

DDCI CHRONO - May 1988

<u>TAB</u>	<u>Date/Subject</u>	
	1	2 May Presidential Briefing for DCI.
STAT	2	16 May [redacted] Memo from CZ to C/DCI ADMIN.
	3	16 May Note to DCI re INF meeting.
	4	17 May Note to DDI re OGI study of historical results of economic embargoes and sanctions.
	5	18 May Letter to Maj Gen John Morrison, SASA, sending along "four maxims of the 1980s' intelligence officer."
	6	18 May Memo for D/OP re FY-88 SIS Position Request.
STAT	7	18 May Note to Kathy [redacted] thanking her for work on briefing books for Europe trip.
	8	19 May Letter to Mr. Charles Muller, The American Ditchley Foundation, withdrawing DDCI acceptance to participate in the 7-9 October conference.
STAT	9	20 May [redacted] Memo from CZ to C/DCI/ADMIN.
STAT	10	20 May [redacted]
	11	24 May Letter to Tom Polgar thanking him for letter and Safire article comments.
STAT	12	25 May [redacted]
	13	25 May Note to Larry Gershwin, NIO/SP asking for his views on article on Critical Themes in Soviet Thinking About Nuclear War.
	14	31 May MFR re DCI/DDCI Conversation with Senators Boren and Cohen regarding IG.
STAT	15	31 May [redacted]

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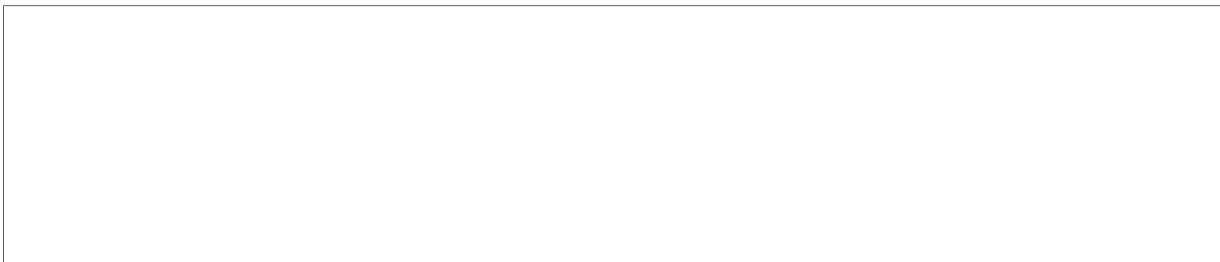
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Talking Points -- Situation with the SSCI

1. The Senate Select Committee has been pushing the Intelligence Community and the Administration now for two fiscal years over the lack of money for investment in new collection capabilities. We have tried to work this problem inside the Administration but have found that the unwillingness of anyone to go outside the budget agreement and the priorities in the Defense budget together have made it impossible for us to make progress on the problem or with the Committee.
  
2. A few weeks ago Senator Boren met separately with you, Secretary Shultz and Secretary Carlucci to express his concern about the lack of resources for new collection programs and to try to stir interest in the Administration either in finding additional resources or to seek a supplemental that would go outside the budget agreement and add new money to the Intelligence budget. He offered to lead the fight on the Hill. As a result of these meetings he felt he had a commitment for a joint Administration Congressional push for a supplemental budget amendment to cover these new programs. He also claimed to have the

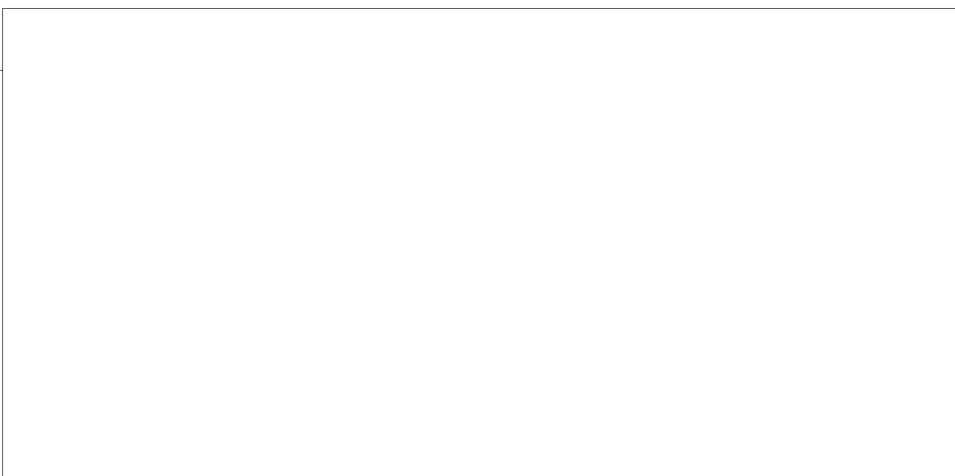
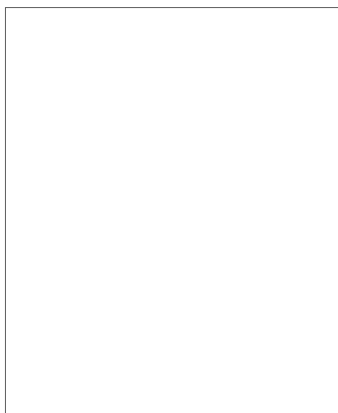
support of the Congressional leadership in both houses for such a step.

3. In the ensuing weeks, perceiving no action from the Executive Branch, he and others on the Intelligence Committee decided to take matters into their own hands.



25X1

4. While their approach certainly has grabbed everyone's attention, it is in many respects a highly irresponsible way to proceed. I know that Frank will describe for you the implications for the Defense Department budget for FY-89 of losing



25X1

25X1

5. But the real pain for both the Defense and Intelligence budgets is the cost that would be involved in the next three to five years.



25X1

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-- To fight the Senate Committee. This would involve actively working with the House Intelligence Committee, the Armed Services Committees and the Appropriations Committees to reverse the budget decisions made by the Senate. If successful, this would involve leaving this longer range problem of intelligence capabilities to your successor.

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

16 May 1988

2

MEMORANDUM FOR: Chief, DCI Administrative Staff

SUBJECT: Payment for Charges Incurred by the  
DDCI for Representational Purposes

Payment from U.S. Government funds for representational expenses incurred by the DDCI for the purpose of conducting official business of the United States Government is authorized under the policy set forth in

for the following functions:

<u>Date</u>	<u>Name</u>	<u>Organizational Affiliation</u>
88.04.19	Robert M. Gates (host) Dr. Roy Godson	DDCI Consortium for the Study of Intelligence

15 /  
O/DDCI

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POINTS TO BE MADE BY THE PRESIDENT AT MEETING WITH  
SENATORS BOREN AND COHEN

- I appreciate your strong interest in ensuring that we have the necessary intelligence resources to support our national security objectives, including arms control.
- Obviously, having sufficient intelligence resources is a critical element supporting our commitment to effectively verifiable arms control agreements. I will not send you a Treaty for ratification that cannot be adequately verified.
- I understand that Judge Webster has shown you the package of new initiatives for FY 1989 that we put together to meet our intelligence needs for both arms control and our broader national security interests. The work you have done in the SSCI over these past years and the proposals put forth in your FY 1989 markup provided significant contributions to our efforts.
- We are still looking at ways to fund FY 1989 within the four corners of the budget summit agreement and how to accommodate the outyear funding requirements.
- The substance of the statement on this issue, that you have drafted, looks Ok.
- We are looking forward to working the issue of improved national technical means with you and hope that we can count on your continued, active, support of our national security initiatives.

