MEMORANDUM FOR HENRY A. KISSINGER

FROM: A. W. Marshall [ILM]

SUBJECT: Intelligence Inputs for Major Issues: A Substantive Evaluation and Proposals for Improvement

When we first talked, you indicated a concern for the quality of the intelligence product you receive on major issues such as the SS-9 program, trends in Soviet strategic forces, etc. During the last two months I have focused on the intelligence product on the Soviet military strategic weapons and forces and the question: How can you get a better product in the future?

The standard products of the intelligence community do not give you and your staff what you want and what you need. The NIE's are of little use to top level decision makers and/or their staffs, even though that is their ostensible audience. Their real service is that of supplying an agreed intelligence input to the work of staffs several levels down in the bureaucracy, and as a starting point for the NIPP (now the DIPP, Defense Intelligence Projections for Planning).

Other products vary in usefulness. The new President's Quarterly Report on Soviet Strategic Forces is factual, concise, and well presented. Some of the Soviet leaders, the structure and functioning of the upper level bureaucracy. But most of the product, when it goes beyond the reporting of factual information, or immediate inferences from it, is not very impressive.
The analysis of hard data and factual reporting on Soviet forces is good; indeed, we now know a great deal more about today's Soviet military posture and R&D programs than we knew about the 1960 Soviet force posture and programs in 1960. Intelligence on Soviet forces and programs is better today than in the past; but it can still be improved. Intelligence reporting and analysis can and should do a better job of assisting top level decision makers.

The weakest point I find is in the judgments of intelligence analysts and estimators about plausible or likely Soviet behavior, in particular their understanding of the decision processes that influence Soviet military posture. The explicit or implicit assumptions and hypotheses concerning the roots of Soviet behavior seem much too simplified, and rely too frequently upon a model of the Soviet government as a single unified actor pursuing an easily stated strategy.

Presumably the governmental decision-making process there is just as complex as ours, involves the interaction of contending bureaucratic elements, and can attain only a limited measure of rationality. None of this shows through in the standard intelligence product, except in those paragraphs designed to protect against future developments falsifying the estimate or judgment. These include sentences listing the factors that may also influence future Soviet behavior: economic difficulties, bureaucratic conflicts, bloc political problems, etc. A form of defensive writing in the spirit of defensive driving.

The fact that intelligence analysts judgments about likely Soviet behavior do not seem that much better than those of less involved persons is disappointing. In principle, they should be the real experts, and in some ways they are. But I have long felt that intelligence analysts have not devoted enough effort to studying past Soviet behavior with regard to military posture formation; have not sufficiently focused upon understanding the structure and objectives of the various organizations involved in the relevant decision-making processes.

In my view, if we are to understand past Soviet force posture decisions, or to improve our forecasts of alternative future force postures, we have to entertain more complicated hypotheses about the sources of Soviet behavior regarding military force posture formation.
Substantially improving the intellectual quality of the analysis of Soviet behavior is a longer term goal. I hope some effort can be made to push forward in this area. But let me return to the more immediate problem of getting you a better product.

WHAT DO YOU REALLY NEED?

It is hard for me to answer that question completely. Only you, Larry Lynn, and others immediately concerned with specific decisions and problem areas can do it. However, I would suggest that on a few issues each year

-- where a great deal is at stake,

-- where there are contending views on which option to choose,

-- where major uncertainties almost certainly exist as to the future evolution of Soviet strategic forces,

you need a different sort of intelligence product than you now get.

For at least these few problems you need in-depth intelligence studies that surface the uncertainties, display and argue alternative explanatory hypotheses regarding past Soviet behavior and future projections. These studies should give you

-- as much separation of facts and judgments as is possible,

-- where major judgments are made, argument as to the basis of the judgment.

On these really important issues you should dig into the intelligence analysis as deeply as you can before making decisions. You have to understand what is behind it before you can accept it. The only alternative is boxscoring of experts. In general that is not a feasible procedure.
WHAT CAN BE DONE?

