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Veterans of the OSS 10/23/91 [OA 8317] [3]

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RABOCHAYA TRIBUNA continues the publication of chapters from Lev Kolodny's book entitled "Who Wrote 'And Quiet Flows The Don.'"

The author relates how Mikhail Sholokhov wrote his famous novel. On the strength of the novel's manuscript found by him, Kolodny exposes allegations about the plagiarism of the novel.

Vladimir Varov, Russia's people's deputy and chairman of the Russian parliament subcommittee for legal support for political reform, reflects in RABOCHAYA TRIBUNA on whether there are real prerequisites for a new coup in the country.

He believes that a socio-political basis for a possible coup does exist in the country. Varov suggests taking a number of measures to avert a new putsch.

Yevgeniy Sorokin, in an article in PRAVDA, writes about ways for the development of the political process in Russia. The signs of a split have appeared in the camp of the Russian Democrats, he observes.

"The point is that Russia's power structures are politicized to the utmost, beginning from the parliament and down to ministries. A road to a market economy is quite often viewed not as an economic objective but as the possibility to overthrow yet another 'enemy'. The democrats are in need of opposition even if from among... Democrats," Sorokin points out.

There is a new rubric in PRAVDA, "a close-up view" to include articles about those who are now at the helm of the state and its domestic and foreign policies. Soviet Foreign Minister Boris Pankin is the first contributor to the rubric.

The Independent Gazette reports that Lithuania is unwilling to hold talks with Moscow on the status of army units stationed on its territory. Vytautas Landsbergis told Soviet Defence Minister Yevgeniy Shaposhnikov that he does not see substance for talks to this effect.

RABOCHAYA TRIBUNA points out, for its part, that the stand of the Lithuanian leadership, just as that of Estonia and Latvia, is unambiguous: the relocation of Soviet Army units should be completed within one or two months.

Former Soviet Foreign Minister Eduard Shevardnadze believes that a veritable civil war is now in progress in Georgia. In an interview with the Independent Gazette, he expressed his view about the development of events in his homeland. Shevardnadze stated his readiness to go to Georgia with a mediatory mission.

Russian writer Aleksandr Solzhenitsin addresses his compatriots through the newspaper TRUD which carries his address in connection with the forthcoming December 1, 1991, referendum in the Ukraine. He

welcomes the gaining of independence by former republics, regarding this as an earnest of the free development of all ethnic groups.

Primakov Appointment Portends Intelligence Shakeup

PM0710131391 Moscow ROSSIYSKAYA GAZETA
in Russian 3 Oct 91 p 1

[Leonid Radzikhovskiy commentary: "Historian Goes Down in History"]

[Text] The appointment of Yevgeniy Primakov (62, Russian, CPSU member since 1959, Politburo candidate member 1989-91, academician, with plenty of distinctions in various countries) as head of Soviet intelligence astounded many people—quite wrongly.

It has long been known that Primakov—a contemporary of Yulian Semenov at the Moscow Institute of Oriental Studies—was among the civilian journalists, international affairs specialists, expert economists, and historians who had close links with the KGB. And the terms journalist and expert can be used without qualification, at any rate in the sense that this was not just a "cover"—Primakov did indeed write articles in newspapers and scientific journals.

Primakov was certainly part of the general circle of "liberal experts" of the top leadership of Brezhnev's era like Academicians Inozemtsev, Arbatov, Aganbegyan, and Bogomolov, but he occupied a special position here, closest of all to the right wing. This may have been linked with his overly close contacts with "counterintelligence" ["kontra"]. When the decision was adopted to proffer fraternal aid to the people of Afghanistan, Primakov was director of the Institute for Oriental Studies.

However, the academician's galloping career really began in 1985. It was then that he replaced A.N. Yakovlev (probably on the latter's recommendation) and became director of the most prestigious USSR Academy of Sciences Institute—the Institute of World Economics and International Relations. This scientific research institute deserved a place in the Guinness Book of Records for having the greatest number of Politburo members' relatives per square meter.

Since 1989 Primakov's activities have been unfolding before our very eyes—he was chairman of the Supreme Soviet of the Union (until 1990) and a member of the now defunct Presidential Council and Security Council. He performed important diplomatic missions for Gorbachev—he was chairman of the Commission on Privileges, and, contrary to common sense, proposed to wash the black "Chaykas" [official limousines] until they gleamed white as snow. But for the most part Primakov worked in foreign policy, acting independently of Shevardnadze, in parallel with him—or rather perpendicular to him—and always with less success. So it is all the more peculiar that Primakov did not succeed Shevardnadze, despite strong rumors. His possible appointment as Union [soyuz] foreign minister (Union of Soviet

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Socialist Republics, that is—not to be confused with the “Soyuz” group) was viewed as symbolic of the moderate shift to the right which characterized the start of 1991. At any rate, when Shevardnadze was voting for military action against Husayn in the United Nations, Primakov—smiling good-naturedly—was patting Saddam on the back during a peace mission to Baghdad. As for Primakov’s other diplomatic acts, one of the best known is his statement on the eve of Gorbachev’s meeting with the “Group of Seven” in London: If the USSR president does not get the required credits, expect an explosion of popular anger.

So what is in store for an intelligence service which has been removed from Bakatin’s KGB and entrusted to Primakov? Bakatin did not listen to the instructions of Aleksandr Lyubimov on the “Vzglyad” program telling him to be more responsible and keep the esteemed professional Shebarshin. But it seems that Gorbachev and Bakatin, like their opponent Lyubimov, had their own reasons.

Obviously, the former KGB intelligence service can expect to be downsized. The elimination of the USSR also has some impact on the USSR KGB. The disappearance of the enemy image and the end of the cold war as a result of the unconditional capitulation of one of the sides also signifies a definite change in the tasks of the (former) [KGB] First Main Directorate. Technology thefts, contacts with the CIA, delicate missions in troubled regions where our new, nameless power will try to defend its as yet unclear interests—these things remain. Even some privatization of intelligence is possible, bearing in mind its contacts with various Soviet, international, and foreign firms. Eventually it is clear that the [General Staff] Main Intelligence Directorate—the main rival of the First Main Directorate—will merge to form a unified department.

In short, it would have been too hard morally for Lieutenant General Shebarshin to fulfill new tasks to partially dismantle the house where he lived a long and happy life. But there is no need to point out that Primakov, whose military rank lies somewhere between Lieutenant General Bakatin and Senior Lieutenant Murashev, is a transient figure in intelligence.

Interrepublican Food Agreement Drafted, Signed

OW0410135691 Moscow INTERFAX in English
1245 GMT 4 Oct 91

[Transmitted via KYODO]

[Text] During the sitting of the USSR Emergency Economic Committee, Yuriy Luzhkov said that an inter-republican food agreement had been drafted for the upcoming meeting of the State Council.

To date, the draft agreement has been coordinated with and signed by representatives of 10 republics. The

Ukraine and the three Baltic states did not sign it. Azerbaijan is to sign it within the next couple of days, said Yuriy Luzhkov.

Those violating the terms of the agreement will have to compensate the amount undersupplied in hard currency and at world prices.

Yuriy Luzhkov said that the draft food agreement would be passed to the West which is ready to offer its assistance.

In Luzhkov’s estimate, in the period till the middle of 1992 the Soviet Union will roughly need a 10.5 billion roubles worth of credit to purchase food, including 40 million tons [as received] of grain. The credits must be guaranteed by both the Union and the republics, while the food will be distributed through the central bodies.

The chairman of the State Bank said that the USSR’s external debt currently amounted to 61 billion dollars.

Underground Communist Organization ‘Possible’

PM0110122591 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 1 Oct 91 p 2

[By A. Podkopalov under general heading: “You Cannot Yoke Our People to Capitalism”: “...They Can Only Be Driven Underground”]

[Text] According to reports which have reached the editorial office from authoritative sources, the existence of a well organized communist underground is possible. The process of creating an illegal bolshevik organization named “Party of the Dictatorship of the Proletariat” began back in 1987 when the most farsighted figures of the CPSU and the KGB realized the inevitability of the collapse and defeat of the Communist Party. The training and “pumping” of the staunchest Chekists and Communists into the underground was already beginning then. The illegal organization members are splendidly trained and have a good material base, communications means, secret rendezvous, and clandestine apartments.

But according to our informer we should not fear acts of subversion and terrorism from them. The main task of the “Party of the Dictatorship of the Proletariat” is to introduce to enterprises and to establish control over the workers movement—in strike committees, trade unions, and the labor collective councils.

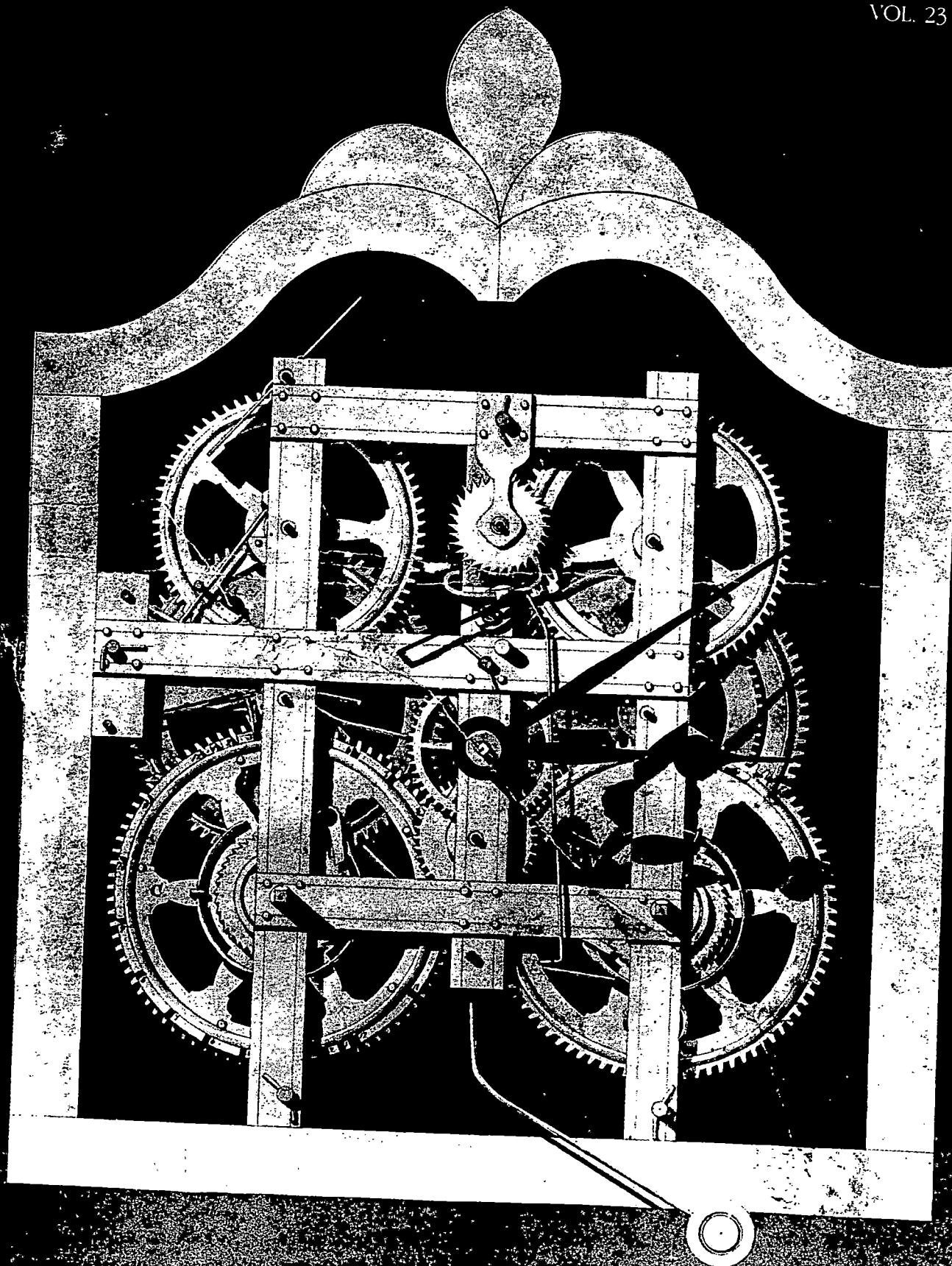
And another thing. The underground figures were clandestine and protected with a consideration for possible (and now real) cadres changes in the KGB and CPSU leadership. So even V. Bakatin will hardly succeed in uncovering this organization.

PROLOGUE

*Quarterly of the
National Archives*

SPRING 1991

VOL. 23 NO. 1



PROLOGUE

An Irish American and an interventionist Republican, the charismatic Donovan made a welcome addition to the bipartisan war coalition that President Roosevelt desired. Donovan already had the support of such administration contacts and fellow Republicans as Secretary of the Navy Frank Knox and Secretary of War Henry Stimson.

On July 11, 1941, the President established (6 F.R. 3422) the Office of Coordinator of Information (COI) to collect, correlate, and disseminate all intelligence relating to national security.¹¹ He appointed Donovan, who served as a dollar a year man, as chief of this civilian agency. The U.S. Army, Navy, State De-

partment, FBI, Secret Service, Immigration and Naturalization Service, Customs Service, and Treasury Department all had offices for foreign intelligence. The COI was to synthesize and disseminate intelligence acquired from all these agencies.¹²

But COI failed to win the support of the intelligence-gathering agencies. J. Edgar Hoover described COI as "Roosevelt's folly." When COI agents made a clandestine raid on the Spanish embassy in Washington to photograph documents, Hoover, eager to protect his own territory, ordered several FBI squad cars to the embassy, sirens blaring, forcing the COI agents to take flight.¹³ Assistant Sec-

February 25, 1943

PROJECT #12
(SAC #12)
NATURAL CAUSES

Prior to Oct. 27, 1943

Object: To evaluate and recommend lethal compounds which can be administered without suspicion and which will leave no indication in case of an autopsy.

The directive is as follows:

You are directed to study, evaluate and recommend chemical compounds having the following military characteristics:

- (a) When administered to the human system they must produce physiological evidence that will be convincing in the case of a suspicious autopsy that death was due solely from natural causes (e.g., thrombosis, embolism, etc.).
- (b) The chemical to be administered should have a minimum of systematic resistance (e.g., should not cause regurgitation).
- (c) Ideally, it should be free of appreciable taste or odor, and administered orally.
- (d) It need not conform to "e" provided bodily evidence such as hypodermic needle marks or contusions are not produced.

Unlike the L tablet, a suicide pill, the Natural Causes Project was to develop methods of assassination.



Playwright Robert Sherwood, shown here at a 1945 press conference, was the chief of COI's Foreign Information Service.

retary of State Adolf Berle disdained all espionage as "paranoid work." Army and navy intelligence chiefs, jealous of their own prerogatives, offered little cooperation and, in some cases, deliberately withheld information from COI.

COI was also divided within. The chief of COI's Foreign Information Service (FIS) was Robert Sherwood, a Roosevelt speechwriter who won four Pulitzer prizes.¹⁴ He believed that FIS should broadcast only white propaganda, the open dissemination of the truth, but Donovan wanted to make use of black propaganda as well. Black propaganda deliberately falsifies its source, purporting to emanate from the enemy, for instance, but actually originating in the OSS Morale Operations Branch (MO).

Truth is an early casualty in war, and nations that are attempting to annihilate large cities will not scruple at the use of systemic disinformation, an instrument of war that disseminates carefully contrived deception in order to confuse and demoralize the enemy. Little escaped the fertile imagination of OSS Morale Operations officers. Their fabricated newspapers, radio programs, poison pen letters,

PROLOGUE

a distinct and permanent role within their political systems. As predecessor to the Central Intelligence Agency, the OSS not only passed on to the CIA its records, methods, and experience, but it provided a training ground for many of the CIA's eminent intelligence officers. Four of the CIA's fourteen directors—Allen Dulles, Richard Helms, William Colby, and William Casey—have been OSS veterans.

The ranks of OSS veterans furnish a roster of the best and the brightest in nearly every field in American life. A small list would include cuisinière Julia Child; journalist Stewart Alsop; travel book editor Eugene Fodor; Macy's president Richard Weil; Smithsonian Institution Secretary S. Dillon Ripley; international financiers John Shaheen and Nicholas Deak; New York Yankees president Michael Burke; pollster Elmo Roper; ambassadors David Bruce, Ralph Bunche, Arthur Goldberg, and Dewitt Poole; film directors and actors John Ford, Merian Cooper, and Sterling Hayden; and presidential advisers Roger Hilsman, Archimedes Patti, and Walt Whitman Rostow.

Officers were not simply assigned to OSS by an army personnel office; rather, the OSS selected officers from a pool. The names of those whose applications appear in the OSS Central Files but who, for one reason or another, were not appointed to serve in the OSS, often despite excellent qualifications, make a most impressive list. When his application for a position in the OSS was turned down, an Olympic track and field star, Alan Cranston, declined draft deferment and enlisted in the army as a private. He is now chairman of the Senate Veterans' Affairs Committee.² In his letter of application, the mystery writer Leslie Charteris said, "I have written 27 books, all of them dealing with a modern Robin Hood character known as 'The Saint,' and a great number of magazine stories; 8 motion pictures of my stories have been produced. For the general purposes of my kind of writing I have been obliged to do a vast amount of reading and study of criminal and detective and espionage methods." Though



One rejected application that appears in the OSS Central Files is that of mystery writer Leslie Charteris.

Charteris never served in the OSS, the OSS Counterintelligence Branch adopted the sobriquet of his detective hero, the Saint, as its code name.³ Asked to list his sports and hobbies, John Wayne wrote, "football, played college ball at the University of Southern California; squash and tennis, fair; deep-sea fishing, 7 marlin in two years; hunting, a good field shot; horseback riding, have done falls and posse riding in pictures, not as easy as it sounds." But John Wayne was not appointed to serve in the OSS.⁴ By contrast, Monsignor Fulton J. Sheen may have influenced one minor appointment in the OSS.⁵ But the wag who characterized the OSS as Donovan's "Irish Mafia" could have spoken only in jest. Most of the top appointments in OSS tended to go to Waspish candidates, especially to those from Ivy League schools, provoking critics to gibe that the agency's acronym actually stood for "Oh So Social" and "Oh Such Snobs."⁶

The courage and daring of the men and women of the OSS is legendary, making cloak and dagger a byword; OSS records document the often incredible bravery of its agents and operational teams. Incred-

ible is not too strong a word. Even the OSS director, Gen. William J. Donovan, carried the OSS's L tablet (potassium cyanide) when in danger to avoid capture.⁷

Donovan served with great distinction in World War I as an officer in the Forty-second Division, the "Rainbow Division." Awarded the Medal of Honor, the Distinguished Service Cross, the Distinguished Service Medal, and the Croix de Guerre, "Wild Bill," as he was known to the troops, returned from France one of the most highly decorated American soldiers.⁸ After the war, Donovan served in the Coolidge administration as assistant attorney general for the anti-trust division. Returning to private practice in 1929, he founded the firm of Donovan Leisure Newton and Irvine in New York City. Before America marched to war again, he was a millionaire.

Donovan's reputation for reckless bravery followed him into World War II. He went ashore with the troops at Anzio. He met with OSS Detachment 101 guerrillas behind enemy lines in Burma. On D day, he and David K. E. Bruce went in with the invasion force. When he and Bruce found themselves pinned down by a German machine gun on Utah Beach, Donovan informed Bruce that they could not allow themselves to be taken alive and asked him if he was carrying his suicide pill, the L tablet. Bruce confessed he had neglected to bring the poison tablet with him. Donovan searched his pockets for his own L tablets but found none. Then he said, "Ah well, no matter for the pills. If the Germans take us, I'll shoot you first as your commanding officer, then I'll shoot myself, so there's nothing to worry about."⁹

He was, as President Eisenhower described him, "the last hero," and he loved the excitement of war. Roger Hilsman writes that, having seen the horror of war at first hand, many combatants would settle for an honorable wound and safe passage back to their home and country for the duration of the war.¹⁰ Though not a war-lover, Donovan, by contrast, seemed eager for American intervention in the war against the Axis.

from Bill Working

Please consider the following themes as you draft the President's remarks for the OSS Award Dinner on October 23.

Thanks for award.

Bill Casey said of General Donovan in his book The Secret War Against Hitler: "He belonged to that pioneer generation of Americans who saw their country rise to global power before its people were ready to take on the duties that power required." Indeed he did, and many of you are also members of that pioneer generation.

During WWII and through the Cold War, OSS veterans were at the forefront -- both inside and outside the U.S. intelligence community -- of our vital and critical intelligence programs. You were the forefathers -- the Godfathers (and mothers) -- of the finest intelligence service in the world.

Even today many of you are extremely influential and you continue to be sought out for advice and support. I believe that the reverence and respect for the OSS has been burnished over the years by your continuing distinguished public and private service to our country.

Your country still needs your help.

Those of us who served in WWII have witnessed in the past few months and years events which most of us never expected to see -- but events for which we labored mightily.

I pinch myself from time to time to see if I am dreaming. And each time I conclude its real. The menace of Communism is -- really -- dead. The specter of nuclear war is receding. But tyranny is not dead. And human conflict of massive proportions is still about. The conflicts borne of Communist "wars of national liberation" and superpower confrontation are being settled. Nicaragua, Angola, Cambodia and Afghanistan are being resolved in favor of democratic self-determination. But the ethnic and political hatreds -- perhaps capped for years by the superpower cold war -- are again bubbling up like a vile cauldron. Tyrants like Saddam Hussein continue to test the resolve and righteousness of the civilized world.

Human history would remind us that the forces of evil and tyranny are always just below the surface, and they take different forms each time they emerge. They certainly take different weapons each time. It is not unreasonable to suggest, in retrospect, that the Soviet Union and the United States were at least responsible custodians of the nuclear, biological and chemical weapons we developed. I have heard it said that the massive destruction of nuclear weapons has been made obsolete by the technologies which allow pinpoint accuracy. There may be some merit to that argument, but it doesn't apply to those nations for whom the new technologies are not available. It doesn't apply to

those tyrants who would use weapons of mass destruction for terror or ethnic genocide.

