving as well as overall accuracy and quality of his or her work.
- Current intelligence to be presented in two distinct parts beginning with a recitation of facts/evidence and then a separate comments section thereby ending the confusion between what is fact and what is analysis.
- In face of often weak analyst skills in effectively using intelligence sources, senior management encouraging development of skills in tasking and

using various sources (SIGINT, imagery, HUMINT). Skill in this area now included as a specific item for evaluation in annual fitness report (for the first time in DDI history).

●All senior managers in directorate now aware that quality of intelligence and in particular its accuracy the foremost element on which their performance will be judged. For first time, senior managers required to review all substantive publications issued by their office.

●Provided for the first time that those holding unorthodox or minority views be heard by senior managers by sending memorandum directly to DDI setting forth alternative views not included in Agency publications or other formal channels.

-- With my support, additional organizational change since October to enhance quality and protect research work. Product Evaluation Staff created to provide the first completely in-house evaluation capability in the DDI. Also monitors resources devoted to research to ensure that senior management aware of costs imposed by current support, briefings, and other responsibilities.

-- While the reorganization and policy initiatives to enhance the quality of analysis provided the framework, the new structure exposed long-standing resource

scarcities and weaknesses in certain geographic and functional areas. Noticeable gap existed in the Third World, terrorism, technology transfer, foreign industrial competition, and the Soviet economy.

-- We are remedying this through a long-term rebuilding and strengthening of analytical capabilities.

- For the first time in nearly 20 years we are expanding the size of our analytical staff.

- We are stepping up efforts to get analysts abroad under a number of programs to enhance language skills and knowledge about the culture and society of the area they cover.

- We are increasing funding not only for external research but also for training analysts and increasing their exposure to outside contact and review.

-- Integrity and objectivity of analysis ensured by quality of senior DDI managers, who, believe me, not afraid to speak their minds; exposure of analysis to Community scrutiny and criticism; integrity of DCI and DDCI; and ready availability of analysts to respond to HPSCI and SSCI questions and scrutiny.

IV. Relevance

- Attitudes are already beginning to change. Unlike recent past, analysts understand that poor work and lackadaisical thinking no longer tolerable. Standards are being imposed. Standards have been raised, made consistent and imposed across the board.

- Substantial feeling within the Directorate of Intelligence of a tightening up and imposition of these higher standards producing a higher quality product. Analysts and managers know that they will be judged on the quality of their work--its accuracy, timeliness, relevance, cogency, and style.

- There are already promising signs of change even though many of our changes are only a few months old.
 - There has been a noticeable change in the number of multidisciplinary papers, the use of special sources in DDI reporting, and the quality of finished intelligence.
 - This years DDI research plan, which I, DDCl, and ExDir reviewed in detail and approved, shows much more thought and cohesion than ever before. The full range of resources have been taken into account in focusing on the theme issues developed either directorate wide or by individual offices. This

year's plan also reflects greater top-down research-- that is increased direction from upper management on issues that matter.

- The use of outside contacts is already on the upswing. For example, conferences on such topics as the Yamal pipeline, Poland, Soviet defense expenditure, Soviet subsidies for Eastern Europe and industrial competition have already been held.

Additional conferences and seminars are planned.

- Arrangements have been worked out for ten rotational assignments in policymaking agencies. Individuals have been selected or are already on assignment in over half of these slots.

- Production files have been established and the distinction is being made between fact and analysis in our current intelligence.

-- The quality and usefulness of analysis has also been strengthened by the relationship between other NSC members and myself. Agency analysts are informed of their current interests and concerns which are then reflected in current intelligence support and policy support. Examples include analysis of Soviet economy relevant to possible sanctions in response to Poland, assessment of US-Sino relations, and analysis of trends in Central America and Cuba.

- The success of all of these organizational, philosophical, manpower and budget initiatives hinges crucially on such contacts and feedback. Unless we get analysis properly focused on the right issue and into print in a timely manner, all of this effort is for naught. A paper that arrives late or that misses the real issue simply wastes taxpayers' money.

