

The Director
Central Intelligence Agency

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14 DEC 1977

Honorable J. Kenneth Robinson
Permanent Select Committee on Intelligence
House of Representatives
Washington, D. C. 20515

Dear Mr. Robinson:

I was gratified by the extended time provided me by the Committee on 30 November. In response to the interest shown in sharing with a wider audience information on a variety of topics, I am enclosing an example of the types of public statements I have made and unclassified information pertaining to the Agency's role against international terrorism, illicit narcotics traffic and the recent personnel reduction in the Operations Directorate of the Agency. I hope this material is helpful.

Yours sincerely,

SIGNED

STANSFIELD TURNER

Enclosures

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An American Model of Intelligence

I appreciate your asking me to be with you to talk about what we are doing in the world of intelligence to serve you and to serve the country. President Carter directed a major effort to reshape the intelligence structure of this country back in February. After six months of scrutiny, close study, and consideration of many alternatives, in August, the President issued several directives to change the way the Intelligence Community is organized. As a result of this, we are starting to evolve today toward a new model of intelligence - an American model.

This American model contrasts with the old, traditional model where intelligence organizations operated under a cloak of maximum secrecy and with a minimum of supervision. We hope today to develop a model which will conform to American standards of ethics and propriety and at the same time continue to provide senior decision makers in government with the facts on which they can base sound decisions. On the one hand it will be more open as our society is more open; on the other hand it will be more controlled, with checks and balances much like those which characterize the rest of our governmental

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process. I thought it might be of interest to you today if I discussed some of the actions we're taking to move toward this new model.

The President's directive of last August had two fundamental objectives. The first was to strengthen control over our entire intelligence apparatus thereby encouraging greater effectiveness. The second objective was to assure control through stringent oversight, thereby increasing accountability.

Now let me point out that I am the Director of the Central Intelligence Agency, but this is only one of many intelligence agencies of the government. Intelligence activities also reside in the Department of Defense, in the Department of State, Treasury, the FBI, and even the new Department of Energy. But I am also the Director of Central Intelligence. In that capacity my task is to coordinate, to bring together into one effective, harmonious operation, the activities of all of those intelligence organizations. The President's reorganization strengthens my hand in that regard in two very specific ways. As the Director of Central Intelligence it gave me full authority over the budgets of all of the intelligence activities I've enumerated; and secondly, it gave me full authority to direct their tasking, that is, the day to day operations of these organizations. This should enable me to better

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control the total effort of collecting, analyzing,
and producing intelligence. This is really what
was intended, in my opinion, in the National Security
Act of 1947 which first established the Central Intel-
ligence Agency.

Now some of the media have portrayed this
as the potential creation of a intelligence czar. That
interpretation could only come from a misunderstanding
of the intelligence process itself. Let me explain.
Intelligence activities can be divided into two basic
and separate functions. The first is collecting
information. This is the costliest and the riskiest
of our operations. It involves, among other things,
reading foreign newspapers, intercepting broadcasts,
trying to break codes, and recruiting individual in
other countries to spy for us. Here you want good
control. You want to be sure there is a minimum of
overlap because each of these activities are time
consuming and very costly; and you want to be sure
there is a minimum possibility of a gap in what
your collecting because that could be responsible
for another Pearl Harbor. Only centralized control
can ensure the intelligence collection effort is
well coordinated. The second major activity of intelligence
organization is analysis. It is exactly the same as

what would be called research on a college campus. It is the analyzing, the estimating, the pulling together all the little pieces of information that are obtained by the collectors and trying to put them together to produce a coherent picture of what another country is doing, or thinking, or planning. Hopefully this picture, or analysis, provides the decision-makers, the policy-makers of our country, a better basis upon which to make those decisions.

Now let me make it clear, that under this new reorganization I do not control all the people who do these analyses. I do control those in the CIA; however, there is a strong analytic capability in the Department of Defense and another in the Department of State. The Department of State specializes in political analysis with second suit in economics. The Department of Defense specializes in military analysis with a second suit in political. The CIA covers the waterfront. So we have assurance that divergent views will come forward if they exist. We encourage that. It is in the interest of each of us in the Intelligence analysis business to be sure that the decision-makers don't get just one point of view when several are justified. Our quest is to see to it that there is competitive, overlapping analyses. But, should I try to be a czar; should I try to short-change the descending or minority views, there is a Cabinet officer in the

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Department of Defense, and another in the Department
of State who manage those intelligence analytic operations.
If I were to try to run roughshod over their views
of events, I am sure those Cabinet officers would
not fail to take advantage of the access they have
to the President to ensure their views are brought
forward. So we are not trying to set up a centralized
control over the important interpretive process
but over the collecting process. And, I sincerely
believe that this new organizational arrangement is
going to assure better performance in both collecting
and interpreting intelligence for this country.