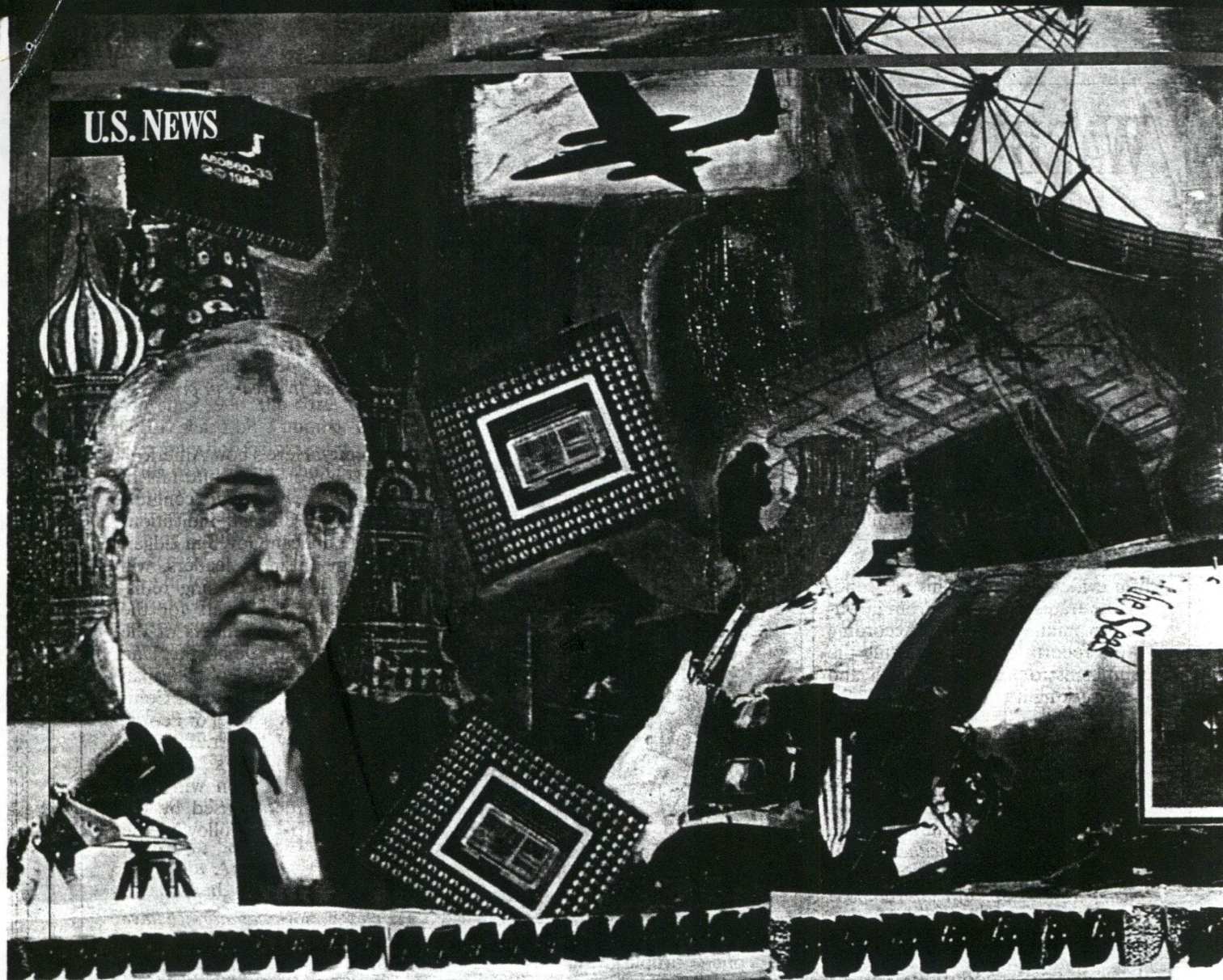
No, In spite of the truly remarkable changes we have witnessed, the world remains a dreadfully dangerous place. And the United States remains a global power; a force for good.

Some suggest there is no longer a need for the CIA, DIA, NSA and other intelligence services. That, I am afraid, is the same mentality which presaged some of the most devastating conflicts in modern history. No, we must know about the tyrants and their weapons and their intentions. For us, and our allies, to form and implement policy decisions which encourage and protect democratic principles, we still need top notch intelligence services. The classic risks and challenges for intelligence remain, but we also face new challenges posed by state-of-the-art technologies. Unfortunately, we also face the challenges of complacency and neo-isolationism as our traditional threats recede.

U.S. intelligence does need to change. U.S. intelligence must change. Some old crockery must go. Some new programs and structures must emerge. And we need your help. Our intelligence team, now led by Bob Gates, has the energy, the know how and ability to do it. Today's intelligence officers -- like you OSS officers -- are a pioneer generation, too. Fortunately, Bob and

his team of pioneers have the ability to consult the first generation of modern intelligence pioneers. I ask you this evening to help us adapt and help us succeed in this brave new world.

Thank you once again for the distinct and cherished honor of the William J. Donovan medal.



The New Spy Wars



Robert Gates is set to become America's new spy master at a time of dramatic change and opportunity. The question is, what would he do in the job?

Some spy stories take years to conclude, and some just go on and on. Here's one. In the early 1970s, a bright young analyst in the CIA's Office of Current Intelligence turned out a series of dazzling papers on the Sino-Soviet border conflict. Relying on information provided by a Soviet source who had been given the code name TRIGON, the analyst's papers won him high praise—and attention. National Security Adviser Henry Kissinger, for one, just loved them. The only problem was, TRIGON may have been a double agent. Some people say there may have been more than one TRIGON. But what is clear is that he—or they—had been compromised by a pair of spouse-swapping Czechoslovakian spies named Karel and Hana Koecher. U.S. intelligence cut off TRIGON around 1977, officials say. The Koechers were booted out of the United States seven years after that. By then, however, the young analyst's career was launched, and to-

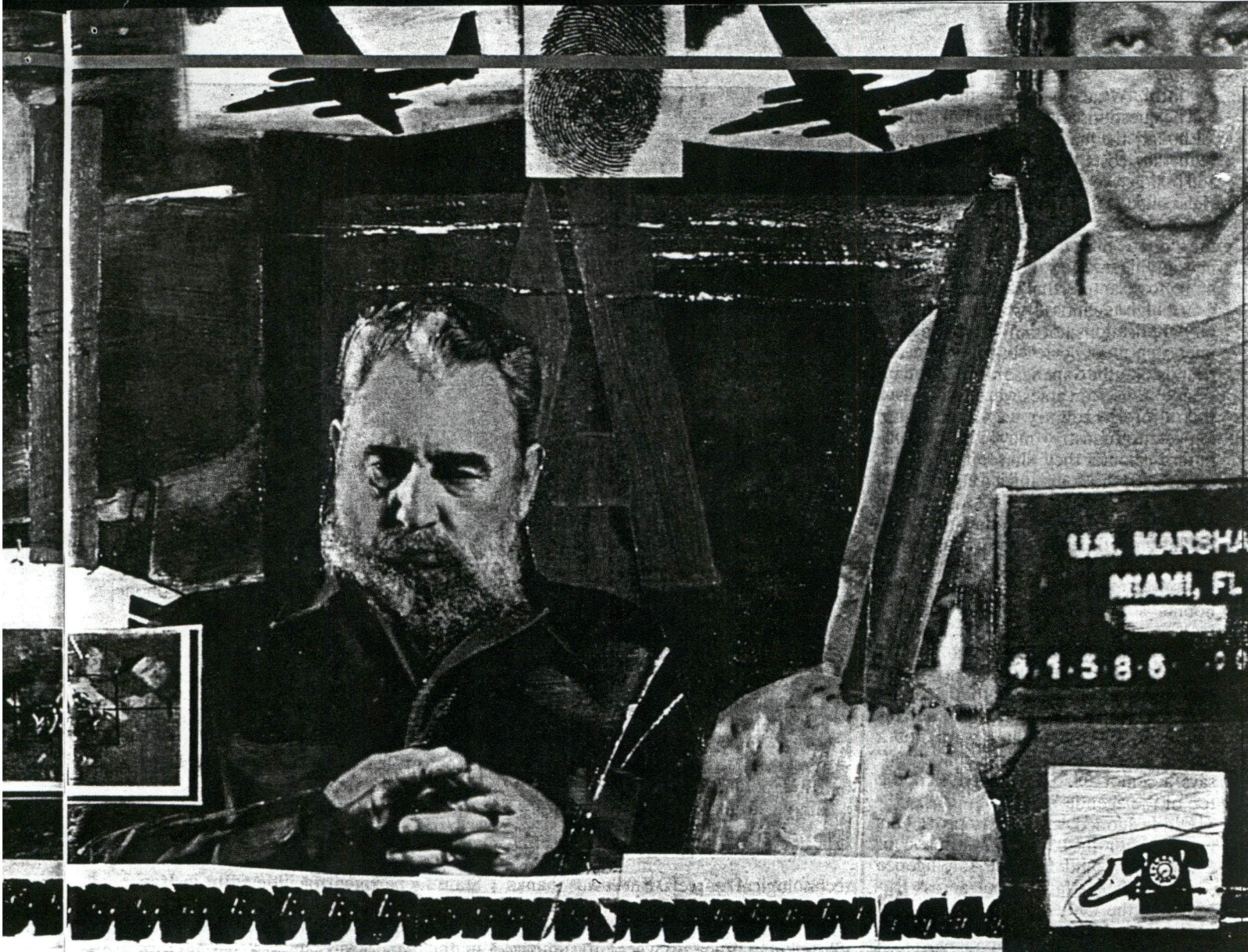


ILLUSTRATION BY LISA MONTANARO FOR US&WR

day Robert Gates stands at the very pinnacle of America's vast espionage bureaucracy, nominated by George Bush to become the nation's 15th director of central intelligence.

Gates's long-ago Sino-Soviet analyses, says a senior official knowledgeable about the TRIGON affair, "were thorough, timely—and suspect." But the lesson is not that Gates was gullible or did anything wrong. The lesson is that intelligence and espionage are a tricky business. "The days of monolithic generalizations," outgoing Director of Central Intelligence William Webster told *U.S. News*, "are over."

If he succeeds Webster, Gates will face what may well be the most daunting challenge of any American spy chief. No longer does U.S. intelligence have the luxury of concentrating most of its attention on a single, nuclear-tipped enemy. Today the first task is deciding who America's enemies are, what kind of attention each one deserves and how

much the nation can afford to spend to keep tabs on them. Intelligence officials learned last year, for instance, that Indonesia was about to award a contract for roughly \$100 million to the Japanese electronics company NEC to modernize its creaky phone system. Authorities familiar with the matter will not discuss specifics, but they do say AT&T's European subsidiary had a more competitive bid and that Tokyo may have used its \$2.1 billion in annual aid to Jakarta to sway the decision in NEC's favor. President Bush raised the matter in a letter to Indonesia's President Suharto, and the contract has since been split between NEC and AT&T. "The world has changed," says David Boren, the Oklahoma Democrat who chairs the Senate intelligence committee. "We have to change with it."

More spies. The Soviet Union remains the only military threat to America's survival, but other, more subtle dangers are multiplying. The U.S.S.R.

and its restive republics are reeling deeper into chaos; the postwar Middle East remains as divided and as dangerous as ever. Terrorism and the drug trade have killed more Americans than have Soviet missiles, and aggressive economic competitors threaten to bury American businesses more effectively than Nikita Khrushchev ever could.

Satellites and spy planes helped keep track of Soviet missiles, but they cannot penetrate Saddam Hussein's head or Japan's Ministry of International Trade and Industry. Two years ago, with strong support from Senator Boren, the CIA began an ambitious campaign to recruit and train more spies. Still more will be needed, and in more different and dangerous places. "The cold war was easy," says a veteran intelligence official. "You had a black room, and the idea was to get in and steal anything you could. Now the room's dimly lit, and you've got to decide what you want in it. But you've got lots of other rooms, too. Which ones do you

elcom intelligence

go into? What is it you take out?"

The questions are anything but simple. Although the nation's intelligence bureaucracy costs taxpayers an estimated \$30 billion a year, many intelligence officials concede that it is hobbled by redundancy and waste, and others admit that the United States is uncertain about what new intelligence it wants. There is agreement, for example, that the nation should guard high-technology secrets with military applications not only from old enemies such as the Soviets but also from old friends like the Japanese. But if, for instance, American spies were to discover that a foreign country was targeting an important industry, maybe supercomputers, should they share that intelligence with the companies affected?

If economics is one buzzword in the intelligence community today, the other is "intent." Billion-dollar spy satellites are fine for revealing what's happening in a given place at a given time, but a human source can tell you where to look or listen, what to look for and, ideally, what to expect. With no human sources in Iraq, U.S. intelligence agencies were slow to realize that Saddam Hussein's troop movements on the Kuwaiti border last summer were not a bluff. "More human-source collectors," says a senior CIA official. "It's at the top of the agenda."

Old-fashioned spying has proved its worth. After the August 2 invasion of Kuwait, CIA and Defense Intelligence Agency officials fanned out across Europe and the United States to scoop up blueprints and engineering diagrams of scores of structures built by Western companies for Saddam Hussein. The "smart" bombs that amazed television audiences during the war were truly

VIEW FROM THE OVAL OFFICE

How his days at spy central shaped the president's views

It was near dawn a few days after the U.S. invasion of Panama in late 1989 when a secure telephone rang at the CIA operations center in Langley, Va. What's new, George Bush asked cheerily, in the hunt for Manuel Noriega? The startled desk officer replied that there was nothing new. Bush thanked him and hung up.

The president hates to go through channels when it comes to national security. He prefers, aides say, to deal directly with the original sources of information, to save time and reduce the distortion caused by intermediaries. It's a technique he learned as director of central intelligence in 1976-77, an experience that is now shaping his presidency.

Above all else, aides say, Bush's chief lesson from his spy agency days was to compartmentalize decision making in the smallest groups possible. "He looks to staff people for expertise in their own areas," says a key adviser, "but he doesn't go beyond that. He would never ask [Budget Director] Dick Darman, for example, about our military posture." The

danger, of course, is that an inner-circle approach inevitably limits a president's range of advice. But Bush, with a Skull and Bonesman's devotion to secrecy, believes that such a system reduces leaks of sensitive information and enables only the president to make final policy decisions, placing accountability where it belongs. That CIA-bred preoccupation with secrecy and inner circles helps explain why Bush so often insists on talking directly to other heads of state. It lets him get information directly from the top and preserves confidentiality by eliminating middlemen. During the six-month Persian Gulf crisis, Bush logged 250 phone calls to his global counterparts.

When he took charge at the CIA, Bush was surprised to learn how few "cloak and dagger types" there were. But his year at the agency drove home the importance of human intelligence—spies. He also was impressed with the sheer brainpower he found at Langley. As a result, Bush relies heavily on the CIA for analysis of raw information. He requires a CIA

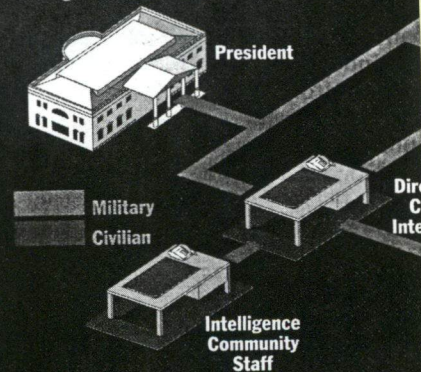
technological marvels. But it was thanks to the precise targeting data gathered by U.S. intelligence operatives that the pilots knew precisely where to aim the bombs.

The CIA has long stationed most of its officers abroad at embassies and other

State Department facilities. But in Iran and Lebanon, the agency learned the hard way that concentrating all its assets in the American Embassy leaves U.S. intelligence vulnerable to revolutions and terrorists. Moreover, State is cutting back its staffs overseas, forcing the CIA

The U.S. Intelligence Maze

A tangle of U.S. agencies often compete against one another to collect and analyze intelligence on foreign threats to American interests, to manage and oversee U.S. intelligence activities to conduct operations against foreign threats. This chart offers a glimpse of the dozens of intelligence organizations in the United States.



there's a joke somewhere about Skull + Bones. Maybe link it to cloak + dagger.

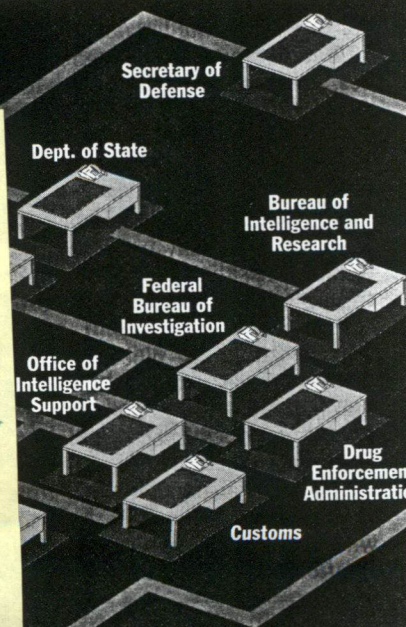
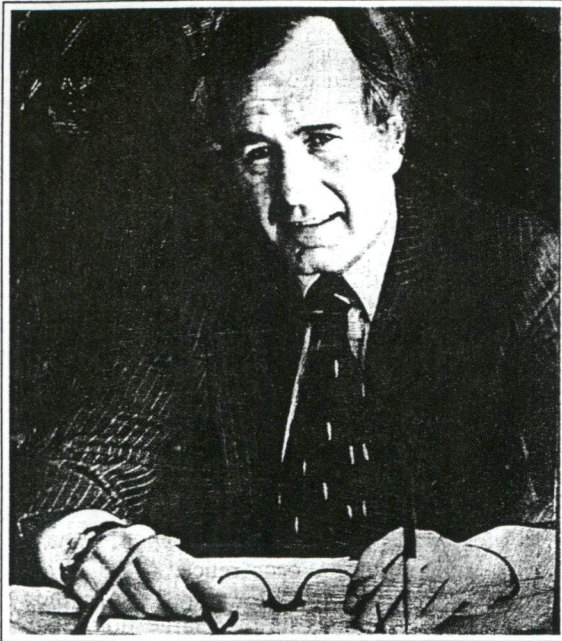


ILLUSTRATION BY LISA MONTANARO FOR USN&WR



Lesson 1. Bush learned how to compartmentalize.

reports from the field. Bush, like most presidents, relishes secret phone intercepts of the private conversations of international villains, especially Saddam Hussein.

Robert Gates, the deputy White House national-security adviser and Bush's nominee for CIA director, is keenly aware of the president's preferences and predilections. Administration officials say Gates has closely read the president's account of his CIA days in his autobiography, "Looking Forward." "The CIA director," Bush wrote, "should go out of his way to avoid even the appearance of getting involved in policy making. The agency's sole duty, outlined in its 1947 charter, is to furnish intelligence data to the president and other policy makers." Such a view, a key Bush adviser says, means that what the president wants in his CIA director is "a mechanic, not a grand designer." Bush reserves the latter role for himself.

BY KENNETH T. WALSH

Agency officials say they intend to beef up the NOC program, but some veterans in the CIA's elite clandestine service say they've heard that before. "Reinventing the wheel," says a CIA officer who has worked in Europe and the Middle East. "Then there'll be a problem or something, and they'll scale it back again."

While there is consensus that Gates should continue the effort begun under Webster to strengthen the CIA's human intelligence capabilities, the agency's undercover operators are not all fans of their likely new boss. One former clandestine operator with more than 20 years in the agency says Gates, who has always worked on the analytical side of the agency, doesn't trust the clandestine service, perhaps because of the flap over the flawed TRIGON source. When Gates became the deputy director of the CIA under William Casey, Directorate of Operations officials say, he paid them little attention. Another former clandestine service officer says Gates has championed a "one agency" concept in which operators and analysts freely swap information—and jobs. Already, intelligence sources say, senior analysts have been made chiefs of several CIA stations, a move that one DO officer likens to "having a philosophy professor coach the wrestling team."

Spy vs. spy. As director of central intelligence, Gates would have to wrestle with a difficult mandate from Congress, which is demanding a bigger and more aggressive clandestine service, but one that is never overzealous. Few people with knowledge of the DO expect that Gates will be content to let the clandestine services continue to run in the same clubby, insular way they have in the past. "Big change," predicts one

analyst to brief him daily at 8 a.m., instead of relying solely on a written summary. Bush frequently interrupts to ask, "What's your source here?" and "How did you reach that conclusion?" He sometimes phones the CIA later to get more information or to request complete

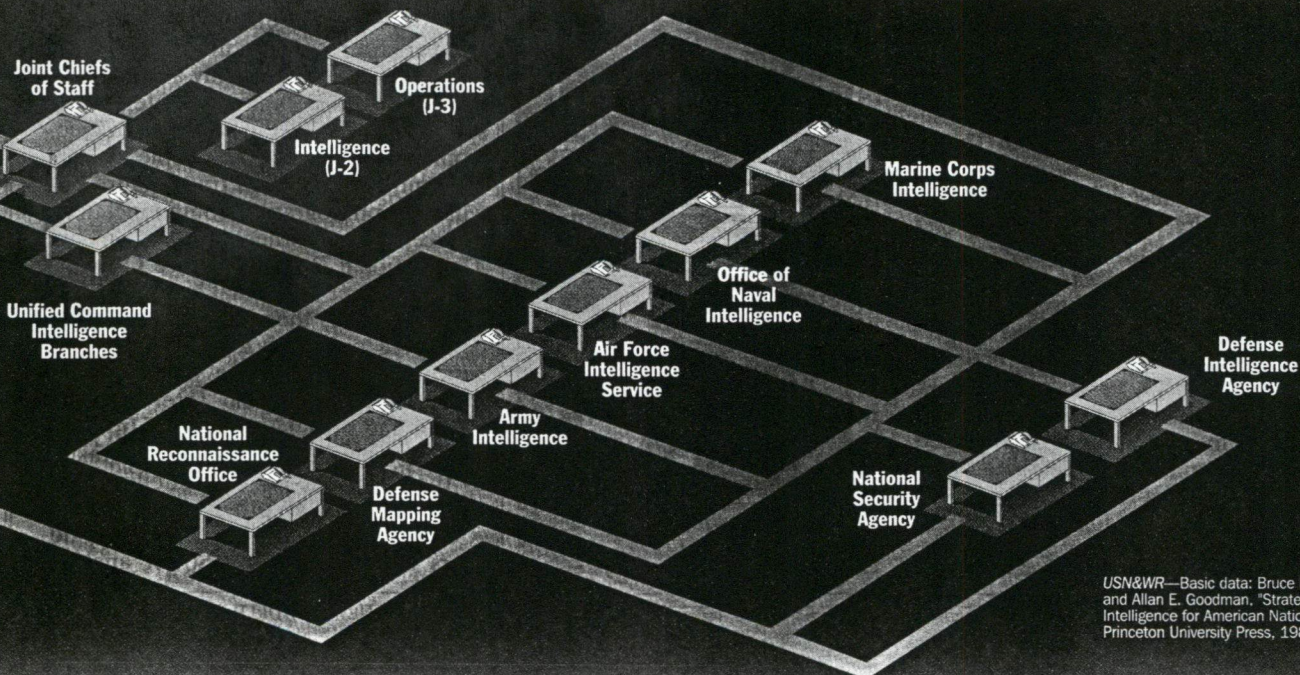
to look elsewhere for cover. American businesses and universities are understandably more reluctant to cooperate with the CIA than they were in the anti-communist 1950s. But for years the agency has maintained a tightly concealed network of "non-official cover" opera-

tives. Typically, NOCs, as they're called, operate far from embassies and CIA stations. If they're caught, they have no diplomatic immunity from arrest and prosecution. "That's about as hairy as it gets," says an experienced Pentagon official. "Those guys are just hanging out there."