- In the last 16 months, enormous strides have been made in both upgrading the quality of our analysis and estimates and in improving their relevancy and timeliness. This is no small achievement. However, sustaining this progress and deeply ingraining it into this Agency's culture requires constant attention and constant access at the NSC level. In all of these areas I am told by career professionals that I have made a substantial difference.

- It is only by developing this responsive mind set, rebuilding lost analytical capability, and acquiring the new skills needed in the years ahead that this Agency can give the nation the quality intelligence information it needs through the remainder of the Century.

SECRET

I. National Estimates/Estimative Process

-- The most important task for any DCI is to bring the full resources of the Intelligence Community to bear on the critical issues of national security policy. The established mechanism for accomplishing this is the National Intelligence Estimate.

-- The NIE does not, however, exist in a vacuum. It must be intimately linked to the policy process. It must answer a question that the policy office has asked, or is about to ask, or should have asked--in all cases one with which he is immediately concerned.

-- When I became DCI, I expected that the production of estimates would be one of my primary concerns. I found, however, that while the foundations for a revitalized national estimates process had been laid with the creation of the National Intelligence Council, much more needed to be done. A number of mutually reinforcing tendencies had to be reversed.

- The input of intelligence to the policy process had become very much ad hoc. To a considerable degree, the advantages of an

SECRET

SECRET

orderly assembly of knowledge and judgment and a systematic exposure of divergent views had been sacrificed in an effort to keep up with a policy process that had itself become frenetic and ad hoc.

- Because the formal estimate was no longer integrated into policy formulation, it was viewed as less important by Community management. In CIA, the National Intelligence Council was part of the Directorate of Intelligence (NFAC) and did not report directly to the DCI as ONE and the NIOs had in the past. A parallel attitudinal change was evident in the other agencies. The lack of senior managerial involvement was reflected in a deterioration of the National Foreign Intelligence Board. It met irregularly and infrequently, and its deliberations were often characterized by acrimonious debates over procedural issues. Substantive discussions gave way to sterile repetition of staff positions.

SECRET

- Because NFIB did not energize the production of estimates, the machinery had slowed down, making it even less responsive to policy needs. The period from inception to publication had grown to several months at a minimum, and sometimes even years. In one notorious case, an estimate on Sino-Soviet relations conceived in 1976 was completed in June of 1980.

- The number of estimates produced had decreased sharply even as the turbulence of the nation's foreign affairs had increased. While 50-60 NIEs and SNIEs had been produced annually in the relatively placid 1950s, nine were produced in 1978 and eleven in 1979. While the National Intelligence Council had raised the total in 1980 to nineteen, there was a long way to go.

- Finally, the most important deficiency we found was an absence of strategic context in the estimates produced. For a number of reasons, organizational and attitudinal, analysts had fallen out of the habit of thinking strategically. They tend to treat each situation or issue in isolation, rather than seeing in it the interplay of global

SECRET

political, economic, and military forces.

Thus an estimate on the Horn of Africa seemed to treat the Ethiopia-Somalia rivalry as if the two countries were the only actors involved. The thrust of Soviet policy, the significance of Sudan, Chad and South Yemen, the threat to US interests in the region as a whole were virtually ignored. An estimate on Cuban foreign policy in Latin America contained no reference to the Soviet Union and its relationship with Cuba.

We have done a great deal to put this situation right:

- I have brought the National Intelligence Council back under my direct supervision. Over the last eighteen months, it has been almost fully restaffed.

- I have made it clear to my colleagues on NFIB that I view NFIB as the central forum for Community concerns, that I want its members to involve themselves personally and deeply in the substance of estimates as they are formulated, and that I value their assistance in improving the product. This has produced a sharp change in atmosphere; our meetings are no longer adversarial

SECRET

and our discussions no longer sterile. This change was perhaps symbolized a few weeks ago when I asked General Williams, Director of DIA, to chair the Board in my absence.

- In mid-81 NFIB agreed to and issued new guidelines for the production of estimates. These were designed to reduce radically the time of estimate production, to enable--indeed to force--early substantive engagement of the NFIB principals, and to restore order to a process that had become chaotic.

- I have used my position as the President's senior intelligence officer to focus our estimates on the truly important issues, seeking to demonstrate that a reinvigorated Community can meet policy needs in a systematic way.