Proposed Statement of the President  
Regarding a Program to Improve Our National  
Technical Intelligence Resources

arms control monitoring capabilities

I strongly support bipartisan efforts by the Senate Committees on Intelligence and Armed Services to work with the Administration to modernize and upgrade our [National Technical Intelligence Gathering Systems.] It is important as we work toward future arms reduction agreements that our country have all of the [technical] means necessary to assure compliance with these agreements. With or without future arms control agreements, it is important for our national security interests that we keep pace with changes in technologies in other nations. For that reason, I welcome bipartisan support to start this year on a multi-year program to improve these systems. I will also include funding for the second year of this program in the final budget which I submit to the Congress, and I will urge the next administration to assure continuity of this vital effort. It should be regarded as a separately funded national priority and the funds appropriated not counted as a penalty against the regular national security budget.

DCI Talking Points for Tuesday, 17 May 1988 Between  
President, DCI, et al, and Senators Boren and Cohen, Chairman  
and Vice Chairman of the Senate Select Committee on Intelligence

1. Thanks to the support of the President and the Congressional Intelligence Committees, the Intelligence Community has been greatly strengthened during the past nine years.
2. The reason we are here today is because we all understand that this is not an enterprise that can stand still. The new capabilities we are deploying in the late 80s are the results of investments made up to ten years ago.
3. If we are to adequately protect our national security in the 90s and beyond, we must start those investments now.
4. The approach we are endorsing today is needed, substantively sound, and highly responsible. It will protect wide ranging national security interests and contribute to future arms control.
5. As both Frank and I have stressed repeatedly, with the magnitude and nature of current commitments, we simply cannot pay for these improvements out of existing or programmed budgets. We will have to depend on the Congress and the next Administration to ensure that the additional resources are available to meet these needs.

~~CONFIDENTIAL~~

17 May 1988

NOTE TO: Deputy Director for Intelligence

FROM: Deputy Director of Central Intelligence



1. In a session with the editorial board of the Wall Street Journal a few weeks ago, I made reference to our analysis of the historical results of economic embargoes and sanctions. I have subsequently received a request that that study be made publicly available. [redacted]

25X1

2. I would like to have the study OGI did several years ago reviewed to see if it could be sanitized and published unclassified. Every Administration seems to want to resort to sanctions or embargoes at some point without fully understanding the prospects for success, the historical record and the relationship between objectives and achievement. The end of this Administration would offer an opportunity to publish the study at a time when it would presumably cause us the least controversy and trouble with the Executive Branch. Indeed, we could even consider deleting one or two of the most recent examples to avoid stepping on toes. [redacted]

25X1

3. I would appreciate your getting this underway. If you have a problem, obviously get back to me. [redacted]

25X1

25X1

[redacted signature box]

Robert M. Gates

cc: D/PAO  
C/ISD/OIT

DDCI/RMGates/de [redacted]

25X1

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The Deputy Director of Central Intelligence

Washington, D.C. 20505

May 17, 1988

Mr. Daniel Henninger  
Chief Editorial Writer  
The Wall Street Journal  
200 Liberty Street  
New York, N.Y. 10281

Dear Mr. Henninger:

Many thanks for your note of 29 April. I too enjoyed the session at the Journal and look forward to staying in touch.

I am using the occasion of your letter to ask for a review of our study on economic sanctions to see whether it can be declassified. I share your view that having this study publicly available would be worthwhile. You may rest assured that if we decide to declassify the study, I will send you one of the first copies.

Again, I enjoyed the opportunity to meet with you and your colleagues.

Regards,

[Redacted Signature]

Robert M. Gates

STAT

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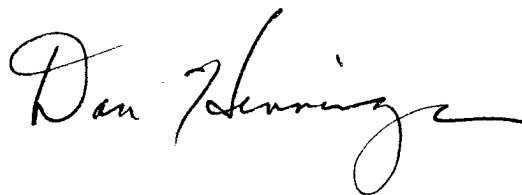
April 29, 1988

Robert Gates  
Deputy Director  
Central Intelligence Agency  
Washington, DC 20505

Dear Mr. Gates:

I enjoyed talking with you the other day here at the Journal. You mentioned a study you did awhile ago on the effectiveness of economic sanctions. Insofar as I can probably expect economic sanctions in some form to resurface periodically over the next 20 or so years, the study sounds like something very useful to have on hand. If you can spare a copy, I'd love to see it.

Regards,



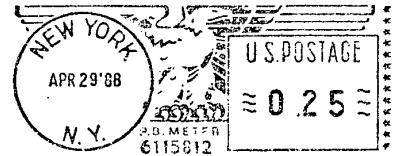
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Robert Gates  
Deputy Director  
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J

FROM:

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 Executive Secretary  
4 May '88  
Date

3637 (10-81)

The Deputy Director of Central Intelligence

ER 0545/5 88

Washington, D.C. 20505

18 May 1988

Maj Gen John E. Morrison, Jr., USAF (Ret.)  
Security Affairs Support Association  
80 West Street, Suite 110  
Annapolis, Maryland 21401

Dear John:

Thanks for your note about the SASA Spring Symposium.

Below I list what I described in my talk as the "four maxims of the 1980s' intelligence officer." The part about finding them in John McMahon's desk is fictitious; I was just pulling John's chain.

1. If you want a friend, buy a dog.
2. There is no job so simple that it cannot be done wrong.
3. A man who can smile when things go wrong has thought of someone he can blame it on.
4. When the going gets tough, everyone leaves.

Regards,

[Redacted Signature]

Robert M. Gates

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3 May 88

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26 April 1988

The Honorable Robert M. Gates  
Deputy Director, Central Intelligence  
Washington, D.C. 20505

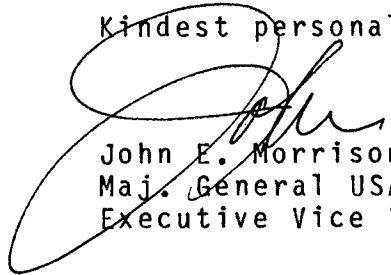
Dear Bob:

The SASA Spring'88 Symposium is now but a memory--but what a memory!

Within hours after the program was concluded, we received numerous phone calls and a day or two later, many letters, all extolling the quality of the affair. We, of course, expected nothing less and are exceedingly pleased that our expectations have been enthusiastically confirmed.

For your outstanding contribution to the successful outcome of the Spring program, SASA will be long indebted.

Kindest personal regards,

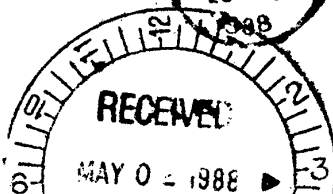
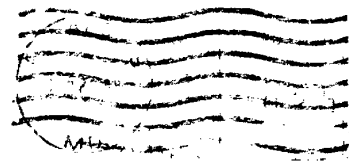
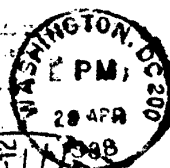


John E. Morrison, Jr.  
Maj. General USAF (Ret.)  
Executive Vice President

P.S. If agreeable to you, would you please have someone provide me with your four "homilies" (?) allegedly found in John McMahon's desk. We've received a number of requests for them and if you have no objection, I may include them in our next newsletter (non-attribution if you wish).