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PHOTO: USN&WR

MATT ZANG—USN&WR



USN&WR—Basic data: Bruce D. Berkowitz and Allan E. Goodman, "Strategic Intelligence for American National Security," Princeton University Press, 1989.

THE CIA'S HITS AND MISSES

America's top spy chiefs

The first time a CIA was contemplated, in 1944, it was booted off the national stage. The credit goes to a campaign of alarmist press leaks from FBI chief J. Edgar Hoover. A new spy agency, he said, would soon become a kind of an American Gestapo. But the onset of the cold war convinced Harry Truman that his government needed to bring back a spy agency like the war-era Office of Strategic Services. So in 1947, the CIA was born. The agency, and its predecessor, have been run by a colorful roster of men. Among them:

■ **William Donovan — OSS, 1942-45.** America's greatest spy master, he organized covert efforts in five war theaters that were especially effective in running underground operations, breaking codes and providing pre-battle military intelligence.

■ **Allen Dulles — CIA, 1953-61.** He oversaw the heyday of the CIA's covert acts, including the toppling of the Iranian government in 1953 and the Guatemalan government in 1954. He was also in charge during the CIA's most ignominious hour: the Bay of Pigs fiasco in Cuba in 1961.

■ **John McCone — CIA, 1961-65.** He made the agency's analysis better — and that helped him play a pivotal role in the Cuban missile crisis in 1962. But on his watch, the CIA plotted the assassination of at least two world leaders — Cuba's Fidel Castro and Patrice Lumumba in the Congo — and carried out illegal surveillance of more than 10,000 Americans. It was never established what role McCone played in those events.

■ **Richard M. Helms — CIA, 1966-73.** The first agency professional to become boss, he oversaw the CIA's destabilization campaign against Chilean President Salvador Allende in the early '70s. But he resisted attempts by the Nixon White House to involve the CIA in the Watergate coverup.

■ **William J. Casey — CIA, 1981-87.** The most controversial spy chief, he is credited with rebuilding a demoralized agency and reinvigorating its covert operations. He prized secrecy, though, and helped lead his government into the Iran-Contra debacle. He died before his role was fully known.

ILLUSTRATION BY LISA MONTANARO FOR USN&WR



Donovan. *Founding father*



Dulles. *Cold warrior*



McCone. *Anti-Castro*



Helms. *Closemouthed*



Casey. *Gung-ho*

official. "With the emphasis on big."

Counterintelligence is another area demanding attention. The FBI, which is the lead agency assigned to thwart hostile intelligence services in the United States, says that despite the changes in the Soviet Union, the KGB has become more aggressive than ever, especially in its pursuit of Western high technology.

The Chinese, Vietnamese and Bulgarians only begin to round out the list of effective hostile services, counterintelligence officials say. Despite the creation of a multiagency counterintelligence center, American efforts to corral foreign spies remain hampered by bureaucratic confusion and competition. Several weeks ago, FBI agents conducting a routine surveillance in New York wound up photographing a CIA agent working the same subject. "Put it this way," says an FBI official. "It was not what I would call an unusual occurrence."

Though it is not widely known, the CIA maintains its own large domestic divisions. The public side of the CIA operations in the United States is called the National Collection Division; its clandestine arm is called the Foreign Resources Division. Among other things, the Foreign Resources Division is charged with recruiting foreigners in this country to work as agents for the CIA. It is prohibited from engaging in domestic espionage. Currently, CIA managers are overseeing the merger of both domestic divisions into one large division. FBI officials say they hope it will help reduce what they describe as confusion in the counterspy game.

A tangled web. But spy-versus-spy isn't the only game in which the CIA and its sister agencies are colliding with one another. Perhaps the biggest challenge Gates will face if he becomes the nation's top spy will be reorganizing the tangle of intelligence agencies that compete for resources, missions and talent. The CIA receives only a small fraction of the \$30 billion in intelligence spending. Most of the rest goes to electronic hardware and the people who fly it, monitor it and then try to figure out what the photographs, communications intercepts and other products mean. The National Reconnaissance Office is a highly secret outfit that builds the satellites and flies them. The National Security Agency analyzes signals intelligence from some of the satellites. The National Photographic Interpretation Center and the CIA's Office of Imagery Analysis analyze the photographs taken by the electronic-imaging satellites. All cost money and all provide results.

Gates, who spent most of his 20-odd years in the CIA as a Soviet analyst,

may be less eager to shake up the Directorate of Intelligence, which he once headed. Indeed, in the continuing bureaucratic battle with their rivals at the Defense Intelligence Agency, the CIA's analysts have enjoyed several successes recently. Early last summer, when the DIA was still pooh-poohing the prospects that Saddam Hussein would invade Kuwait, the DI's Near East-South Asia section raised that as a very distinct possibility and CIA Deputy Director Richard Kerr sounded a warning in meetings with his counterparts from other agencies, according to participants. After the deployment of American troops to counter the invasion, Pentagon analysts concluded that Iraq lacked the capability to arm its Scud missiles with chemical warheads. Three CIA analysts concluded differently and were dispatched to brief Defense Secretary Dick Cheney and Gen. Colin Powell, chairman of the Joint Chiefs of Staff, on their evidence. Of the 38 Scuds fired in the war, none carried chemical warheads, but after the war, Saddam Hussein boasted—and intelligence officials confirmed—that Iraq

was able to arm its Scuds with chemicals. General Powell sent Director Webster a note of congratulations.

Still, the Directorate of Intelligence, which analyzes events around the world and tries to predict their course, is not, according to more than a dozen analysts who work there, an entirely happy place. Its primary mission for 45 years has been analyzing political, military and economic developments in the Soviet Union, but both the DI and the rival DIA have taken heat for consistently misreading the Soviet economy and the extent of Soviet military spending. Congressional critics complain that the result of the intelligence agencies' mistakes has been a vast misallocation of U.S. resources to counter an exaggerated Soviet threat. The clamor grew even louder last year after a group of Soviet economists visiting Washington scored the agencies' joint estimates. The CIA and DIA had estimated that the Soviet gross national product was about 50 to 60 percent of America's; Viktor Belkin, Oleg Bogomolov and Vladimir Tikhonov said it was more like 28 percent.

George Kolt, the CIA's director of

Soviet analysis, has tried to explain to the agencies' critics how his analysts try to estimate rates of growth in Soviet GNP and use that to estimate the size of the economy by comparing it with GNP estimates for other countries. But as recent events have made clear, the Soviets themselves don't know how to measure the size and scope of their own economic problems. Every so often, the agencies get what they call "benchmark data," irrefutable hard evidence like that provided by a defector named Igor Birman, an economist from the Soviet central planning agency GOSPLAN, who came to the United States in 1976. But usually

ply measures how much crap they produce. The fact that it is crap is a qualitative measure." Agency officials say they are tinkering with a model that would attempt to reflect quality, or the lack thereof, numerically. So far the model has not been unveiled.

Fine points. Lately, CIA analysts have grown increasingly pessimistic about Mikhail Gorbachev's embrace of more hard-line elements. A year ago, the agency had what many thought was a moderately upbeat view of the Soviet leader. Gorbachev, the agency reported, "is committed to implementing a sweeping decentralization and liberalization

of the Soviet system. A major reversal of his policies could only come with his removal." Today, says a senior CIA official, "our view about Gorbachev is that he's basically finished. Not to put too fine a point on it."

Critics charge that the CIA's Soviet analysis has been flawed not only because sound information is hard to come by but also because senior intelligence officials have created a culture of caution. A Soviet analyst named John Gentry left the DI in anger

a year ago and has begun writing a book about the place. The CIA's Publication Review Board has cleared an early draft of it, and both the House and Senate intelligence committees have procured copies. A copy obtained by *U.S. News* describes analysts as "scared rabbits" forced to "tailor their research efforts to support predetermined conclusions."

In several interviews, analysts dissent from some of Gentry's harsher criticisms of the Directorate of Intelligence. But others are on the mark, they say, especially criticisms of the lengthy, multilevel review for longer analyses, called Intelligence Assessments and Research Papers. Shorter reports go into the Top Secret President's Daily Brief, which goes to Bush and a few top aides each morning, and the *National Intelligence Daily*, a classified intelligence newspaper with wider distribution. In the *NID*, a "brief" gets a full page, a "note" gets a couple of paragraphs and a "snowflake" is a four-line blurb.

Long or short, every DI product gets a thorough scrubbing. As cumbersome as it is, the process sometimes pays off. Last week, two analysts writing for the



ILLUSTRATION BY LISA MONTANARO FOR USN&WR

'Satellites and spy planes helped keep track of Soviet missiles, but they can't penetrate Saddam's head.'

it's more like groping in the dark.

CIA officials point out that they have opened up their analysis to academics and other experts for the past 15 years. Few have come forward with wildly different estimates. Some conservative critics point to a DIA analyst named Bill Lee. His estimates have been closer to the mark, they argue. Lee himself has written critically of the CIA's Soviet cost analysis model, referring to it in large type as SCAM. CIA managers, while insisting they have been right on trends in the Soviet economy, express chagrin over their continued inability to adopt a methodology that addresses not just the quantities being produced and consumed by the Soviet Union but also the dubious quality of Soviet products. "GNP," says a senior CIA official, "sim-

■ U.S. NEWS

President's Daily Brief after the assassination of Rajiv Gandhi wanted to say firmly that Gandhi's widow, Sonia, would replace her fallen husband as head of the Congress Party. Pressed by supervisors, the analysts softened the prediction; in the end, Sonia Gandhi refused the party leadership.

But some say the scrubbing is sometimes too thorough. "As you get closer to writing what the policy makers need," says one analyst, "the risk is you

get closer to providing what they want to hear." Says another: "Some important stuff leaches out." In several instances, analysts say, DI supervisors have softened analytical papers critical of Treasury Secretary Nicholas Brady's debt-reduction plan for Third World nations.

Not long ago, a Soviet analyst in the DI wrote a send-up of the review process, a spoof based on the Tom Clancy novel "The Hunt for Red October." It circulated widely in the DI. In this version, Clancy's hero, Jack Ryan, is a

young CIA analyst writing frantically to warn the president of the threat from a top-secret Soviet submarine; World War III hangs in the balance. After Ryan finishes, the paper makes its way through the review process. Changes are made, some information gets taken out, but the paper remains more or less intact. Until just before it goes into the *National Intelligence Daily*, to be read the next morning. A NID editor decides the paper is far too controversial: All references to "submarine" must be changed to "hoagie." In the end, Jack

DEPUTY DIRECTOR RICHARD KERR

'I don't see us getting into industrial espionage'

Richard Kerr began his career with the Central Intelligence Agency 31 years ago. A Soviet specialist, he is the agency's deputy director, overseeing its analysis and operations. Kerr spoke with U.S. News Assistant Managing Editor Brian Duffy.

How will the Director of Central Intelligence redirect the CIA?

DCIs have had a major impact on the reputation of the agency. Whether fairly or not, Bill Casey left the agency in real trouble. Congress distrusted it and there was a real perception that the organization lacked integrity. Bill Webster rebuilt that confidence because of the force of his own personal integrity. My perception is that Bob Gates will be seen as coming to the agency at a time when the world and the role of intelligence is in flux. And he will end up being a spokesman for a community that is perceived as having a new agenda—but no less a demanding one.

Is U.S. intelligence able to keep up with such a rapidly changing world?

The problems of intelligence are more demanding of detailed information and more demanding of analysis involving that information. Terrorism is a good example. You work terrorism at a very fine grain of analysis that is nearly an investigative level, the way you might think of the FBI involved in an investigative problem. This puts

different demands on our analysts. It requires a different kind of product because you are less interested in writing a research paper about it than you are in doing something about it. And that puts you then back into using information, whether it's with law enforcement officials or foreign governments, and to try to do something about what you've uncovered.

What about economic intelligence?

We have done a fair amount in terms of competitiveness issues, where coun-

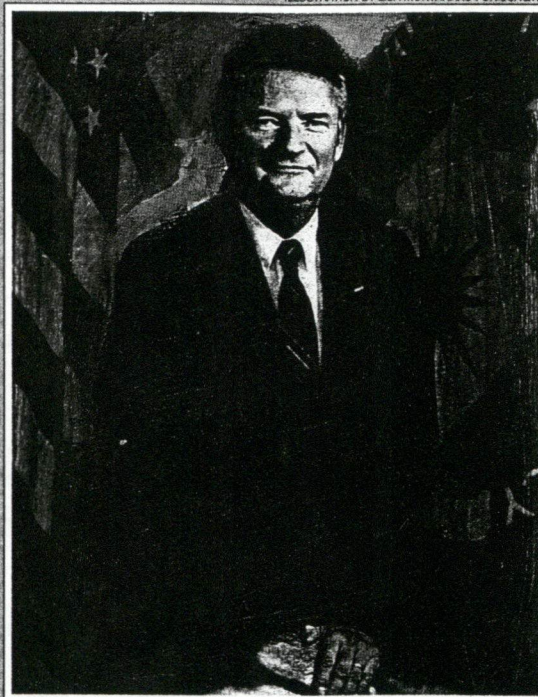
tries are using in an either illegal way or in an unfair way practices that disadvantage us. Where you're talking about governments and industry working together to disadvantage another government or another industry in a competitive arrangement, we will continue to work that. I don't see us getting into what we'd call industrial espionage. We aren't going to go out and steal secrets of companies.

How vital is human intelligence?

It will be important for the new DCI. It's been important for the last one. You just don't go out and suddenly change your capability to collect human intelligence, nor do you necessarily want to do that. First of all, it's a very expensive way—and a dangerous way—to collect information. What you really are after are pieces of information that you can get no other way.

What are the biggest mysteries out there?

Well, there are some long-term problems like the Soviet Union's domestic stability. I think there are, unfortunately, some other areas that are more dramatic that will shock the system more directly, rather than being evolutionary. Take North Korea, where significant U.S. forces are involved, where there is a leadership that is isolated but also a leader that is at or close to the end of his career, just in terms of longevity and age, and a very large military capability facing not only United States forces but also South Korean forces. The more long-term issues of terrorism, narcotics, the issue of economic competitiveness—those are issues that we work but without the same drama involved in them.



Deputy director. Like Gates, Kerr was an analyst.

ILLUSTRATION BY LISA MONTANARO FOR USN&WR

Ryan's analysis turns out to be about food. The reaction from the policy makers? "They loved it downtown."

More seriously, some analysts say there is danger that cautious or ambitious bureaucrats will dilute or distort the analysis that is supposed to alert, warn and guide policy makers—not reinforce their prejudices or support their decisions. "Risk averse?" asks a senior DI manager. "We talk about this all the time, it's healthy. But it is the discipline, the toughness of the review process, that adds to the quality of our product."

What would Gates do as director of central intelligence? He has earned a reputation among many of his colleagues as a demanding taskmaster willing to change if change means a better product. He spent two tours on the National Security Council staff under Jimmy Carter and George Bush, where politics looms larger than it does at the CIA's campuslike headquarters in the woods of suburban Virginia. "Those are pluses," says a CIA official who has worked with Gates and likes him. "He knows what the policy makers want and

need. He can make the product more responsive."

But there is another side of the Gates ledger. "He can be all things to all people," says a CIA colleague. "Serving two directors as different as Casey and Webster, he pushed equally hard for both. What does the real Bob Gates really want?" There is another, more important question: What does the United States want from its intelligence agencies now? ■

BY BRIAN DUFFY WITH JIM IMPOCO

THE IRAN-CONTRA LEGACY

What did Robert Gates know, and when did he know it?

Four years after his death, the mysterious deeds of former CIA Director William Casey still haunt his fast-rising protégé, Robert Gates. This summer, George Bush's nominee to replace William Webster as the agency's chief will face a new round of Senate questions over his role in the Iran-Contra affair. It is not the first time: In February 1987, congressional apprehension over the emerging scandal derailed Gates's nomination to succeed Casey.

Although Gates's confirmation is expected this time around, the old Iran-Contra bugaboos remain. The Senate Intelligence Committee is preparing for a late June hearing, with an eye toward the continuing grand jury investigation of Iran-Contra Independent Counsel Lawrence Walsh. Gates recently testified before the grand jury. And although he is not a target of the investigation, further action by Walsh—either more indictments or an expected summary report—could complicate the nomination.

So might evidence that wasn't available in the first Senate go-around. Some senators aren't satisfied with Gates's insistence that he didn't help prepare misleading Senate testimony, including Casey's November 1986 claim that the CIA thought a weapons flight to Iran was actually a shipment of "oil-drilling parts." Senate aides are also examining documents that raise questions about Gates's knowl-

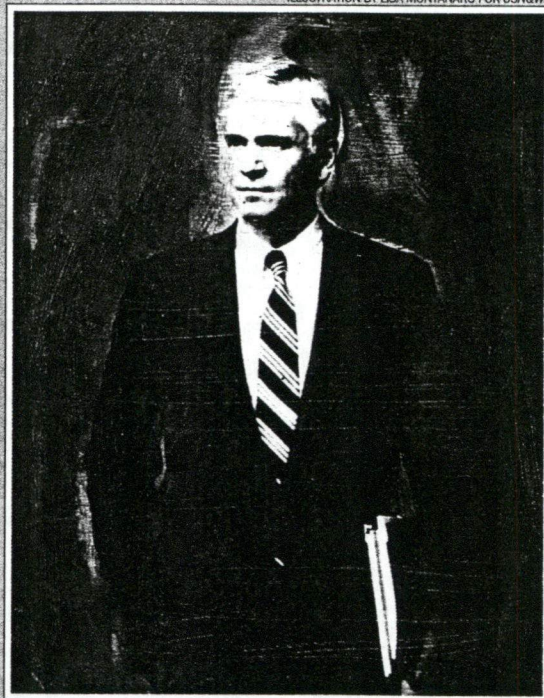


ILLUSTRATION BY LISA MONTANARO FOR USN&WR

The nominee. Still haunted by some old bugaboos

edge of the Contra initiative. Among them are July 24, 1986, computer messages between Oliver North and National Security Adviser John Poindexter. In one, North suggests that \$4.5 million in "assets" owned by his Contra-support effort "needs to be turned over to CIA for use in the new program." North said the CIA was reluctant, "apparently based on NSC guidance." Poindexter replied: "I did not give Casey any such guidance. I did tell Gates that I thought the private effort should be phased out."

And a document dated May 14, 1986, suggests that Gates, Casey and Poindexter met to discuss a plan for the CIA to operate a freighter to broadcast propaganda into Libya. Written by Vincent Cannistraro, then a National Security Council intelligence aide, the memo states that the meeting agenda was set by the CIA and that North had offered to finance the plan "using his own resources." The freighter, the *Erria*, had been purchased several weeks earlier with Iranian arms-sale profits by Iran-Contra operative Albert Hakim.

The Casey factor. Gates's fate will hinge on how much senators believe Casey entrusted to him as the agency's No. 2. Gates has testified that he first learned of possible diversions in October 1986—just before the scandal broke—and some, like Senate Intelligence Committee Chairman David Boren, find that credible. But one former senior CIA official insists otherwise: "Gates knew everything Casey knew." Casey, who was struck by a cerebral seizure in December 1986 and died five months later, never explained his role.

Casey, a spymaster of the old school, once said he wasn't afraid to make mistakes. He made some doozies, especially by keeping deputies in the dark. It may be that Gates knew little of Casey's machinations. Gates's version of events has remained consistent under varied bouts of testimony. And Senate aides say if there are no surprises, he should win the CIA post. But it is ironic that Casey's brand of derring-do, which once flooded the agency with renewed confidence, has left such a legacy of doubts.

BY STEPHEN J. HEDGES

George Bush for President

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FOR RELEASE:
Saturday, March 14, 1987

EXCERPTS FROM REMARKS BY
VICE PRESIDENT GEORGE BUSH
NORTHEAST REGIONAL LEADERSHIP CONFERENCE
NASHUA, NEW HAMPSHIRE
SATURDAY, MARCH 14, 1987

I'm delighted to be here among the Republican leaders of the Northeast.

Spying -- or more precisely, intelligence -- is what I want to discuss this afternoon. Two weeks ago in Bedford, Massachusetts and then again in Belford, New Hampshire, I talked about the need for SDI, the system that puts weapons at risk, not people. I talked about the need to support those fighting for freedom in Central America and about the opportunity we have to obtain a verifiable reduction in intermediate range nuclear missiles. Our intelligence system is central to all these issues.