The President, the Vice President, and
many other of our top officials have spent much time
working out this new reorganization. I believe
this evidences the keen awareness throughout the top
echelons of our government that good intelligence
is perhaps more important to our country today
than in any time since the creation of the Central
Intelligence Agency thirty years ago.

Thirty years ago we enjoyed absolute military
superiority. Since that time the failure of the Soviets
to make their system grow adequately in areas other than
the military has led them to accent that particular
competition. They have, I believe, achieved a
position of reasonable parity in most areas of the

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military. That parity places greater value on our intelligence product as an important adjunct of our military. When you know your enemies potential and something of his intentions, you can use your forces to much greater advantage. He doesn't normally reveal that information outright, but if we can pick up pieces of information here and there, over time you can bring those pieces together to tell you important things about your enemy. This gives your military commanders greater leverage in the use of their forces and the upper hand in any confrontation of their otherwise equal forces.

Let's look past the military scene. Thirty years ago we were also a dominant and independent economic power. Today we are dependent on other countries in an economically interdependent world. This growing interdependence and the impact on our and other national economies on each other is more and more apparent. Here too, I believe, we desperately need good intelligence to make sure that we don't lose our shirt in the international economic arena.

Politically, thirty years ago we were the dominant influence in the world. Today even some of the most underdeveloped, emerging nations insist on

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a totally independent course of action. They go their own way and refuse to be directed to by the Soviets or ourselves. Here again, we must be smart. We must understand other nation's attitudes, cultural imperatives, and outlooks so that we will not be outmaneuvered in the process.

At the same time that we are trying to produce better intelligence in all three of these fields, we must be careful not to undermine the principles on which our country was founded or the standards by which we live in the process of so doing. Thus, the second leg of the President's new policy is better oversight. The cornerstone of all oversight is the keen and regular participation of both the President and the Vice President in the intelligence process. I can assure you they are both very much active participants.

Beyond that there are two intelligence oversight committees in the Congress. The Senate Select Committee on Intelligence was formed a year and a half ago and has been working closely with the Intelligence Community. We have a relationship here of closeness but yet aloofness. Closeness in that I feel very free

in going to them for help and advice particularly when I'm involved with other committees of the Congress and there may be boundaries that are being encroached upon. But aloofness in that I very definitely report to them. When they call and want to know what we are doing and how we're doing it and why, I am answerable to them. It is a good oversight procedure and it is working well.

The House of Representatives, last August, set up a corresponding committee. We are sure that that relationship will develop as has the one with the Senate.

Beyond this the Intelligence Oversight Board oversees our activities. Three distinguished Americans, former Senator Gore, former Governor Scranton, and Mr. Thomas Farmer, a lawyer from Washington, are appointed by the President, with their only task to oversee the legality and the propriety of our intelligence operations. They report only to the President. Anyone may go to them, bypassing me, and say look, that fellow Turner, or somebody else in the Intelligence Community is doing something he shouldn't be doing. The Board will look into it and let the President know whether they think corrective action is necessary.

Now let me be perfectly honest with you. There are risks to this or any oversight process. The first risk is that timidity may reduce the intelligence effort. It is easy when acting as overseer not to take a risk, not take a chance. But in so doing, we could fail to do things that could be very important to the long term benefit of our country. It might place the avoidance of current risk over the gaining of long term benefits.

The second risk is the risk of security leaks. The more you proliferate the number of people privy to secret or sensitive intelligence operations, the more danger there is of some inadvertent leak. I am confident at this time that we are moving to establish a healthy balance between the degree of oversight which will ensure proper intelligence activity and the degree of secrecy by which permit necessary intelligence operations to be protected. But it will be two or three years before we shake this process out and establish just how those relationships are going to function best. During that time, we are going to need the understanding and support of the Congress and that of course means the support and understanding of the American people.