DCI  
EXEC  
REG

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The Honorable Robert M. Gates  
Deputy Director, Central Intelligence  
Washington, D.C. 20505

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ER 2036 88

18 May 1988

MEMORANDUM FOR: Director of Personnel

FROM: Deputy Director of Central Intelligence

SUBJECT: FY-88 SIS Position Request

25X1 1. Your recommendation that I approve [ ] new SIS positions  
 25X1 and request an increase of [ ] in the SIS ceiling in FY-89 as  
 25X1 well as in FY-90 is disapproved. [ ]

25X1 2. I believe we have become entangled in a bureaucratic  
 game. I have been asked over the last two years to go to OMB  
 to seek additional ceiling to close the gap between the number  
 of SIS positions and our SIS ceiling. I have done this. Now  
 that we have closed the gap somewhat, I am being asked to  
 increase it again. [ ]

25X1 3. The Agency now has many more SIS (or supergrade)  
 positions than it had at earlier times when our strength was at  
 or near its present level. I believe bureaucratic momentum  
 continues to force us to justify any position that might  
 possibly qualify as an SIS position and then to continue to ask  
 OMB for large increases in ceiling. I believe this is not  
 carefully thought out. [ ]

25X1 4. As is usually the case, if we abuse the system, we  
 invite the kind of external scrutiny that we dislike so much.  
 As our growth rate in personnel levels off, I believe so too  
 should our increases in SIS ceiling and SIS positions. I am  
 willing to consider small incremental additions to SIS position  
 and ceiling levels but not without justification for the  
 specific positions. Continuing to go after these large numbers  
 is not acceptable. [ ]

[ ]  
 Robert M. Gates

cc: EXDIR

SECRET

Cl By Signer  
DECL OADR



**SECRET**

**ROUTING AND RECORD SHEET**

SUBJECT: (Optional)

FY 1988 Senior Intelligence Service Position Requests

FROM:

Royal E. Elmendorf  
Director of Personnel

EXTENSION

NO.

88-0235

DATE

25X1

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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*RE*

Attached are the FY 1988 SIS position requests. In light of your memorandum dated 15 April 1988 encouraging the Directorates to allocate one-third of their SIS promotion ceiling to their experts or specialists, it should be noted that nearly all positions submitted for SIS allocation are managerial positions with expert positions identified only in the National Intelligence Council and the Office of Research and Development.

2.

3. Executive Director

*ET*

4.

5. Deputy Director of  
Central Intelligence

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Roy Elmendorf

**SECRET**



OP-88-0235
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MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director

FROM: Royal E. Elmendorf  
Director of Personnel

SUBJECT: FY 1988 Senior Intelligence Service  
Position Requests

1. Action Requested: That you approve allocation of additional Senior Intelligence Service (SIS) positions for FY 1988 as recommended in paragraph three.

2. Background: The five Career Services have conducted a zero-based review of all SIS positions to identify those positions no longer operating at that level and have submitted their annual SIS position requirements for FY 1988. The zero-based review resulted in the identification of [ ] positions that no longer warrant the SIS-level. [ ] of those positions were identified by the Directorate of Operations and two were identified by the Directorate of Science and Technology.

The Career Services submitted a total of [ ] new SIS position requests. Based on a review of the position data, discussions with senior management, comparisons with existing SIS positions, and, where appropriate, discussions with position incumbents, the Planning and Component Support Division (PCSD), Office of Personnel, has evaluated and recommends [ ] of these [ ] positions be approved at the SIS level. Of the remaining [ ] do not meet the criteria for SIS status and two are unresolved because of a lack of position data. A summary of these actions is contained in Attachment A. In addition to these [ ] new SIS positions, the DCI has directed that [ ] SIS positions be allocated to the Office of the Inspector General for its rotational program. This latter action has already been taken. Attachment B provides a summary of the positions certified at the SIS level listed in rank order as requested by the respective Career Services.

The number of SIS positions approved as of FY 1987 was [ ] On 2 April 1988, the additional [ ] positions approved for the Office of the Inspector General brought the total number of SIS positions to [ ] Following the zero-based review, [ ] remain at the SIS-level. If you approve all of the [ ] requested positions it would bring the number of SIS positions to [ ] or [ ] percent of the Agency's total authorized positions. The Office of

SUBJECT: FY 1988 Senior Intelligence Service Position Requests

25X1 Management and Budget established an SIS ceiling of [ ] for FY 1987. The  
25X1 FY 1988 SIS ceiling has been increased by [ ] bringing the total to [ ] or  
25X1 [ ] percent of total authorized positions. This situation continues a  
long-standing practice of allowing the number of Agency-approved SIS positions  
to exceed the SIS ceiling.

25X1 The disparity between the Agency managers' views of their needs for SIS  
positions, as supported by position classification, and the significantly  
lower SIS ceiling results in an inability to promote many GS-15 incumbents of  
SIS positions. It is recommended, therefore, that we attempt to reconcile  
ceiling with positions. The greater emphasis on the dual track and the  
resulting need for an increase in expert and specialist positions provides us  
with further justification for seeking additional increases in SIS ceiling.  
25X1 To accomplish this, we propose seeking FY 1989 and FY 1990 SIS ceiling  
increases of [ ] per year while continuing to review the Directorate requests  
for additional SIS positions.

25X1 3. Recommendation: Approve all [ ] new SIS positions bringing the total  
25X1 to [ ] Begin to reduce the difference between Agency position ceiling and  
25X1 the OMB ceiling in FY 1989 and FY 1990 by requesting an increase of [ ] in the  
SIS ceiling each year.

25X1 [ ]  
Royal E. Elmendorf

Attachments:  
As stated

SUBJECT: FY 1988 Senior Intelligence Service Position Requests

*NON*CONCUR:

25X1

[Redacted Signature]

Executive Director

16 May  
Date

~~APPROVED:~~

See DDCI Memo to D/Pers, dated 18 May 88, ER 2036-88

Deputy Director of Central Intelligence

Date

ILLEGIB

[Large Redacted Area]

NONCONCUR:

25X1  
25X1  
25X1  
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25X1  
25X1

\* I think this serves mostly to increase frustrations. Taking this step means that we will have supergrade ceiling to 'cover' [ ] people in [ ] supergrade slots.. [ ] people will be in the position but not be able to be promoted. Said another way, [ ] of those in SIS positions will actually be SIS'ers at any given time. If you leave things as they are today, [ ] of our people will be SIS'ers in today's [ ] positions...i.e., [ ] of those in supergrade positions will actually be SIS'ers. Even this strikes me as a bit much...I would like to see this 'gap' at perhaps [ ]

25X1

For the future, I believe we should make the essentially political decision as to how many of the duly classified jobs we want to put on the books at the SIS level, then seek [ ] of that amount in new SIS ceiling. That should eliminate the quite 'circular' game we are playing today and allow all of us to speak with greater conviction of our needs.

25X1  
ILLEGIB  
ILLEGIB

[Redacted Signature]

[Redacted Signature]

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ATTACHMENT A

FY1988 PCSD SIS Recommendations

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**ATTACHMENT B**

Positions Recommended for Allocation at the SIS Level

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The Deputy Director of Central Intelligence

Washington, D.C. 20505

5-18-88

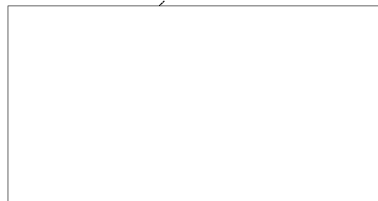
Kathy —

Just a note to thank you for all your work in preparing for my trip

 I have had to do that work myself in the past and know how much time and effort is required -- not to mention getting different offices to meet deadlines and so on.

I believe the trip was a successful one, and your work and help were essential to that outcome.

Thanks.