I came here today to say that as leaders we must be more vocal and public in supporting the intelligence community in our society. We must make clear that the C.I.A. has an honorable mission. We must recognize that even in a free and open society, some things must remain secret. And I believe we must strongly support legitimate covert actions that are in our national security interests.

Certain Democrats act as if the C.I.A. is an embarrassment or a threat or just another government bureaucracy, not this country's first line of defense.

Some Republicans are conspicuously silent in their support, believing it's politically unhelpful to be associated with the Agency. Ladies and gentlemen, I am genuinely concerned about how our intelligence system will maintain public approval, unless those of us in the political arena begin to speak out on its behalf.

It is essential that we have an intelligence community second to none. Fortunately, the Agency has returned from the devastation it faced in the 1970's. Its reputation and honor were dismissed. Its budget was cut 33% in constant dollars, and it lost 25% of its personnel.

- more -

But rather than seeking to correct the Agency's flaws, critics simply attacked. I went to the C.I.A. at the tail end of a witch hunt that laid bare the agency's inner most workings. I can remember young, untutored Congressional staffers coming to headquarters and accusing experienced professionals of not serving the interests of the country. These were people who had risked their lives for their country.

It was a terrible time. The names of agents were exposed. One result etched in my mind is the brutal murder of our station chief in Athens, Richard Welch. Two weeks after his name was listed as C.I.A. in an ugly left wing publication, two gunmen, armed with automatic pistols, cut him down at his home in Athens. Other sources, fearing for their lives, disappeared. Some were killed. It was a time when many lost sight of how important the Agency was to our national security.

I learned a great deal when I had the honor of running the C.I.A., especially about leading people of purpose and integrity. And from the day I set foot inside its headquarters, I found it to be an organization whose motives were clear, and honorable, and in the national interest.

Its first priority is to prevent a surprise attack on the United States. If the C.I.A. had existed in 1941, the surprise at Pearl Harbor would've been on the Japanese, and I'll tell you how I can say that. Because taken as a whole, the Army, the Navy, and the State Department had enough information to understand what the Japanese were doing. But there was no central place for this information to come together. That place today is the C.I.A.

Our main adversaries in 1987 are the Soviets. We have an excellent understanding of their military capabilities. We know where their strategic bombers are located. We know how many strategic missiles the Soviets have. We keep track of their submarines, with reasonable accuracy. The scope of information we have today would have been astounding in 1941.

Our intelligence technology is breathtaking -- the satellite photography, the electronic, the acoustical and the seismic techniques. The American people have no idea how good it really is.

And what's more, the C.I.A. has some of the nation's brightest people to analyze this information. I wish you could meet them and get to know them like I have. The C.I.A. has more Ph.D.'s than any other agency of government -- enough scholars and scientists to staff a university. And let me assure you, the professionalism is too high, the devotion to country too great, to have intelligence estimates slanted and shaped by political judgements.

They are people of principle, many of whom put themselves on the line to gain information about our enemies. I recall a young woman of about 35 who was brought into my office one day. She'd been arrested at a dead letter drop by a hostile intelligence service. She hadn't been tortured, but she'd been through a tremendous psychological ordeal. If her cover hadn't been blown, she would've gone right back. She was risking her life almost every day. No head table, no applause--a dedicated patriot serving her country to preserve the freedoms that we often take for granted. This is true integrity of purpose, and the Agency is full of such people.

A relatively new priority is collecting information necessary to thwart terrorist attacks and to interdict drug shipments.

With our allies help, from January of 1985 to February of this year, 55 probable and another 114 possible terrorist attacks were averted by deterrent action. I am talking about lives that were saved.

In Turkey, security officers last April arrested Libyan-supported terrorists who were planning to attack the U.S. Officers Club in Ankara during a wedding celebration.

In Paris, about the same time, officials thwarted a similar attack planned against citizens in a visa line at the U.S. consulate.

In North Africa last year, a Libyan-backed assassination attempt on an American military attache was foiled.

If we and our allies hadn't succeeded in cases like these, you can picture the grisly scenes that would've appeared on the evening news.

People often want to know about C.I.A. infiltration of terrorist groups. Quite honestly, we were once able to penetrate these groups much easier than we can today. They're more sophisticated in identifying our agents, and they take greater precautions than they once did. It's harder to get our people placed, because the terrorists often come from family groups. And once we do get in, it's harder to get information out.

Take, for instance, five recruits in the Bekaa Valley who have been selected by the Hizballah to blow up an American installation. They are searched. They are isolated in a guarded camp. And they aren't told until absolutely necessary what their mission is. So even if we do have someone in there, it's very hard to maintain contact.

The C.I.A. is constantly studying developments affecting broader U.S. security. In recent years, for example, there's been more attention focused on the Soviets lag in high technology and their efforts to steal ours. We know, for example, the precise gyros and bearings in their heavy missiles were designed in the U.S. We know the radar in their AWACS planes is ours. We know that many Soviet integrated circuits are exact copies of U.S. designs. They even copied the imperfections.

The Soviets use dummy firms--some legal, some illegal--to purchase Western technology. The C.I.A. has identified some 300 firms in more than 30 countries engaged in technology transfer schemes.

The Agency looks at everything from the effects of AIDS on the stability of African countries to the consequences in Jamaica of reduced demand for bauxite. It is constantly analyzing developments that might affect our long-range security and that of our friends.

Now you may wonder where covert action fits into all this? Covert action gives us the ability to help our friends, or confuse our adversaries, in those situations where open assistance from the U.S. could be counterproductive.

It provides us with a useful foreign policy option that's somewhere between diplomacy and sending in the Marines. The world is not a sunlit meadow. The world is not the way we want it to be, but the way it is. There are dangers out there that must be addressed, and covert action is sometimes the means to do it. We seem to think covert action is James Bond and ray guns. Often, it is quiet support that saves the lives of friends.

Without doubt, there have been some serious failures in the past, such as the Bay of Pigs effort. But today, there are very strict controls.

Every covert action must be approved by the President and made known to the Congressional Oversight Committees. And this is fine, because covert actions make sense only in support of a larger foreign policy. They make sense only when properly supervised and properly planned -- that was the problem with the NSC running the Iran initiative. The C.I.A. experts never had a chance to bring their full range of experience to bear. And the formal NSC policy apparatus was not properly used. The President has made the changes necessary to keep the NSC out of operations, but have all NSC participants totally immersed in policy.

The quickest way to kill a covert action or any kind of secret activity is through a leak. And I am telling you point blank -- agents have disappeared, and I'll leave it to your own imagination what happened to them, soon after stories leaked to the news media.

Some have been jailed. Leaks have caused other individuals, who were on the verge of becoming foreign agents for us, to back off in fear for their lives.

We have lost sources and we have lost what we call collection mechanisms. A few years ago one of the networks reported that we were intercepting communications between two unfriendly nations; communications about terrorist activities directed against Americans. Within a matter of days after the report, the channel was shut off. As a result of this reduced intelligence, american lives were put at greater risk.

Some of our allies have told us they're so concerned about our ability to keep secrets, they'll no longer provide the same information they once did, and the information they do provide will not be as timely. One intelligence service stated that terrorist information they were providing would appear in the U.S. press before they could act upon it.

The leaks come from the Congressional committees and from the Executive Branch itself. I believe a Joint Committee on Intelligence should be established to reduce the number of people who have access to very secret information. And I also believe the Administration needs to make some examples of leakers in our own ranks by publicly firing them. And I don't care how high up they are.

I don't believe in wholesale use of the polygraph, but when legitimate national security matters are at stake, I say, "use it."

Ladies and gentlemen, in the foyer of C.I.A. headquarters in Langley, Virginia, there's a Book of Honor enclosed in a glass case. It lists those C.I.A. employees who have died in service of their country. Some are named, but most even after death cannot be identified. So instead of a name, there is a simple star.

And in that same foyer is an inscription that explains why those individuals gave their lives. It's from the Bible and it says, "And Ye shall know the truth and the truth shall make you free."

I can think of no more honorable purpose for a government agency than truth and freedom. And, as leaders, I think we should be outspoken and out front in our support for the C.I.A.

Thank you for inviting me and thank you for your hospitality.

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR RELEASE: 10:00 p.m.
Tuesday, May 24, 1983

CONTACT: Shirley Green
202/456-6772

ADDRESS BY VICE PRESIDENT GEORGE BUSH
AT THE VETERANS OF THE OSS DINNER AND
AND PRESENTATION OF THE WILLIAM J. DONOVAN AWARD
TO THE HONORABLE RICHARD HELMS
WASHINGTON HILTON HOTEL
WASHINGTON, D.C.
TUESDAY, MAY 24, 1983

Thank you, Bill. Good evening. I'm honored to be here tonight participating in this ceremony, because I can't think of anyone who deserves the Donovan award more than Dick Helms. Having inherited his job at CIA -- if only for a short time -- I gained a real respect and admiration for the magnitude of Dick's accomplishment over there.

Not many of you may know that before Dick got into intelligence, he was working for the other side -- the press. In the thirties, Dick was a correspondent for UP in London and later, Berlin, where he observed first hand the developments in the Nazi government. He was even able to get a personal interview with Adolph Hitler. I hear tell that this meeting was mentioned in the so-called Hitler diaries, although the scholars apparently became suspicious when the diaries referred to Dick as the future director of the CIA.

Anyway, Dick joined up early with Wild Bill Donovan's OSS, organizing intelligence networks from his vantage point in England and other stations throughout Europe.

Still serving in the OSS after the war he closely observed Soviet methods and intransigence in Germany and Berlin. What he learned then made Dick Helms decide to stay on in Government service. He became convinced that the United States would face many threats in the post-war world, and he realized that effective intelligence was vital if the democratic societies were to be able to defend themselves against those threats.

It's hard to imagine now, but in 1940 and 41, Bill Donovan was a one-man CIA for Franklin Roosevelt. The OSS was brought into being in great part simply through the force of Donovan's determined personality.

Well, after World War II, it took other forceful personalities to define the role of our intelligence service in a very different, but equally threatening world situation. One might even say that with the introduction of nuclear weapons into the equation, the situation became even more threatening than it had been in the past. Dick Helms was instrumental in helping define that role. He has dedicated a good part of his life to the development of an agency that is second to none in intelligence gathering and analysis. But just as important, one that could exist within a free and democratic society.

It has been said that the role of secret intelligence in a democratic society will always be an uncomfortable one. Secrecy is not what democratic societies are all about. They're about free and open discussion, the free and open exchange of ideas and information.

Unfortunately, there are certain unpleasant realities that we can't ignore. We must live in a world made insecure by international terrorism and expansionist totalitarian powers.

But the CIA can be very proud of the fact that at the same time that it is working tirelessly to protect American freedoms from foreign threats, it is fastidious in respecting the laws of the land. The CIA is conscientiously upholding the law, safeguarding the rights of American citizens.

I was asked at a press conference the other day how, as a politician, I would justify to the American people being head of the CIA. I said that I wear my directorship of that organization as a badge of honor. I've always considered my service there as an asset rather than a liability, and I'll feel that way till the day I die. I don't think I'd be standing here in this job right now if the American people felt any differently. I think they want a strong intelligence service. I think anybody realizes that in a world as troubled as this you need the best possible intelligence.

I'm proud of the time I was in the CIA, because I'm proud of the men and women who serve there. I can't praise highly enough the academic excellence of our intelligence community, and the commitment of these people who have put in a lifetime of service to their country -- many of them anonymously. They never get to sit at the head table; they never see their names up in lights. But all of us are profoundly grateful that these extraordinarily talented and dedicated people have sacrificed their place in the sun so that the rest of us may live secure in our freedom.

I've been doing a lot of traveling recently, and my sense of things is that the post-Vietnam, post-Watergate inclination to tear down our intelligence agencies is behind us now. I think we

all realize that we must build on what we have, and that we must give our Intelligence community the support it needs to enable it to get its job done.

You know, just one indication of how essential our Intelligence has become in this world is that we couldn't even begin to think about arms control if we didn't have a CIA and an intelligence community to check up on the other side to make sure they're playing by the rules. A negotiated settlement on strategic weapons must ultimately rely on intelligence for its verifiability.

There are some things I think and some things I know, but one thing I know is that the President is deeply, fervently committed to arms control. I sit with him and he tells me of his hopes and fears for our future generation. But weakness in the face of a totalitarian adversary never made the world a safer place. Bill Donovan knew that, just as Winston Churchill and Franklin Roosevelt knew it. That is why the President has put so much emphasis on getting the MX program passed through Congress. This Administration has made it a top priority to redress the imbalance that has existed in both conventional and nuclear forces, because only by having the strength to endure war can we gain a lasting peace.

We will take every opportunity to negotiate a verifiable reduction in arms. But we will never again, as we did over the last decade, permit our armed forces to be downgraded in the vain hope that the Soviets will follow our example.

Any treaty has to insure equal and fair reductions on both sides. It is an interesting fact of public perception that this Administration's commitment to arms control is called into question, because it is under President Reagan that for the first time we are actually negotiating with the Soviets on arms reductions. Every treaty in the past has only put limits on arms build-ups.

Well, I look at the CIA as a kind of preventative medicine. The objective is to keep the peace by keeping ourselves informed and our national security apparatus strong and healthy; that way it won't become necessary to fight a war, as it did almost a half-century ago, because we have grown weak or because an enemy misjudges the firmness of our resolve.

Maybe there will come a time in the future when the world will be a happier place, free from the threat of nuclear war and no longer torn by international hostilities. When that time comes, it will be in no small measure due to the dedication and selfless service of men like Dick Helms who have devoted their lives and invested their great skills and imaginations in creating an intelligence agency of unparalleled professionalism and expertise -- and in the process making this a safer and more peaceful world for all of us.

from CIA

Intelligence Community Contributions in Key Areas
Over the Past Year

USSR

The IC has led all others in providing US policymakers timely and accurate information on the two overriding political trends of the past year: the collapse of the Center, and the rise of Yel'tsin.

The IC has done in-depth work looking at the impact of the current, convulsive changes on the Soviet military. Their papers and briefings on alternative military futures for the USSR have influenced the thinking of the White House, NSC, US military commands, and foreign governments.

The hubbub in the press notwithstanding, the IC's work on the Soviet economy remains the best available. Their material--on the speed of collapse, hard currency problems, economic policy players and debates, reform efforts, defense plant conversion, food needs, etc.--has helped us assess the situation in the USSR, calculate Soviet needs from the West, and coordinate US policy with our allies.

In the arms control area, the IC's technical collection systems and trained manpower are absolutely essential to the Administration and the Senate as we negotiate, ratify, and monitor treaties, whether INF, CFE, START, or others.

Europe

The IC has stayed a step ahead of events in Eastern Europe, providing valuable information to assist the US and our allies in planning policy. I know that one case is widely known publicly; that one is Yugoslavia, where the IC sounded a loud alarm in late 1990 that the country was likely to come apart--violently--within a year.

Intelligence has been a major help in our interagency deliberations on the profound issues of a new European security structure. The IC has worked closely and provided a great deal of material to my staff alone, yet they maintain their independence of thought and judgment.

The Middle East

You in the Senate are aware in detail of the contributions made by the IC to the military effort in Iraq. The IC--both its military and civilian elements--did indeed make this the best informed war ever fought, which contributed to our great success and few casualties. Not incidentally, these capabilities also kept us in the White House informed!

In the many months prior to hostilities, and continuing to this day, the US IC has been absolutely essential to the imposition, maintenance, and evaluation of effective sanctions against Iraq. In the pre- and post-hostilities periods sanctions have been the centerpiece of coalition policy, and good intelligence has ensured that they work.

US intelligence information has also been the bedrock of the successful and ongoing international effort to enforce UN Resolution 687 in Iraq. Some had wondered if US intelligence was not being alarmist about Iraq's nuclear, missile, and CBW capabilities. In retrospect, their efforts were well founded and generally on target; in some areas they even underestimated Iraq's programs.

Operational Successes

"Desert Storm" in Iraq

Military commanders were provided technical details on the performance capabilities of virtually every weapons system in the Iraqi inventory, allowing the development of effective countermeasures. This information had been collected by the IC over a period of years.

The IC also acquired and provided the information critical for targeting during the bombing campaign.

Terrorism

As a result of activities undertaken by the IC's Counterterrorist Center with the policy and law enforcement communities, more than 500 individuals associated with Iraq's terrorist activities were expelled or arrested worldwide in the past year.

- Numerous attacks were thwarted and lives saved, as Iraq had trained dozens of teams in the use of explosives and small arms to attack officials and facilities of the US, its coalition partners, and Israel.

Counternarcotics

The May 1990 Colombian raid on the Petrolera cocaine transshipment complex--the most successful counternarcotics operation in Colombia to date--is a good example of the results that can be achieved when the unique operational and analytic talents of the IC are combined with the capabilities of the law enforcement community and with foreign governments. The Colombian Government seized 18 tons of refined cocaine products and 20 traffickers, confiscated 6 aircraft, and cratered several runways.

In early 1990, intelligence collection and analytic skills contributed to Bolivia's success in disabling one of the largest trafficking organizations in that country, capable of shipping more than 500 kilograms of cocaine daily to Colombia.

-- In July 1991, intelligence cooperation with DEA and the Bolivian Government led to the dismantling of another major Bolivian trafficking organization. Over \$5 million worth of aircraft, guns, cocaine, and vehicles were seized, effectively destroying over half of the transport capabilities of Bolivia's leading trafficking organization.

Throughout 1990 and 1991, we have been working with several Latin American governments to boost the efficiency of their counternarcotics programs. Intelligence has enabled these countries to eradicate crops and destroy airfields used as transshipment points by narcotraffickers.

Programs targeting the drug service industry--notably the drug cartels' logistic and financial networks and communications--are meeting with success, showing that we can substantially undercut the activities of key drug organizations and put others on the defensive. For example, we have frozen over \$240 million worth of narcotrafficker financial assets.

Illustrative Intelligence Successes from Past Years

USSR

The IC provided extensive intelligence support to all of the history-making summit meetings held over the past decade. This included an enormous undertaking for the first meeting between President Reagan and Gorbachev in Geneva in 1985, which correctly forecast the approach Gorbachev would take to strategic arms reductions. I have been able to watch that same support continue during President Bush's meetings.

The IC has been in the lead in its analysis of the unfolding changes in Soviet leadership from the late stages of the Brezhnev regime to the emergence of Yel'tsin as a dominant player. For example, CIA was the first and strongest forecaster--and for a long time was virtually alone in its view--of the rise of Andropov as Brezhnev's successor.

In June 1988 CIA published a study that projected a significant reduction in Soviet defense spending as a consequence of the economic problems facing the new Soviet leadership. This was six months before Gorbachev made his dramatic announcement of unilateral force cuts in a speech at the UN General Assembly. At the time that paper was published, its conclusions were clearly against the grain of most thinking.

In the mid-1980s, the CIA embarked on a multi-year effort to assess Soviet nonacoustic antisubmarine warfare capability. The program marshaled the top resources of the Intelligence Community, industry, academia, the US Navy, and the US Air Force. The Program's findings have been of major help to the US Congress and to the Navy.

The IC for years has had an impressive capability to assess crop production in the USSR. Interestingly, during a discussion of this year's grain harvest on Moscow Radio on 7 August, the Soviet commentator--reacting to earlier comments by Minister of Agriculture Chernovanov--said "in the past, it was the Central Intelligence Agency of the United States that forecast the Soviet grain harvest most reliably."

Eastern Europe

Almost two years before Eastern Europe's "revolution of '89," the IC published a paper assessing the impact of Gorbachev's initiatives on the region's stability. This paper concluded that "the continued unintended erosion of party unity and encouragement of popular demands in the area is destabilizing and likely to lead to a dramatic turn of events within the next several years." This paper is still held up as a model for establishing a solid conceptual framework to interpret conflicting evidence in a changing political environment.

An intelligence assessment published in February 1988 pointed to the growing crisis in the Hungarian Socialist Workers' (Communist) Party and accurately predicted trends toward pluralism that would weaken it further. This was followed in November with another paper that identified reformist groups inside and outside the party that would gain the upper hand within the next year.

Middle East

Intelligence Community analysis on the Arab-Israeli military balance was requested and used by senior US policymakers throughout the 1980s. The consistent bottom line was that, despite the growth and increased sophistication of the military forces of Israel's adversaries, the overall military edge was, if anything, widening in Israel's favor. At the same time, the analysis stressed that the costs of "winning and losing" in the Arab-Israeli arena were increasing dramatically and that this would be a deterrent to either side's initiating hostilities.

On Lebanon, the intelligence provided during the '80s was timely and on the mark. From the outset, the intelligence stressed that the old system of Christian dominance of the Lebanese Government could not be maintained and that Muslim equities would have to be accommodated. Throughout this period, the IC repeatedly stressed that no resolution of the Lebanese imbroglio was possible that did not take into account Syrian hegemonic designs on Lebanon and treat Syria as a major player in the Lebanese arena.

For many years IC analysis of Indian and Pakistani intentions, military capabilities, and force dispositions has stimulated repeated US demarches to both countries that have helped reduce tensions and the possibility of large-scale military actions. The analysis was particularly timely and packaged in a way to be of high use to senior US policymakers.

Proliferation

In 1985, the IC published a white paper, "Soviet Purchase of Western Military Technology," to alert our government, US industry, and industrial companies of our allies to the nature and scope of the threat of Soviet attempts to use Western science and technology for military development.

In 1987, IC analysts disclosed the Toshiba-Kongsberg affair, a large-scale diversion to the USSR of sophisticated Japanese machine tools equipped with Norwegian computer controllers. The IC alerted US policymakers to the substantial quieting of Soviet submarine propellers that resulted from this 1984 diversion and assisted US officials in working with Japanese and Norwegian officials to investigate the diversion and prosecute those responsible.