- We have insisted that terms of reference be broadened to include strategic considerations and external forces, that they in all cases treat US interests and, where important, Soviet goals and activities.

- I believe we can show some results from these steps. The number of estimates produced rose to 28 in 1981 and to 17 in the first four months of 1982, as compared to

SECRET

11 in all of 1979. More important, the preparation of SNIEs--estimates produced in a few days or weeks in response to quite specific policy issues--has increased strikingly. In 1979, 3 of 11 were SNIEs; in 1981, 18 of 28; so far in 1982, 13 of 17. This is strong evidence that our estimates are more relevant and more useful to the policy officer.

- This shift to the SNIE has by itself resulted in a sharp reduction in preparation time. We can now meet the deadlines imposed by policy formulation, however short. Usually we have two or three weeks, but twice in the last year we have turned out estimates in about three days, on the consequences of Sadat's assassination [redacted]

25X1

[redacted] The machinery still runs somewhat more ponderously for our longer-range NIEs, but these, especially the military series, are usually scheduled well in advance.

25X1

-- In search of a less quantitative measure of performance, I asked the Senior Review Panel last fall to review our production since the first of the year to determine where it had been deficient in providing support in major policy issues. The results were quite reassuring.

SECRET

The Panel, speaking both of estimates and of DDI (NFAC) production as a whole, found "effective performance-- with a few notable exceptions."

- The Panel identified twelve major issues. To summarize:
 - o On US strategic arms improvements, theater nuclear forces, arms for Saudi Arabia, Libya, arms for China and Taiwan, and grain exports to the USSR, the Panel found our production timely and of high quality.
 - o On Pakistan, Southern Africa, and economic aid to Poland, it noted some specific deficiencies of coverage or timeliness.
 - o On Central America, the Panel stated its belief that performance had steadily improved. Initially "fragmentary, locally-centered, and tangential," it had become analytically integrated, focused on critical issues, and accurate in projecting general trends. There remained, however, "persisting weaknesses" in certain areas.

SECRET

- o On the Siberia-Western Europe pipeline, the Panel found assessments timely and accurate as far as they went. "Only following DCI guidance on possible lines of policy-maker interest was the analysis extended and intensified. . ." on the critical issues. This illustrates the essential requirement for feedback from the policy to the Intelligence Community.

- o Finally, on the Sudan the Panel found that no estimative analyses had been produced.

-- While I take some comfort from these indications that we have made progress, there is clearly a long way to go. I would like to see the link between estimates and policy institutionalized as it was in the '50s and '60s. We need free two-way communication on a daily basis between the policy office and his analytic opposite number. We need to be more conscious of gaps in our knowledge and our coverage and to do something about them. We must learn to ask ourselves the questions today that the policy officer will ask us, or ought to ask us, tomorrow, and build the capabilities to answer them. We need to overcome the analysts' reluctance to use his imagination and judgment when his evidence runs

SECRET

out, to speculate, to dare to be wrong. Too often we report and assess when we should estimate and project. We need to give greater attention to alternate hypotheses, to make it clear to our reader that there are other, if less probable, outcomes than the one we choose, unpleasant surprises against which we must guard. Intelligence is a game of uncertainty; we can deal with it better.

-- Let me address two issues in many peoples' minds: integrity and competitive analysis. First, the concept of the national estimate as the pinnacle of national intelligence production is intact. The principles laid down by Beedle Smith, Bill Langer, and Sherman Kent have stood up well over three decades. Their standards of courage, objectivity, relevance, accuracy, and independence have not been watered down and I do not intend to water them. We have tinkered with the production machinery a little, but our efforts are directed toward enforcing those standards more firmly.

- Second, I believe as strongly as my predecessors in the need to present differing judgments whenever they exist, whether among the agencies of the Community or within them. That NFIB has become a more constructive and less combative

SECRET

body does not mean that it automatically tends to consensus. NFIB certainly does not--nor should it--always achieve consensus. Agency views are as wide-ranging and strongly defended as ever.

