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DD/S 71-2615

6 July 1971

MEMORANDUM FOR: Mr. Helms

Attached are two copies of the transcription made from the tape recording of your State of the Agency talk on 15 June. We would appreciate instructions as to any desired distribution either here or overseas.

(signed) John W. Coffey
John W. Coffey

Atts

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DIRECTOR'S STATE OF THE AGENCY SPEECH

15 June 1971

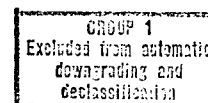
Good morning.

This is the second so-called State of the Agency talk. A year ago when I gave the first one I had planned to have a question and answer session after my prepared remarks but at the last moment I was called to the White House and the session had to be cancelled. I am pleased to say that thus far at least I haven't been summoned anywhere today. I look forward to answering a few questions immediately following these comments.

I'd like to begin by taking a look at the Agency in historical perspective. During the past several years a number of Agency officers have been engaged in reviewing the record and writing our history. Their work has underlined the extent to which things have changed in CIA since the late 1940's and early 50's. In the perspective of historical inquiry the change has been a large one. Indeed it would not be an exaggeration to say that in many areas a quiet revolution has taken place.

Those of us who were around take pride in the way the Agency performed during the Cold War and particularly during the build-up in the Pacific at the time of the Korean War. We were saddled with large new responsibilities when Korea occurred. We had to improvise programs, hire new people in large numbers, and organize support for assorted jobs that were suddenly required. We did well, I believe, but there is no doubt

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that it was at the cost of serious disruption to our young overseas' organization.

When we compare our activities at that time with our work during the last decade in Southeast Asia, we find that the Agency learned a great deal from Korea. Again our responsibilities have expanded immensely. Hundreds of employees have been called upon to accept separation from their families and to serve under trying and exacting circumstances. The support elements of the Agency have been tested severely and often. But this has all occurred smoothly without serious disruption and without the crises in personnel management and morale that we experienced in the 1950's.

Another improvement, less spectacular but still of great significance, is the increased professionalism of the Clandestine Service. When I speak of increased professionalism, I mean a reliable Service, one that can be expected to handle just about any challenge that occurs in the field. The kind of operation that ten years ago engaged the anxious attention of all concerned up to the level of the Director is carried off today in an almost routine fashion. We have come to expect that recommendations made by a Station Chief or quick decisions made on the spot will stand up in the light of careful and professional review at headquarters. Complicated operations involving coordination and teamwork among several Stations overseas are carried off with the speed and precision that would be the envy of any ball team in the last stages of a pennant race. Let me assure you it was not always so.

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I will not talk at length about the advances that have been made by the Agency in technical intelligence collection; they are well known, at least in a general way. It is worth saying, however, that many of us fail to appreciate the human qualities that are critical in all important technological development. This is not a bloodless world in which a good idea moves smoothly from the drafting board to the laboratory to production and then to use. Trial and error, unexplained failures, improvisations, sleepless nights, and dogged persistence are aspects of the human story that cannot be told publicly. We are again reminded that people make the Agency what it is.

Another significant change has occurred in the processing and analysis of intelligence information. Our work originally was based on concepts that grew out of the nation's experience in World War II. Some of these concepts remain valid but others have fallen by the wayside and much has been added. This is the result of technological change and of changes that have occurred in the U.S. strategic position. It is also the result of experience and new ideas.

It would be difficult to exaggerate how much the daily work of the Agency has been affected by these changes. Fields of research that were once regarded as central to intelligence have now been dropped or significantly cut back. Several years ago, for example, we had analysts working full-time on accumulating and ordering minute pieces of data on

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such things as the rail network in the Soviet Union. In this age of overhead photography a component like this is no longer necessary. As these changes have taken place, a whole new breed of intelligence officer has come into being such as photo interpreters, specialized military analysts, mathematicians, and highly specialized economists. They have had to fit in and mesh their expertise with the social scientists, linguists, and area specialists to make one team.

It is a good team. The papers and briefings it produces have developed respect all over Washington. This is the way it has to be if we are going to stay in business.

It should also be noted that the greatly expanded flow of information from human and technical sources has placed heavy demands on the management of analytical departments in the Agency. They have met these demands well, I believe. In the process there has been greater contact among Agency Directorates and as time goes on closer cooperation. A few years ago one could speak of a certain tribalism, both among collectors and producers. The points of contact between these tribes were often points of conflict. There was a good deal of oneupsmanship. This is no longer an important issue. The problems and misunderstandings among the Directorates of the Agency are not all solved but they are minor compared with those that beset us in its early years. I believe that CIA today is purposeful and businesslike as never before.