IC research on the development of the Condor short-range ballistic missile during the 1980s was key to halting its proliferation. At that time, Iraq and several other countries were jointly attempting to develop the missile with support from elements of the European aerospace industry. On the basis of intelligence reporting, State Department implemented policies that directly resulted in suspension of Condor's development.

IC analysts concluded in the mid-1980s that Libya had begun to build a chemical weapons production plant at Rabta and reported on the critical role of foreign firms and experts in the project.

At each step of the way the IC has drawn attention to North Korea's technical potential and political motivations for developing nuclear weapons. The fruits of this collection and analysis are visible today in US efforts to constrain P'yongyang's nuclear program.

Major Intelligence Issues of the Future

In the next five years, the US national intelligence agencies expect to concentrate heavily on the following key issues in support of policymakers.

Transformation of Formerly Communist Countries

The collapse of the Soviet Union heralds an extended period of turbulence, confusion, and complex internal accommodations among the successor states. Shifting power relations within and among the republics will demand steady monitoring and intensive analysis. Economic experiments--whether ultimately successes or failures--will contribute in the near term to pressures on the public and to attendant unrest. Meanwhile, the countries of Eastern Europe face recurring internal political turmoil and territorial disputes as they establish varying degrees of democratization and undertake economic reform.

The Future of Strategic Forces

The military forces of the Soviet center remain the greatest strategic threat to the United States. Even as budgets decline, we must monitor modernization efforts, deployments, and redeployments as well as the potential for irresponsible behavior as power devolves. Against this backdrop, we need to enhance and sustain our capabilities for arms control treaty-monitoring as we and the various new and old players in the former Soviet Union move forward with enforcement of existing treaties and conclusion of new ones.

Third World Instability

With changes in Soviet behavior and policy, we may see an end to proxy wars reflecting superpower interests, but there is a continuing potential for instability and conflict in the Third World, especially the Middle East and South Asia. The weakening of Iraq invites efforts by Iran to reassert its influence in that region, while intense social, ethnic, and religious divisions still aggravate strains between Israel and its Arab neighbors. Implacable hostility between India and Pakistan has the potential, in a worst case, to result in the world's first nuclear conflict.

Weapons Proliferation

Iraq's ability during the Gulf crisis to intimidate its neighbors and to strike directly at US allies underscored this problem. Growing numbers of other countries will continue efforts to obtain nuclear, chemical, and biological weapons and technology, as well as ballistic missiles. The Intelligence Community is mobilizing substantial additional resources to follow these issues and programs, with a specific focus on international transfers of equipment, technology, and know-how associated with them.

European Integration and Nationalism

An increasingly unified European Community, with growing links to Eastern Europe, will dominate the continent economically in three to five years. Over the same period the West Europeans will decide on an institutional framework for a common European security and defense policy. These changes undoubtedly will include the most fundamental redefinition of the US role in Europe since World War II.

Democratization and Reform

The collapse of the Soviet Union was simultaneously a victory for democracy and capitalism, a point not lost on remaining Communist states and most Third World leaders. In Asia, Africa, and Latin America, many countries are moving in the direction of political and economic reforms that will have far-reaching consequences for their people and their relations with other parts of the world, including the US. China, still seeking to modernize its economy but preserve an authoritarian political system, will pose a wide range of questions, including those on human rights and political evolution. So, too, will the inevitable changes in the remaining key Communist systems: Cuba, North Korea, and Vietnam. Change will come painfully in other Third World states as entrenched factions resist the loss of power and economic privilege, and fragile and unrepresentative governments are at risk of sudden turnover.

New Economic Order and Technology Development

The key international institutions that facilitated rapid global economic and trade growth over the past 45 years--the GATT, IMF, and World Bank--are under increasing pressures from the regionalization of trade and finance as well as the growing

demands for reconstruction and development capital. The Intelligence Community will play a central role in helping US policymakers understand the economic opportunities and constraints foreign leaders perceive and the rules of the game they are playing by regarding trade, finance, and industrial and resource development. We will assess developing foreign capabilities in key technologies relevant to US national security interests. The Intelligence Community will not become involved in industrial espionage.

International Narcotics

Even in the best of circumstances, there will be large worldwide drug supplies, lower prices, and increasing demand for cocaine and heroin during the early 1990s. The intelligence agencies will continue to expand their collection, analytical, and operational support to US law enforcement agencies and foreign counterparts attempting to counter the foreign aspects of this threat to US security.

International Terrorism

The incidence of terrorism will be influenced by the dynamics of the Middle East peace process and the degree of state support for terrorist groups. Sweeping changes in Eastern Europe, long a safehaven for terrorists, have diminished the capabilities of some European and Middle Eastern groups. We expect Shia and Palestinian groups, however, to remain implacably anti-Western and to undertake more terrorist attacks if they make no progress toward their goals.

PROPOSED REMARKS
BY
WILLIAM H. WEBSTER
DIRECTOR OF CENTRAL INTELLIGENCE
AS DELIVERED BY
RAE HUFFSTUTLER
DEPUTY DIRECTOR FOR ADMINISTRATION
ON THE 50TH ANNIVERSARY
OF THE OFFICE OF STRATEGIC SERVICES
NATIONAL ARCHIVES
WASHINGTON, D.C.
JULY 11, 1991

I'M PLEASED TO WELCOME YOU TO THIS CONFERENCE ON THE ROLE OF THE OFFICE OF STRATEGIC SERVICES IN WORLD WAR II. MANY IN THIS ROOM ARE VETERANS OF THE OSS, AND TODAY -- AS WE TAKE TIME TO REFLECT ON THE CONTRIBUTIONS OF THE OFFICE OF STRATEGIC SERVICES -- WE ARE, IN A VERY REAL WAY, HONORING YOUR ACHIEVEMENTS.

I WOULD LIKE TO SAY A SPECIAL WELCOME TO FORMER CIA DIRECTOR DICK HELMS, WHO SERVED THE OSS IN ENGLAND, FRANCE AND GERMANY; AND FORMER CIA DIRECTOR BILL COLBY, WHO FOUGHT ON OSS TEAMS BEHIND THE LINES IN FRANCE AND NORWAY.¹ AS YOU KNOW, TWO OTHER FORMER CIA DIRECTORS -- ALLEN DULLES AND BILL CASEY -- WERE ALSO VETERANS OF THE OSS.

WITHOUT QUESTION, THE CIA OWES A TREMENDOUS DEBT TO THE OFFICE OF STRATEGIC SERVICES, AND TO ITS DIRECTOR, BILL DONOVAN, WHO WAS TRULY THE "FOUNDER OF MODERN AMERICAN INTELLIGENCE." BRIEFLY, I'D LIKE TO TALK ABOUT THE LEGACY THE OSS LEFT TO THE CIA.

AS THIS AUDIENCE WELL KNOWS, PRIOR TO 1941 THE SCATTERED AGENCIES COLLECTING INTELLIGENCE DID NOT WORK TOGETHER. THEY LACKED A SENSE OF COMMON PURPOSE, AND WERE SERIOUSLY UNDERSTAFFED. IN FACT, RAY CLINE, WHO I UNDERSTAND IS HERE TODAY, HAS NOTED THAT BY MID-1940, THERE WERE ONLY ABOUT 1,000 PEOPLE WORKING IN INTELLIGENCE JOBS, AND MOST OF THESE WERE RADIO INTERCEPT TECHNICIANS.²

RECOGNIZING THAT OUR INTELLIGENCE EFFORT WAS TOO DIFFUSE AND WOEFULLY INADEQUATE, BILL DONOVAN RECOMMENDED TO PRESIDENT FRANKLIN ROOSEVELT THAT ONE SINGLE CENTRALIZED ORGANIZATION BE CREATED TO COLLECT INTELLIGENCE, CONDUCT RESEARCH AND ANALYSIS, AND CARRY OUT COVERT OPERATIONS.

AS THE FIRST INTEGRATED INTELLIGENCE ORGANIZATION IN U.S. HISTORY, THE OSS LAID THE FOUNDATION FOR THE ESTABLISHMENT OF THE CENTRAL INTELLIGENCE AGENCY IN 1947. TODAY, LONG AFTER THE OSS WAS DISBANDED — THE CIA IS BUILDING ON THOSE TRADITIONS.

ALTHOUGH THE STORIES OF OSS PARAMILITARY OPERATIONS ARE LEGENDARY, MANY AMERICANS DON'T REALIZE THAT IT WAS ALSO HEAVILY INVOLVED IN RESEARCH AND ANALYSIS. AS THIS AUDIENCE KNOWS, BILL DONOVAN HAD A GREAT RESPECT FOR SCHOLARSHIP. HE RECRUITED PROMINENT HARVARD HISTORIAN WILLIAM LANGER AS DIRECTOR OF RESEARCH FOR THE OSS, AND LANGER IN TURN RECRUITED SOME OF THE FINEST HISTORIANS, ECONOMISTS, AND SOCIAL SCIENTISTS IN THE COUNTRY. THESE SCHOLARS -- MANY OF WHOM ARE PROBABLY ATTENDING THIS CONFERENCE -- WROTE REPORTS ON POLITICAL, ECONOMIC, AND MILITARY MATTERS ALL OVER THE WORLD.

PERHAPS BILL DONOVAN'S GREATEST LEGACY WAS HIS BELIEF IN BRINGING TALENTED PEOPLE FROM ALL WALKS OF LIFE INTO THE INTELLIGENCE BUSINESS. DONOVAN HAD A SPECIAL ABILITY TO CREATE AN ESPRIT DE CORPS: ALTHOUGH THEY CAME FROM VARIED BACKGROUNDS, THE MEN AND WOMEN OF THE OSS WORKED TOGETHER FOR A COMMON GOAL.

LIKE ITS PREDECESSOR, THE CIA IS DEDICATED TO A SINGLE MISSION: PROVIDING OUR POLICYMAKERS WITH TIMELY, ACCURATE INFORMATION. THE INTELLIGENCE CHALLENGES OF THE 90S ARE STAGGERING IN THEIR DIVERSITY. IN ORDER TO MEET THE DEMANDS AHEAD, WE'LL NEED TO DRAW ON THE TALENTS OF PEOPLE WITH A WIDE RANGE OF PERSPECTIVES. FOLLOWING IN THE TRADITION ESTABLISHED BY THE OSS, WE'RE TAPPING INTO THE VAST RESERVOIR OF EXPERTISE AVAILABLE IN THE ACADEMIC COMMUNITY.

AS THE AGENCY LOOKS TO THE FUTURE, WE WILL NEVER FORGET OUR PAST -- ESPECIALLY THE LEGACY OF THE DEDICATED MEN AND WOMEN OF THE OFFICE OF STRATEGIC SERVICES.

AS YOU MAY KNOW, BY JUNE 1984 THE CIA HAD DECLASSIFIED MOST OF ITS OSS RECORDS AND BEGAN RELEASING THEM TO THE NATIONAL ARCHIVES. TO DATE, WE HAVE TRANSFERRED SOME 3,200 CUBIC FEET OF OSS MATERIAL -- ENOUGH TO FILL AN AVERAGE-SIZE ROOM FROM FLOOR TO CEILING.³ ABOUT 900 CUBIC FEET OF OSS RECORDS ARE

STILL IN OUR HANDS, AND WE HOPE TO RELEASE THIS MATERIAL IN THE NEAR FUTURE.⁴

THE OSS DOCUMENTS THAT WE'VE GIVEN TO THE ARCHIVES PROVIDE A WEALTH OF INFORMATION ABOUT AMERICA'S FIRST NATIONAL INTELLIGENCE AGENCY AND ITS ROLE IN WORLD WAR II. HISTORIANS CAN GAIN NEW INSIGHTS INTO ISSUES RANGING FROM BLACK PROPAGANDA AND P.O.W. INTERROGATIONS, TO ANALYSIS OF HITLER'S SPEECHES AND REPORTS ON THE GERMAN EFFORTS TO TOPPLE HIS REGIME.⁵ I'M SURE THAT THOSE WHO READ THESE DOCUMENTS WILL GAIN A BETTER UNDERSTANDING OF THE IMPORTANT CONTRIBUTION THAT THE OSS MADE TO PRESERVING OUR NATION'S SECURITY.

IN ACCORDANCE WITH THE CIA INFORMATION ACT OF 1984, THE AGENCY IS VOLUNTARILY REVIEWING LARGE QUANTITIES OF OTHER RECORDS OF HISTORIC VALUE FOR POSSIBLE RELEASE TO THE ARCHIVES. TO MY KNOWLEDGE, WE ARE THE ONLY INTELLIGENCE ORGANIZATION IN THE WORLD TO SYSTEMATICALLY RELEASE RECORDS TO

THE PUBLIC.⁶ IN THE FALL OF 1989, CIA DIRECTOR WILLIAM WEBSTER PRESENTED THE ARCHIVES WITH A HISTORY OF THE AGENCY PREPARED BY OUR FIRST HISTORIAN, ARTHUR DARLING. THE CONTINUING RELEASE OF SUCH MATERIAL SHOULD BE A RICH SOURCE OF INFORMATION FOR SCHOLARS -- PROVIDING AMERICANS WITH A BETTER UNDERSTANDING OF THE CENTRAL INTELLIGENCE AGENCY.

AGAIN, WELCOME TO THIS VERY SPECIAL CONFERENCE. I'M SURE THAT YOUR WORK WILL CAST GREATER LIGHT ON THE HISTORY OF WORLD WAR II AND THE ACHIEVEMENTS OF THE OSS.

George A. Carver, Jr.

INTELLIGENCE IN THE AGE OF GLASNOST

The political order we have known since the end of World War II is breaking up, and no one—in Washington, Moscow or any other capital—really knows what will replace it. The past nine months bring to mind the 1918–19 period in which an armistice halted the global war that had forever shattered the political order whose foundations were laid a century earlier by statesmen in Vienna: leaders at the ensuing Versailles Conference tried to establish a new and better world. The atmosphere of expectant euphoria was not unlike that prevailing today.

Another arresting parallel could be of even greater consequence. In symbolic importance, future historians may compare the night of November 9–10, 1989, when the Berlin Wall was opened, with October 31, 1517—when Martin Luther posted his Ninety-five Theses on the door of the castle church in Wittenberg. What is happening in Eastern Europe and elsewhere around the world is not just a rejection of Soviet imperialism. It is also a rejection of communism and “scientific socialism”—a twentieth-century secular religion of global scope. The emotions that vented like erupting magma when the Berlin Wall was breached both symbolized and signified a repudiation of that secular faith—along with the allegedly scientific analysis of the human condition on which it is grounded—by the bulk of that religion’s supposed converts and beneficiaries.

Martin Luther’s action was followed by the turbulence of the Reformation and Counter-Reformation. We may be luckier; but at this stage, the only prediction that one can confidently make about the next few decades is that they will be marked by complexity, by various forms of unrest and by profound, accelerating change.

During those decades, the fact of continuing change—along

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with the need to understand it and perceive the directions it is likely to take—will constitute the U.S. government's greatest single challenge. Helping the nation meet this challenge will be the American intelligence community's primary task over the years ahead. This may be the age of glasnost, but it is also one in which America will need superb intelligence in order to understand, interpret, assess and, where possible, anticipate the changes with which the nation is certain to be buffeted.

II

The foundations of America's current defense and national security structure were laid in the National Security Act of 1947; Section 102 established "under the National Security Council a Central Intelligence Agency [and] a Director of Central Intelligence." From this has evolved the present American intelligence community—of which the CIA is the linchpin and over which the DCI presides as the president's primary adviser on national foreign intelligence. In addition to the CIA and the DCI, the community now encompasses the Defense Intelligence Agency, the foreign intelligence and counterintelligence components of the Army, Navy, Air Force and Marine Corps, the National Security Agency, several Defense Department offices that collect specialized intelligence through reconnaissance programs, the intelligence components of the State Department, the Treasury and the Department of Energy, and the counterintelligence components of the Federal Bureau of Investigation.¹

The exact size of the American intelligence community is a closely held secret, as is the overall National Foreign Intelligence Program Budget (NFIPB)—which the director of Central Intelligence is charged with developing and then presenting annually to the president and Congress, and of which the CIA's budget is but one component. The intelligence community's overall size, however, is clearly large. Press speculation is that its overall budget lies between seven and eight percent of the Department of Defense's budget of \$300 billion, i.e., in the region of \$24 billion. This figure invites a certain historical perspective.

A nascent intelligence community in America began with the administration of George Washington. Soon after he became president, Washington asked the Congress for a

¹ This is spelled out, in detail, in Executive Order 12333 of Dec. 4, 1981, which is still in force.

"competent fund," a request that Congress both understood and granted—with minimal unseemly public debate. On July 1, 1790, it gave the president a "contingent fund of foreign intercourse," known as the secret service fund, used primarily for what would now be called human intelligence activities and covert action. Washington accounted for this fund by simple certificate. This is exactly the same procedure that the Director of Central Intelligence now uses under authorities given him by the Central Intelligence Agency Act.

By 1792 Washington's secret service fund had risen to \$1 million—about 12 percent of the total U.S. budget. Twelve percent of the U.S. budget for FY 1990 would be \$143.7 billion. If the NFIPB falls near the \$24 billion estimate, including technological collection (which accounts for its bulk), it would still fall far short of the relative level of President Washington's intelligence budget. Seen from this perspective, the NFIPB is an enormous bargain indeed.

III

Glasnost has not diminished the U.S. intelligence community's responsibility for monitoring Soviet compliance, or lack thereof, with various treaties affecting America's security and vital interests. The community is already monitoring the 1972 Antiballistic Missile Treaty and the 1987 Intermediate-range Nuclear Forces Treaty; negotiations are currently under way for treaties on strategic arms reductions, the reduction of Conventional Forces in Europe (CFE), reductions in chemical weapons, nuclear testing verification protocols, and an agreement on defense and space. The extent to which Moscow does or does not comply with these treaties remains a continuing litmus test of Soviet attitudes and intentions.

The challenges posed by monitoring treaty compliance will be daunting, and the resource requirements involved—encompassing the full range of American intelligence community assets—will be even more so. In treaty compliance monitoring, up to a point, performance is a function of assets deployed for that purpose and, hence, of cost. The trade-off decisions involved in determining how much money to spend for treaty monitoring—both in absolute terms and in relation to expenditures for meeting other intelligence requirements—are not just technically and economically complex, they also involve political judgments that directly affect U.S. security or even survival.

Even if the Soviets comply scrupulously with every arms treaty now in force or under negotiation, their remaining strategic weapons capabilities will still be formidable. Should President Gorbachev or his government be ousted, it will be essential for America (and the West) to know precisely what strategic capabilities any Soviet successor would inherit. Also, should there develop any serious threat of internal unrest, division or even civil war within the Soviet Union, it will be crucial to ascertain precisely who, at what echelons of command, can authorize the use of Soviet strategic or tactical nuclear weapons, under what circumstances, and against what targets.

The threat of war in Europe is clearly eroding. Nonetheless, even when (or if) the CFE treaty now being negotiated is fully implemented, the Soviets will still have over five million people in their military establishment—more than any other nation in the world. For all the traditional reasons, it will be important to keep close track of Soviet conventional forces. In addition a particularly sharp eye must now be kept on their cohesiveness and on any signs of division within the country, especially splits along ethnic or political fault lines that produce military officers with personal political ambitions and sufficient troops under their command to pursue those goals.

For nearly seven decades, the Soviet Union was an essentially monolithic, Communist Party-dominated police state in which no dissent was tolerated and in which the government structure was essentially a facade. The study of Soviet politics was largely an esoteric exercise in "Kremlinology." Much of that has now changed, thanks primarily to Gorbachev, who, in his quest for economic improvement, has let many politically potent genies—not all of them benign—out of the bottles into which they had long been corked. Old quarrels are again flourishing—some ethnic, some regional, some both—and new power groups are emerging. Some, such as Russian nationalists and Pamyat, are espousing old, emotionally charged ideas and concepts—including Slavophilia, chauvinistic nationalism, xenophobia and various strains of antisemitism. In addition, the Soviets, who currently have the largest empire left in the world, may be on the verge of a decolonization process akin to that which ended the British, Dutch, French and Belgian empires, amid much strife and discord, during the two decades following the end of World War II.

In some ways, Gorbachev seems bent on making himself the

kind of reforming ruler that Nicholas II should have been. Many Russian and non-Russian Soviet citizens, however, find Gorbachev's changes decidedly unsettling, especially the Communist Party's *nomenklatura*, whose position and privileges are clearly threatened. The prospect of a new tsar, espousing such reforms, is far from universally welcome. America will need to keep a wary watch on these evolving Soviet political dynamics, carefully gauging their likely impact on the U.S.S.R.'s internal stability and cohesion, its military capabilities and its foreign policies.

Similar attention will need to be paid to the evolving political dynamics of Eastern Europe, in which Soviet rule and communist doctrine have been rejected in a series of—save for Romania—remarkably peaceful revolutions. Here old quarrels are also resurfacing and the course of future events is unlikely to prove smooth. All the new governments now being elected will have to cope with overwhelming economic problems, requiring reforms whose future benefits may be great but whose immediate effects are unlikely to be welcome: unemployment, higher food prices and general inflation.

Western Europe is also rapidly changing, in ways that America may not find entirely congenial. America's European allies see the Soviet threat as dwindling and increasingly see Eastern Europe and the Soviet Union as a source not of danger but of lucrative markets. Within less than five years, major new developments will accelerate these trends. By 1992 the 12 European Community nations plan to become a single market of 320 million people (compared to the U.S. population of 289 million) with an initial gross product, which will doubtless soon soar, of approximately \$4.3 trillion—in short, a major new economic competitor for the United States even more formidable than Japan.

In ways not currently predictable, the course of Western Europe's political and economic evolution will also be significantly affected, if not determined, by the new "x-factor" in the European equation: German unification. The Germany that joins the Europe of 1992 will not be the Federal Republic but, instead, a united Germany with a population of almost 80 million—half again that of either Great Britain or France—and a GDP almost as large as that of Great Britain and France combined. Whether European union will engage and harness Germany's power in ways beneficial to all or serve as a vehicle for projecting it will be the great political question of the late

1990s. No aspect of the European political scene will require more careful, constant attention on the part of the United States than the ramifications of this new Germany's evolving attitudes, policies and behavior.

