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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

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Office of the Director

10 JAN 1977

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

*my own*

I have reviewed the 2 December report that the PFIAB prepared for you on "Intelligence for the Future," and consider it to be thorough in its presentation and thoughtful in content. In particular, I support the PFIAB position that "overriding importance" must be given to "the development of initiatives to restore public understanding and trust in intelligence and intelligence institutions." As you are aware, I have devoted much of my time as DCI to serving as spokesman for the Community in an effort to rebuild both understanding of and trust in our intelligence efforts.

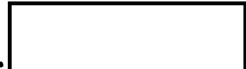
My particular purpose in writing you is to assure you that senior officers of the various organizations dealing with foreign intelligence are aware of the problems cited by the PFIAB and that work is in train on nearly all of them.

In its "Observations" section, for instance, the PFIAB lists six matters as "among the most important initiatives to pursue." Work already is under way on five of these, and the sixth will require Presidential action. As to the five:



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d. We have spent  this year on experimenting with comparative analysis, a concept on which PFIAB urges "refinement."

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e. Countering "increasingly sophisticated efforts to conceal and deceive" is of continuing concern to several elements of the Intelligence Community and increased effort has been applied to this problem in recent years.

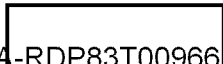
The "innovation" on which I consider Presidential attention might well be directed is the PFIAB proposal that there is need to pursue:

"Comprehensive examination of the government's responsibility to make the public aware of, and to provide the means of thwarting, intrusions to privacy by foreign intelligence services and the illegal efforts of private citizens intercepting communications and computer data links."

This is an important problem, but it is outside the scope of my authority as DCI. I suggest that you task the Attorney General to address these matters on a priority basis.

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The following comments relate to the nine PFIAB recommendations (pages v-vii).

First recommendation: The NSC should sponsor development of three or four models of the world 20 years hence, and the DCI should "undertake a community-wide estimation of the intelligence system's performance under each of the projected futures."

I would welcome NSC involvement in this effort. My Intelligence Community Staff and the CIA Center for the Study of Intelligence already have done work in this field, and are continuing to do so.

Past efforts at long range projection have not proved particularly useful as a basis for intelligence planning, but this does not mean we should not continue to develop projection methodologies which can exploit a potential utility.

Second recommendation: The NSC should direct a "most thorough review" of the subject and structure of intelligence support to crisis management.

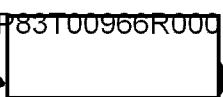
My Intelligence Community Staff has devoted major attention to crisis management problems and to improving Community procedures. I also appointed a Special Assistant to review crisis management practices and develop recommendations for my decision. Two matters being given special consideration are improved coordination of Community activities during crises and the proper wartime role for the DCI.

Third recommendation: The DCI should evaluate the PFIAB proposal for a 1-2 year study of Soviet concealment and deception activities by a special team, with a view toward its early implementation.

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Fourth recommendation: Net assessments, particularly of weapons systems interaction, will grow in importance and "a renewed effort is required to determine how they can be performed and within what institutional framework."

There is a need for more organized, more skillfully staffed, and more authoritative net assessments that can provide the bottom line on the judgments about the capabilities of U. S. forces under differing conditions. The role of intelligence in these assessments is to supply needed data on foreign systems, assist in developing assumptions about them in the absence of hard data, and generally to play a supporting role.

Fifth recommendation: The DCI should take a new look at the problem of targeting Soviet research and development "with the view of recommending a more intensive and more imaginative effort in the future."

A major effort to better understand Soviet research and development already is under way in the CIA

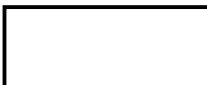


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Making a concerted effort to better understand Soviet R&D.

Sixth recommendation: While "Previous intelligence community efforts to assess foreign (USSR) perceptions of the U. S. are applauded," the PFIAB urges "that they be made more comprehensive and that they be kept current."

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I accept fully the soundness of this recommendation and appropriate follow-on actions will be taken.

Seventh recommendation: Human source collection and analytic processes have not experienced advances corresponding to technological improvements over the past decade in intelligence collection systems, so "A vigorous effort needs to be undertaken to achieve major improvements in these human aspects of intelligence: the recruitment of agents; the management of data; and in-depth understandings of foreign relationships."

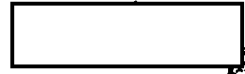
Although this recommendation is broadly stated, the point made by the PFIAB is well taken. A vigorous effort to acquire more and better placed human sources has been under way within CIA for several years. This increased emphasis has borne significant fruit and, hopefully, the impetus will continue. The acquisition of quality human sources requires considerable manpower outlay though well justified. It is, however, difficult to explain in terms of cost effectiveness. Yet it is on this very issue of cost effectiveness that we find ourselves most vulnerable to Congressional budgetary restrictions. If this trend is not reversed, we shall be forced to devote fewer, rather than more, resources to the acquisition of human sources.

Eighth recommendation: "A Presidential review of the U. S. counterintelligence policy is required as a basis for the formulation of a national counterintelligence policy and a statement of counterintelligence objectives."

On 6 September 1976, I sent to the Attorney General a memorandum on "Establishment of National Foreign Counterintelligence Policy and Coordination Mechanisms," which proposed a new Executive Order. The Attorney General's response indicated there were policy considerations which argued against his chairing the proposed National Counterintelligence Policy Committee, but he did support additional exploration of the problem, which my Intelligence Community Staff is pursuing.

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Ninth recommendation: Noting that security discipline of intelligence personnel is difficult to maintain in a culture which has come to abhor secrecy, PFIAB endorses the Deputy Secretary of Defense's suggestion that "a blue ribbon commission examine these changed values in American society with a view to determining how to restore adherence to the principles of confidential service to the government."

This problem has an application far wider than the Intelligence Community alone. I suggest that implementation of this recommendation should come from the National Security Council. I can assure you the Intelligence Community will provide full support and cooperation to such a panel.

Respectfully,

**SIGNED**

George Bush

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The Soviet Strategy Against Third Areas

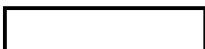
(and how to do more to counter it)

1. The Well-Known Adverse Trends

- a. the large increase in arms transfers, number of advisers, "active measures," role of allies/proxies, direct military operations (in Afghanistan and elsewhere)
- b. The successes of the 1970s and currently contested areas; some Soviet frustrations and setbacks.
- c. Particular importance of contiguous areas; especially Afghanistan, Iran, Pakistan, Yugoslavia, Norway, Turkey; difficulties of roll-back once Red Army is in place. But also distant areas in Africa, Latin America.
- d. Cumulative effect of these trends; demoralization of Western democracies, Soviets emboldered, key regions affected (especially Persian Gulf), effect on China?

2. Decline in US/Western Counter Instruments.

- a. Decline in role of Europeans
- b. Military/security assistance; only partly reversed
- c. Support for police/internal security
- d. Political support
- e. Propaganda
- f. Covert action
- g. Problems with availability of weapons
- h. problems of military access
- i. Specific Congressional constraints; e.g., Clark Amendment,



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3. What Needs to be Done?

- a. Above all, generation of Congressional support
- b. Organizational initiatives, e.g. political support, propaganda, Other?
- c. More activity by allies and others with overlapping interests with US
- d. More money for US programs.
- e. Other?