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31 AUG 1979

29-2020

MEMORANDUM FOR:	Director of Central Intelligence
THROUGH :	Deputy Director of Central Intelligence
FROM	James H. Taylor Comptroller
SUBJECT :	Revised List of National Intelligence Topics (U)

1. Curious about the possible resource implications of the recent changes to the National Intelligence Topics of Current Interest (NITCI), we took a close look at the new list and prepared a brief analysis. Having been deeply involved in the process, you are unlikely to learn anything new from our descriptive or quantitative rundown. Nonetheless, you might be interested in seeing how the revised list looks to someone who, while not a substantive expert, is attempting to get from it some sense of the substantive problems driving the Intelligence Community's effort. (S)

2. Perhaps the most noteworthy fact is that the revision almost doubles the number of questions the Intelligence Community is to give priority attention to. Although much of this increase results from the kind of inflation that is inherent in any requirements exercise, the expansion also clearly reflects policymakers' concerns about recent events, particularly the changes in Central America, Iran, and elsewhere. Except for the forward basing issue, relatively little of the expansion is directly related to the traditional high priority issues concerning Soviet military capabilities and intentions. This is not especially surprising for the latter are immutable requirements driving much of the Intelligence Community's effort. The big swings are in specific geographic areas--and, to a lesser degree, in issues like international energy, Islam, and the like. (S)

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3. In thinking about what the swings--in evidence in the new NITCI list--portend for the future, I am first struck by our chronic inability to predict them.

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While I suspect we can do better in predicting the coming imbroglios, I am also convinced that we will always fall short. One conclusion that I draw from this is that as long as our country remains a world power with worldwide interests, CIA must maintain a broad level of expertise and capability against the eventuality of some parlous and unforeseen turn of events. Thus, we may want to maintain stations and analysts in places like/

Of course, this has been well understood for many years, but what is new is the pressure arising from constrained resources that make it more difficult to maintain a capability against an unknown or even unknowable need. The challenge to Agency managers is to maintain this capability in a resource-tight environment. (S)

4. Another conclusion I came to is that the NIT and similar exercises in substantive requirements, whatever their merits, are not particularly useful tools for making resource decisions. The mechanisms are troublesome—the NITs will always be out of sync with the budget calendar. But more important is the lack of parallelism between an expression of interest in substantive issues and resource allocation. The former, no matter how thoughtful or detailed, is outside the intelligence process per se and does not usually concern itself directly with the input and output equation that lies at the heart of resource allocation. Thus, the policymakers tell us they need to know about the intentions of the new regime in Managua, but it is up to us to determine what kind and amount of resources it will take to get such information. (S)

5. In sum, the guidance I get out of the new NITCI list is that we are not likely to see a narrowing of the intelligence focus in coming months and years. The need for analysis and human source collection is likely to grow, particularly in the Third World and international issues even while the more traditional areas of concern show no diminution in their impact on America's policy and position, and hence no diminution in the need for good intelligence. (S)

James H. Taylor

Attachment:

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Survey of Recent Changes to the NITCI

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A Survey of Recent Changes to the National Intelligence Topics of Current Intelligence

The recent revisions made by the PRC(I) to the National Intelligence Topics of Current Interest (NITCI) illustrate a familiar phenomenon, namely the tendencies of intelligence consumers to elaborate their needs as the situation changes and to expand rather than contract their definition of desired if not essential information. The NITs of Current Interest were designed to have a limited horizon-the next six to nine months-but many of them in fact are fundamental, longstanding requirements. The new and old lists are both shown in the attachment; the latest changes are underlined and placed directly opposite the original list to provide a graphic exposition. (U)

A Qualitative Overview

Overall the PRC(I) representatives appeared to be reacting to a number of recent developments that have had a substantial effect on US policy thinking and to a few longer term trends that have been apparent for some time, but are now intruding more forcefully on US interests and policy decisions. (C)

Those recent developments that are reflected in several of the changes are the Iranian revolution, turbulence in Central America, and the normalization of relations between the US and China. The longer term trends that appear to be preoccupying a growing number of important US intelligence consumers are the increasing interdependence of the major trading nations of the world—with a growing complexity and fragility of the world trade network—and the increasing importance of the theater nuclear force issue to US relations with its NATO allies and in evaluating the NATO-Pact balance. A third longer term trend which has assumed new prominence since the Iranian revolution is the rise of Islamic fundamentalism throughout the Near East. (S)

On a section-by-section basis:

A. <u>Advanced Countries</u>—There is an elaboration of individual questions dealing with international trade and finance indicating heightened interest in acquiring more information on the role of the dollar and likely payments patterns over the near term. The new topics focus on recent efforts by both the USSR and China to improve relations with Western Europe, on the implications of renewed interest in NATO theater nuclear force modernization, and on likely reaction of West European leaders to having TNF raised as an arms control subject. (S)