A number of things can be done to get you better, more useful products. I believe you ought to use the following strategy:

-- Improved communication of your and your staff's needs. You are not getting through loudly and clearly now. Clear and persistent statement of needs should lead to an improved product. Put the burden on Helms and the community to find the ways to satisfy you.

-- Initiate discussion with Helms aiming at a major review of the intelligence community's support of yourself, the NSC decision-making process.

-- Develop new procedures to get non-standard products now for a few selected problems of highest importance to you.

Specifics of the strategy are covered below. Note that it is designed to get a better product for you, not to improve the structure and functioning of the intelligence community in the short run. It attempts to bypass, for the moment, the probable sources of the problem. You might prefer a more intrusive strategy that tries to influence the structure and functioning of the community at an early date. If so, see Tab A.

BETTER COMMUNICATION OF YOUR NEEDS

One general observation to begin with: Causes of product deficiencies lie on both sides of the producer-consumer interface. Top level needs have not been expressed clearly or persistently enough. There is little feedback or criticism of the intelligence product.

The community misperceives some of the needs of top level people, and a doctrine that limits their response. Moreover, the intelligence community does nothing that could be called research on customer needs. The organization of the interface between the two groups does not facilitate communication of customer needs, and discussion of how to match needs and producer capabilities.
I recommend the following:

1. Preparation of a statement to Helms expressing your needs (see Tab B for some things it should say), coordinated with guidance on the format and content of the Soviet Military NIE's. (See memo on that matter from Larry Lynn and A. W. Marshall.) Probably it would cover some of the same ground, but discuss alternative ways of getting a more useful product as well. Repetition will not hurt. Do not underestimate the communication problem. Follow up with detailed discussion with Helms and others on how to get the new procedures going.

2. Use at least one person on your, or the NSC, staff full time as a communication link, mainly to CIA. Tom Latimer is coming on board. Consider setting some part of his time aside for this function. Another person might be added to the NSC staff solely to perform this communication function. I can suggest some names if you are interested. Principal characteristics should be a familiarity with all community organizations, and a personal disposition to consider intelligence as a service to consumers, not an activity with its own goals.

The communication function will be time-consuming, if done right. It is not the standard sort of liaison function that is needed. Frequent trips to CIA, and elsewhere, and extended meetings with people at all levels in the community will be required to keep their view of your needs correctly focused.

Helms as DCI and CIA are the key communication targets. CIA has the best current capability to respond; there is just nowhere else to go. But you should communicate your needs also to DIA (Defence) and INR (State).

Again I stress the difficulty of the communication problem. The procedures to obtain non-standard products, discussed in the section after the next one, are designed to assist the communication problem; indeed, these procedures should be thought of as part of the communication effort.
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STEPS TO INITIATE A MAJOR REVIEW OF INTELLIGENCE SUPPORT OF THE NSC DECISION PROCESS

While short-run measures are taken to obtain more useful products, a more basic look can be taken at intelligence community organization and functioning in support of you and the NSC decision process. The timing for such a review may be good. For example:

1. The Office of National Estimates (ONE) is going through a transition period. It is at the end of an era. The head of ONE, will retire as soon as a successor can be picked. Helms and others lean toward bringing in someone from the outside; this is an opportunity to add some new blood and leadership. But equally at stake are: What sort of organization should ONE be? What should its role be? How should the NIE process operate?

You have a major stake in the choice of the successor and the DCI conception of what sort of an organization ONE is to be, what sort of a role ONE is to have in the future. (See Tab C.)

2. The Blue-Ribbon Panel will report on Department of Defense organization and management on 30 June 1970. It will focus in part on the need to change Defense intelligence organization and management. You have a major stake in what is decided, in particular as regards the future development of DIA. (See Tab D.)