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Accordingly, we are now reappraising the traditional outlook toward secrecy, toward relationships with the public. We are adopting a policy of more openness, in the hope that we can be more forthright at the same time as we ensure preservation of that secrecy which is absolutely fundamental. As a first step we've tried to be more accessible to the media. We have appeared on Good Morning America, 60 Minutes, Time magazine. Also we are trying to respond more candidly to inquiries from the media. We try to give substantive, meaningful answers whenever we can, within the limits of necessary secrecy.

But perhaps of more interest to those of you who are concerned with international affairs, we are trying today to share more of the product of the intelligence effort. More of the analyses, the estimates, the studies that we do. It is our policy to carefully examine every study we do, whether it is secret, top secret, or destroy before reading to determine if it can be reduced to unclassified form and still be useful to the public. If it can be done, we feel we have an obligation to print it and publish it. We are doing that to the maximum extent we can. We hope they will be of value and perhaps help improve the general quality and tenor of debate on major issues effecting our country.

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You may have heard last March of our study on the world energy outlook. We have recently done another one on the world steel prospects - whether there is over-capacity; what the expected demand may be. We have published studies on the Chinese and Soviet energy prospects. And, under the egis of the Joint Economic Committee of Congress, last July we published one on the outlook for the Soviet economy itself. Let me describe that very briefly to give you the flavor of what we think we can put out in unclassified form.

Previously, the CIA has looked at the Soviet economy and felt that generally it had the capability to achieve three things:

- 1) to sustain the level of military growth that would permit them to catch up with us generally;
- 2) to make improvements, if not spectacular improvements, in the quality of life inside the Soviet Union; and
- 3) to sustain enough investment to carry on a generally growing economy.

Our most recent study reexamines these premises and comes to the conclusion that the outlook for the Soviet economy is bleaker today than at any time since the death of Stalin. This is based on our belief that the Soviets have maintained their levels of productivity over these many years primarily by infusing large quantities of labor and capital. We believe they are coming to a dead end here. For example, in the 1960's they had a very big drop in their birth rate. In the 1980's the rate of growth of their labor force will drop correspondingly from about 1.5% to about 0.5%. They will not be able to find the additional labor to keep up their productivity. Also, a lot of the growth of their labor force today is coming from the central Asian areas of the Soviet Union where there is serious resistance to the idea of migration to the big cities.

Secondly, their resources are becoming more scarce. They must reach further into the Siberian wasteland for minerals. This is more difficult and more costly. Less petroleum can be brought in than before because their emphasis in recent years has been on current production at the expense of developing reserves and new supplies.

Now if you look carefully at the Soviet's own five year development plan, you will see that they themselves predict they will not be able to infuse the same amount of capital or labor as they have in the past. However, they do conclude that somehow and nonetheless they will increase productivity. We don't think that is in the cards. We see no sign of increasing efficiency, nor any sign of a willingness to become less shackled to the economic doctrines which are fundamental to their growth problem. Instead, we think that between now and the early 1980's the Soviets are going to be faced with some difficult pragmatic choices:

- (1) There may be a debate over the size or the amount of investment in their armed forces. Clearly, this is one avenue to find labor and capital.
- (2) Another may be over whether they will continue to fulfill their promises for the delivery of oil to their Eastern European satellites. From exports of 1.6 Mbb1 to E. Europe, they may have to reduce to something like 800,000 bbl. That would mean an increased oil bill for E. Europe of \$6-7B/yr in probable 1983 prices. Will they be able to afford to do this when it becomes more and more difficult for them to obtain hard currency?

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(3) And third, how will they obtain the necessary foreign exchange to sustain the rate of infusion of American and Western technology which they are currently depending upon to increase & improve their economic position? The Soviet hard currency debt is \$16B and E. Europe's is \$24B. Both are rising rapidly - an annual rate of \$54B/yr. since 1973.

Interestingly, when they face these and other decisions, there is a high probability that they will be in the midst of a major leadership change. It could be a very difficult time for them. It may go very smoothly if they made the right decisions and are willing to sacrifice other things; we just can't tell.

One of the important points that comes out of all this is that we believe as they make these policy decisions, it will not be remote from you and me, it will be important to us both. What they do with their armed forces obviously impacts on what we do with ours. What they do with their oil inputs to the Eastern European countries and whether that area remains politically stable is going to have major impact on the events throughout the European scene. If there is too much competition for energy because they don't produce what they need will affect the world supply and price of petroleum. If they enter the money markets in an attempt to borrow more from us and others ~~Approved For Release 2004/04/01 : CIA-RDP80M00165A000700070024-5~~ will be our policy?