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- B. USSk and Eastern Europe-Here, like in the section on advanced countries, there is a new emphasis on the role of TNF in the calculation of military strength and political leverage as well as the likelihood of US-Soviet arms control negotiations taking up this issue. The other major source of change to this section is the proliferation and the allocation of priorities between military and economic needs. The additional topics are concerned with how demographic and economic pressures are complicating Soviet policy toward minority nationalities-the Iranian revolution has spotlighted these developments-and a resurgence of Soviet activity in the Third World, especially in the Pacific region. (S)
- C. <u>China</u>—This section had fewer changes than any other although several of the items were expanded to indicate interest in obtaining information on the effect of US normalization with China. The single new topic concerns Chinese attitudes toward nuclear arms control. (S)
- D. <u>Key Developing Countries</u>—Argentina was added to the group, bringing the total to nine. Events in Iran appear to have been the motivator for the increased emphasis on evaluating the prospects for political stability. Two of the three new items concentrate on the possible development of a fundamentalist Islamic revival in South and Southeast Asia as well as the Middle East. (S)
- E. Less Developed Countries-A new topic has been added to this section calling for an overall evaluation of progress toward development in the LDCs. Also added to the list are requests for an assessment of the situation in Nicaragua and for the trends in the Francophone areas of West and Central Africa. These additions are somewhat counterbalanced by the deletion of two items concerning possible unrest in the Caribbean and Cuban intervention in Africa. These latter two topics were not dropped from the set of policy concerns, but were transferred to the section entitled "Critical Areas of Concern." (S)

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F. <u>Global Issues</u>—The size of the section has been increased by 50 percent with the addition of three new topics: Technology Transfer, North-South Issues, and the Nonaligned Movement. The description of intelligence requirements associated with the six issues comprising the original list needed only minor fixes. Not surprisingly the item on energy now calls for a reassessment in the wake of events in Iran. Several questions were added to the International Terrorism topic aimed at getting further information about the activities of individual groups and the extent of their cooperation with each other. (S)

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G. Critical Areas of Concern--As in the Global Issues section, the outline of topics included in the original version of this section required scant revision. However, twelve new items (topics and subtopics) were added to the section almost doubling its size. The new subjects especially focus on Africa and Asia, but include the Middle East and Caribbean as well. Among the additions are:

Africa

How are events in central Africa developing particularly in Zambia, Zaire and Angola? What is the likely evolution in Namibia? What are Ethiopia's intentions toward its neighbors and internal dissidents?

Asia

What are the economic prospects for South Korea? How will the reassessment of North Korean order of battle, affect South Korea, Japan and the rest of East Asia?

Are events in Indochina likely to affect relations among major powers?

Middle East

Is a realignment of Arab States occurring?

Caribbean

What are the implications of Cuba's receipt of new Soviet offensive weapons and its growing involvement in Central America? What are Cuban intentions in Africa and the Middle East? (S)

A Quantitative Overview

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The original list of NITCIs had 59 separately identified topics and subtopics. The recent revisions included 30 additions and 3 deletions for a net increase of 27 items raising the new total to 86, about 45 percent more. These calculations do not reflect the magnitude of the increase in intelligence needs, however, because modifications were made to 39 of the original 59 NITCIs and virtually every change involved adding new questions. The combined effect of all the revisions is to almost double the number of specific questions posed for the Community by the PRC(I). Overall the number of specific questions increased from 130 to 234; the largest growth occurring in Section VII, Critical Areas of Concern, which went from 25 to 62. The table on the next page summarizes the changes to topics, questions, and priorities. (C)

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			Revisions					
	Section	<u>Topics on</u> Original List	Deletions	No Change	Modified	Add	Topics on New List	
I.	Advanced Countries	7 (15)*	0	2	5	5	12 (29)*	
II.	USSR & East Europe	12 (32)	0	4	8	3	15 (54)	
III.	China	6 (17)	0	2	4	1	7 (18)	
IV.	Key Developing	10 (21)	1	2	7	3	12 (28)	
v.	Less Developed	3 (6)	2	0	1	3	4 (8)	
VI.	Global Issues	6 (14)	0	1	5	3	9 (35)	
II.	Critical Areas of Concern	<u>15 (25)</u>	0	7	8		27 (62)	
	TOTAL	59 (130)	3	18	38	30	, 86 (234)	

There are only a few changes in priority for existing topics but again the direction of change is to increase criticality with four adjustments upward (two from C to B, one from B to A, and one—on the outlook for Iran—from C to A) and one downward (B to C) concerning the likelihood of crises arising in any of the LDCs in the near term. Most of the new topics (17 of 30) are priority C. (S)

Figures in parentheses represent the number of specific questions.

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