- In this regard, much as been said of the necessity for competitive analysis in intelligence. I have found that there exists in the estimates process a lively competition, among the agencies of the Community, reflected in the dissents to our estimates. It is healthy, and it works on any issue to which several agencies bring significant analytic strengths. Where it is weakest, on political and economic issues, we need stronger capabilities outside CIA.
- The competition works because the formal estimates process imposes rules on it and provides an umpire, the NIO, to enforce them. All information must be shared; agencies must work to a common and agreed terms of reference, differing views must be brought out and presented in a systematic way. This is why it is important that the major intelligence input to policy remain the national estimate. Without such rules, input becomes fragmentary, one-sided, and ad hoc. It is to get away from that kind of chaotic bureaucratic free-for-all that we are trying to rebuild.

II. DDI Organizational Changes

- Turn now to efforts to revitalize, improve DDI and quality of analysis in CIA.
- For nearly 20 years the Directorate of Intelligence was organized along purely functional lines. Political scientists, economists, military analysts, geographers, etc., were in separate offices. Long-standing problems with this structure.
- Imposed difficulties in preparing integrated analysis on problems involving more than one discipline.
- Encouraged narrow approach to broad problems, limited perspective.
- Requirements grew more diverse which compelled us to develop substantial capabilities for dealing with a range of economic problems and analysis of non-Soviet regions, both of which made the functional structure less and less sensible.
- Bureautically, completely out of step with the rest of the government and even the rest of our own agency.

- Coordination among offices time consuming, often resulted in compromises, sapping vitality, insight from analysis.

- With my strong support, then Director, NFAC, John McMahon, reorganized the directorate along regional lines.

- Offices of Economic Research, Strategic Research and Political Analysis were dissolved and in their place was created five regional offices: European Analysis, Soviet Analysis, East Asian Analysis, African Latin American Analysis, Soviet Analysis, East Asian Analysis, African Latin American Analysis, and Near East and South Asian Analysis. An Office of Global Issues was also established to ensure coverage of topics that naturally cut across geographic lines.

- This long overdue change provides the institutional stage for a major improvement in the quality of analysis. Political, economic, and military analysts working on the same country or region now are part of the same office and can bring together, for the first time, their diverse specialties in the form of genuinely integrated multidisciplinary analysis.

-- Many entrenched bureaucracies and vested interests needed to be overcome. Proceeded because needed to be done.

-- Already bearing fruit--improved quality and perspective, more straight-forward.

III. Quality of Intelligence in DDI

-- Sixteen months ago found analytical organization beset by

- Superiority complex, arrogant and yet timid.
- Scared of being wrong.
- Highly paid group of historians and statisticians-- looking back rather than forward.
- Resentful of different interpretations of evidence.
- Defensive against outside criticism.
- Too isolated from consumers as well as from our clandestine side and outside experts.
- Only one explanation for any given set of evidence or circumstances.
- No political/military analytical capability.
- Often failed to focus on problems from the perspective of US interests; issues unimportant to US consumed as much time as important ones.
- Performance on future trends and intentions poor, too vague.

- Primitive in multidisciplinary analysis.

- Analysts failed to perceive events in strategic context. (e.g. Africa, Latin America)

- Reorganization created essential bureaucratic climate for improvement in capabilities and quality of intelligence. It also provided a structure conducive to enhanced cooperation between the DDI and DDO, a goal I have pushed. (For the first time, career DDO officer heading DDI analytic office--Ames.)

- Upon McMahon becoming Executive Director, named DDI careerist Robert Gates to DDI position.

- With my strong support and guidance, comprehensive program to improve quality of intelligence underway in the DDI, to wit:

- Revamped approach to research program providing for research on issues of importance and relevance to US Government. For first, broad coherent program based on key problems and wide range of assets in and out of government.

- Each office required to develop aggressive program of contacts, conferences and seminars with outsiders on important subjects tying into research plan.

●To take advantage of most experienced and knowledgeable people in US, have begun aggressive program of acquiring highly qualified consultants who will review and critique DDI drafts in areas of their speciality. Especially interested in people who have different perspective.

●Outside training now required for every analyst every two years to refresh and expand substantive knowledge and broaden perspective by exposing them to different and new people and new ideas.

●A new program established of one-year rotational tours in policy agencies for very promising middle-level managers to help them understand how the policy process works and how agencies use intelligence.

