

Caveat

The personal working paper which follows is just that--personal--and does not reflect the policy, perspective, or intent of any other individual or organization.

Further, while this working paper reflects an organized approach to the issue of how one might go about significantly increasing national intelligence support to American enterprise, and particularly clandestine human intelligence and national technical intelligence support, in fact it supports two conclusions:

- ◆ *First, that such additional classified efforts as may be undertaken should be restricted to "illuminating the playing field" for official U.S. government policy-makers. There is little return, and much risk, in attempting to provide classified information on a selective basis to any private sector individual or organization....and who is to say what constitutes a "national" or "American" enterprise?*
- ◆ *Second, that open sources represent a totally legal, politically safe, and rationally sound alternative to any increase in classified activities. It is particularly noteworthy, in an era of declining resources, that the return on investment (ROI) from open sources is at least an order of magnitude higher than that derived from the more traditional disciplines.*

I have an article in progress on this topic, and would welcome your insights. Please direct comments to steeler@well.sf.ca.us, or fax them to (703) 536-1776.

**NATIONAL INTELLIGENCE AND THE AMERICAN ENTERPRISE:
EXPLORING THE POSSIBILITIES**

Intelligence Policy Seminar Working Group #3
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ISSUE: Should the U.S. government use its existing national intelligence resources and/or develop new "designs and methods" permitting the collection, analysis, and dissemination of intelligence intended to improve the economic competitiveness of the nation, larger industries, and specific American enterprises? If so, what should our national policy objectives, and what should be our national intelligence strategy be to achieve our objectives?

A. Subordinate Themes:

- (1) What are the policy implications?
- (2) What are the legal implications and requirements?
- (3) What are the President's priorities?
- (4) What are the resource implications?
- (5) What Congressional and/or political concerns exist?
- (6) What are implications for existing sources and methods?

B. Areas of Inquiry and Opportunity:

- (1) Illuminate the Playing Field
 - (a) Foreign Market Access (U.S. Overseas, Foreign Firms in U.S.)
 - (b) Government Support to Industry
 - (c) Government and Industry Strategy
 - (d) Trade Policy
 - (e) Monetary Policy
 - (f) Investment Regulation
 - (g) Product Standards (Legal Obstacles)
 - (h) Product Opportunities
 - (i) Costs of Production (Labor, Materials, etcetera)

- (j) Support to Negotiations
- (2) Level the Playing Field
 - (a) Background for Demarches
 - (b) Support to Legal Actions and Enforcement
 - (c) Background for Tariff Actions
 - (d) Market Limitations (Imports to U.S.)
 - (e) Remove Foreign Market Limitations
 - (f) Government Financial Support to Industry
 - (g) Exception to Anti-Trust for Joint R&D/Production
 - (h) Marketing Assistance
- (3) Tilt the Playing Field
 - (a) Acquire Foreign Trade Secrets
 - (b) Government Trade Financing
 - (c) Trade Policies
 - (d) Political/Military Leverage
 - (e) Product Development Financing

C. Under What Circumstances?

- (1) In all cases?
- (2) In response and retaliation to similar activities by our competition?
- (3) In only those areas where we are at an economic disadvantage?
- (4) Where we have a deficit in our balance of trade or payments?
- (5) In support of trade delegations and negotiations?

D. Pertinent Peripheral Issues:

- (1) Retraction of the Foreign Corrupt Practices Act?
- (2) Sanctioning of American industrial espionage against

foreign competitors?

E. In What Areas of Endeavor?

- (1) Research & Development
- (2) Manufacturing Technology
- (3) Natural Resources
- (4) Foreign Weapons Competition
- (5) Banking & Monetary Policy?
- (6) Trade Policy?
- (7) Strategic Economic Directions and Opportunities

F. Assessing the Needed Infrastructure

- (1) What Are or Should Be the Mechanisms?
- (2) How Do We Level the Domestic Playing Field?
- (3) Could We Help Protect Our Secrets?
- (4) Would It Compromise Sources and Methods?
- (5) Do We Need New "Designs and Methods"?
 - (a) Collection Priorities and Capabilities
 - (b) Analysis Methodologies, e.g. "true cost of production" reflecting government assistance
 - (c) Multi-Media Database Construction
 - (d) Policy-Pertinent Presentation
 - (e) Accommodation of Legal Requirements for Testimony

G. Tentative Evaluation of Results

- (1) Would There Be a Positive Effect?
- (2) Would Industry Substitute Intelligence for Enterprise?
- (3) Would This Inhibit Competitiveness?

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Making It Happen

Areas of Interest: Areas of Action:	Customer(s)	Capabilities Today	Capabilities Needed
ILLUMINATE THE PLAYING FIELD	Government at policy/direct interest levels e.g. U.S. Trade Representative, Commerce, and Treasury	Relatively low in most areas, fair to good in a few areas of high policy interest	Although could be primarily a re-alignment of existing resources, would require a significant increase in dedicated manning and funding
LEVEL THE PLAYING FIELD	Expanded USG to include Justice, Customs, other enforcement activities	"War on Drugs" is model, has required adjustments in ways of doing business (classification and clearance differences, evidence)	Would need new rules and methods to support aggressive enforcement actions without jeopardizing sources and methods.
TILT THE PLAYING FIELD	Expanded USG and some if not all private sector activities in some if not all areas of high interest	In neither the IC nor the enforcement and policy communities are there the manpower structure, rules, or funding to take action	Increased ability of IC to provide actionable products would require matching increase in other executive agencies to effect change

Assessing The Ramifications

Areas of Interest: Areas of Action:	Professional Risk/Implications	Domestic Political Risk/Implications	Int'l Political Risk/Implications
ILLUMINATE THE PLAYING FIELD	Relatively low and subject only to policy leaks; would need to refine economic databases and methodologies	Could cause discom- fort to selected enterprises and affiliated politi- cians	Relatively low, generally would require increased collection efforts
LEVEL THE PLAYING FIELD	Increased risk to sources, risk of bad press and legal attacks; OSCINT higher ROI and reduced risk for impact	USG faces increased legal challenges from and demarches from foreign government/ industry teams	Increased hostility to "imperial" U.S., likely propaganda from Third World as well as more subtle and powerful EEC
TILT THE PLAYING FIELD	Potential divi- sive fracturing of community-- must develop new methods for both collection and protection	Increase of risk	Increase of risk

Estimating the Resource Requirements

Areas of Interest: Areas of Action:	Collection	Analysis	Dissemination
ILLUMINATE THE PLAYING FIELD	Much more HUMINT as well as tactical SIGINT	New methods, more people	Begin to develop means of protecting sources
LEVEL THE PLAYING FIELD	Redirection of national assets, focus on priority areas (need to change priorities in all guidance documents)	Significant investment needed in OSCINT data entry including "gray" publications; new databases, methods	Radical change in product lines, and in rules of evidence and/or standards for policy exploitation
TILT THE PLAYING FIELD	Radical increase and change in nature of assets employed overseas with change in rules regarding domestic collec.	May need to have analysts in direct support of both USG enforcement and selected U.S. enterprises	Need entirely new structure for C4I2, along lines of existing paths and processes for war on drugs but extended to select private ent.

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