STAT

7

STAT



Central Intelligence Agency



Washington, D.C. 20505

May 19, 1988

Mr. Charles W. Muller  
Administrative Director  
The American Ditchley Foundation  
477 Madison Avenue  
New York, New York 10022

Dear Mr. Muller:

I deeply regret that an unforeseen official commitment obliges me to withdraw my acceptance to participate in the Ditchley Foundation conference to be held October 7-9 at Ditchley Park. I genuinely had looked forward to the discussion of "oversight" and hope that the conference will be a success.

I hope that this change in my plans, which became necessary only this week, will not prove an inconvenience. Again, I thank you for the invitation to participate. I have heard many favorable comments about conferences at Ditchley Park and had looked forward to attending. Perhaps another time.

Sincerely,

[Redacted Signature]

Robert M. Gates  
Deputy Director of Central Intelligence

STAT

STAT

DDCI/RMGates/de [Redacted]

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STAT

[Signature Box]

Executive Secretary

9 May '88

Date

**3637** (10-81)

# THE AMERICAN DITCHLEY FOUNDATION

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Phone (212) 752-6515  
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88-1750X/1

May 3, 1988

Mr. Robert M. Gates  
Deputy Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Gates:

Thank you for the good news that you will participate in our conference October 7-9. I have advised Sir John Graham, Director of British Ditchley, and he will send you the agenda, the various conference papers and a travel inquiry as soon as these documents are available. Mrs. Gates will be welcome to attend the sessions if she wishes, and I have requested double accommodation now as there are a limited number of double rooms. Please advise me of her plans when you can.

May I also ask you to send me a brief biography to be used with the list of participants.

I hope you will have an enjoyable and rewarding weekend at Ditchley. If I can be of any assistance, please do contact me.

With kindest regards.

Sincerely,

Charles W. Muller



Central Intelligence Agency



Washington, D.C. 20505

26 APR 1988

Mr. Charles W. Muller  
Administrative Director  
The American Ditchley Foundation  
477 Madison Avenue  
New York, New York 10022

Dear Mr. Muller:

I accept with pleasure your invitation to participate in the Ditchley Foundations Conference to be held October 7-9 at Ditchley Park. It will be good to meet with you and the other members of the group to discuss "The Oversight of and the Limits on Intelligence Work in a Democracy." A member of our Public Affairs staff will contact you concerning the arrangements.

Mrs. Gates may also accompany me on the trip.

Sincerely,

[Redacted Signature]

Robert M. Gates  
Deputy Director of Central Intelligence

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April 6, 1988

Mr. Robert M. Gates  
Deputy Director  
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Washington, D. C. 20505


Dear Mr. Gates:

The Ditchley Foundations will hold a conference, "The Oversight of and the Limits on Intelligence Work in a Democracy", October 7-9, 1988 at Ditchley Park in Oxfordshire, England, and I am writing to invite you to participate.

The Rt. Hon. Lord Hunt of Tanworth will chair the meeting and a draft terms of reference is enclosed.

I would appreciate your advising me if you can attend. We would very much look forward to having you at Ditchley Park.

Sincerely,

  
Charles W. Muller

# THE AMERICAN DITCHLEY FOUNDATION

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Charles W. Muller

THE DITCHLEY FOUNDATIONS  
CONFERENCE  
October 7-9 1989

THE OVERSIGHT OF AND THE LIMITS ON  
INTELLIGENCE WORK IN A DEMOCRACY

TERMS OF REFERENCE

All policy must be based on full and accurate information. Much of that information will be publicly available or overtly obtainable information. For some purposes the information required will need to include intelligence: that is, information which cannot be obtained overtly and has to be obtained by covert or clandestine means. Intelligence information requires to be carefully analysed and interpreted, together with other available information, if it is to be a reliable basis for formulating policy.

In a democracy the gathering of intelligence may create difficulties and suspicions. For what purposes is intelligence required? For what purposes should its collection be authorised? Should the process of collection be subject to oversight from outside the collecting agencies? If so, what should be the extent and method of oversight? Should it be confined to laying down the areas and subjects in which intelligence is required? Or should it extend to the means and targets, or even to specific operations? Is it sufficient that oversight should be exercised by government, answerable in the last resort to the electorate, or should there be some form of external oversight, whether by Parliament/Congress or some other body?

Should there be limits on the means employed to acquire intelligence, whether on ethical (eg, that acquisition involves blackmail or deception) or on political grounds (eg, the risk of detection or of injury); and how should they be laid down or administered? Is there a role for the courts?

Intelligence has become an essential arm of verification in the field of arms control. Do the same rules apply here or would the process be better for greater openness?

Certain methods of obtaining intelligence - eg interception of postal, telephonic or telegraphic communications - involve some invasion of privacy. For what purposes of intelligence should such methods be permissible? What agencies should be able to obtain intelligence by these methods? Should it be left to the investigating agency (the police or the security services) to decide in what circumstances such methods should be used? Should the use of such activities be subject to external control or supervision? If so, should it be subject to political and judicial control?

If it is accepted that the acquisition of intelligence must be governed by rules limiting or preventing public knowledge of what is being or has been done, as well as how it is being done, for how long should such restrictions apply and what sanctions are acceptable? Who is to be the judge?

08.02.88

# THE AMERICAN DITCHLEY FOUNDATION

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## ABOUT DITCHLEY CONFERENCES

The Ditchley Foundations carry on a program of 13 conferences annually which take place at Ditchley Park in Enstone, Oxfordshire, England. Ditchley is a short distance from Woodstock where Blenheim Palace is located and about 20 minutes from Oxford.

The meetings are attended by about 35 distinguished individuals from business, government, labor and the professions, principally from the United Kingdom, North America and Continental Europe. There usually are about a dozen American attendees.

Conferences begin about 4:30 p.m. on Friday with two plenary sessions before dinner. On Saturday, participants break into three groups to discuss different sections of the agenda. Group reports are discussed in plenary on Sunday, and conferences end about 4:00 p.m. The conferences stress open, informal discussion. There usually are not any conference papers, advance reading, or other formal preparation. Participants have many opportunities to express their ideas in plenary and in group sessions. Discussions are private and not attributable. A conference report is prepared by the rapporteur and distributed to participants some weeks later. A summary report is also prepared and sent to Ditchley alumni with the Ditchley Newsletter distributed thrice yearly.



Invitees may be asked to take on tasks such as: opening speaker, for which there are two each at the two Friday evening plenary sessions (This is usually a five minute statement); chairman of a Saturday group session to organize and direct discussion; a group rapporteur to record the discussion and prepare, with the Chairman, a group report. The Director of British Ditchley initiates these inquiries.

#### About Travel Arrangements

Invitees are asked to arrive at Ditchley on Friday. Americans should, at latest, take a Thursday overnight plane to Heathrow or Gatwick where they would be picked up by a Ditchley car. Those taking a day flight Thursday are urged to stay overnight at the U.K. airport and connect with a Ditchley car in the morning. They will have opportunity to rest at Ditchley before the conference begins. Invitees arriving in the U.K. earlier will be asked to take a specific train from Paddington station which will be met by a Ditchley car at the Oxford station. Americans will be able to make the last flights to the United States on Sunday from 6:00 to 7:00 p.m., arriving at Kennedy Airport, New York. Many stay overnight at a U.K. airport hotel for return flights to more convenient destinations on Monday.

Ditchley provides transportation from and to airports and the Oxford train station. A travel inquiry will be sent to invitees to obtain requirements and schedules.

Invitees are asked to make their own travel bookings. It is hoped that invitees can provide for their air travel from their own funds or their affiliation's funds. Should travel assistance be required, American Ditchley may be asked to help, up to the cost of a round trip economy fare. Reimbursement will be made upon receipt of a copy of the ticket or travel agent's bill. Invitees will be guests of the Foundation at Ditchley Park and will be provided with accommodations, food and drink.