●For first time, each office now required to develop and maintain a production file on each analyst that over time will enable supervisors to gauge whether the analyst is improving as well as overall accuracy and quality of his or her work.

●Current intelligence to be presented in two distinct parts beginning with a recitation of facts/evidence and then a separate comments section thereby ending the confusion between what is fact and what is analysis.

●In face of often weak analyst skills in effectively using intelligence sources, senior management encouraging development of skills in tasking and

using various sources (SIGINT, imagery, HUMINT). Skill in this area now included as a specific item for evaluation in annual fitness report (for the first time in DDI history).

●All senior managers in directorate now aware that quality of intelligence and in particular its accuracy the foremost element on which their performance will be judged. For first time, senior managers required to review all substantive publications issued by their office.

●Provided for the first time that those holding unorthodox or minority views be heard by senior managers by sending memorandum directly to DDI setting forth alternative views not included in Agency publications or other formal channels.

-- With my support, additional organizational change since October to enhance quality and protect research work. Product Evaluation Staff created to provide the first completely in-house evaluation capability in the DDI. Also monitors resources devoted to research to ensure that senior management aware of costs imposed by current support, briefings, and other responsibilities.

-- While the reorganization and policy initiatives to enhance the quality of analysis provided the framework, the new structure exposed long-standing resource

scarcities and weaknesses in certain geographic and functional areas. Noticeable gap existed in the Third World, terrorism, technology transfer, foreign industrial competition, and the Soviet economy.

-- We are remedying this through a long-term rebuilding and strengthening of analytical capabilities.

- For the first time in nearly 20 years we are expanding the size of our analytical staff.

- We are stepping up efforts to get analysts abroad under a number of programs to enhance language skills and knowledge about the culture and society of the area they cover.

- We are increasing funding not only for external research but also for training analysts and increasing their exposure to outside contact and review.

-- Integrity and objectivity of analysis ensured by quality of senior DDI managers, who, believe me, not afraid to speak their minds; exposure of analysis to Community scrutiny and criticism; integrity of DCI and DDCI; and ready availability of analysts to respond to HPSCI and SSCI questions and scrutiny.

IV. Relevance

-- Attitudes are already beginning to change. Unlike recent past, analysts understand that poor work and lackadaisical thinking no longer tolerable. Standards are being imposed. Standards have been raised, made consistent and imposed across the board.

-- Substantial feeling within the Directorate of Intelligence of a tightening up and imposition of these higher standards producing a higher quality product. Analysts and managers know that they will be judged on the quality of their work--its accuracy, timeliness, relevance, cogency, and style.

-- There are already promising signs of change even though many of our changes are only a few months old.

- There has been a noticeable change in the number of multidisciplinary papers, the use of special sources in DDI reporting, and the quality of finished intelligence.

- This years DDI research plan, which I, DDCl, and ExDir reviewed in detail and approved, shows much more thought and cohesion than ever before. The full range of resources have been taken into account in focusing on the theme issues developed either directorate wide or by individual offices. This

year's plan also reflects greater top-down research-- that is increased direction from upper management on issues that matter.

●The use of outside contacts is already on the upswing. For example, conferences on such topics as the Yamal pipeline, Poland, Soviet defense expenditure, Soviet subsidies for Eastern Europe and industrial competition have already been held.

Additional conferences and seminars are planned.

●Arrangements have been worked out for ten rotational assignments in policymaking agencies. Individuals have been selected or are already on assignment in over half of these slots.

●Production files have been established and the distinction is being made between fact and analysis in our current intelligence.

-- The quality and usefulness of analysis has also been strengthened by the relationship between other NSC members and myself. Agency analysts are informed of their current interests and concerns which are then reflected in current intelligence support and policy support. Examples include analysis of Soviet economy relevant to possible sanctions in response to Poland, assessment of US-Sino relations, and analysis of trends in Central America and Cuba.

- The success of all of these organizational, philosophical, manpower and budget initiatives hinges crucially on such contacts and feedback. Unless we get analysis properly focused on the right issue and into print in a timely manner, all of this effort is for naught. A paper that arrives late or that misses the real issue simply wastes taxpayers' money.