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I would like now to touch on a few important developments of the past year and then to discuss some of the problems the Agency faces over the next few years.



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During the past year we have greatly expanded the size and scope of the annual National Intelligence Estimates on Soviet military matters. The White House requested that we provide a much more extended and detailed account of the evidence and arguments on which judgments are based. They asked that all differences of opinion be set forth at length with supporting details. They wanted us to explore in depth all the various options open to the Soviets as they decide on their future military programs. The preparation of these comprehensive papers requires much larger effort

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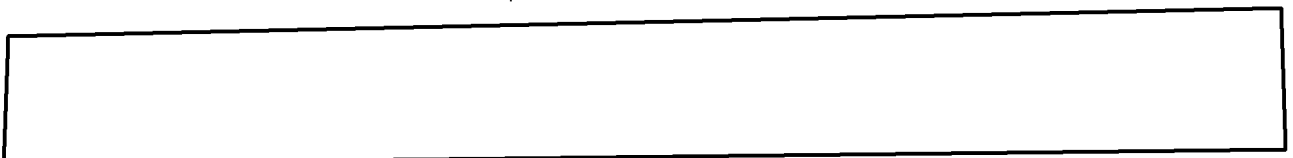
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and input not only by the Office of National Estimates but by specialists in our Directorates of Intelligence and Science and Technology. The consumer appears to be pleased thus far with the results. We have received a letter from the President commending us for the first of the papers to be issued, that on Soviet Forces for Intercontinental Attack.

A word should be said on Southeast Asia where the Agency has been so extensively involved for several years. During the past year and a half the Saigon Station has turned from a broad and costly commitment in support of certain overt programs to a concentration on the classical covert and clandestine operations of the Agency. Such a change places a heavy burden on Station management. The overt programs in which we had been involved were not cancelled; they were transferred to the military services. To do this, while maintaining the effectiveness of the programs, required careful planning and good teamwork between our people and the military services.

The orientation of the Station back to classical operations called for strong leadership and clear-cut directives. It also required a readiness at all levels to accept change both in work assignments and in the structure of the Station.

The Station did this, and did it well. In addition it distinguished itself in an area that is of vital importance to the policy of Vietnamization.



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The record of the Saigon Station had its counterpart here at headquarters. Operations officers and analysts have produced reports and memoranda that have made important contributions to decision-making in Washington. Our most severe testing ground are those areas that have important political and policy implications. To have come through well in handling the Vietnamese account is a satisfying achievement.

In sharing with you my reflections on the Agency's development over the years, I do not want to give the impression that CIA has somehow made the grade and that we can now cruise along comfortably. Every component of the Agency is being tested and it will be each and every day. When we blow one, it will do little good to trot out our list of past accomplishments. There's no payoff for being wrong. Also we must recognize that in the next few years our activity is going to be conditioned by budget restrictions. As the budget remains tight, we will be expected to get more for every dollar we spend. The ceiling that has been placed on our budget reflects the Administration's desire to make money available to meet the internal needs of the country while at the same time carrying out the essential commitments that we have overseas. I believe that the Agency has managed to do its job despite severe budgetary constraints and substantial personnel adjustments and reductions. But the matter will require constant attention and further adjustments in our programs and by our people.

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The present Administration feels that intelligence can be improved and overall costs reduced by tightening up the organization of the intelligence community as a whole. Many of you have no doubt noted that the President has given certain recommendations for changes in structure and procedure in the intelligence community. I do not feel I should comment on recommendations while under consideration by the President, but suffice it to say that I believe CIA can adjust to new requirements if these are demanded. I have no reason to believe that the President wishes to clip this Agency's wings in any way.

As we look to the future, we need to give careful thought and planning to how CIA can best continue to meet the exacting requirements for timely, reliable intelligence. How, for example, do we adjust to the ever-improving collection techniques. We will soon be receiving an increasing amount of our information We will have information

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display our intelligence assessments and production in more than black and white print. We will be able to do this using photography, television, and other exotic means.

At the same time the substance of international problems will change. Over the years we have moved from our virtually exclusive preoccupation with Communist powers and the possibility they might attack us or any of

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our allies. We now concentrate on such matters as our role in implementing a possible SALT agreement, The need to maintain a close check on what the other side is up to, and whether or not an agreement is being honored, is a crucial one for us.