Invitees who travel with spouses may inquire about their accompanying them to Ditchley. There are only a limited number of double accommodations but, on request, the Ditchley staff can arrange accommodations for a spouse at a nearby inn as an alternative. American Ditchley is not able to help on spouse's travel costs.

Invitees are asked to send a short biography to the New York office which will be used in the list of participants. On advice of acceptance, the New York office will inform British Ditchley, which will send the invitee further information, including agenda, participants list and a travel questionnaire.

American Ditchley in New York will be happy to respond to any questions or requests for additional information.

THE  
DITCHLEY  
FOUNDATIONS

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*This list is correct at 1st September 1987*

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## *The Ditchley Foundations*

THE DITCHLEY FOUNDATION was incorporated in the United Kingdom on 24th February 1958. Its principal object is 'to promote, carry out or advance any charitable objects, and in particular any branches or aspects of education, likely to be for the common benefit of British subjects on the one hand and citizens of the United States of America on the other'. In pursuing this object it promotes the discussion, study and better understanding of matters of common interest to the British and American peoples, with the participation of other nationalities as is judged useful in relation to particular topics. The first Anglo-American conferences were held at Ditchley early in 1962. Two years later the American Ditchley Foundation was formed under United States law with similar purposes and more especially to help the work of the original Foundation in Britain.

### *The Purpose*

In an increasingly interdependent and complicated world it is more essential than ever that people of different countries should learn to understand one another's problems and outlooks. It is the purpose of the Ditchley Foundations to contribute towards this process of learning, particularly by men and women of Britain and of the United States of America whose lives and fortunes are so closely inter-related and so concerned with peace and with the prosperity of the whole world. Britain's membership of the European Community has added an important new dimension to the purpose and practice of the Foundations.

The Ditchley Foundations have no political objective. The people who support them represent a wide range of interests and opinions and they believe that on both sides of the Atlantic there is need for greater study of the problems which affect the other side and the world in general. They have therefore sought to provide opportunities for people concerned with the formation of opinion in the United States of America and Britain, and also in other countries of the European Community and in Japan, Canada, Australia and elsewhere, to meet in quiet surroundings to discuss, study and learn about the great issues and difficulties facing their countries.

Experience has shown that in this way personal links are forged and dialogues initiated which bridge national and ethnic boundaries and continue long after meetings at Ditchley have dispersed.

## *The Organization*

The British Ditchley Foundation is administered by a Council of Management composed of British and American members resident in the United Kingdom and drawn from the list of Governors of the Foundation. The Governors represent a wide variety of interests in the United Kingdom and include a number of Americans and prominent citizens from other major countries. The Director, who is resident at Ditchley Park, is responsible to the Council of Management for the activities of the Foundation.

The American Ditchley Foundation has a Board of Directors and has established an Advisory Council of distinguished supporters to assist the British Ditchley Foundation in carrying out its objectives.

The American Foundation collaborates with the British Foundation and provides support and assistance in such matters as:

- (a) the selection of subjects for the programme of conferences;
- (b) conference membership, including help in securing participants; and
- (c) financial aid in respect of transportation for American participants and other United States costs.

All Ditchley Foundation conferences take place at Ditchley Park. There are twelve or thirteen of them a year with an annual aggregate of about 450 participants, of whom 150 or so are from the United States and about 100 from other countries. Participants have represented the best in leadership and professional experience in the private and public sectors, including politics, government, business, finance, academic life, and the information media. A number of conferences have been held in conjunction with leading American sister organizations such as The Woodrow Wilson International Center for Scholars, The World Peace Foundation, The Middle East Institute and The Carnegie Corporation of New York.

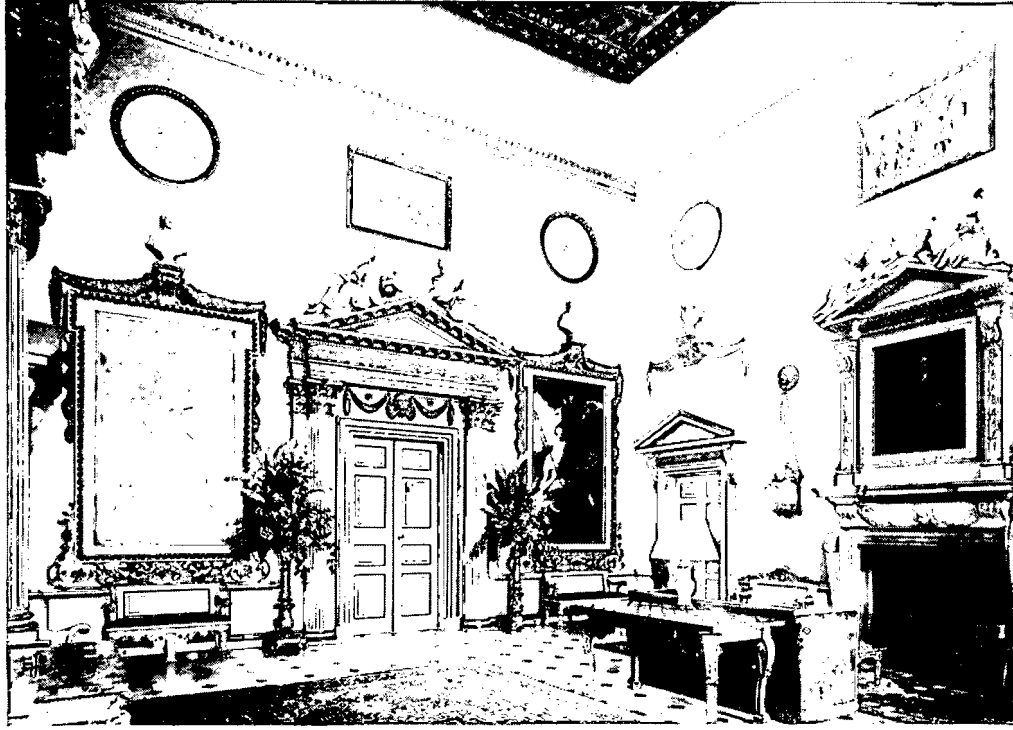
Both 'British Ditchley' and 'American Ditchley' are non-profit organizations entitled to the full tax benefits accorded to educational foundations in Britain and the United States respectively. Both are recognized as public charities under the provisions of the United States Tax Reform Act 1969. British Ditchley is registered under the Charities Act 1960.

The Governors/Directors, Council Members and Officers of both Foundations are listed in a separate insert to this brochure.