So far, the changes occurring across Europe and the Soviet Union have had little effect in other parts of the world. In the not-too-distant future, however, changes are certain to occur in Asia, southern Africa and elsewhere. These changes and their consequences are not now possible to predict, but the United States will also need to be alert to them.

IV

The inherent risks of unrest are increased by the fact that, as the Soviet military threat recedes, a grim new threat is emerging around the globe: the proliferation of nuclear, chemical and even biological weapons capabilities in the Third World, along with ballistic missiles and other extended-range delivery systems.

This disquieting proliferation of weapons of mass destruction and delivery systems is only the tip of a growing, menacing iceberg. There is a matching, even more widespread proliferation of nonstrategic but nonetheless decidedly lethal military technology and weaponry—including such things as SA-7 missiles, which were designed for tactical use against helicopters but can also easily be used by terrorists against passenger-carrying commercial aircraft.² As the possibility, let alone likelihood, of general war in Europe rapidly wanes, the potential for fierce and violent regional conflicts in other parts of the world is growing. It would be folly for America not to monitor these disturbing and destabilizing trends as closely as possible; because of them, America's "indications and warning" equations will have to be rewritten.

For the last four decades, the United States has concentrated its I&W efforts on the Soviet Union and the Warsaw Pact, focusing particularly on the European central front. This general watch should not be abandoned, but the effort now needs to be spread around the globe. Intelligence must be able

² Some of this proliferating weaponry and technology is of Soviet provenance, though weapons of Soviet origin are often modified and improved by their current owners. Many of these weapons come from China, which is an aggressive exporter of military hardware; some are American-made, while others are a heterogeneous mixture of weaponry manufactured in a variety of Western countries and peddled worldwide by arms merchants of many nationalities.

to pick up any hint that, for example, Iraq may be on the verge of launching a weapon of mass destruction against Iran or Israel—or vice versa—or that India (which probably has a nuclear weapons capability) and Pakistan (which has been striving mightily to develop one) are about to tangle over Jammu and Kashmir. In addition this expanded I&W net will need to be supplemented with a worldwide, continuously updated baseline that can be quickly augmented, with respect to a specific area, whenever the United States needs to know a great deal on short notice about any spot on the globe that did not previously figure prominently in U.S. policy concerns but suddenly takes center stage.

Economic and technological prowess are becoming more significant measures of national strength and importance than the traditional measures of military power. In most of the world, though unfortunately not all of it, economic competition is replacing military competition—a shift that does not necessarily make the world any less Darwinian or more benign, since economic competition is often waged just as fiercely as military competition ever was.

The place of economics at the intelligence table must now be moved well above the salt. Economic developments, furthermore, can no longer be considered in relative isolation; the web of economic, military and other factors directly affecting America's national interests and security is becoming seamless. In this fact lie some major conceptual, procedural and organizational challenges for American intelligence and the government it serves.

Involved here is an awkward question that few want to face: What effective use can the U.S. government make of its economic intelligence to further America's overall economic and national interests? In the American polity, there is a legally mandated arms-length relationship between the government and the private sector. There are also limits imposed by statute on the degree of cooperation—even information exchange—permitted among private-sector elements. Few of America's foreign economic competitors have such barriers, and some of its strongest competitors—notably Japan—consider them absurd.

Many Americans, in both private and public life, would consider it highly improper, or worse, for the U.S. government to use its intelligence assets to advance the overseas fortunes of specific American companies. All of America's

major foreign competitors, however, consider this attitude quaint or idiotic. The full weight of their governments' diplomatic and intelligence resources are frequently thrown behind their nationals' companies or consortia, especially ones in heavy offshore competition. Indeed, when a British company was competing a few years ago for a major Saudi contract, which it eventually won, even Queen Elizabeth II was flown to Riyadh for a fortuitously timed state visit.

Furthermore, as Senator David Boren (D-Okla.), the chairman of the Senate Select Committee on Intelligence, recently noted:

An increasing share of the espionage directed against the United States comes from spying by foreign governments against private American companies aimed at stealing commercial secrets to gain a national economic advantage.³

Imagine the firestorm that would be ignited if the American government was ever caught sharing intelligence-garnered data with private U.S. corporations—let alone running intelligence collection operations against, say, Mitsubishi on behalf of General Motors or AT&T.

Economics and technology are closely interrelated. But there is a separate governmental concern about technology in general and, in particular, about technological breakouts that could have a major economic, political or military impact. To cite but one example illustrating the magnitude of the stakes involved, developments in directed-energy technology—which makes charged particle-beam weapons, including laser guns, feasible and usable on the battlefield, a realm in which the Soviets have been working intensively for decades—would have a military impact as revolutionary as the advent of the machine gun or nuclear weapons.⁴

Such concerns are by no means limited to the military sphere. In the government and private sectors, experts in computer security are already increasingly worried about the vulnerability to penetration and manipulation of computer systems and networks, even at the present level of technology—particularly since amateur computer hackers

³ These remarks were made to the National Press Club on April 9, 1990.

⁴ This possibility is carefully assessed by Lt. Gen. Leonard H. Perroots, USAF (Ret.), the former head of the Defense Intelligence Agency, in "Soviet Beam Weapons are Near Tactical Maturity," *Signal*, March 1990, pp. 37-39.

have already penetrated or planted "viruses" in interlinked academic, commercial, governmental and military computer networks, some of them worldwide. Consider how fast technology is advancing in this particular field, then ponder the havoc that would be wrought by a covert penetration and manipulation of the globe-straddling, interlocked computer networks through which the bulk of the world's financial business is now handled.

Technological innovations and breakthroughs are pouring out from laboratories and individuals in the public and private sectors of not only the United States but also Japan, Asia's "four tigers," Western Europe and many other places around the globe. Monitoring and, where possible, anticipating new technological developments—keeping track of what is coming down the pike that could significantly affect the security, economic or other national interests of the United States, for good or ill—is clearly now one of the U.S. intelligence community's chief responsibilities.

New governmental, hence intelligence, concerns are proliferating. Some—such as terrorism and narcotics traffic interdiction—are well known; others are seldom considered in this context. For example, environmental issues may seem far removed from the world of intelligence, but they are of growing concern to the United States and to people around the world. In this area, the American intelligence community can do much to help monitor international compliance with environmental agreements or treaties, to spot and track such things as oil spills and deforestation and, in general, to support the U.S. government's plans on a wide range of environmental concerns.

Over the next few decades, not only will traditional concerns change and new ones arise, they are also likely to coalesce in potent, unprecedented combinations. During this period, for example, America's greatest challenges may not come from across any ocean lying to its east or west. Instead they may well come from the south, in a manner that obliterates such tidy classical distinctions as those between foreign and domestic affairs. Unrest in South and Central America and Mexico, the ramifications of drug abuse and narcotics traffic, the pressure of immigration—much of it illegal—and attendant pressures for biculturalism and bilingualism could easily strain America's democratic polity more severely than any time since the Civil War.

Finally, no matter what else happens in the years immediately ahead, America's government—including its intelligence community—will have to grapple with the conceptual and organizational challenge posed by the extent to which traditional, jurisdiction-defining distinctions are being eroded: not only foreign versus domestic, but also economic versus political, military versus civilian, intelligence versus police responsibilities, federal versus state and local responsibilities, private versus public or governmental and, even in the foreign affairs field, friend versus foe.

There are those who argue that in the age of glasnost and FAX machines, there are no more secrets in the world, hence far less need for intelligence, and that the size, scope and cost of the U.S. intelligence community should be curtailed accordingly. Nothing could be farther from the truth. Some of the challenges that the United States will face are not, strictly speaking, intelligence problems. All of them, however, have a significant intelligence dimension and involve problems to whose amelioration or solution intelligence can make a significant contribution. In sum, this new era's demands will dramatically increase the need for better intelligence—not diminish it.

v

To adapt to this new era and meet its challenges, the American intelligence community—along with its political masters at both ends of Pennsylvania Avenue—will need to do some radical rethinking about its missions and the approaches, methods and techniques employed in discharging them; about relevant budgetary, structural and organizational considerations; and far from least, about how oversight can be conducted so that the community can be properly supervised and controlled but, at the same time, be optimally effective.

This top-to-bottom reexamination needs to begin with the first stage in the intelligence process: collection. American intelligence services collect raw data and information by using a range of methods and techniques bounded only by human imagination, ingenuity and the frontiers of current technology. Conceptually, a division between the human and the technical collection methods may be useful to help understand what is involved, but such a division is often vague and potentially misleading. Human and technical collection methods are complementary, not rivals. Both are indispensable.

Technical collection encompasses signals intelligence, electronic intelligence and imagery derived from satellites in space—designated by the euphemism “national technical means”—and from a variety of other airborne-collection platforms and ground facilities. In recent decades, technology has revolutionized intelligence collection, making routine what was previously, quite literally, unthinkable. Technical collection methods are unrivaled for answering the “what” or “how many” questions—e.g., precisely how many tanks or missiles, of what types, are located where? Without national technical means, compliance with strategic and conventional arms treaties could not be effectively monitored. Technology, however, is much less useful in answering the “why” questions—e.g., why were tanks moving into Lithuania?

Technological collection has other limitations, many of them rooted in laws of physics. Most of America's current technical intelligence collection systems, for example, were designed and deployed when the Soviet Union was the community's primary target and Europe's central region the main focus of its I&W effort. This interlocking network will have to be massively and expensively reprogrammed if it is to be used with optimum effectiveness to monitor targets that have recently moved up on the scale of priority concerns, such as the eruption of conflict in places distant from Europe's central region, and the proliferation of sophisticated military technology and weaponry throughout the Third World, including many places in the southern hemisphere. The orbits and, therefore, the coverage of satellites and the directional orientation of many ground-based technical collection systems cannot be easily or cheaply altered by simply twirling a few dials.

There are many important intelligence tasks that only humans can perform, or can perform far better than any distant technical collection platform. No satellite can sense the mood and pulse of a bazaar, a foreign capital, a restless province or of disaffected dissidents. Satellites can sometimes relay but can never provide the qualitative insights or judgments that can only come from humans. They cannot discern or divine intentions, or provide the background and perspective that enable American intelligence analysts to assess and evaluate what the information provided by national technical means actually adds up to—only the right sort of properly placed human sources can really do that. Only humans, furthermore, can provide detailed information on such things

as the composition and action plans of terrorist groups or of narcotics traffickers.

Human intelligence collection and other operations do not break neatly into "overt" and "covert" compartments. They span a spectrum that ranges from using one's own eyes and ears while engaged in perfectly open, lawful activities, or encouraging others to do the same, to classical espionage operations conducted with the full panoply of clandestine tradecraft. The various portions of this spectrum are not sharply demarcated, for one blends almost imperceptibly into the next. In this era of glasnost, American intelligence managers and operations officers will need to concentrate a lot more on the front or open end of this human activity spectrum, while not neglecting the back end for situations in which, or targets against which, clandestine collection is indispensable.

The need for intelligence derived from human sources will not diminish, but the focus of many collection efforts will have to be shifted as formerly denied targets become readily accessible. Only when easy, open sources prove insufficient, or clearly require cross-checking—and national technical means require augmentation—should American intelligence managers begin to think about other collection methods. There will be such times and occasions, however, in many situations and at many places around the globe.

The ways in which human intelligence activities are conducted will also have to be drastically revised to increase their chances of success in this new environment, and to minimize the risks of embarrassing failures that could easily prove disastrous for all parties involved. In the past, for example, language training has all too often been sacrificed on a variety of other bureaucratic altars; in the future, it will simply not be possible for American intelligence officers to function effectively unless they are completely comfortable in the language of their country of assignment—plus the native language(s) of whatever sources they are trying to cultivate or direct. Effective intelligence officers of the 1990s will also need to develop new areas of expertise, such as a detailed knowledge of international finance, especially the mechanics of quickly transferring large sums of money in ways that draw minimal attention to the transfers—i.e., techniques employed by terrorists, narcotics traffickers and others who need to move or launder money discreetly.

No matter how information is collected or from whom, it is analysis that refines that raw data and distills it into intelligence. The analytic and estimative function is central to the intelligence process; that function is one of the American intelligence community's prime reasons for existence, and ensuring that it is performed well in this new era will be another major challenge for that community's leaders and managers.

Analytic bureaucracies find it hard to adapt, as do many individual analysts, to radical change of the sort that we can expect in the coming decade; the change will invariably cut across traditional organizational lines and entrenched turf boundaries, it will force a rethinking of concepts and intellectual compartments in both organizations and individuals, and also will cast doubt on or scuttle fundamental, sometimes cherished assumptions. Over the years ahead, for instance, American intelligence analysts and their supervisors should periodically reflect on what short shrift would have been given in the spring of 1989 to any intelligence estimate correctly describing what the world looked like in the spring of 1990.

American intelligence analysts now have to cope with a torrent of information and data. Amid an exponential proliferation of satellites and fiber optics, interlinked computers and data bases, modems and FAX machines, 24-hour cable news, and the opening of areas, subjects and all manner of sources that until recently were shielded, proscribed or denied, these analysts are becoming information junkies, never far from an overdose. If effectively harnessed and channeled, then astutely exploited, this new information and data flood can dramatically improve the quality and accuracy of American intelligence assessments and estimates on all manner of crucially important subjects; but it creates new complexities as fast as it clarifies old mysteries. In a flood, furthermore, it is easy to be overwhelmed and drowned if one is not both sensible and careful.

America's intelligence community has been excellent in addressing many problems, such as keeping track of the Soviet Union's evolving strategic weapons capabilities, but its analysts should never forget that the methods and approaches that work so well in tackling those problem are frequently inappropriate for assessing, let alone predicting, emotion-driven, political upheavals such as the events of 1989. Such situations do not lend themselves to quantification, and they become

totally distorted if forced into a conceptual matrix better suited to assessing missile telemetry data. If American intelligence analysts—or academics or citizens—want to understand and assess the historic political tide shifts in which the world is currently immersed, they must ignore their itch for quantification, curb their fascination with models that bear minimal relation to reality and avoid the temptation to use bad data (such as Soviet economic statistics) simply because it exists and can be run through computers.

VI

The Cold War may be ending, but there is no détente in the intelligence war. Without any noticeable reduction of effort against its traditional targets—such as American officials abroad or anything relating to American cryptographic and communications intelligence capabilities—the KGB is markedly intensifying its efforts to acquire Western, particularly American, technology. In recent months, the KGB's East European subsidiaries, long active in technology-oriented espionage targeted against the United States, have been in considerable disarray, for obvious reasons. Any slack in this regard, however, has been taken up by increasing and progressively more sophisticated attempts to acquire American technology. These attempts are mounted not just against U.S. government facilities but also directly against American corporations, by a number of nations—including some of America's closest allies.

In this sphere, judgments are necessarily impressionistic because the current level of espionage directed against the United States is impossible to quantify in any meaningful way. Criminal indictments, for example, provide only a rough and potentially misleading index of that level—particularly because indictments frequently come long after the fact of damage.⁵ Indictment data, however, highlights one significant fact: the spies, including the Soviet spies, of the immediate postwar era (e.g., the Rosenbergs) were largely motivated by ideology; the current crop seems primarily motivated by greed and ego-gratification.

In any event, counterintelligence and police work are not the same, though they are often confused. The principal objective of counterintelligence is prevention, not detection

⁵ Ronald Pelton had been spying for years and John Walker for decades before either was detected and indicted.

and punishment after the fact. This precept sounds fine in theory, but it is not easy to apply in a society such as the United States, with a legal system grounded in the doctrine of presumption of innocence.

As even a hasty scan of recent American newspapers and television news clearly indicates, America's counterintelligence effort is in considerable disarray and need of improvement. It is hampered by bureaucratic bickering and turf battles, a security classification system run amok, a similar overload in security clearances and assorted other problems that make genuine secrets difficult to protect. In this sphere, however, there are no simple or inexpensive quick fixes, or any fixes likely to win universal approbation.

What is required as much as anything else to improve America's counterintelligence capabilities is a frank, frontal and concerted address by appropriate elements of the intelligence community, the rest of the executive branch and Congress to the thorny administrative, bureaucratic, legal, constitutional and philosophical issues involved in conducting counterintelligence in a free, open society. Such an approach is necessary to strike a balance that enables that society to protect itself effectively without, in the process, changing its nature.

VII

Another important American intelligence community function is as controversial as some aspects of counterintelligence: covert action—a term of such broad scope that it is impossible to define with precision. It encompasses everything from encouraging a foreign journalist to write a story or editorial to supporting, even guiding, fairly large-scale military activities in foreign lands (e.g., Afghanistan). Covert action's purpose is to influence the behavior or policies of key foreign individuals, groups and nations, and the course of events in foreign areas, in ways that further the interests of the nation mounting the covert action in question, but also in ways that mask that nation's hand and enable its involvement to be denied or at least officially disavowed. Perhaps the best way to understand covert action is to think of it as a form of international lobbying that is, ideally, discreet and unadvertised—even if often not truly "covert."⁶

⁶ This section draws extensively on the author's March 10, 1988, testimony, on H.R. 3822, to the Subcommittee on Legislation of the U.S. House of Representative's Permanent Select Committee on Intelligence.

Intelligence activities, generally, are not easy for an open, democratic society to conduct effectively, especially in peacetime. For a society such as America's, covert action raises particularly difficult questions—ones that have no universally satisfactory resolutions, let alone any simple answers.

This does not mean, however, that the United States should pass any self-denying ordinance. Covert action is a fact of international life. It is something that virtually every nation in the world attempts, and some of America's closest allies, such as Israel, are among its most indefatigable practitioners. Covert action should, however, be used very circumspectly, far more so than it sometimes has been—as the Iran-contra affair demonstrated all too clearly. When astutely employed, covert action can be a very useful, effective adjunct to policy; it can never be a substitute for policy or for thought.

The current euphemism for covert action is "special activities," which Executive Order 12333 explicitly tasks the CIA with conducting, after presidential approval.⁷ This is an important CIA function, but an ancillary one—as highlighted by the current Director of Central Intelligence's statement that covert action represents about three percent of the agency's total expenditures and about 99 percent of its total problems in terms of congressional and media interest.⁸

"Special activities" should not be confused with "special operations," such as hostage or hijacked aircraft rescue missions, for which the president would now call on the Defense Department's Joint Special Operations Command (USSOCOM)—a relatively new command established to handle such contingencies and to prevent any future hostage rescue disasters, such as the 1980's ill-fated Operation Desert One in Iran.⁹ Few Americans would strongly oppose and many would warmly welcome special operations that rescued hostages and punished hostage-takers or terrorists for their actions, particularly if their depredations were then curtailed—as Muammar al-Qaddafi's support of terrorism was curtailed after the U.S. raid on Tripoli in April 1986.

The Panama incursion (Operation Just Cause) that ousted

⁷ In fact that executive order explicitly states that in peacetime: "No agency except the CIA ... may conduct any special activity unless the President determines that another agency is more likely to achieve a particular objective." Section 1.8(e), E.O. 12333, Dec. 4, 1981.

⁸ Judge William Webster, in a March 30, 1990, speech at American University.

⁹ A "special operation" would now normally be executed by an appropriate USSOCOM task force, tailored for that purpose, operating under U.S. command.

General Noriega was not a covert action by any stretch of the imagination, nor was that incursion itself a special operation, though special operations—mounted by USSOCOM elements—were used with considerable effect during its course. A strong argument can be made, however, that it would have been wiser and considerably more humane to have achieved the same result—Noriega's ouster and capture—via a special activity. During the invasion, 543 people lost their lives. With the wisdom of perfect hindsight, it might have been preferable for the United States to have given events a slight nudge during the October 1989 coup attempt, which for a time seemed on the brink of success. In coups, of course, lead flies around. There is no telling in advance precisely who is going to get in its way, and people do get killed—sometimes including the person being ousted. This fact raises the question of "assassination"; in a coup, at least the casualties are usually measured in single digits, or in the low double digits—not in hundreds killed and thousands wounded.

Covert action (in the special activities sense) does not always have a military dimension. For example, it was used quite peacefully but with great effect in Western Europe during the late 1940s and early 1950s to give democratic forces a helping hand in their efforts to keep their nations from following Czechoslovakia into the Stalinist orbit. The subsequent democratic evolution of Western Europe owes a great deal to these nonmilitary "special activities."

On Capitol Hill and elsewhere, there is a continuing urge to "fix" covert action—and in some quarters, to fix it permanently. Extreme care should be taken, particularly by Congress, to ensure that any such fixing does not inadvertently hamper the CIA's and the American intelligence community's ability to perform their primary mission of collecting information, producing intelligence and then disseminating it to those in the executive and legislative branches of government who need it—for example, by putting sensitive intelligence sources and methods at risk.

Covert action should never be undertaken lightly. In the wake of the Iran-contra affair, procedures were specifically designed to prevent it from being so taken again. Many covert actions are controversial, as is—in some quarters—the very concept of such actions, but even the members of the congressional committees investigating the Iran-contra affair agreed and explicitly stated that "covert operations are a necessary

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component of our nation's foreign policy."¹⁰ This essential tool of statecraft should not be blunted or the president denied essential flexibility in its exercise.

VIII

Meeting America's intelligence requirements over the decades ahead will be very costly. In the executive branch and on Capitol Hill, in the media, in academia and elsewhere in the American body politic the battle lines are already forming between those who recognize these realities and those who are beginning to beat the drums for a "glasnost dividend" in the shape of a sharp reduction in the U.S. government's intelligence effort and expenditures, now that the Soviet threat appears to have diminished.

In this context, a related problem is already arising and is certain to get worse. For a variety of good reasons, most of them security-related, the bulk of the U.S. intelligence community's budget (including the CIA's) is discreetly tucked into various components of the Defense Department's budget, which is certain to be trimmed, perhaps drastically. As this happens, there will be a concomitant increase in the stridency of cries already being heard in the Pentagon, on Capitol Hill and elsewhere, urging that the intelligence community take its proportionate share of cuts in the defense budget.