We have moved, too, from the time when some of our top concerns centered on the size and capability of foreign armies and the military-industrial production to support them. We haven't lost our interest in these topics, but we have developed a host of new ones of similar importance. We're concerned about the availability, present and future, of scarce and essential resources -- energy, food, minerals. We're concerned about population projections and the implications of all this for international politics. We are watching and studying the economic aspects of newly grown giants of prosperity

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Future concerns

and priorities will undergo a continuing evolution and we must be prepared to handle new accounts with fresh expertise.

Before closing I would like to turn to the role of the individual in CIA, especially the role of the young officer. As I noted earlier, our country is focusing increasingly on internal problems such as social justice, minorities, poverty, and ecology. Whole new departments of Government have been created to wrestle with these issues and large sums of money are required to deal with them. These problems and the new

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priorities are publicized widely and there is a widespread interest in them. Much of this is accompanied by the feeling that national security matters, particularly Defense programs, must get less emphasis or at least less money so that more attention and resources can be applied to the new problems.

Fortunately, this changed emphasis has not yet affected our ability to attract top young people. We are not recruiting as many trainees as we once did but I can say that applications far exceed the number of positions open. And they come to us from the best universities and with more degrees than ever before. The number of professional employees leaving the Agency to take up other careers is lower than it has been in several years. This is encouraging. Indeed it is vital. The information and advice that the Agency gives to policy-makers will continue to be absolutely essential to the conduct of American foreign policy. It may be trite, but it is true that our national security in the age of rockets, thermo-nuclear devices, and crisis spots, involves life or death issues. It requires the best talents of the best men and women we can find.

I recognize, however, as do other senior officers in the Agency that some of our finest young officers are concerned about the role of the Agency and about their relationship to it. They ask themselves: how important is the Agency's work? How does it fit in with other national priorities? What about my own role? Is it meaningful? I am sure that a

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great deal of this type discussion occurs from desk to desk, over lunch, among friends, among men and women who have been in training together, between younger and older officers, and across Directorate lines.

Discussions on matters like these, even that which takes place within the four walls of the Agency, is more difficult than in any other Government organization. The kind of work we do requires compartmentation, the need-to-know principle, and a clear-cut command structure. We simply cannot conduct our business like universities, businesses, or other elements of Government. We cannot work in open forum where anyone is free to come and discuss a subject of his choice.

On the other hand, we know that the Agency needs ways to insure that good ideas move up and down the command structure, that they get up to the place in the Agency where they can be acted upon. This has been the subject of considerable discussion in the senior councils of the Agency. Each of our Deputy Directors is focusing on it and a number of actions are being taken although they vary from Directorate to Directorate. We hope these will be helpful. Meanwhile we expect that young officers with good ideas will take the initiative to raise them with supervisors or more senior officers. The Agency has never stood much on ceremony. Bright young professionals here with reasonable proposals can obtain an audience, but let us not abuse the privilege.

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In a more formal sense, I believe one of the most promising approaches to this problem is the Management Advisory Group. This group known as MAG was established two years ago. It brings together officers from all components and ranging in age from 30 to 45. We have asked them to study problems of their choice. We have undertaken to make available speakers and material as necessary, to receive their recommendations, and to report back to them on action taken. MAG has already done studies on several problems. They include a study on the possibility of an increased role for younger officers, the problem of the Agency's public image, the problem of promotions of young officers, and a study which reviewed our Career Trainee Program. MAG is a new group and it is probably still feeling its way in our bureaucracy. But it is an experiment that is taken seriously by our senior officers. As I said before, carefully researched and well-presented proposals have always received a hearing in this Agency and this will continue to be the case.

In concluding my remarks this morning, I want you to know that I am very proud of the Agency which, of course, means the people in it -- you. We have all made our fair share of mistakes. This, I suppose, is life. But on the whole we have built well. We have changed as time and circumstances dictated. On the whole we have measured up to our responsibilities in a way that I think we can look back on with satisfaction and pride.

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But there isn't much profit these days in looking back. We must look to the challenges of the future which may well be greater than those of the past. I am confident that we are well staffed and adequately poised to meet them.