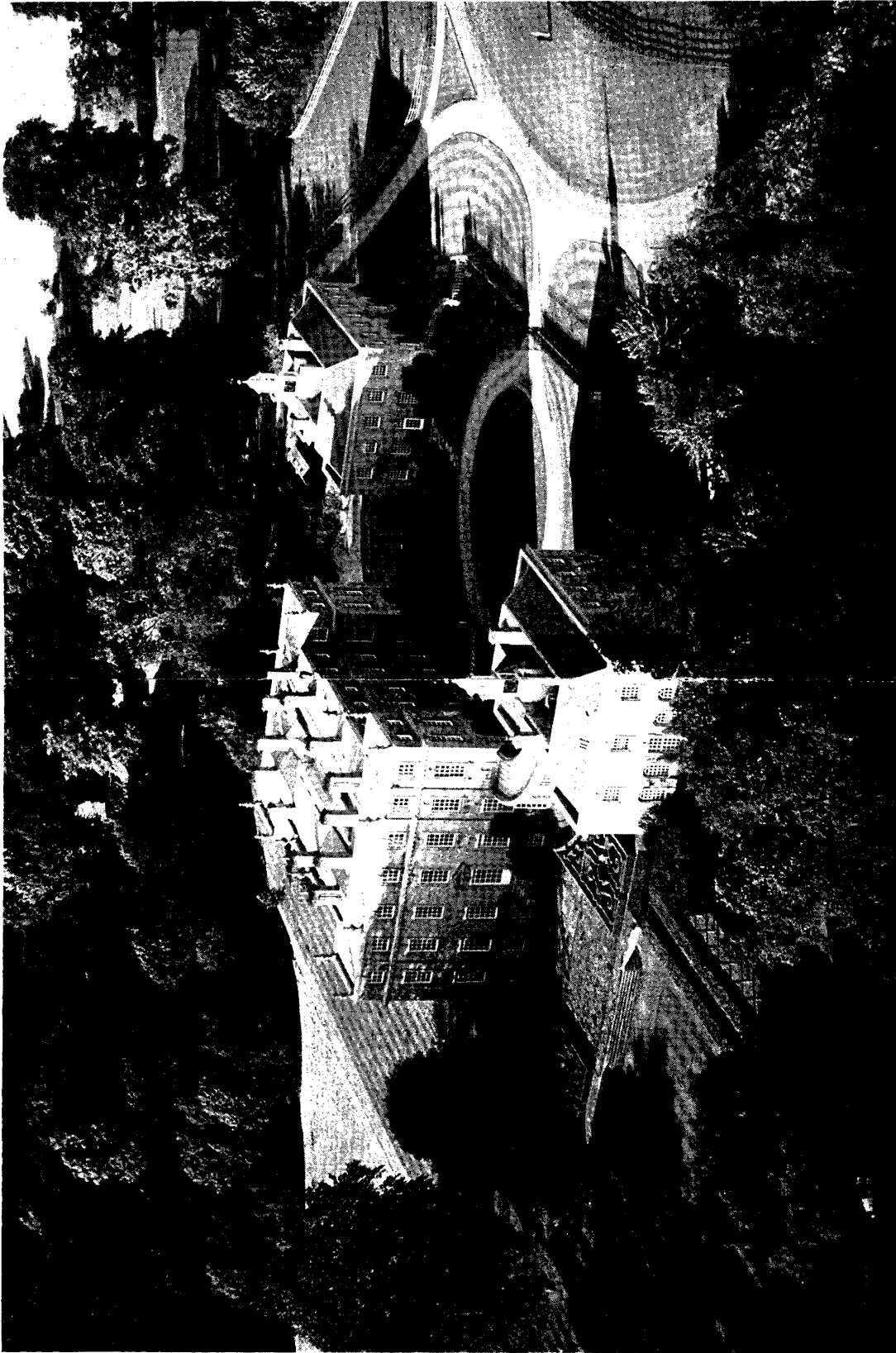
*Vernon Brooke of Oxford*

THE SOUTH WEST FRONT



*Vernon Brooke of Oxford*

THE GREAT HALL

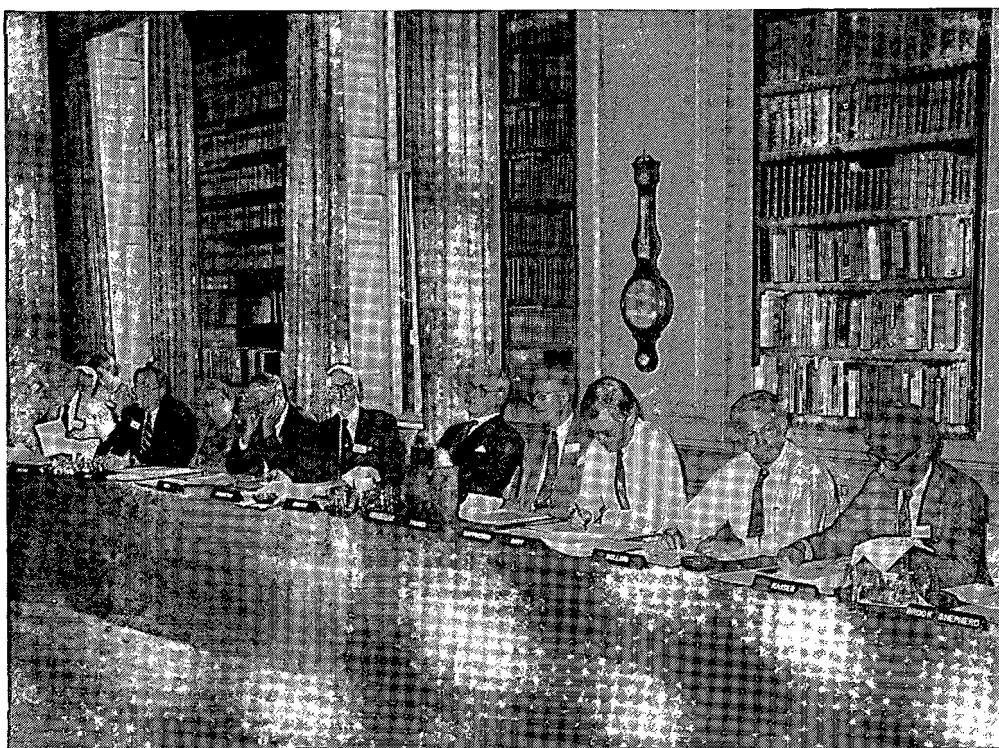


AERIAL VIEW OF THE COMPLEX AND SURROUNDINGS



*Vernon Brooke of Oxford*

THE WHITE DRAWING ROOM



*Vernon Brooke of Oxford*

A CONFERENCE IN SESSION IN THE LIBRARY

(The conference in question was held in June 1984 to commemorate the centenary of the birth of President Truman. Lord Franks, Ambassador at Washington during the Truman presidency, was in the chair.)



## *Method*

Conferences are organized by the Foundations to study major aspects of international and public affairs within the scope of the Council's purpose. These aspects may be political, economic, financial, social, institutional, regional, or any mixture of these. Subjects include any major international issue and are drawn from fields such as trade and monetary policies, economic issues, industrial relations, education, the arts, social problems, legal practice and overseas development. Some of the conferences held at Ditchley examine fairly specialised and detailed questions in association with professional, research or similar expert bodies, provided only that the questions at issue are within the scope of the Foundations' purpose. The Foundations also organize longer-term projects, spanning two or three years, in which a subject of dominant importance on both sides of the Atlantic is discussed and analysed over a series of conferences, linked by a certain amount of intervening study and research. The Ditchley conferences are independent of governments, although members and officials of governments often take part.

An annual Ditchley Lecture has been established and is delivered each year at Ditchley Park by an eminent international figure on some aspect of world affairs.

Since 1981 the Ditchley Lecture and reports on Ditchley conferences have been printed separately and widely circulated. Synopses of these reports have been published three times a year in the *Ditchley Newsletter*, which is available to Governors, subscribers and other supporters. Before 1981 all this material was published in the Ditchley Papers and the *Ditchley Journal*. Copies of most of these are still available and can be obtained on application to the Editor.

When the house is not required for functions of the Foundations it can be made available as a conference centre for other organizations whose purposes are related to those of the Foundations or for conferences or meetings which will directly or indirectly serve those purposes. A separate note about arrangements for guest conferences is included with this brochure.

Those attending the Foundation's conferences at Ditchley are entertained as far as possible as guests at a large country house. Besides the main conference room (the Library), smaller rooms are available for committees or sub-groups. An up-to-date lecture theatre, with cinematograph and other equipment, is available.