Now let me say that when we produce a study like this we are not so confident that we present it as the future revealed. We are merely providing our best reading of the clues we see. We expect others may disagree with us. But this too is productive. A good debate generates a good dialogue on important issues. When we did the oil study last March, for instance, it was criticized in the press. We then wrote to the professors, the oil companies, to think-tanks which had criticized our conclusions and we asked them to detail their criticisms for us. Those who did we invited to come into the Agency for a day of discussions with the authors of the study. A very interesting and stimulating dialogue resulted from which both sides benefited. We hope that as more of our studies come off the press, we will increase our dialogue with the public.

However, let me assure you, while we're on this subject of openness that we cannot and we will not open up everything. There clearly must be some secrets which remain. Some of the information behind the Soviet oil and economic studies clearly was derived from very sensitive sources which would dry up if they were revealed. Thus, it is important to remember that while we move ahead, increasing a public dialogue and trying to build public understanding and respect for what we are doing,

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we must also obtain the public's understanding that
a level of secrecy must be preserved.

In short, we're moving in two directions at once today. On one hand we are opening up more. But, in that process we expect to protect those secrets which remain better classified. When too much is classified it is not respected. The other direction we are moving is to tighten the barriers of security around what must be kept secret.

And in so doing, we are trying to develop a model of intelligence uniquely tailored to this country, which balances an increased emphasis on openness with a firmer resolves to preserve that which is truly secret. The model emphasizes the continued necessity of providing good information to our policy-makers while at the same time responding to effective control.

I am confident, that although this model is still evolving, it will guarantee that necessary intelligence operations are carried out only in ways which will in the long run strengthen our open and free society.

Thank you very much.

Secrecy and Morality in Intelligence

When I came back to Washington from my overseas assignment nine months ago, I found myself confronted with what appeared to be a beleaguered CIA. Beleaguered by several years of criticism, investigation, and adverse publicity. Yet, as I grew to know the organization and the people I realized how very fortunate I was to come to it at this particular time in our nation's history. I felt it was a moment of opportunity.

Opportunity first, because I doubt that anywhere else in the business world or in government will you find more dedicated, more capable public servants than in the Central Intelligence Agency and the other associated intelligence organizations in our country. They have an admirable record and, with this, I am confident that we have the foundation on which to rebuild public confidence which is much deserved.

The second way it is a moment of opportunity is because today, out of the crucible of this period of investigation and inquiry we are forging a new model of intelligence - an American model of intelligence. The old, traditional model of intelligence remarkably unchanged over centuries of history, is one where intelligence organizations maintained maximum secrecy and operated with a minimum of supervisory control. Nearly all foreign intelligence organizations continue to follow this pattern. The new model we are forging is singularly tailored to the

outlook, the attitudes, and the standards of our country. On the one hand, it is open, more open just like our society. On the other hand, there is more supervision, more control, much like the checks and balances that characterize our entire governmental process. Let me explain a few of the cardinal features of this new American model of intelligence.

First - Openness. Today we are attempting to share more with you, the public of the United States, than ever before. We are sharing first something about the process of intelligence, how we go about doing our work. Now, clearly we cannot share everything. Very often the reason information or how it was obtained is useful is because it is unsuspected by our potential adversaries. Publicity would vitiate its usefulness. But at the same time there is much about intelligence work that need not be kept secret and which I think both the Intelligence Community and the public would benefit by discussing openly.

For example, contrary to popular belief, a very large percentage of our effort is not involved in clandestine spying. Most of our effort is concentrated on what would be termed on any university campus, or in many major corporations, simply as research. We have thousands of people whose task is to take bits of information that have been collected - sometimes openly, sometimes clandestinely - and, much like working on a jigsaw puzzle, piece them together to make them into a picture. With this picture they can then provide an evaluation or an

estimate that will help our nation's decisionmakers better understand world events, anticipate problems, and make better decisions on behalf of you and me. This is a very ordinary but a very challenging task intellectually, It is no way spooky.