QUESTION: Mr. Helms, one of the troubling paradoxes of our time is the discrepancy between the true self and its image. I know that your speech to the newspaper editors in April and some very favorable coverage in the New York Times recently have done a great deal to dispel some of this discrepancy in the case of the Agency. But do you think there is more that all of us as individuals and collectively can do to help Americans in public and private life better understand the true and the overall functions of intelligence?

MR. HELMS: Yes, I think so. What we have had to deal with, at least as seen from my vantage point, was a very bad patch starting in 1967 with the problems on the campuses resulting from our identification with the National Student Association. It became quite clear at that time that it didn't make much difference what you said, nobody was interested in hearing it. The association with NSA was regarded as a dastardly performance. In addition, there were other peculiar stories being passed around about the

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Agency's activities which really soured our so-called image on the college campuses.

I sought a great deal of advice -- from newspapermen, from public relations experts, from advertising people, from pollsters, from professors, from anybody I could think of. And the more they helped me examine the problem, the more manifest it became that the storm and the wind were blowing too hard and you knew you just weren't going to get a hearing. The only thing to hope for was that over a period of time the storm would blow out to sea. There's the satisfying fact that undergraduate courses in this country only last four years.

But I think that the time has now come where you are dead right. I think there is more that can be done to put intelligence in a better perspective in the mind of our compatriots, and we're going to be looking at this and checking on ways to do this with increasing frequency. In point of fact, the speech to which you refer was an effort to kick this thing off and to see if we could get a hearing, and it was clear that we did. I think by and large the speech was relatively well accepted. We are going to try and get a quiet program together and to see whether over a period of weeks and months we cannot do a better job of trying to convince Americans that they need intelligence, which obviously they do. It is a little bit like castor oil, you know.

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Jocularly aside, I couldn't be more conscious of your concerns. It is not so bad for those of us who work in the Agency. It is rougher on the kids, the cousins, aunts, uncles, and so forth who read these things in the newspapers and wonder why in the world any lady or gentleman, man or woman, or anybody else would work in that kind of an organization doing that kind of thing. I recognize that makes life tough. All of you have been superior in the way that you've lived through this last four years. It hasn't been easy from that standpoint.

But I am hoping that we can start to do some things and some of you may be called on to help out -- to make a small speech here, go back to the college that you came from and address some honorary society, something of this kind -- all of which helps in trying to adjust this difference between the image we have in the country and what we, in fact, are like.

QUESTION: Mr. Helms, we see in the newspapers stories about our photographic and COMINT intelligence. Is there a general leaking or even collapse of security within the intelligence community?

MR. HELMS: One might think so. We sent to the White House and to the Secretaries of State and Defense, the Chairman of the Joint Chiefs, and the Director of the Arms Control Agency a memorandum the other day listing the stories that had appeared in the press since 1 January 1971 and we pointed out in a low and balanced key the net and cumulative effect of

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this kind of thing. It was a pretty convincing story. I didn't mean to be flip when you asked me the question. The way in which intelligence information has been used in recent months to put water on the wheel of some program or other, to defend the budget or just to make a point is a matter of deepest concern to me. It is as though this stuff was free and it was in the air and there was nothing to it and it could never be lost and it was here to stay and all the rest of it.

I do not sense that anybody is on a campaign to do this. I do not find either that these leaks and these problems exist in the intelligence community as such. They are elsewhere. It is our customers who are doing this to us. But I am deeply concerned about it because anything that can be turned on can be turned off. And it may, down the road, have a very severe effect on our ability to collect the quality of information that we've been collecting recently. So I share your concern. I do what I can about it. I will continue to do what I can about it, and I just can only hope that the situation will get better.

I have no interest in taking sides on the series of articles in the New York Times on the Pentagon documents. You can all make up your own minds about this. But I must honestly say that one thing that is very poor indeed is when a single human being decides that he knows more about the national interest than anybody else. And this is what arises in connection with a lot of these leaks. There's some fellow who just thinks

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that this is the thing that's got to be put out and he's going to see to it. He knows what the national interest is. It's this kind of behavior that I think is most reprehensible. I mean, if there had been a decision to put out these documents, that's one thing; but it was obvious that there was no decision made to put them out -- they were put out. It might have been a different kind of document. There might have been things in there different than there were. There's a great deal of talk about morality and who's moral and who isn't and so forth, but this morality business cuts two or three different ways when one examines it. This question of higher morality, namely what I personally believe to be right, is a very dubious concept in my opinion.