The Foundation derives about two-thirds of its annual income from dividends on its endowment fund, which has been established by the generosity of Sir David Wills. The remainder of its income has to be found from donations from industrial and financial companies and other charitable foundations and trusts in the United Kingdom. The Foundation welcomes donations, including testamentary gifts or legacies, from anyone who sympathises with its objectives and purpose.

American Ditchley is not endowed and is wholly dependent upon the grants and gifts of individuals, foundations and corporations to meet its annual budget.

## *Ditchley Park*

Ditchley Park was given by Sir David Wills together with a generous initial endowment as the centre where the Foundation's conferences take place and its administration is conducted. It lies thirteen miles from Oxford and is within two hours from London by road or train. It can comfortably accommodate residential conferences of thirty to forty people.

The present house at Ditchley was built by George Lee, second Earl of Litchfield, in the 1720s, close to a more ancient house which had belonged to his ancestors for nearly a century and a half. It remained the home of the Lee family and their descendants, the Dillons, until 1932. In the days of the first Sir Henry Lee, a favourite of Queen Elizabeth I, the original house was visited by the Queen and later by King James I and probably King Charles II. The latter's daughter married a later Sir Henry Lee and it was their son who built the new house. In 1959 Queen Elizabeth II was entertained at Ditchley and planted a commemorative tree. Other trees were planted by American Ambassadors: in 1962 by The Hon. David Bruce on behalf of President John F. Kennedy, and by The Hon. Elliot Richardson to commemorate the Bicentennial Year in 1976.

The Lees were equally famous on the other side of the Atlantic, and a Lee property in Virginia was named Ditchley after the house in England. General Robert E. Lee was descended from a younger brother of the second Sir Henry of Ditchley.

During the ownership of Mr Ronald Tree, who had bought the estate from the Dillon family in 1933 and modernized the amenities of the house without altering its splendid architecture and decoration, Ditchley in England made a special contribution to contemporary British and American history as one of the war-time headquarters of Sir Winston Churchill, where he held many important talks with American leaders.

20 May 1988

MEMORANDUM FOR: Chief, DCI Administrative Staff

SUBJECT: Payment for Charges Incurred by the  
DDCI for Representational Purposes

Payment from U.S. Government funds for representational expenses incurred by the DDCI for the purpose of conducting official business of the United States Government is authorized under the policy set forth in [redacted] for the following functions:

<u>Date</u>	<u>Name</u>	<u>Organizational Affiliation</u>
88.04.14	Robert M. Gates (host) Arnold Beichman	DDCI Hoover Institute
88.04.28	Robert M. Gates (host) 8 guests	DDCI Operational Dinner

15/  
[redacted]  
O/DDCI

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Remarks

STAT

Executive Secretary

20 May 88

Date

3637 (10-81)

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The Deputy Director of Central Intelligence

Washington, D. C. 20505

ER 88-2213

May 24, 1988

Mr. Tom Polgar



Dear Tom:

Thanks for your letter of May 5 enclosing the Safire article and commenting on it.

We in the Agency find ourselves in a very odd position with respect to the current state of the Soviet economy. No other institution has been as rigorous as we over the past dozen years in identifying and highlighting for policymakers the serious economic problems of the Soviet Union, from the machine building industry to agriculture to the energy sector to the sorry plight of the consumer. We found during that period that many people tended to discount our concerns about the economy and the consequences for Soviet economic and technological performance and competitiveness and, even now, believe we are too pessimistic.

By the same token, people of a different political view were unhappy with us for not pressing the point of serious Soviet economic problems to forecast the collapse of the system. Indeed, our observations as to the huge latent economic wealth of the Soviet Union, if in no other area than in natural resources, and its ability to produce basic goods were the cause of considerable frustration and annoyance with this Agency.

In short, our work on the Soviet Union for years has been criticized both by those who think we have been too optimistic about Soviet chances for muddling through and those who think we are too pessimistic about the prospects for real improvement.

One of the points that I have made consistently (and judging from your letter, I think you would agree) is that in many respects GNP, the state of the consumer, and so forth have

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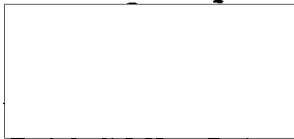
had relatively little to do with Russia's role as a power on the international scene. Russia was never competitive economically with its European adversaries from the 16th century on. Its armies always were technologically at least one step behind its adversaries. But, as you know, the fact is that the Russians and then the Soviets have survived and prevailed because of their relentlessness and their ability to put more in the field than anyone else. Also through their own wit or through technology theft, they have managed to keep their military forces competitive. In specific areas in which they choose to devote the resources, their technological innovations and advances can rival if not exceed those of our own. While our technology in the laboratory may be significantly more advanced than theirs, it is often the case that the technology that they actually deploy to the field is equal if not superior to that which we eventually field given delays and our inability to freeze technology to get on with production and deployment. The best example is that it is the Soviet Union and not the United States that has a deployed mobile ICBM (and two of them to boot).

All of which is to say that Soviet economic developments do not correlate well to its military power. And, I agree with you that it would be a serious error "to conclude from the obvious and lasting contrasts in the socioeconomic and industrial standards that the Soviet Union is weak."

After two of his articles appeared, we invited Bill Safire here for lunch to try to explain a good deal of this, but I'm afraid we made little headway.

It was good to hear from you. Thanks for your offer to participate in any competitive analysis we might organize with respect to the Soviet economy. I will pass it along to the analytical folks.

Sincerely,



Robert M. Gates

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TOM POLGAR

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May 5, 1988

The Honorable  
Robert M. Gates  
Deputy Director Central Intelligence  
Washington, D. C. 20505

Dear Bob :

The enclosed article impels me to write to you. I am as much of a Soviet expert as Bill Safire and I have been at it a lot longer.

Americans have misestimated on the Soviet Union since 1917 when the American Embassy in Petrograd cabled that "impossible for the Soviet government to last long."

U. S. estimates buried the Soviet Union in the summer and fall of 1941. We continued on the same false track after the second World War by underestimating Soviet technological capacity and by overemphasizing military capabilities while giving little weight to the logic of history and to Soviet intentions.

For some seventy years now U. S. social, cultural and political bias have interfered not only with objectivity but also led to disregarding the facts of history along with the truly fundamental differences between the two countries.

Leon Trotzky wrote in 1929 that "the fundamental and most stable feature of Russian history is the slow tempo of development, with economic backwardness, primitiveness of social forms and low level of culture resulting from it."

Every strong ruler of Russia, even some of the weaker ones, felt the need for more rapid economic progress. Each had his own version of perestroika and several have experimented with varying degrees of glasnost. Most notably Ivan the Terrible, Peter the Great and the Czars

(continued)



- 2 -

Alexander I and II had major successes in economic restructuring but Russia proved to be too big, too heterogeneous and with too bad a climate to permit rapid, sustained and even development of the economy.

Then came Lenin with his New Economic Plan. Even Stalin wanted perestroika. In February 1931 he proclaimed that "we must no longer lag behind... must put an end to backwardness in the shortest possible time and develop genuine Bolshevik tempo in building up the socialist system of economy..."

Twenty-five years later President Eisenhower said that in a four-hour session he had with Stalin "damn near all he talked about was the essential things his people needed -- homes and food and technical help..."

Since then the gap between the Soviet Union and the Western world decreased in many respects, but the Soviet Union will never be like Denmark, or Canada or the United States. Predominantly constructive changes in the political and psychological climates since the death of Stalin have continued under all of his successors. In 1954 Emmet John Hughes reporting from Moscow claimed that "authority and austerity, in their Stalinist extremes, were fast slipping from fashion as the new bourgeoisie of Soviet bureaucracy both sighed with relief at the curbing of secret police powers and sighed with longing for more decent consumer goods in homes and stores."