I think you will want to rebuild the national intelligence process. At present it is foundering because of the decline in the ONE/BNE role and status, reflected in the virtual DDI monopoly of the intelligence role in the NSSM process, and other causes. One view of what to do about the national process is contained in Tab A. But what is really needed is a full-scale review of the current situation and recommendations for change. The review or study group should include representatives of the intelligence community, of NSC members, and of the NSC staff. It is very important that consumer representatives as well as intelligence representatives be involved in the review.
In the nature of things, the national process, if it involves inputs from several components of the intelligence community, is an adversary process. Special attention will have to be paid to designing a process that works well. More attention than in the past must be given to structuring the incentive systems in the adversary process.

I suggest you begin discussion with Helms about the design and procedures for a review of the national intelligence process. The aims of the review would be an assessment of its current operation in support of your office, and the NSC decision process; and recommendations for future redesign of the national intelligence process.

NEW PROCEDURES TO GET NON-STANDARD PRODUCTS

You need not only to communicate your needs, and hope for a good response, but to develop procedures to get what you want now.

I recommend that you:

1. Limit efforts to improve the NIE's. Neither the process that produces them nor the performance of ONE/BNE can be changed in the short run. The solution to the NIE problem is part of the review effort.

2. Push for procedures to produce in-depth intelligence studies on a small number of selected intelligence problems each year. Selection of problem areas to be yours, perhaps in some cases in conjunction with the Secretaries of State and Defense. (See Tab B.)

The essential features of these procedures should be:

- Involvement of top level decision makers and/or their staffs in the selection of study areas, drafting of terms of reference and the goals of the study.

- Provisions for monitoring of the study as it proceeds and continued guidance and feedback from upper level people to all levels in the intelligence community.
Joint decision of upper level representatives and intelligence working level people concerning modification of study efforts to accommodate data and analysis problems and in-course redirection of study.

It will be very important that it not seem that the White House is writing its own intelligence estimates. The objective should clearly be to obtain from the intelligence community relevant facts, judgments, etc.

3. Continue a study of the SS-9 system initiated 1 April 1970 (see Tab E). It is an attempt to produce a non-standard product; one you or Larry Lynn might give a good grade. Projected completion is end September. It will take only a day or two per month to follow it and hopefully keep it going in the right direction. CIA has started a good effort in this study. It should be a good test of their current capabilities to explore some more complex, organizational behavior hypotheses in addition to the standard ones.

I plan to continue to manage this effort as I visit Washington periodically in the course of other work.

Approve

Disapprove

Constant attention will have to be given to see that the procedures that are developed continue to function. The intelligence bureaucracy at all levels may resist these methods of operation. No fixed set of procedures may work all of the time. The recent study of the Israeli-Arab military balance, while not a typical intelligence study, may be a good model from which to draw some lessons.

In the case of that study, the keys to success appear to have been:

-- Study confined to fact finding, technical study, policy implications played down;
-- Full-time involvement of a NSC staff representative (in this case a consultant);

-- Lots of feedback of specific questions as study progressed;

-- No strong bureaucratic stance of State or DOD/Military Services.

By contrast, a 1968 attempt to evaluate the Israeli-Arab military balance produced only badly split views expressing policy preferences.

In any case, almost everyone's experience is that the most rewarding and fruitful way of working with the intelligence community is one in which top level people deal more directly with the working level people than is usual. Both the people and the intelligence input at the bottom are better than the standard product.

POSTSCRIPT

Many changes and improvements in intelligence community performance I would like to see are not easily effected by you. For example, as mentioned earlier I believe that major improvement in the analysis of Soviet decision-making processes is possible. But progress is slow and difficult to stimulate from the outside on this and many other areas of possible improvement. Nonetheless, I have appended at Tab F a short sketch of a number of areas that I feel the community should be doing more about. They mainly concern R & D community could do on the intelligence analysis, estimating, and projection processes. Two substantive studies are also briefly described.