Today, in carrying out our new policy of greater openness we want to share more of the results of this kind of analysis. Each time we complete a major intelligence study today, we look it over carefully to see if it can be declassified. Whatever its classification - Secret, Top Secret, or burn before reading - we go through it and excise those portions which must remain classified. These are clues which in the hands of our enemies could jeopardize the way we acquired the information, or could endanger the life of someone who has helped us. Once these clues are removed, if there is enough substance left to be of interest and of value to the American public, we publish the study and make it available, usually through the Government Printing Office.

You may have heard that in March the CIA issued a report on the world energy prospects for the next 10 years or so. In May, a study was issued on the world steel outlook - available capacity, prospects for the future. In July, on behalf of the Joint Economic Committee of Congress, we issued one on the future prospects of the Soviet economy - a rather startling change from what had been predicted in the past. Also in July, we issued a study on International Terrorism which has subsequently been

made available through the Department of Commerce to businesses operating overseas.

Now, not to exaggerate, the Intelligence Community has, of course, not been thrown open with all secrets revealed. Anyone with a cursory understanding of the international system appreciates that that would be very much to our disadvantage. Sources would evaporate, the advantage of knowing more about your adversary than he thinks you know would be lost, and a foreigner's loyalty to us would assuredly be rewarded with prison or death.

But there are real advantages to opening up within the limits of necessary secrecy. Interestingly, I believe it is going to make it easier to protect important secrets. Winston Churchill once said, if everything is classified secret, nothing is secret. Today too much information is classified.

There are also too many people running around who feel they can take it unto themselves to decide what should be classified and what should be released. They have released information which has done irreparable damage to our country in terms of damaged national relationships; in terms of expensive, technical intelligence systems compromised; in terms of lives dedicated to America and what we stand for, lost. By our releasing as much information as we can, we can help improve the quality of national debate on important issues. And, in making that contribution we also derive a benefit. Greater public exposure of the

intelligence product, generates discussion and feedback to us of attitudes toward what we are doing and good constructive criticism of how we are doing it. This is important not only because it decreases the likelihood of misunderstandings - and much of the criticism of the past derived from misunderstandings - but-also, everyone of us in authority clearly recognizes that the intelligence mechanism of the United States must be operated in ways that are compatible with the ethical and moral standards of our country. The problem with that, however, is that it is not always easy to know with certainty what those standards are. What the country would condone in intelligence operations or other governmental activities 20 years ago, it may condemn today. How will the nation look 5, 10, or 20 years from now at what we are doing today?

Unfortunately, we cannot launch a trial balloon. We can't take some proposed activity and test it out on 210 million or so Americans and expect it to remain secret. Often we either do something secretly or we just don't do it at all. That places a particular burden on all of us in the Intelligence Community. A burden to make difficult judgments as to what things we should and what things we should not do. The American model that I'm speaking of establishes controls to help us make these judgments. Let me discuss three of those controls.

The first type of control is self-control, or self-regulation. For instance, today, and for some months, we have been attempting to write a specific code of operational ethics for the Intelligence

Community. It hasn't been easy to write something that is specific enough to give genuine guidance, yet not so specific as to be totally inhibiting and prevent effectiveness. But the process of attempting to write such a code has been salutary for us. It has forced us to think more about ethical issues. It has forced us to grapple with the subtleties of these issues. Just as in business, just as in other agencies of government, ethical issues are seldom all black or all white. But in examining the many shades of gray, we must ask ourselves exactly what are the boundaries of our societal standards? To what lengths should we go to obtain information which would be useful for the decisionmakers of our country? The answers are never clear cut. It would be easy for us to simply interpret standards arbitrarily and stay right in the middle-of-the-road. Never do anything that would embarrass the United States of America were it disclosed. Never treat people of another country differently than we would treat Americans. Be as open and fair in our dealings with other countries as we believe all peoples should be treated.

Unquestionably this is how we would hope we could act. However, in many situations they represent an unrealistic ideal. We must always remember, that we are an unusually blessed people, living in an unusually open society. In an open society like ours an outsider can come in and without great effort, using only open sources, attain a good grasp of what's

going on, what our basic purposes are, the directions we are going, and what we are thinking. He comes; he reads; he looks; he talks to people; he walks down the street; and he can easily make an accurate appraisal of what the United States is about.

Unfortunately, as we all know, there are closed societies in the world today. Closed societies where you can't go and walk down the street and talk to the people. And, reading the newspapers is not very informative because they only say what the government puts in them. Yet, we have a genuine need to know what is going on in those societies. I don't think you would want your government to negotiate a new strategic arms limitation agreement with the Soviet Union if I could not assure you that we had some chance of feeling the pulse of the Soviet Union's political, economic, and military motives; if I didn't think there was a good chance of knowing whether or not they were abiding by the terms of such an agreement.