This would be folly. As America's current defense capabilities decrease, more—not less—intelligence will be needed. America's early-warning capabilities, of all kinds, will have to be enhanced to minimize and offset the risks that cutting defense capabilities will inevitably entail. Intelligence, for America, is a vital form of insurance; in an era in which risks are proliferating, insurance is the last thing that should be curtailed.

In any event, whatever is done with the American intelligence community's budgets, two things must not be done. Human intelligence activities, plus analyses and estimates prepared by human beings, constitute only a small fraction of the U.S. intelligence community's budget—the bulk of which is consumed by big-ticket, high-technology collection systems. During the years ahead, far more human activity, including analysis, is going to be needed—not less. Furthermore this is a

¹⁰ *Report of the Congressional Committees Investigating the Iran-Contra Affair*, House Rept. No. 100-433, Senate Rept. No. 100-216, Washington: 1987, page 383.

sphere in which a relatively modest supplement or cut in funding, measured in five, six or seven digits, not nine or more, can make an enormous difference, for good or ill. If America is to have the intelligence capabilities that it will need, funds for human activities of all types must not be squeezed or devoured by the insatiable budgetary demands of technical collection.

Second, the future must not be mortgaged by making it hostage to cuts that are politically appealing in the short run, but wreak long-term havoc. Whether technical or human, intelligence capabilities frequently take years to develop—with a high correlation in both spheres between productive importance and lead time.

Through four tumultuous decades, the American intelligence community's basic structure has admirably weathered the test of time. The future's escalating requirements and new demands, however, will put appreciable and novel strains on that structure, which needs some repairs and, in places, shoring up. Though the last thing the U.S. government can afford at this juncture in world affairs is the trauma and disruption of a root-and-branch intelligence reorganization, some of the necessary shoring up and repairs will not be easy to commission or complete under present arrangements.

To make the intelligence community's activities sufficiently cost-effective to compete successfully for the resources that community will need, the managers who are accountable to the president and Congress, starting with the Director of Central Intelligence, must regain something that they do not now have: control, reinforced by an authority commensurate with their responsibilities. Involved here are many thorny problems that the community and its head, the DCI, cannot solve alone—particularly since several of the thorniest problems, which have been ignored or papered over for decades, involve the relationship between the DCI and the Secretary of Defense, with respect to those intelligence community components or assets that are part of the Defense Department. It will take the combined efforts of the president and Congress to untangle or cut some of these time-hardened Gordian knots. Now, however, is an optimum moment for tackling this essential task. On Capitol Hill, both oversight committees currently have wise and sensible chairmen and ranking minority members; the current occupant of the Oval Office, a former DCI, is a president with a grasp of intelligence realities derived from

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personal experience in managing a broad range of intelligence activities.

IX

One era in world history is clearly ending with another about to begin; neither the course nor the shape of that new era is yet determined or now discernible. History never repeats itself, but it has thrust a heavy burden on the American people and their elected leaders.

Seven decades ago, in 1919-20, their predecessors had a golden but transient moment of opportunity. By acting wisely, they could have taken the lead in laying the foundations of a far better, happier and freer world order. That moment was squandered—with tragic results. Now another such moment has miraculously arisen, and it must not be squandered as well. Helping prevent any such tragedy is a task and responsibility to which the American intelligence community must now devote all of its skill, energy and resources.

The 1990s will be rife with dangers and risks, which could easily make the early decades of the 21st century even worse than the middle decades of this century. To act wisely at this critical juncture in world history, America's leaders will need, among other things, the highest degree of intelligence support and assistance attainable. This is a need that must be met at whatever cost. The United States cannot afford to stumble as blindly into this century's final decade as it did into the 1930s. Nor can a nuclear world afford, at this historic turning point, to have America stumble in that fashion once again.



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Mr. Joseph P. Duggan
The White House
Executive Office Building
1st Floor
Washington, D.C. 20500

Dear Joe:

I gave a good deal of thought all weekend to the President's forthcoming speech when he will receive the General Donovan Award. Quite frankly, the President has been boxed into a nearly impossible position, because the decision on the Gates confirmation will almost certainly not have been made by the time the President speaks. Even if it were to be made by the Confirmation Committee, there still lies ahead a full Senate vote if I am correctly informed.

Were Gates to be denied confirmation, and if total flexibility existed, I would urge that the President not address himself to intelligence at all at that juncture. The knowledge that Gates has been confirmed changes the circumstance into one in which it is both comfortable and appropriate for the President to state his expectations and desires from the Intelligence Community, taking the occasion as well to compliment Gates for these precise aspects of his background and singular ability.

In all these circumstances, I find it difficult to wisely advise the President, particularly in the unique circumstance that he himself was DCI.

However, the following, in contrast, are altogether safe, appropriate and useful themes. My inclination would be to focus on the various things the President would wish to speak about through the fact of the Donovan Award and the history of "Wild Bill" Donovan.

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For example, the President has repeatedly emphasized the urgency of patriotism. It would be difficult to find a greater patriot in the history of this century. Donovan's role in guiding the 7th Battalion during World War I is generally conceded to be both the most brilliant and the most courageous of that of any United States Army Battalion in that war. Regrettably, Who's Who has eliminated, on Donovan's death, the copious record there would be of the specific events during World War I detailing his own personal heroism as well as the valor of the 7th Battalion. This information should be available within the White House Library, perhaps in a copy of Who Was Who.

The second theme which is marvelously characterized by Bill Donovan is the theme of public service. I am not quite sure whether he ran for the Governorship of New York, but without biographical data available, I do not recall whether he did or what the outcome was. But there have not been many public figures who so devoted themselves to specific affairs of their State as did Bill Donovan.

A third theme is that of humanitarian. He time and again acted on behalf of those who fled Hitler's totalitarianism and subsequently the thousands who fled Nazi Germany. In October 1956, the Hungarian Revolution occurred and when the return of Russian tanks made it essential for thousands of Hungarians to flee Hungary and find sanctuary elsewhere, General Donovan was given the responsibility by President Eisenhower of coordinating the efforts which made it possible for thousands of Hungarians to find safe refuge in the United States, while simultaneously he remained deeply involved in the plight of those who fled Hungary and were provided resettlement in several of the countries of western Europe.

One Commission which he led at the request of the International Rescue Committee, a Commission of distinguished private citizens, played a singular role in investigating a campaign throughout the western world conducted by the KGB

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to persuade those Russians who had previously been able to resettle outside their country to give up their safe haven and return to Russia. The Commission concluded that such a coercive and coordinated effort was being made by the Soviet Union. When the results of the Donovan Commission on the Soviet Union's redefection campaign were published, within weeks the sinister efforts were quietly discontinued.

Clearly, however, Bill Donovan led the most astonishing effort of all, the formation of an intelligence capability which, as the OSS, operated both in the United States and Great Britain, and at great risk to those members of the OSS who participated among the underground forces throughout Europe during the duration of the war.

Under the guidance of Donovan, David Bruce, Bill Casey, and many other gifted men, techniques were pioneered which provided to the allies intimate knowledge of the economies serving the enemy as well as the many technical and military hardware questions essential to the allies' effort to defend itself.

The episodes involving individual heroism encouraged beyond reason were legion. One significant contribution the OSS made involved a host of skillful actions designed to mislead the Nazis in their fruitless effort to learn the location in Europe where the D-Day landings were scheduled to occur.

We have been going through a period in which there has been much understandable discontent with standards of American behavior and with the loosening of certain values that are the heart of civil conduct essential to a great nation. It would be difficult to identify an individual who has contributed more to shaping the sense of dedicated public service, devotion both in citizen and attorney, and to human rights.

On the last day of the hearings of the House Committee on Intelligence over 15 years ago, as Chairman of PFIAB, I was requested to provide an objective evaluation of the state of intelligence and its important contributions at that time.

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I believe there is useful content in this talk for the address which the President will make. However, needless to say, all personal references, all references to my background, clearly are of no value and must be cut. I hate to burden you or a member of your staff with that heavy deletion job, but I could not otherwise have gotten my letter and this 16-year-old speech to you in time for your needs.

William J. Donovan was the father of this nation's intelligence service. No one better understood that there cannot be an effective national security without the widest range of technological, analytical, economic and military information.

I have just heard from a former colleague on the Board of PFIAB that he believes that an up and down vote on Bob Gates remains the only step necessary for confirmation, and it is his impression that will occur one day this week.

If I find any other information which can be useful to you, depending on length, I will either fax it or Federal Express it to you.

I hope this, though inadequate, may be of some help.

Sincerely,



Leo Cherne

LC/mlg
Encl.

Statement by Leo Cherne
before
Select Committee on Intelligence
U. S. House of Representatives

December 11, 1975

Mr. Chairman, Members of this Select Committee:

I am grateful for the invitation to testify before this Committee. When I received the request earlier this week I was told that representatives of both parties concurred and had expressed the hope that I might present some overview and some sense of future needs for intelligence. I will unavoidably repeat some things you know, perhaps some which have been stated a number of times, but I do hope there will be some observations which will be helpful to you in your most important undertaking. May I first salute this Committee for the two main thrusts of its investigation. Under your direction, Mr. Chairman, there has been the effort to determine whether our intelligence has been adequate to the needs and dangers we have faced and whether we have proceeded to obtain the intelligence we require with sufficient regard for the rights of the individual and the obligations of law under the Constitution. Before I expand on those, I think you are entitled to something of my own background against which to measure my observations.

I have been the Executive Director of the Research Institute of America for nearly forty years. That activity has sharpened whatever capabilities I have as an economist and political scientist. Those forty years have been devoted in good part to the study of the governmental institutions gathered in this city. I confess, at a time when it is fashionable to derogate Government, that I have always had a passionate respect for this most difficult, overcriticized, underpaid, and very undervalued activity.

Twenty-four years ago the distinguished theologian, Dr. Reinhold Niebuhr, urged me to succeed him as Chairman of the International Rescue Committee. I have since then occupied that post. That committee was formed days after Hitler came to power for the purpose of assisting the democratic leaders and scholars of Germany whose love of liberty might compel their flight from that country. The IRC has assisted hundreds of thousands of those who have fled Fascist, Communist, and nondescript forms of totalitarian jeopardy. Those helped have fled the Soviet Union and the military government of Greece, Castro's Cuba and Duvalier's Haiti. We assist those who have been refugees from the Communist countries of Central Europe and those who safely reach Hong Kong. We have helped resettle more than 100,000 Cubans who have fled to this country, and are helping 18,000 of the Vietnam refugees to resettle in this country -- and many, many others throughout the world.

For more than twenty years I have been Chairman of the Executive Committee

of Freedom House, an organization which was founded in 1940 by William Allen White, David Dubinsky, Roy Wilkins, Wendell Willkie and others, to advance the struggle for freedom at home and abroad. The present Chairman of the Freedom House Board of Trustees is former Senator Margaret Chase Smith.

Just a couple of final personal notes which I do think relevant to this Committee's purposes. I have had the privilege in one context or another to serve each President since 1938. Each of these undertakings has involved an opposition to totalitarianism, left or right. On one occasion, I was told that I had incurred the displeasure of the Director of the FBI. I had made myself a determined nuisance to Senator Joseph McCarthy beginning one month after he entered the Senate in 1947 and continued that opposition to the Senator until 1954 when the Senate censured him. My attention was drawn to the Senator because of my own deep concern with the Communist Party. I found it alarming that the Party, through its instruments in Wisconsin, openly and actively supported McCarthy, if only for the purpose of unseating Senator Robert La Follette, who at that moment had launched an investigation into the extent of Communist domination of U.S. labor unions. At a later time I thought that the frequent social contact between Senator McCarthy and FBI Director Hoover inappropriate. My saying so was not appreciated. In time my criticisms of Senator McCarthy, of his disregard for personal rights led to a threat being conveyed to me that libel proceeding would be instituted if I did not desist. I said that such an action would serve a purpose I long thought useful -- having the Senator in a court under oath. The threat of action subsided.

Gentlemen, I have not simply recited a personal background, and I do appreciate your indulgence. I hope I am sensitive to the Committee's concern for the protection of the right of privacy of American citizens and the conduct of intelligence within the law, and, perhaps most important, for the urgency of assuring the American people that intelligence and personnel of the intelligence community must never again be requested or permitted to perform some service useful to anyone's domestic political purposes. If there is only one object which I would wish my testimony might reinforce, it would be that one. Neither foreign intelligence nor domestic intelligence, not CIA or FBI, must ever again be requested to perform or acquiesce in an activity which, whatever guise is asserted, actually seeks to serve an individual's ambition or a political candidate's or party's purposes.

It is with a kind of relief that I now know as a result of these investigations that the abuse of and by the intelligence community has occurred during the administration of both parties. This misbehavior has occurred under Presidents who were held in awe, or admired for their grace and youth, or respected for their candor, or revered for the gratitude we reserve for those who got us out of danger, or were seen as simply ruthless, beleaguered, or ambitious. Gentlemen, this has not been a problem more characteristic of one party than the other.

These abuses are perhaps inherent in the fact of power. And all too much power, for too long a time, was enjoyed -- with no restraint by anyone -- by a much praised man who held his police post too long and knew too much about too many peo-

ple, and appeared not at all reticent to convey that fact.

Let me tell you why I am especially relieved to find this a problem not confined to one party. The bipartisan character of these past difficulties means that we can now proceed to a bipartisan set of corrections and protections which even in an election year have a chance of being kept out of partisan politics.

While I am still on the subject of abuses for reasons of personal ambition or political advantage, let me say something about the Board on which I serve, the President's Foreign Intelligence Advisory Board. I do not appear here as a representative of that board, or, for that matter, as anyone's representative, but simply as your guest at your invitation. I am not free to speak of the deliberations of that board or the recommendations we have given to a succession of Presidents, but I know of no restraint which can keep me from telling you that on not one occasion have I observed a single member of the board bending a judgment or stressing a weight which would advance the political interest of the particular President, his administration, or party. The very privacy which has been accorded to PFIAB has, I believe, sheltered it from the temptation to grandstand, politick, or otherwise bend before the political winds.

I myself was involved in one very reassuring episode in this respect. I was appointed a member of that board at a point when the Watergate investigation already made it quite clear that there had been a serious breach of faith. Days before I learned of my appointment, I made an address critical of the Watergate affair and of responses to it which had been coming from the White House. I thought Admiral Anderson, Chairman of that Board, ought to know of my views, and I quickly sent him a copy of those remarks. I received not the slightest suggestion that I desist from such expression.

Gentlemen, when I was invited to testify, I was, in particular, requested to make some comments on our future requirements in the intelligence area. I regrettably see nothing in the foreseeable future likely to change the fact that sovereign nations remain virtually unimpeded by law in all of those areas which involve national security.

I welcome the fact that efforts toward détente have been made and that there is an increasing realization in and outside of Government that détente is a process, not a conclusion, a means of limiting the most frightful dangers of belligerency. I believe some portion of the American people may have made assumptions about détente not shared by the architects of that policy. I also believe that, initially at least, the policy was oversold. But I am sure I say nothing you do not know vividly when I add that the policy of détente does not effectively limit hostility or ideological warfare or local warfare, or organized subversion, or encouragement of terrorists, or many of the other hazards with which we have become all too familiar.

We live in a far more interdependent world than was the case even five years ago, and things now happen so quickly that the reaction time for those who must make

decisions is terribly short, and therefore effective intelligence analysis and estimates are so much more critical. The shock of the oil embargo made that painfully clear. But our dependency on foreign petroleum is only one of a number of areas in which we are dependent on other nations, and they on us. The fact of mutual dependency, however, is no assurance that the economic conduct of nations will be benign; that rivalries will not be painful and dangerous; that food, raw materials, national monetary reserves and a host of other things will not be made the subject of dangerous conflict with our adversaries, and even intervals of extreme tension with one or another of our friends.

These pressures which have radically narrowed the world, even as they have enlarged the hazards we face, will more and more press our country into conferences, undertakings, new bilateral and multilateral agreements, all of which have as a common purpose the reduction of unrestrained rivalry in arms, resources, and ideas.

Even if this were a lawful world, the dangers would be great. But it is not a lawful world. It is not a world in which nations have a uniform commitment to ethical or legal concepts, and consequently the policymakers in our nation have no alternative but to rely on the very best knowledge, the most objective analysis, the most careful assessment, the most objective estimates.

Just in the field of limiting arms it is urgent that we know all that we can about our own capabilities and about those of any adversary, and particularly the Soviet Union. We have long ago concluded that mutual inspection is unavailable and therefore obviously hope that it is unnecessary. This will more and more place a particular burden on the intelligence community, since it is the sensor assuring our safety and a guarantor of whatever prospects for peace we see. I recognize that even as I say this you of course know this at least as well as I do. And yet I think there are certain fundamental truths, now that these hearings are drawing to a close, that must be reemphasized not for the fact of your understanding but for the fact of public understanding of the role and requirement for intelligence.

But we do tend, when we talk about intelligence, to look at the more dramatic aspects: the October war, the oil boycott, a massive grain purchase, climactic events in ~~Cuba~~ or Angola, or ~~Portugal~~ or Chile. The fact is intelligence will be at least as valuable in much less dramatic areas: the sharp analysis of trends, political, social, military and economic; potential developments, such as the formation of new cartels like OPEC; economic assessments, including assessments of the most unlikely events. What, for example, our policymakers need to know, would be the result if, for several years, the industrial nations of the West suffered unabating acute inflation? How sturdy would the various democratic governments be? How well would our various international organizations function? Would the European Community remain intact? Would we see the beginning of trade wars as countries sought to protect their weakening currencies?

We have needed to know how the member nations of OPEC both intended to

and actually used the wealth acquired since the fall of 1973. The simple fact of quadrupling of petroleum prices set into motion the largest transfer of wealth in modern times. The stability of international monetary arrangements will continue to depend on that kind of knowledge. And wise decision-making, informed by such intelligence, not only assists the economies of Western industrial nations, but enables us to better know the particular problems of the less developed nations as well.

There is all manner of technology about which we need to have the very best of intelligence. Recommendations are being made which must be decided by particular agencies in the Executive Branch that advanced computers be sold to countries which are now not eligible for such purchases, that other forms of high technology be made available. We of course wish to enlarge our balance of trade, strengthen the American dollar in the process. We will need to know, among other things, whether certain items which are on restricted lists are sold by us to one country only to be resold to countries which are not eligible. But the much more penetrating questions with which intelligence must deal involve the complicated net assessment of all of the radiating results which flow from the transfer of high technology.

I will not go further with illustrations of the various kinds of intelligence which will continue to be absolutely basic to informed decision-making because I am already embarrassed to have said so much about things you clearly know. I'd like to look briefly, however, at the means by which this intelligence is derived. All of us would of course prefer to have this information gathered by and confined to researchers functioning in libraries, statisticians pouring over trade data, political and economic scientists providing their reasoned projections -- and I have just described the great bulk of the work which is performed within the intelligence community. Both in numbers of people and dollars spent, this is the giant slice of the intelligence dollar.

In addition there is information of the most vital kind, not found in libraries, which we must also understand. There are on occasion tactical and collusive arrangements which are part of international trade negotiations, or which will involve the pricing of raw materials which are vital to us. There is the entire difficult business of knowing as much as we can of someone else's real intentions.

There are those within the world's intelligence community who believe that terrorism may well prove to be the most serious of tomorrow's hazards. It is already among the most brutal and difficult to anticipate of today's dangers. Without intelligence and whatever clandestine means are needed to secure it, the terrorists would be given an absolutely open field. Even with the very best of intelligence, the terrorist finds easier pickings in open societies. If highjackings are commonplace in either the Soviet Union or the People's Republic of China, they have done an effective job in hiding that knowledge from us. And yet I am sure we will all instantly agree we would not wish to pay the price of that form of government to secure whatever safety they enjoy from the terrorist.

In each of the areas to which I have addressed these observations, there is a common thread: intelligence will even more be the basic instrument enabling us to anticipate danger -- military, political, economic -- enabling us to know the direction from which the threat may come, and enabling us if at all possible to apply unprovocative responses in the hope of avoiding the danger.

Intelligence is the means which will enable us to reach a widening net of agreements with some measure of confidence that they will be complied with. There is not the slightest prospect of any further arms control measures without the most effective application of the technology and intellect which combine to produce good intelligence. And I'd like to observe that we are talking of this at a time when the problem is still relatively manageable. Not many years into the future we will regrettably be dealing with nuclear capabilities which are widespread and at the possible disposal of some who may be tempted to use that capability to suggest nuclear blackmail.

Now let me say some things about the future of subversive warfare or some more modest activities that are included in the phrase "covert action." The Soviet Union has already made it clear that it does not interpret the Helsinki agreement as in any way moderating the urgency of its ideological efforts. Indeed, leaders of the Soviet Union have been remarkably candid in observing that they think the tide is running in their favor. There is no monolithic Communist movement, but there are Communist parties in most countries which are more or less available to advance the interests of one of the centers of Communist power. I am doing no more than describing the events which occurred in Portugal, which presently exist in Angola, which hopefully will not threaten a Spain in transition. The Italian Communist Party may be closer to achieving its purposes in Italy today than it was when we were so fearful of that prospect in the late 1940's. Now, shall we eliminate under any and all circumstances the ability of the U. S. and other Western democratic nations to try in some modest degree to apply some counter-thrust to this otherwise unrestrained subversion? Are we to simply conclude that the very nations which had hoped that Angola might in fact be independent must now sit by helplessly as one form of colonialism is replaced by another?

In a public interview within the last month, Governor Averell Harriman was quoted as saying that his greatest concerns are not with the fall of one city, but rather with the overthrow of countries and governments world-wide by Russian undercover activities. I quote specifically: "The Russians are not nuts, they are not crazy people, they're not Hitler. But they are trying to dominate the world by their ideology and we are killing the one instrument which we have to fight that ideology, the CIA." Incidentally, I happen to disagree with the bleakness of the Governor's assessment. I do not think these investigations will have that effect. Clearly that is not your purpose. Hopefully, instead, this Committee will have added to our understanding of what needs to be done to increase the effectiveness of the community so that it may achieve the ends we require. I do regret, however, that it is in the nature of an investigation, especially one which focuses on inadequacies and misbehavior, that the resulting public understanding will neither be

complete or balanced. You have identified some of the intelligence failures. How I wish it had been possible to illuminate some of the very considerable successes! The very fact they exist is the strongest reason for keeping their nature and their means secret. I was reminded of this just last week, in seeing an old movie on television, Tora, Tora, Tora, that "in the interest of vital security" even a President, Franklin Roosevelt, was for a time taken off the list of those privileged to see the results of the Ultra Machine which broke the codes of our enemies. President Roosevelt was allegedly removed simply because he had been careless.