Attachments
A MORE INTRUSIVE STRATEGY

I present in the main report some ways in which you can get better service from the intelligence community, at least on a few selected problems of importance to you. It is the strategy I prefer. You might, for a variety of reasons, prefer a more intrusive strategy, one that aims at changing the organization and functioning of the intelligence community in the short run.

The current organization, management practices, and functioning of the intelligence community undoubtedly are not ideal. Attempts are being made to make some improvements, especially in the management and resource allocation areas. Whether they will be successful is not clear. The Defense Blue-Ribbon Panel is addressing itself to the intelligence area as one of its main areas of concentration. (See Tab D.) But there has been no major study of the organization and management of the intelligence community as a whole. My understanding is that the Blue-Ribbon Panel will assume that community-wide changes will be minimal, that Helms will not be in a strong position to really manage the community and, hence, DOD should improve the control and management of the 85% of the resources it manages and controls.

There are many views as to how the community should change. But there is no in-depth study to draw on that I know of. The last one was done in 1960, the Kirkpatrick study. You might want to have such a study done. I would urge that you discuss this with Helms as part of the strategy.

However, you may have views of your own and want to act on them. Let me only note a few problem areas that may interest you:

-- The NIE process (covered at more length in Tab C). In brief, the choice here is letting the process run as it has, and refocusing it on the goal of producing estimates for users several levels below you in the bureaucracy, or greatly improving the process and strengthening ONE/BNE to produce substantially improved NIE's to support you and other upper level decision makers. The latter choice may involve changing USIB, upgrading DIA and INR, and getting involved in the internal CIA bureaucratic struggle of DDI (Jack Smith) versus ONE/BNE.
The NSSM process. CIA, in particular DDI components, now dominates the production of inputs to the NSSM process. The decision as to what components of the intelligence community are to participate in producing inputs to a particular NSSM are discussed at Helms' morning staff meeting. Almost always they go to DDI.

Some people feel that the NSSM process should have a national, rather than an essentially CIA, product. They feel that DIA and INR should be involved and perhaps ONE. There is a chicken and egg problem here. In principle, a case can be made that they should be involved. But DIA and INR do not have much current capabilities to do so, at least as compared with CIA. But they never will have if they do not get involved. There is also the problem of coordinating inputs from several agencies if DIA and INR are involved. With the short deadlines of many NSSM, in the past at least, keeping the effort within CIA may have seemed necessary.

In any case, if you want a more national, community-wide product, you will have to tell Helms you want it.

Special studies. In the main text I suggest telling Helms, both in writing and face-to-face, what you want and need; leaving it to him to be responsive, to come up with appropriate means to produce a better, more tailored product for you. For those studies done specially for you alone, the best relationship probably is one that involves CIA alone. With appropriate monitoring and liaison the product should be about the best you can get. CIA has the best capabilities in the community at present.

For special studies in which you, the Secretary of Defense, and the Secretary of State have an interest, you may want to consider setting up a special group to design and supervise the study. Such a group might have members from the NSC staff (your representatives), OSD, and State representing policy makers, and from the intelligence community members from CIA, DIA, INR, and ONE.
Beyond these specific areas it is difficult to go, it is all a matter of judgment. In the course of my work for you I talked with many people about the direction in which the intelligence community should move. The following pages contain an interesting response I obtained from two very old intelligence hands, that is worth passing on to you -- in particular because of its discussion of the interface between top level decision makers and the intelligence community, and the view it expresses concerning their preferred structure for the community in supporting the NSC system. It might suggest to you some areas you might like to discuss, or to look into more deeply.

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The Intelligence Role in National Security Studies and Decision Papers
(A View of Two Intelligence Analysts)

The purpose of this paper is to discuss ways and means of improving the intelligence input to National Security studies and decision papers.