- In the last 16 months, enormous strides have been made in both upgrading the quality of our analysis and estimates and in improving their relevancy and timeliness. This is no small achievement. However, sustaining this progress and deeply ingraining it into this Agency's culture requires constant attention and constant access at the NSC level. In all of these areas I am told by career professionals that I have made a substantial difference.

- It is only by developing this responsive mind set, rebuilding lost analytical capability, and acquiring the new skills needed in the years ahead that this Agency can give the nation the quality intelligence information it needs through the remainder of the Century.

SECRET

I met with your Office Directors this morning and we discussed questions that you might have as a result of what I have discussed. I think that they will be prepared to address many of your questions, but if the spirit moves any of you at this time, I would welcome that opportunity.

Q. Bob, would you elaborate some more on the center for instability as far as size, staffing, and how this is going to relate to the offices that already handle countries like El Salvador.

A. I think that the size of the center will be kept fairly small. I anticipate somewhere between [redacted] people working on instability, a similar number on insurgency, and then the terrorism group will be incorporated pretty much as is. So that would be a total of somewhere on the order of [redacted] people. I believe that the problem, particularly in the area of instability and insurgency, is that there are so few working on these problems and in the case of insurgency no one looking at the problem in a generic sense. What aspects of insurgency are common to Third World countries across the board, for example? I believe it is generally recognized that one of the casualties of the reorganization was the disbanding of the group under [redacted] [redacted] which was working on the instability question. It is my notion that the center will form a core of people who are specialists in the general subjects of insurgency, instability and terrorism and that they will have very close working

25X1

25X1

25X1

25X1

SECRET

relationships with the regional specialists on these subjects so that there is an interaction between those two groups and also with the DDO.

Q. Can you tell us what you perceive will be the relationship now between the DDI and the NIO?

A. The relationship between the DDI and the estimative function of the community, has a long history, and there are, I think, still a number of you who were around in the grand days when Sherman Kent and R. Jack Smith used to have some of their titanic battles that put anything in recent times in the shade. There is and I think always will be a creative tension between those doing estimative work who are not a part of the line structure of the DDI and the DDI itself. On the other hand, my experience, having been in both camps, is that the relationship is fundamentally not an institutional one but an individual one. The relationships between some of your offices and some of the NIOs are very good and very close. There is a sharing of information, a collaboration on priorities, a running interference for one another that I think has well served both institutions. There are other instances where the cooperation isn't so good. Our objective will be to try and improve the cooperation where it is lacking and to sustain the good relationships that exist. The fact is that this Directorate probably provides something on the order of 75 or 80 percent of the analytical and drafting support that the National Intelligence Council requires. So they need us and to the extent that they have close relationships already extant with the policy

SECRET

SECRET

makers and with the rest of the Community, we can make valuable use of them, and that's how I see that relationship. I do not see an antagonistic relationship. I do not see a great deal of tension. I believe that a very productive relationship can exist between the two.

Q. Picking up on your theme for accuracy and timeliness of publications. Have you given any thought to the problems that sometime occur with other agencies that will probably delay publications of basic data while they are producing all sorts of intelligence instead of just publishing their regular information? If you want to abstain, I'll forgive you.

A. I think that the easiest way to deal with that is simply to say that when you have a problem with another agency, difficulty getting information, or getting coordination on papers or whatever you are after, that the easiest way to deal with that is first of all to try and work it out within the bureaucratic structure, your office chief or your division chief, but I would not be hesitant if all of that fails to work to ask me to take it up with General Williams or General Faurer, or Hugh Montgomery or to pursue, if that doesn't work, having the Director or Deputy Director pursue the subject. Without any specific cases to base it on, the best way I can answer your question is to give you the way that I would approach it. When I was at the NSC, one of the things that bothered me the most was an attitude on the part of various institutions around town, or the lack of an attitude around town that everybody was working for the same government. Working from the NSC sometimes left one feeling that one was at

3
SECRET

SECRET

the U.N. and frankly I don't have very much patience with turf questions or disputes within or between agencies over relatively trivial matters. I believe that when those matters are dealt with often at a senior level that they can be taken care of and those problems can be ironed out, but I think people have to understand that that usually involves give on both sides. Very few bureaucracies are enthusiastic about unconditional surrender. Anything else?