QUESTION: Mr. Helms, how in your opinion is this Agency affected by a problem that's common to most large businesses, namely, an unimaginative or inert middle management group?

MR. HELMS: I think this Agency is affected by it, at least to a certain extent, just the way all sizable organizations are. It's a strange thing about human beings, but they tend to have behavior patterns and organizations consisting of human beings also develop behavior patterns. I think probably what you refer to is what a few years back I used to refer to as the "Dead Wood Syndrome." Every time I went before a class or a seminar or anything in the Agency, I always got one question about what was going

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to be done about the dead wood in the Agency. And I find that it's a remarkably hard thing to deal with because I've never had anybody walk in my office and say, "Mr. Helms, I'm dead wood."

The question is how one identifies this wood and how dead it is. I would say that everybody is aware of this problem from the most junior officer in the Agency to the most senior one. There is a tendency at the middle levels for people to figure that maybe they've got about as far as they're going to go and therefore they better settle themselves in for the long haul. It is only natural. But on the other hand, I think you will agree that over the past few years we have done what could humanly be done to keep motion in the Agency, to keep things moving. As we have cut down on the total number of our people, that means individuals have moved out. There have been a lot of retirements, a great many in the last couple of months. We have done what we could to try and break down that peak that seemed to build up in the middle levels and see if we couldn't stretch it out, keep some promotion movement, and all of these things. But, you know, there's nothing perfect, and it certainly isn't perfect around here in that respect. But I think you will concede that we have all tried.

May I say, in conclusion on this point, that this is a matter for all of us. I must say that one attribute that almost every officer in this Agency has is being able to pass that buck on the tough ones to somebody else. If you would actually look into your heart and consult your conscience,

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I will bet you that each of you out there on some occasion or other has failed to face up to one of these personnel situations and has just let it go by. Oh, what the hell, good old Joe -- let's leave him alone. And it's that as much as anything which perpetuates this kind of a situation. So please recognize it's a problem for all of us. Letting George do it is not the answer.

QUESTION: Mr. Helms, would you say a word about our relationship with Congress? What I really have in mind is that Congress is more and more getting into policy-making or attempting to get into the policy-making business. Should we not make some attempt to make sure they have the information and intelligence that you have? I realize the security problems, and so forth. Is there some way that we could have special briefings or special Congressional papers or something more for Congress than we had in the last decade. ?

MR. HELMS: I don't think that most of you realize the extent to which Congress is kept informed. I appear before a lot of committees in the course of a year, and I'm usually there for two or three hours at the least. I get through an awful lot of stuff. a briefing which covers a whale of a lot of information in a surprisingly short period of time. The issue in the Congress these days, particularly in the Senate, is not lack of information. They've got it all; it's a question of what they can do with it.

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Take the issue of Laos, for example. They've known every detail of what was going on in Laos from me personally for five years. Because of the groundrules under which the Agency operates with certain committees of the Congress, they're not supposed to leak this or to use this in the public domain. Well, when an individual Senator gets to the point that he thinks it's important that he get something into the public domain because then he will be connected with the act of getting it into the public domain, he needs another forum. So the first thing is to say that the Congress has been diddled and fiddled, and the second thing is to get a new kind of a hearing, and the third thing then is to get it into the newspapers.

I really believe that if you examined all of the things that have been covered just in 1971, for example, before various Congressional committees, I think you'd believe as I do that we've gone about as far as we should. And that going any further than this would simply mean that we were giving a lot of people interesting reading, like the funny papers or whatever you want, but it wouldn't necessarily affect their ability to do their job. So I have a clear conscience on this, interestingly enough, and I'd just like you to know that. I just don't have any hang-ups at all that I have been squirreling away information that legitimately should be made available to our policy-makers in Congress.

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What the future holds in the Congress, I don't know. I think that anybody will agree that it's a very different body in this session than it has been for some time. You raised the question about getting into policy-making and so forth. There's no doubt that they're hell-bent to do this. How much they're going to be able to achieve and how long this will go on, I have no way of knowing. But while they're in the process, it's not a very easy group to deal with.

On the other hand, I don't want to leave you with the impression that the Agency or I personally have been badly treated because that isn't true. We've been treated with regard and we've been listened to and I'm not heckled or harried or beat up on or denigrated or anything else. So I have no complaints about the relationship with the Congress and I wouldn't want to leave you with any impression that this was a Gethsemane that I went through every other day because it's not.