It is taken as a given that the intelligence community must provide the views of the external environment in any National Security paper. It is also assumed that the intelligence input to the National Security Council paper is not the view of a single member agency of the intelligence community such as DIA, CIA, or the Office of Intelligence Research in the State Department. It is assumed that it is (or should be) a coordinated National Intelligence input which shows explicit differences of inputting agencies, particularly in the areas critical to the NSC paper issue.

The nature of the basic problem is one of achieving a more specific customer product, and problem orientation of the intelligence input. And, more specifically, to assure that the intelligence producer places a great emphasis upon uncertainties inherent in their information and analyses and upon the critical issues in the National Security question at hand.
The problem of improvement of the Intelligence input can best be approached from the pragmatic view of considering what could be done as immediate or short term actions to improve input as opposed to what longer term steps that might be initiated to achieve more basic or in-depth corrective actions.

A review of the problem in this context led to the conclusion that the nature of short term actions tended to center upon direct control techniques which might be exerted by the customer. Improvements of a long term nature, on the other hand, were concluded to be centered upon influencing Intelligence management to undertake the actions, with little or no direct action on the part of the customer, with the possible exception of customer need evaluation and intelligence product evaluation by the customer. It was also concluded that one could best look at the problem of short term and long term actions in three areas or categories. These were defined as,

1. Substantative - i.e., actions directly related to qualitative subject matters.

2. Methods and Techniques - i.e., actions related to control techniques to improve intelligence customer communications and interrelations.

3. Organization - i.e., actions directly related to specific organizational changes which would tend to foster improvements.

**Short Term Actions**

The conclusion that short term actions for improvement tended to be centered upon direct control techniques by the customer resulted from the following.

Basic qualitative or substantive improvements associated with intelligence analytical techniques and personnel can only result from a long term program within the intelligence community involving development and training.
Contemporary discussions within the intelligence community have taken note of the need for a more explicit assessment of customer needs. Another aspect of the problem (expressed in conversations with the intelligence producers) is getting questions asked which are "realistic."

The heart of the short term action problem appears to revolve around "asking the right questions" and eliciting a more responsive output from the intelligence producers.

For example, a basic procedure could be developed in the NSC staff which would involve the following steps:

1. Analysis of the NSSM objectives and the isolation of basic and critical queries to the Intelligence producers. Existing NIE's, NIPPS's, and other intelligence products could be helpful in this phase.

2. Upon receipt of the Intelligence input an immediate customer critique and feedback of additional queries when necessary.

3. A final critique by Intelligence of the use of intelligence in the NSSM draft would produce a useful input to the customer and also provide valuable insights with respect to Intelligence views and biases. (Even an ex post facto critique of this nature would be valuable.)

This type of methodological action by the customer raises an organizational issue for the NSC staff or the staff of the Assistant to the President for National Security Affairs.

The problem arises as to who will do this job at the NSC level. As an interface between customer and intelligence service, it requires personnel with considerable experience with the Intelligence community, its producers and its products.

It also requires personnel with experience of customer needs and an attitude which recognizes that intelligence is a service and not an end in itself.
Experience in attempting to make both the Defense and National intelligence product more responsive to Defense developers, force planners, and policy makers long ago resulted in the conclusion that our multi-billion dollar intelligence program had no systematic and organized effort directed at determining its customer needs or conducting an explicit customer evaluation of its products.

Another aspect of the problem is that coordinated national intelligence products have not historically been designed to meet specific customer needs. Nor is the National Intelligence producing machinery geared to producing customized products. We suggest the NSSM experience of the NSC staff with intelligence inputs and the current spate of papers in DIA and JCS attest clearly to this condition.

Thus, short term actions to improve intelligence inputs into NSC papers appear to require the development of procedures and methods to improve the customer control of the terms of reference of intelligence products, feedback, and critical review techniques. There is clearly no direct way that the customer can improve the substantive content of the intelligence response.