The problem is not limited to the military. Today we are in a economically interdependent world. What happens to the economies of the Soviet Union or the United States has ripple effects around the world. Yet, even here, closed societies of the communist bloc are not very informative. The pocketbooks of each one of us here is exposed to dangers of the economically unsound actions of other countries. We must have some intelligence capability for anticipating those events, for getting a feel for the way foreign economies are moving. But

this too is not easy. Nor is it clear cut how much of that information is of real value. Nor are the lengths to which we should go in acquiring that information well-defined. So, we must look to controls beyond the self-control which I have described.

The second type of control over the Intelligence Community is in the form of laws and formal regulations. Congress has passed a number of laws that affect intelligence operations, like, for example, the law on wiretapping. This spring the Administration went to the Congress with a revision to this wiretapping law in an effort to better protect the right to privacy of American citizens and at the same time enable the government to obtain information that may be crucial to it.

The President himself may issue very specific regulations. For example, there is a written regulation today prohibiting the Intelligence Community from counselling, planning, or carrying out an assassination.

In the next session of Congress, our recent work with Congressional leaders will culminate in a series of charters being issued for intelligence agencies. All of the intelligence operations in the CIA, the Defense Department, and elsewhere in the government, will have a specific charter which will govern their operations.

The third form of control under the American model of intelligence is called Oversight. Earlier I mentioned the impossibility of attempting full public oversight by launching trial balloons for every secret operation. While we really would

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like to have full public oversight, it simply is not practical. The substitute that has been evolving is a surrogate process of public oversight.

One of the surrogates for the American people is the President of the United States. Another is the Vice President. Both these elected officials take a very keen interest in the intelligence process and operations. I see them both regularly and they are fully aware of intelligence activities.

Another surrogate is a committee called the Senate Select Committee on Intelligence which has been in existence for just over a year-and-a-half. This committee is in many respects a sounding board for us. We go to them with our problems and they feedback to us with what they feel the American people want. It is also a check on us. They hear things, they read things, they call us up, and ask us to come over and tell them what is happening and why it is happening. Through the budget process, I keep them informed of the full range of our activities. It is a very valuable line of communication between the intelligence agencies and the people of the United States.

I am very pleased that in August the House of Representatives elected to establish a corresponding committee.

I look forward to having the same point of contact, the same sounding board in the lower chamber, as we now have in the Senate.

The Intelligence Oversight Board is still another oversight surrogate. This board is comprised of three distinguished citizens: former governor Scranton, former Senator Gore, and Tom Farmer of Washington, D. C., appointed by the President for the sole task of overseeing the legality and propriety of what the Intelligence Community is doing. You, any of my employees, anyone who wants, may write to the Intelligence Oversight Board, and say that fellow Turner is doing something wrong. If they think there's any illegality in intelligence operations or that something is being done improperly, they can go directly to this Board. The Board then makes its own investigation; they may call me in and ask me what is going on; but they do it independently and report only to the President of the United States. He then decides if some action should be taken.

Another form of control is over what is called covert action. Covert action is not gathering or analyzing intelligence, it is taking actions intended to influence opinions or events in other countries without those actions being attributed to the United States. The CIA has been charged by the President over many years as the only agency in the government that will conduct covert action and continues to be required to retain that capability. It is outside the normal ambit of intelligence activities and, as you can imagine involves a high element of risk. This is where the

CIA has received the most adverse publicity. In the past, in Viet Nam for example, there was a good deal of covert activity being carried out. Today, covert activity is first, on a very, very, low scale; and second, before any covert effort is undertaken, it must be cleared by the National Security Council, the President must then indicate his approval by signature, and I must then notify eight committees of Congress.

There are some who say that all of this oversight may be overkill. Let me be candid with you. There are risks in this process. There is the risk of timidity. The more oversight over an intelligence operation the less willing individuals are to take the risks that operation may entail. Maybe too few risks will be taken for the long term good of our country. When you sit around a conference table with other members of a committee, it is easy to say, no, that's too risky, let's not do it. It is much more difficult to stand alone in a group and say yes, for the long term needs of the country, we require that information, we should take that risk.