Q. One of the things that I think would be useful would be your comments on information flow to the Congress vice the Executive Branch and how you see that in the DDI.

A. One of the significant changes over the years has been the increase in the flow of information from the Intelligence Community to the Congress. It seems to me that is a fact of life and particularly to the extent that we now have two oversight committees as opposed to eight or more. It seems to me that we have an obligation to keep particularly those two committees as well informed as we possibly can. The demands on this Directorate for briefings on the Hill on a wide range of topics has become increasingly burdensome, and I think everyone recognizes that. Nevertheless, for the people who vote us our money and those who oversee our activities, it seems to me imperative that we respond to those requests and that when we do so, we put our best foot forward. It requires a substantial expenditure of resources to do so, but I believe we have no alternative.

SECRET

SECRET

Q. What is the priority in the Directorate for analysis in international economic interactions, the economics system as interact in most industrialized countries? Be it high, medium, low and if it is medium or high, what analytic devices and bureaucratic systems do you have in mind to try and manage that kind of analysis given the fact that we are now basically a geographically oriented directorate?

A. When I first met with the office directors on Monday, I told them that apart from the overall monitoring of soviet strategic strength, which we obviously have to do, my two highest priorities were first, as I mentioned in my remarks, Third World instability and Soviet exploitation of that instability and second, the international economic situation in the decade ahead. We have a Director who is intensely interested in the international economic situation, in vulnerabilities and in capabilities and potential competitors to this country in foreign economic strategies and so forth. It seems to me that we must consider as a very high priority the work that we do in the economic sphere. I think that to a certain extent we are better prepared to do that today than we were before the reorganization. We still have in the Office of Global Issues a corps of people working on international economic problems per se. But then in addition to that we have people looking at economic issues from a more specific regional aspect, and it seems to me that the mixture of these two and particularly the development of greater expertise in the latter, positions us well to begin meeting the needs that we are going to face in the next

SECRET

SECRET

several years. So the answer to your question is that I believe it has very high priority and I believe that we are organizationally well-structured to deal with it.

Q. In your experience with the high-level policy makers, did you encounter many of them who understood foreign areas well enough to know what they needed to know about them?

A. For me to stand up here and assert that Henry Kissinger and Zbigniew Brzezinski did not understand foreign area matters would be silly. I think that most of the people that I worked for downtown had a better understanding than most people gave them credit for. They tended to be preoccupied in the crush of daily events with things that-- for people who were at a greater remove--seemed to have very narrow focus and perspective and seemed to reflect a lack of understanding of the complexities of international issues and area problems in general. But when you have to make decisions, you end up having to reduce problems to their simplest elements, and you can't just keep saying "on the one hand, but on the other hand." So often, I think, in the course of making those decisions, some of these officials appeared to have a more superficial understanding than they actually did. I think that our effort must be directed, not only at identifying the complexities, but also in helping them to understand what the basic issues are so that we help simplify the policy problem for them. To the extent we can do that, I think we render a useful service.

Q. Whatever some of the memos from the 7th floor stated, moving the Soviets outside the building has made it extremely

SECRET

difficult to coordinate and produce intelligence and, perhaps, more importantly, to have an intellectual interchange with analysts. It think that's extremely important. Is there any chance we can get them back into the building?

A. All those who are prepared to occupy half as much office space as you now have raise your hand. I am fully aware of the costs that are imposed by the Soviets being [redacted] Most of my oldest friends in the Agency are in the Soviet office and they keep me fully informed of the lack of mail boxes and the distance to [redacted] and all of the other hardships. There are many things that seem to be by themselves trivial inconveniences, but add up to be really relatively unpleasant working circumstances. My sense is that the working spaces themselves [redacted] are satisfactory, and even very good, especially compared to some parts of Headquarters, but that the travel time, the lack of food facilities, and just the general physical and intellectual inconvenience of being separated from this building imposes a real cost. That's a lot of words simply to tell you I don't have an immediate answer to the problem. One of the things that I would like to have done would have been to come in and said my first priority is to bring the Soviets back into this building at any cost. First place, we don't have the money to pay that cost. I'm going to be looking into ways to try and mitigate the costs to which you refer and improve things until such time as we can get them back. But I fully appreciate the problem.