Long Term Actions

The basic problem of long term actions taken by the National Intelligence customer (even the President) involves using a politic manner in telling the Intelligence Managers how to run their business. Experience suggests that the customers are not prone to take the time to tell the intelligence managers that they are not happy with their products, and the reasons they are not happy.

There may be little motivation (or expectation of reward) on the part of the customer to undertake such activity. In addition, the customer sees intelligence as a "free good" and does not feel (and most times rightly so) that his expression of "demand" is likely to have any impact upon the intelligence "supply" or product. There is also the point that the customer feels somewhat frustrated in his attempts to deal with an intelligence community which is
complex in its organization. In fact, the customer does not have the time or inclination to attempt to deal with the problem.

For example, how does the customer recommend to the DCI that the concept and operations of the National Estimates' machinery should be changed to embrace all National Intelligence products? How does one suggest that these products should be more explicitly tailored to policy decision needs of the customer? How does one suggest that in addition to a production function, such a National Intelligence Product organization should also include an element devoted to Customer Need Analysis and still another to the Development of Methods and Techniques of Analysis and critical evaluation of inputs, intermediate papers, and product. The latter could include studies of past estimates to determine persistent biases and other defects.

All of these things might well add to National Intelligence product improvement in the long term.

Another aspect of the problem concerns the inner CIA relationship between the DDI as the basic production organization and the ONE/BNE as the producer and coordinator of National papers for the DCI. Whereas in the past the DCI research and analytical organ provided the main input to National papers of ONE/BNE, we now find that they are in fact competing.

The fact is that the CIA/DDI, DIA Production organs, and State/OIR represent the basic analytical inputs to national intelligence of any variety. In this sense, their inputs represent a healthy competition with each organization representing a different bias. ONE/BNE as the coordinating mechanism for the DCI and USIB should, in fact, prevent any single input or bias from dominating the national paper. The problem in fact lies in the final analysis and evaluation by ONE/BNE of the uncertainties and differences expressed in the inputs.

The two-hatted nature of the DCI and Director of CIA has always made the National paper suspect by Defense and State in
much the same terms as CIA regards Defense intelligence suspect because of its organizational tie to Defense planning policy.

One suggestion here has been the separation of the DCI with his ONE/BNE from CIA. We believe that this move becomes more attractive every year, not only with regard to intelligence production but also in view of the growing DCI interest (due to the demands upon him by the Executive and Congress) and activity in Intelligence Community resource management. (The DCI now only exerts direct fiscal control over 15% of our national intelligence resource although he is in some sense responsible for coordination of 100% of these same resources.)

Another significant problem for the National customer can be found in Defense intelligence production particularly in DIA. The problem can be simply stated by saying that DIA production resources are expected to serve all customers from the level of tactical Unified and Specified Commanders, Service Commanders, Washington level Service Hq. Commanders, JCS, all echelons of the Office of the Secretary of Defense, and the National level as well.

It is safe to say that DIA has not succeeded in satisfying any of its customers.

This suggests that the time has come to recognize that DIA has been charged with an unreasonable production responsibility made even more unreasonable by its subordination to JCS and the Secretary of Defense; two masters whom it can never hope to serve successfully at the same time.

It would make far better sense to provide JCS with its own intelligence staff directed toward problems of the Services and U&S Commanders while allowing DIA to serve the Secretary of Defense as the Director over all Defense Intelligence, including that over which the Secretary is Executive Agent (i.e., NSA). The Director of all Defense Intelligence could in fact logically be made an Assistant Secretary of Defense for Intelligence.
There is also a need for some formalization and systemization of Intelligence Customer Need analysis at the National level by the Customers (i.e., NSC and its members). Intelligence management cannot reasonably be expected to carry out this function or bear this responsibility. The relative value of customer needs with respect to information about external environments can only logically be created by customer demand. However, since Intelligence is a "free good," a synthetic "market place" must logically be created in the customer world which provides Intelligence Management and producers with a sense of relative value for the multitude of customer demands.

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