The second risk is that there may be a security leak. As you proliferate the number of people with access to information about intelligence operations in order to conduct the oversight process, you run the risk of somebody saying something that he should not.

In conclusion, you should know that I feel very confident that today we are beginning to find the balance between the risks of too much oversight on the one hand and necessary control on

the other. There is every good prospect that a relatively stable balance can be established over these next 2 or 3 years as we shake down this process and as we mature into this new American model of intelligence. I believe we will develop ways of maintaining that necessary level of secrecy while at the same time conducting intelligence operations only in ways that will strengthen our open and free society.

Thank you very much. I would be happy to entertain your questions.

CIA plays an important role in support of the Federal programs aimed at the international aspects of the multi-billion dollar illicit narcotics trafficking conspiracy. From our experience, dating back to 1969, in collecting information on foreign trafficking, we have gained considerable knowledge about foreign traffickers, their methods and routes for transporting drugs and their sources of supply. This information is collected from a variety of human sources and technical means; is analyzed by highly skilled intelligence analysts; and is reported either as raw information or as finished intelligence reports and studies to U.S. narcotics policy makers and law enforcement officials who must have the best information available in order to devise more effective worldwide narcotics control programs.

The Agency has assigned a high priority to the collection of foreign narcotics intelligence information. Emphasis is placed on the principal narcotics producing countries of Southeast Asia, Latin America and South Asia. Our overseas installations collect narcotics information in response to a wide range of requirements, including but not limited to: crop estimates, pricing and marketing data, corruption among foreign officials who may be assisting or

protecting the traffickers and on the willingness and ability of foreign governments to control the production and movement of drugs abroad. In addition, CIA collects a considerable amount of data on the foreign traffickers themselves, on their supporting networks, on the movement of drugs, on methods of concealment and on clandestine refineries. Much of this information is made available to U.S. and foreign law enforcement agencies who can then take appropriate action. CIA information has made a significant contribution toward immobilizing foreign trafficking networks, uncovering their hidden supplies of narcotics, dismantling their secret laboratories, and disrupting the movement of drugs.

With regard to our analytical and scientific functions, our analysts . . . and I am basing this statement on the evaluations we receive from our customers such as the White House Office of Drug Abuse Policy and the office of the Senior Advisor to the Secretary of State for Narcotics Matters . . . produce some of the best, most timely and detailed narcotics studies and profiles available. We also publish a regular bi-weekly international narcotics

study that is recognized throughout the Washington community. Finally, in the scientific area, CIA is leading the narcotics intelligence community effort to improve our capability to monitor opium poppy cultivation.

The escalation in the number of international terrorist incidents in the past ten years has focused CIA attention on this phenomenon. As terrorist groups turned toward international targets and hostage situations became common--particularly the hijacking of airliners--concern increased throughout the U.S. government. The need to increase CIA efforts in collecting information and publishing intelligence on terrorism was emphasized by such events as the series of kidnappings and assassinations of U.S. and other foreign diplomats in Latin America in the late 1960's and early 70's, the multiple aircraft hijackings of 1970, the Tel Aviv airport massacre of 1972, and the attack on the Israeli Olympic team at Munich in September 1972. The need for intelligence has been re-emphasized over the past two years when it became apparent that international terrorist groups in various parts of the world had forged strong links and had begun initiating joint operations (for example: OPEC, December 1975; Entebbe, July 1976; and Mogadiscio, October 1977).

CIA's objectives in this field are to collect and analyze information on the plans and capabilities of international terrorist groups, in order to evaluate their long-range intentions and to be forewarned of new terrorist

operations. The purpose in collecting such information is not to thwart legitimate democratic change within any particular country, but to monitor terrorist groups that threaten American personnel and interests or the interests of friendly third countries. The CIA does not collect information on domestic terrorism within the U.S. This is the responsibility of the FBI.

Following the Munich massacre in 1972, the Cabinet Committee to Combat Terrorism was established by Presidential order, with the Director of CIA as a member. Since that time the Working Group of this Committee (which recently became a Working Group under the NSC/SCC) has been the focal point for high intensity interdepartmental cooperation in the effort to counter terrorism. On the intelligence production side, CIA analysts have supported efforts to counter international terrorism with a number of studies, two of which have been issued in unclassified versions so that the problem of international terror can be better understood by all.

We do not view international terrorism as a passing phenomenon and believe it will continue to plague the world for the foreseeable future.