Unfortunately, an investigation like this one does not provide the opportunity for the public to have the sense of the thousands of decent, able, extraordinarily professional analysts, painstakingly applying research and scholarship, doggedly reviewing prominent and obscure facts and data so that the policymaker may have timely analysis, assessment and recommendations. They are truly an unheralded group of men and women selected from scores of professional disciplines -- economists, historians, psychologists, translators, lawyers, monetary specialists, geographers, doctors, military analysts, biologists, cryptographers, optics and communications scientists, and a host of other fields of scholarship working toward a common purpose that those who must decide have at their disposal the very best of knowledge and understanding to illuminate their decisions.

Mr. Pike, on Monday night as I watched television news, I heard you say that it is not the Soviet Union which is our greatest danger. If I correctly quote you, you said that the greater danger is that the people no longer believe what their government tells them. I do agree that we have a serious crisis of belief, of confidence in institutions. But let me dissent on two counts. Whatever the failure of our own government -- and those failures include this body as well as the Executive Branch -- those failures are within our capability to control, correct, or change. That, thank our bicentennial stars, is our good fortune. But whatever danger may lie before us from the Soviet Union or any other foreign source cannot be readily corrected by the American people. No ballot box will diminish that danger, no burst of renewed faith among us can altogether deflect that danger -- not here, not in Angola, or Portugal, or Central Europe.

I dissent somewhat, Mr. Pike, on other grounds; they are no less serious. There is a crisis of belief in our government, as you have said, but it is not simply that. We are in the midst of a crisis of all authority, of all of our institutions. Those who study the public opinion of the American people agree that our regard for all our institutions -- medicine, education, religion, military, Executive Branch, the Supreme Court, the Congress, business, organized labor -- our confidence in each of them is at the lowest point since we have measured these attitudes. In fact, a majority of the American people do not have high confidence in a single one of these institutions -- not even medicine or religion.

I suggest, therefore, that when any of us who are leaders in any walk of American life think we can repair our own misfortune by identifying the greater distress of someone else's trouble, we may be deluding ourselves. We may indeed be the

architects of our own mutual terminal agonies. We all share the difficulties of what Eric Hoffer calls an "age of disillusionment." The novelist James Joyce reminded us a number of years ago -- "History is a nightmare from which we awaken." While there is still time, I urge we end this orgy of reciprocal abuse, and escalating disbelief. There are sins enough which we have committed, but it is not for these that we seek expiation as much as for the difficulties and frustrations which simply flow from the fact that we are living in the most complex and dangerous time in the entire history of mankind. We must, I think, very soon put aside our denigrations and concentrate once again on the affirmative tasks of protecting liberty, individual and national. Until then, we condemn ourselves to suffer the consequences of each other's misbehavior.

I will conclude, gentlemen, by telling you of a most extraordinary coincidence. I received the invitation to share these thoughts with you on Monday. On Tuesday I was obliged to travel to California. On that plane, sitting directly behind me was an old, tired, stooped and, to me, remarkably small woman. I had imagined her to be taller. Because she is a person whose wisdom is widely conceded, I imposed on her. I told her that I would be testifying today and that I knew that the problems in her country were quite different than ours. I thought nevertheless that she might have some observations which would be useful to me, and asked whether I might put four questions to her. I will recall that exchange as exactly as I noted them immediately after I returned to my seat.

"Mrs. Meir, each of our countries are democracies. We accept ethical and religious restraints on our behavior. Do we have any right whatever, Mme. Prime Minister, to conduct covert programs in other countries, to meddle in their affairs, seek to change their outcomes?"

"Mr. Cherne, we forget that other countries are not like ours. They are not governed by the same restraints. They don't hesitate to do the things which democracies worry about. Look now at Angola. Must we all sit by and watch? Mr. Cherne, I attended a Socialist conference in Berlin last February, and we heard then what would happen in Portugal. And we did nothing. And it happened as they said it would. But we remain paralyzed by our own doubts and confusions."

"But Mrs. Meir, our Congress understandably feels it must know what is being undertaken. Don't you have the same feelings and pressures in your Parliament, your Knesset?"

"Frankly, no. We have a Foreign Affairs and Security Committee of the Knesset, but they do not expect to be told of things that would be better if they did not know. But perhaps we feel a sense of danger which is not felt in your country. Also our representatives, Mr. Cherne, know that we will not use our intelligence abilities for things which are political, which intelligence people should not meddle in."

"Mrs. Meir, can you tell me, since our countries each have excellent intelligence services, how did we miss the Yom Kippur war?"

"Well, I will tell you this: we should not have missed it. I think we had enough information, but there was obstinacy. It was not read properly. And you know your people did the same thing and helped reinforce our refusal to believe what we should have understood. No, I tell you, we should not have missed that one."

"One final question, Mrs. Meir, do you have problems keeping things secret which must be secret?"

"Sometimes. But not as in your country. But this is a problem of democracies. If you'll forgive me, it's a misunderstanding of democracy. Because a country is democratic, must everything be known? Must we weaken ourselves and strengthen our enemies? In democracies we think all countries are like ours. Unfortunately, Mr. Cherne, they are not."

Mr. Chairman, I sometimes think we act as though we're a group of honorable men playing poker in a 19th century saloon. There, if someone made an effort to look at another player's cards, he'd run a high risk of getting shot. In the game of nations, if we don't, we run a similar danger.

In 1888 Lord Bryce in The American Commonwealth said that America was "sailing a summer sea towards which as by a law of fate the rest of civilized mankind are forced to move." Ambassador Moynihan, in the 1976 The American Commonwealth recently said, "Liberal democracy on the American model tends to the condition of the monarchy in the 19th century: a holdover form of government, one which persists in isolated and peculiar places here and there, and may even serve well enough for special circumstances, but which has simply no relevance to the future. It is where the world was, not where it is going."

Mr. Chairman, both comments, a century apart, are eloquent. I believe they were both, at least in part, wrong. We were neither sailing a summer sea then, nor are we about to fall off the edge now. The world's troubles are great and our problems in dealing with them manifest. This Committee is devoting its serious thought to some of those problems. Intelligence cannot help a nation find its soul. It is indispensable, however, to help preserve that nation's safety while it continues the search.

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NATIONAL SECURITY COUNCIL

17-Oct-1991 10:28 EDT

UNCLASSIFIED

MEMORANDUM FOR: SEE BELOW

FROM: Florence E. Gantt
(GANTT)

SUBJECT: RE: Presidential Event

Bill -- The General received something from Richard Helms that he wanted passed on to our speechwriters. I will send it to you and ask that you work with them on it. Thanks.

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CC: Cathy Millison	(MILLISON)
CC: Mary C. Emery	(EMERY)
CC: Brenda I. Hilliard	(HILLIARD)

October 3, 1991.

Dear Brent,

Geoffrey Jones, the President of the Veterans of Strategic Services, sent me the enclosed material, because he thought it might be helpful to the speech writer who will compose the President's remarks for the evening of October 23rd. I have been hesitant to pass the material along, since there is so much about me in it, but that can easily be blotted out leaving the burden of his other remarks. The paragraph in the attached Karlow letter is not in the citation, which has other thoughts of a more personal nature. If this is not helpful, it can go quickly ^{tossed} into the waste basket.

Mrs. Jennifer Blaudeman should be hired by the Congress. For years they have ^{had} need of ^{for} an ~~an~~ analyst who can measure the density of the "fog" which surrounds the place! The Gater hearings have become a disgrace, and they have done real damage to the credibility of the intelligence process, leaving the impression with the public that if you have "honesty" and "integrity", your analysis and estimates will inevitably be accurate. "God did not give man the gift of prudence, and that includes intelligence officers". (That quotation is from the heart and head of Dick Helms)!

I hope you ~~can~~ ^{will} be with us the evening of the 23rd. Please let me know when you can. All the best, Dick

Address by Vice President George Bush



Thank you, Bill. Good evening. I'm honored to be here tonight participating in this ceremony, because I can't think of anyone who deserves the Donovan award more than Dick Helms. Having inherited his job at CIA—if only for a short time—I gained a real respect and admiration for the magnitude of Dick's accomplishments over there.

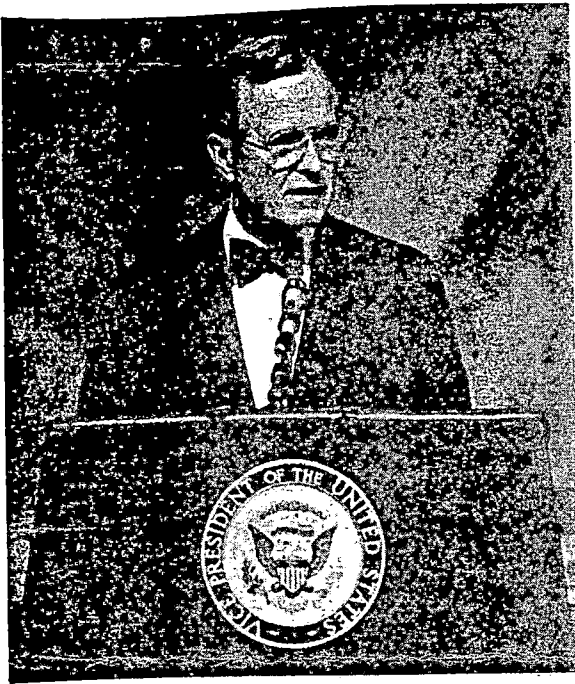
Not many of you may know that before Dick got into intelligence, he was working for the other side—the press. In the thirties, Dick was a correspondent for UP in London and later, Berlin, where he observed first hand the developments in the Nazi government. He was even able to get a personal interview with Adolph Hitler. I hear tell that this meeting was mentioned in the so-called Hitler diaries, although the scholars apparently became suspicious when the diaries referred to Dick as the future director of the CIA.

Anyway, Dick joined up early with Wild Bill Donovan's OSS, organizing intelligence networks from his vantage point in England and other stations throughout Europe.

Still serving in the OSS after the war he closely observed Soviet methods and intransigence in Germany and Berlin. What he learned then made Dick Helms decide to stay on in Government service. He became convinced that the United States would face many threats in the post-war world, and he realized that effective intelligence was vital if the democratic societies were to be able to defend themselves against those threats.

It's hard to imagine now, but in 1940 and 41, Bill Donovan was a one-man CIA for Franklin Roosevelt. The OSS was brought into being in great part simply through the force of Donovan's determined personality.

Well, after World War II, it took other forceful personalities to define the role of our intelligence service in a very different, but equally threatening world situation. One might even say that with the introduction of nuclear weapons into the equation, the situation became even more threatening than it had been in the past. Dick Helms



"I wear my directorship of CIA
as a badge of honor."

was instrumental in helping define that role. He has dedicated a good part of his life to the development of an agency that is second to none in intelligence gathering and analysis. But just as important, one that could exist within a free and democratic society.

It has been said that the role of secret intelligence in a democratic society will always be an uncomfortable one. Secrecy is not what democratic societies are all about. They're about free and open discussion, the free and open exchange of ideas and information.

Unfortunately, there are certain unpleasant realities that we can't ignore. We must live in a world made insecure by international terrorism and expansionist totalitarian powers.

But the CIA can be very proud of the fact that at the same time that it is working tirelessly to protect American freedoms from foreign threats, it is fastidious in respecting the laws of the land. The CIA is conscientiously upholding the law, safeguarding the rights of American citizens.

I was asked at a press conference the other day how, as a politician, I would justify to the American people being head of the CIA. I said that I wear my directorship of that organization as a badge of honor. I've always considered my service there as an asset rather than a liability, and I'll feel that way till the day I die. I don't think I'd be standing here in this job right now if the American people felt any differently. I think they want a strong intelligence service. I think anybody realizes that in a world as troubled as this you need the best possible intelligence.

I'm proud of the time I was in the CIA, because I'm proud of the men and women who serve there. I can't praise highly enough the academic excellence of our intelligence community, and the commitment of these people who have put in a lifetime of service to their country—many of them anonymously. They never get to sit at the head table; they never see their names up in lights. But all

of us are profoundly grateful that these extraordinarily talented and dedicated people have sacrificed their place in the sun so that the rest of us may live secure in our freedom.

I've been doing a lot of traveling recently, and my sense of things is that the post-Vietnam, post-Watergate inclination to tear down our intelligence agencies is behind us now. I think we all realize that we must build on what we have, and that we must give our intelligence community the support it needs to enable it to get its job done.

You know, just one indication of how essential our intelligence has become in this world is that we couldn't even begin to think about arms control if we didn't have a CIA and an intelligence community to check up on the other side to make sure they're playing by the rules. A negotiated settlement on strategic weapons must ultimately rely on intelligence for its verifiability.

There are some things I think and some things I know, but one thing I know is that the President is deeply, fervently committed to arms control. I sit with him and he tells me of his hopes and fears for our future generation. But weakness in the face of a totalitarian adversary never made the world a safer place. Bill Donovan knew that, just as Winston Churchill and Franklin Roosevelt knew it. That is why the President has put so much emphasis on getting the MX program passed through Congress. This Administration has made it a top priority to redress the imbalance that has existed in both conventional and nuclear forces, because only by having the strength to endure war can we gain a lasting peace.

We will take every opportunity to negotiate a verifiable reduction in arms. But we will never again, as we did over the last decade, permit our armed forces to be downgraded in the vain hope that the Soviets will follow our example.

Any treaty has to insure equal and fair reductions on both sides. It is an interesting fact of public perception that this Administration's commitment to arms control is called into question, because it is under President Reagan that for the first time we are actually negotiating with the Soviets on arms *reduction*. Every treaty in the past has only put *limits* on arms *build-ups*.

Well, I look at the CIA as a kind of preventative medicine. The objective is to keep the peace by keeping ourselves informed and our national security apparatus strong and healthy; that way it won't become necessary to fight a war, as it did almost a half-century ago, because we have grown weak or because an enemy misjudges the firmness of our resolve.

Maybe there will come a time in the future when the world will be a happier place, free from the threat of nuclear war and no longer torn by international hostilities. When that time comes, it will be in no small measure due to the dedication and selfless service of men like Dick Helms who have devoted their lives and invested their great skills and imaginations in creating an intelligence agency of unparalleled professionalism and expertise—and in the process making this a safer and more peaceful world for all of us. ■

S. PETER KARLOW
43 FAIR OAKS LANE
ATHERTON, CA 94027

SEP 12 1991

(415) 321-5659

September 4, 1991

Mr. Geoffrey M. T. Jones
President, Veterans of OSS
30 Rockefeller Plaza, 40th Floor
New York, N.Y. 10012

Dear Geoff,

Here are some thoughts on the Bush Dinner, assuming there will be an occasion to address the President and give him a citation in some form.

The enclosed cartoon brought it to mind. It is the Boland Amendment carried to its logical conclusion. How can an intelligence agency in the modern world pride itself on not being involved in a major world political change? That is, without there being a riot of protests at the ineptitude of the Agency and its director.

More seriously though; Donovan revolutionized intelligence at a critical moment when entirely new demands were made of the intelligence function. Donovan's principal contributions were the way he brought the academic personalities and practices into the intelligence process. The high standards of academic excellence applied to the information that was collected, led for the first time to analyses that contributed to strategic decisions from the highest level down to tactical military level; and Donovan created an agency that brought together collection and analysis with great feats of initiative, of bravery, and of derring-do in all sorts of para-military fields.

The world today is again at a major strategic political turning point. The Cold War is over. The threat of communism and socialism has changed dramatically from one of potentially menacing nuclear armed hostility to the possibility of a power vacuum and no clear picture of what could fill that vacuum from either left or right. Intelligence today is again called to meet entirely new requirements. There must be better ways to gauge intentions rather than just capabilities. Also, we must win the war in the streets: Today's political arena is among the people and the movements that they espouse. This all moves into the most sophisticated definition of psychological warfare -- let's call it total diplomacy -- and Mr. Bush, as former director and now as president, is in an ideal position to bring this about.

I don't know if this suggests anything to you. If it does, no pride of authorship. It seems to me to be a good line for a citation in presenting the Donovan Award.



**ASSOCIATION OF FORMER INTELLIGENCE OFFICERS
Texas Chapter**

Proudly Presents this Presidential Letter to

**THE VETERANS OF OSS
September 26, 1991**

THE WHITE HOUSE

WASHINGTON

September 25, 1991

I am pleased to send greetings to the members of the Texas Chapter of the Association of Former Intelligence Officers as you honor those who served in the Office of Strategic Services (OSS). A warm welcome to our visitors from abroad.

This event is close to my heart for two reasons. It not only reflects the proud and gracious spirit of my fellow Texans but also gives well-deserved recognition to pioneers in the field of national intelligence. As a veteran and as a former intelligence official, I fully appreciate the courage and skill of the OSS officers who served during World War II. Their contribution to the ultimate Allied victory was indispensable. The OSS helped to set a standard of excellence for today's intelligence community, and your honorees can be very proud of their contributions to our national security.

Barbara joins me in sending best wishes for a memorable and enjoyable event. God bless you.

George Bush

VETERANS OF OSS

40th FLOOR
30 ROCKEFELLER PLAZA
NEW YORK, N.Y. 10112
(212) 632-3000 • Telex: 127429
FAX (212) 632-3315

*responded
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July 29, 1991

Mrs. Kathy Super
Assistant to the President
for Scheduling
The White House
Washington, D.C. 20500

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SCHEDULING
OFFICE

Dear Kathy,

I am delighted to learn that the President has agreed to accept the OSS Donovan Award later this year. Jeff Jones informed me of your assistance with this proposal. We are truly honored that he has agreed to accept this highest Award of the VSS.

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I realize that Geoffrey is in contact with you as with me; however, if there is anything I can do to assist in the Washington area, I am only a telephone call away.

Past events have usually been well attended by members and leaders of many professional groups as well as the Veterans of OSS. Ed Derwinski is aware of our organization FYI.

Wishing you much success in your present position
I send

Best wishes,

Jay
Julian M. Niemczyk

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Roosevelt Room - met with DDO spies

try to feel DDI SOVA bad blood



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(212) 632-3000 • Telex: 127429
FAX (212) 632-3315

April 15, 1991

Hon. George H.W. Bush
The President of the United States
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500

Dear Mr. President:

It gives me great pleasure to advise you that the Donovan Award Committee of the Veterans of the OSS is pleased and honored to present to you the William J. Donovan Medal.

As you will recall -- having been our distinguished speaker at our May 1983 Award Dinner -- the Donovan Award has been given from time to time since the early 1960's to an individual who has rendered distinguished service in the cause of freedom and who has made outstanding contributions to the national security of the United States in the spirit and tradition of General Donovan.

We are especially pleased to award you the Donovan Medal this year, which marks the forty-fifth anniversary of the completion of the WW II mission of the Office of Strategic Services, following your magnificent handling of the recent Gulf crisis -- in addition, of course, to your many previous other outstanding contributions in the service of our country and the cause of freedom throughout the world, not only as US Representative to the United Nations and Vice President, but as Director of Central Intelligence which we consider our offspring organization.

In the hope that you will accept our Donovan Award, we would like to present the Medal to you at a Gala Dinner in Washington, DC sometime this fall at a date of your choosing. Could you let me know your feelings at your earliest convenience so that I can notify our Award Committee (as some three months should be allowed to properly prepare all the many necessary arrangements involved).

Respectfully yours,

Geoffrey M. T. Jones
Geoffrey M. T. Jones
President

Kathy Swan
Tom S. Br...
Set it up
EB



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The Donovan Award

- 1961 The Honorable Allen W. Dulles
- 1963 The Honorable John J. McCloy
- 1964 Lieutenant General William W. Quinn
- 1965 General of the Army Dwight D. Eisenhower
- 1966 The Earl Mountbatten of Burma
- 1967 The Honorable Everett McKinley Dirksen
- 1969 J. Russell Forgan
- 1970 The Astronauts of Apollo II
- 1971 The Honorable David K.E. Bruce
- 1974 The Honorable William J. Casey
- 1977 The Honorable Robert D. Murphy
- 1979 His Excellency Jacques Chaban-Delmas
- 1981 The Right Honourable Margaret Thatcher
- 1982 The Honorable John A. McCone

The Veterans of the Office of Strategic Services will award the William J. Donovan medal to an individual who has rendered distinguished service in the interests of the United States, the democratic process and the cause of freedom. Any citizen of the Free World will be eligible.

The purpose of this award is to foster a tradition and spirit of the kind of service to country and the cause of freedom which William J. Donovan rendered in both his private and public capacities. He was the exemplar of the citizen-soldier-diplomat who valiantly served his country and the cause of freedom throughout the world. This award, as a perpetual parallel, will be made to an individual who, in his activities, exemplifies the spirit, the tradition and the distinguishing features which characterized General Donovan's career. These include a continuing concern for the world's security and safety, for the role which the United States must play therein and for the rights, freedoms and welfare of individuals in our society. Perhaps the most unique feature of General Donovan's life was the continuing expression of these concerns in his private life and activities as well as in public service.

Specifically, in General Donovan's career these features were expressed as one of America's leading citizen-soldiers, as ambassador, as intelligence chief, as assistant Attorney General, as lawyer in the courtroom and in the office and as private traveler seeing what he could learn for the benefit of his country.

The recipient of the Donovan medal will be an individual who has, in his own career, outstandingly exemplified these features of Donovan's career. He or she will be selected by a committee appointed by the President of the Veterans of the O.S.S.

The award will take the form of a medal, carrying a likeness of General Donovan.

Richard Helms bril
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