QUESTION: This memo that you wrote, Mr. Helms, about the security leaks over the past year or so, well, has anybody been hung?

MR. HELMS: I know that the memo arrived downtown because I was told that it had, but other than that there has been a deathly quiet. As far as anybody being hung is concerned, I haven't heard about that happening around here for years.

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But let us get back for just a moment to the question of the leaks. As far as I know, our record in the Agency has been first class. I would genuinely and warmly bespeak your continued assistance in this matter because it's important that we not be tagged with security violations of this kind or with giving stories out to the newspapers or getting involved in some way which is underhanded or against the law. One of the things I've discovered about the Agency over the years is that there is no group of human beings who can take any more credit than our group for their understanding of what morality and truth and various things in our life turn out to be. The people in CIA understand morality as very few American citizens will ever understand it. They know the difference between truth and fiction. They know where the cut-off lines are and where the fuzzy fringes are. We need to take a back seat to no one. One of the reasons I get a little bit pained by all the moralizing in the newspapers is I think how do some of those fellows have the right to do any moralizing. But I believe that we do. I would not like to see us get sloppy or to get involved in any of these capers around Washington because I can assure you that because the Agency is the kind it is and because of the impression that it has left with the American people for better or for worse, we would have a hell of a time living through it because there's no reason to. We're not going to get a cent more in our budget by any of these devices. We're not going to achieve one single thing by doing it. Therefore, if anybody feels

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under any constraints to talk too much to a newspaperman or to a television broadcaster or an author or somebody, I wish that he'd just come up and knock on the door of my office and submit his case and see if I couldn't talk him out of it. I'd like to try. But in the meantime, let's hang together here because this is one organization that we either hang together or we're going to hang very separately indeed. I'm not trying to coin phrases; I'm just trying to cite facts.

QUESTION: Mr. Helms, we have a capability, I think sometimes it's a curse and sometimes a blessing, for quick reaction. I wonder if you expect that this will get us into trouble many more times in the future in activity where we don't rightfully belong, for example as in Southeast Asia.

MR. HELMS: I don't know how one predicts these things. I don't think in 1960 one would have had any view of our involvement in Southeast Asia at all. So in 1971 I don't know what the future holds. I think it is less likely in this decade than it was in the last decade because the events of the last decade have put some very clear strictures on American policy-makers and the extent to which they're going to be able to involve the country in anything overseas.

What is of more concern, I think, than the fact that we might get involved in something is that the country may back up so far and get so inward looking in its preoccupations that things happen in the world which

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we could have at least guided or assisted and we stood aside and watched the car go over the cliff. This is not to say that I happen to be one of those people who thinks we should be the world's policeman or be digging our fingers into everybody's business or going through the garbage cans in people's backyards and so forth. But I do think that any rational person will agree that America by and large in many places in the world has been a source of good. At least we've certainly tried to help the poor, the hungry, with health, with foreign aid, with all kinds of things in the years since World War II, and have asked very, very little in return, if anything at all. I don't think the American record is one that has to be looked on with shame. Part of the temper of the times is the rather ridiculous way in which the American record overseas has been viewed by a lot of citizens of this country. I can't figure out how they get that way. I don't think they can possibly have read the history that's even now available about these things and have arrived at these conclusions.

Be that as it may, I think that there is going to be a lot of inward turning. It's going to make it more difficult for us to get our job done because there's going to be less interest in the job. That is not a pessimistic statement. That is simply a question of degree a little bit, not of kind. I don't want to leave you with the impression that despite my remarks earlier this morning that we were going to be out of business or something.

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There isn't any question of that. But there is a question of emphasis, and as I did point out this emphasis is inward looking rather than outward looking.

In a strange way this is in the American tradition. We have always been a nation since 1776 that has been preoccupied pretty much with its own problems. It has been only for a very few years in our history that we've been heavily involved overseas. So it isn't hard to see how we're sort of veering back now. What will pull us out of this, if anything will, I don't know. But in this life things do go in trends and sweeps and the pendulum goes back and forth and the dresses go up and the dresses go down and so forth. We're going to go through a period here when it looks to me as though there is going to be less emphasis on the overseas commitment and that in turn, I think, helps to answer your question. There's probably less for us to get involved in. But let me say that we're not out of Southeast Asia by a long shot. American troops are going to be out, but that doesn't mean that we're going to be out. I think we've got a long row to hoe there.

Thank you.

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