25X1

25X1

25X1

SECRET

Q. Are any new initiatives being taken to help us identify and know about policy decision points so that our work can be more timely?

A. I think one of the most persistent problems that all of us have faced as analysts over the years is this problem of feed-back from the policy makers. Not only on our own materials but in terms of what they are up to, what they are negotiating. We wrote some awfully embarrassing memoranda in the summer of 1971 indicating that the Soviets would not sign a SALT agreement and that the Chinese would never agree to do things with the U.S. which if we had been more fully informed would have saved a considerable amount of egg. All I can say is that I don't believe that at any time I was at NSC this Agency had better luck in having access to the people who make the decisions and to the memoranda of conversations of meetings at high-levels and so on than we do now. The way that the National Security Council meets is different than it was in the last two administrations. You don't have subordinate cabinet officials regularly attending meetings and thereby getting feed-back. I think you will recall that in the Carter administration when the NSC met there was almost never any feed-back from that level meeting. Most of the feed-back that we got was from meetings at a lower level, the policy review committee and the special coordination committee. So we have a change of system, and all I can say is that I will do my best to try and keep at least your senior managers as well informed as I can and as well informed as I am about what

SECRET

SECRET

decisions are being taken down town and what is going on. We'll just have to keep plugging away at it.

Q. Could you philosophize a little bit on the relationship between the need to maintain a sense of adventure and the pressure to be right.

A. I guess if I had my druthers, I would prefer to lean forward and occasionally be wrong than to rarely lean forward and perhaps boost our average of being right. There are certain things that try as we might over the years to educate policy makers, in the abstract the policy maker will understand when you tell him that we cannot predict the date of a military movement. Once they are ready, they are ready and they can go whenever they want. We can't predict the date of a coup--usually the subject of a coup doesn't know the date himself, and he's usually got pretty good sources, certainly a lot better than ours, so that puts us in a bit of a tough spot. Senior policy makers understand these things in the abstract, but as I mentioned in the article last year when that National Security advisor has to wander down the back hall of the White House at 6:00 in the morning and tell the President that he's just been surprised by the loss of another major ally the abstract doesn't seem to work very well. I really believe where we need more of a spirit of adventure is opening up intellectually in the Directorate and trying to widen our horizons in terms of sources that we contact and the people that we know and the way that we address problems. To try and look at developments and try to see something coming before it is right on our front doorstep and

SECRET

that's where I think especially we need to be more adventurous. But I think what I refer to when I talk about a spirit of adventure is more the intellectual approach that you bring when you sit down to begin analyzing a subject. That it isn't just "what do I have to grind out for the NID today" or "what do I have to do for the daily publication in the office," or "I have to write this research paper and get it out because they've been after me for two and one half years to publish something." I think we need a more energetic and adventurous spirit when we approach the problems that we deal with. Most of you are dealing with things that I think you find exciting and challenging. I don't think that you would be where you are or doing what you are doing if you didn't feel that way, and I think it just needs to come through more in our writing.

Q. What about the possibility of extensive language training for analysts who are not going abroad? Secondly, your idea of courses for analysts would seem to be a windfall for local universities and colleges which they shall certainly appreciate. Many of the faculty on these local campuses are very strong but many are visibly weak. Is there a possibility of bringing in faculty from universities--lets say in 1,000 mile range or something of the sort--to teach courses either at Headquarters or nearby? This would be of great value to people here?

A. I thought about the possibility at least of doing more in the way of arranging courses here at Headquarters, but one of my principal objectives in this is to try and get people out of

SECRET

this building and talking to different and new people. People with different perspectives and different ideas on things, people that you may find totally outrageous but who might strike a spark of some kind, plant a seed of doubt of an idea. So, I am generally unenthusiastic about doing very much with courses here at Headquarters for that reason. As far as a local windfall is concerned, I think that one three-hour course when you consider all of the possibilities for such training in the area is not going to make any one university feel very good about its balance sheet. Any others? Thank you very much.

Page Denied

Next 32 Page(s) In Document Denied