There have been and will be changes in the Soviet Union but the differences in standards between Russia and the Atlantic community -- firmly established by the fifteenth century -- will not be eliminated. This has nothing to do with communism. I remember my father telling me stories about the backwardness of Russia, based on his experiences there as a Hungarian officer in World War One.

(continued)

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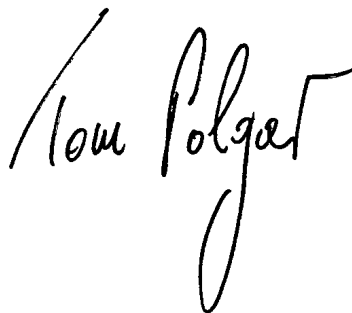
It would be a terrible error to conclude from the obvious and lasting contrasts in the socio-economic and industrial standards that the Soviet Union is weak, or that its relative backwardness in comparison with the consumer-oriented societies could be exploited to gain military or political advantage.

I see no grounds for believing that Gorbachev wants anything other than a more efficient, and if possible also more humane, communist regime.

Bill Safire raised the possibility of putting stresses on the Soviets until they reduced their empire. In the long history of Russia this has never worked. Despite economic hardships and personal inconvenience, the Russians have always rallied in face of external pressures. It follows that a mutually more comfortable and less expensive co-existence with the Soviet Union could be secured only through discussions based on mutual respect and with proper regard for the principles of quid pro quo.

If you do form a "Team B" I would love to contribute my operational background and practical experience to such an exercise.

Sincerely yours

A handwritten signature in black ink that reads "Tom Polgar". The signature is written in a cursive style with a large, looping initial 'T' and a long, sweeping underline.

ESSAY | William Safire

# Through New Eyes

WASHINGTON

Two recent articles in this space registered close to 7 on the MEGO (My Eyes Glaze Over) Scale.

Their import was that glasnostic revelations out of the Soviet Union show that the Soviet economy is much smaller than we thought it was, which means that the Kremlin is under far greater pressure than we imagined to reduce its spending on defense and empire.

If true, these revised estimates of Soviet growth would knock ski-whiffy our most cherished intelligence assumptions, and be of considerable use to the President at the Moscow summit.

One reader did not yawn. He is William Webster, former Federal judge and F.B.I. Director, who is now the Director of Central Intelligence.

Director Webster called to say cheerfully "maybe somebody knows something we don't," and invited me and a Times colleague to an on-the-record luncheon session with his Soviet experts, who must be uneasy about findings from outside economists who are looking at previous Kremlin and C.I.A. estimates with new eyes.

At the lunch (the shrimp bisque at the C.I.A. beats the borscht at the K.G.B.), I allowed in a friendly way that bureaucratic inertia might be keeping the truth about negotiating pressure points from our policy planners. That caused Robert Gates, the Deputy D.C.I., to bridle.

"What I'm bridling at," he said, "is

fense, including cost of empire, was 20 percent, compared with 6 percent in the U.S.; the Pentagon's Office of Net Assessment said 23 percent, and outsiders "Harry and Charlie" (Henry Rowen of Stanford, Charles Wolf of Rand) about 25. Not such a big spread.

Our eco-spoofs are all dedicated public servants, but minimize a deepening disagreement. I checked around afterward. The C.I.A. estimates the size of the Soviet economy today to be over half that of the U.S., at \$8,300 per capita income; but the new-eyes consensus is little more than a third of the U.S. — as low as \$3,000 per capita.

To figure out the percent of G.N.P. going to defense, both insiders and outsiders use the same C.I.A. estimates of Soviet military spending. But using the new numerator of a shrunken Soviet G.N.P., our new-eyes crowd comes up with the possibility of 35 percent in arms spending, a burden on Moscow nearly twice as heavy as now estimated by the C.I.A. If the new eyes are right, Mr. Gorbachev is negotiating from underlying weakness.

Well, isn't it time to set up a Team B, I asked, pocketing an agency ashtray, to present a different view of reality?

"We're always open to reassessment," said Judge Webster, adding judicially, "but I haven't seen enough yet to get me exercised." Mr. Gorbachev has admitted only that the Soviet rate of increase, not economic growth itself, has stagnated.

But the D.C.I. would not have exposed his staff to this lunch if he were not concerned. His deputy, Robert Gates, offhandedly added: "Probably after the Soviet policy conference in June, we will bring in a group of different guys."

But Team B is already in informal existence, and it's foolish to wait until after the Moscow summit meeting to get its different view before the President. Among its members are Richard Ericson of Columbia, Greg Grossman of Berkeley, the Swedish economist Anders Aslund, and Harry and Charlie.

Nobody yet knows if the new-eyes assessment is on the mark. But we do know that the purpose of our vast intelligence system is to discover the truth, not to cover its institutional posterior. Not for nothing, as Muscovites say, is the piece of art on Judge Webster's desk a replica of the sculpture by Heckki Seppa titled "The Search."

We may all have been egregiously wrong about the erosion of the Soviet Union's internal strength. The political debate ahead here should be about the wisdom of helping it recover, or stressing it until it reduces its empire, or just leaving it alone.

First task is to search out the true size of our adversary. Appoint a Team B. □

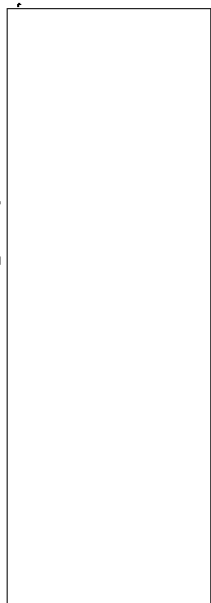
## How strong is the Soviet economy?

that we've taken steps to bring in outsiders, especially on the Soviet economy, in '83 and again in '85. What we do here is published by Congress and exposed to the country. The outsiders' view is a different view, but it's the same different view."

Ah, but much has changed since 1985, I countered; the once-outcast Soviet economist Grigory Khanin published a blast at the previous figures in *Novy Mir*, and Mikhail Gorbachev seems to have embraced that much lower analysis. The "new eyes" crowd in the U.S. followed that zapping while the C.I.A. continued to zig.

Not so, said the C.I.A. Soviet experts present. Their own estimate of the percent of Soviet G.N.P. devoted to de-

TOM POLGAR

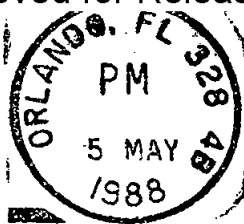


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The Honorable

Robert Gates

Deputy Director Central  
Intelligence

CIA

Washington, D. C. 20505

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Washington, D.C. 20505

25 May 1988

NOTE TO: Larry Gershwin  
NIO/SP

I would be interested in your views of the attached article and whatever you can tell me about alternative views within the Intelligence Community on these doctrinal issues about nuclear war. I found this an interesting and provocative article but find it difficult to believe that those conclusions are taken as gospel by all analysts, even in SOVA.

If you don't want to take the time to write something just get some time from Diane and come and talk to me.

STAT



Robert M. Gates

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31 May 1988

MEMORANDUM FOR THE RECORD

SUBJECT: DCI/DDCI Conversation with Senators Boren and Cohen  
Regarding Inspector General (24 May 1988)

The DCI raised his concerns about the reporting requirements of the Inspector General in the Authorization Bill. He described the kinds of activities that he thought would not need to be reported under the terms of the bill's language, including routine disciplinary actions or routine management decisions or improvements. The Chairman and Vice Chairman both endorsed this interpretation.

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Robert M. Gates

Deputy Director of Central Intelligence

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