

Intelligence Community Off-Site Conference

4 - 5 August 1983

I want to thank all of you for taking the time to come down here. As you are all aware, there are some major pressures of a short term and long term nature on which we need to react. We have to react almost immediately to the prospect of a severe reduction in budget levels for fiscal year 1985 and beyond. The DoD planning level would leave little or no room for new initiatives and looking at possible further action in the Administration and the Congress, the worst case could gouge  out of the Community budget. This would require us to dig into our base and to drastically cut back or stretch out ongoing initiatives.

We need to face up to this for two purposes and in two ways:

First, we need to identify capabilities which would be put at risk at the proposed Defense level, at the worst case I have just indicated and at some point midway between the two. We have to do this in specific terms to confront the policymakers and consumers with what can be lost by a crude across the board application of what appears to be an inevitable reduction in the Defense budget.

Second, we have to figure out among ourselves how we can mitigate what appears to be some inevitable damage from the best result we are likely to get.

This difficult problem for us is compounded by another development of which you are all aware. Just as we're being squeezed for money we're about to suffer embarrassment of riches. It is clear that over the next three years we are going to get so much additional information

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[redacted] that our ability to process, evaluate and understand it will be severely tested. We are going to be able to meet that test by being a lot smarter in setting our requirements, selecting what's important and in analyzing its meaning.

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The magnitude of this challenge will clearly require concerted effort and strategy on our part, and I hope we will begin to shape that in from the conversations we'll be having this evening. What we are engaging in is like the planning which a large enterprise made up of a variety of divisions needs to undertake. I would hope to meet again on this, several months hence, to appraise how what we do after this meeting worked and how we can do it better in the next budget cycle. With that I'll ask [redacted] to begin the discussion of how we can best handle the budgetary challenge which confronts us right now.