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DEPUTY DIRECTOR FRANK CARLUCCI

Address to the Comstock Club, Including Q&A

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CHAIR: ...Wednesday afternoon we received the very disturbing news that Admiral Turner's father had taken a turn for the worse and that he would not be able to be with us for our speech today. He did send his Deputy Director to us, and we will hear his message today. And the note from Admiral Turner reads as follows.

"I sincerely regret that a serious illness in my immediate family has forced me to cancel my appearance before the Comstock Club. I hope you will invite me again.

"Ambassador Carlucci and I share the task of directing the country's intelligence community. We also share the same philosopy and are working towards the same goals. I know you will enjoy hearing what he has to say."

We will introduce the former Ambassador to Portugal, Ambassador Carlucci, in just a few moments. I'll introduce the head table to you now. On our immediate right is Paul Henry, our immediate past president.

[Applause.]

On our far left, Mr. Bruce Johnston, board member, who also served under Admiral Turner. And that's the reason he comes back for the second time at the head table.

[Applause.]

Mr. Richard E. White, special agent in charge of the FBI, Sacramento Division.

[Applause.]

And I'll introduce the next gentleman, who is chairman of the day, in just a moment.

I know that you will also be delighted to know that

in the audience is Herbert E. Hetu, special assistant to the Director of Center Intelligence. Herbert, will you please stand up.

[Applause.]

There is the man who helped in the press conference downstairs a few minutes ago. I want to tell you there were some questions down there that I think you're going to be hard pressed to find as poor a bunch of questions as the press asked. But do the best you can.

On each of your tables, there are membership blanks and also the yellow sheets by which to write your questions. Please write them legibly and we'll do our best to get them up here in time for answers.

Our guest speaker has an early airplane flight out of here, so we're going to have to do the best we can to keep this meeting crisp, succinct and try to have it over promptly at 1:30. This program will be broadcast by Station KJAY, 1430 on your dial, Monday, August 14th, starting at 1:00 PM.

The next meeting of our club will be Monday, August 28th at the Wood Lake Grand Ball Room: General John W. Roberts, Commander of the United States Air Force Air Training Command, whose subject "We the People...."

All right, let's see. Our chairman of the day today is Alan W. Coppes (?), who is the plant manager of Proctor & Gamble here in Sacramento. He was born in Cleveland Heights, Ohio and received degrees as long as your arm here from Lehigh and Rutgers Universities. He's been with Proctor & Gamble since graduation from college. He's been in five different plants in the United States, plant manager of three plants in the New York area prior to coming to Sacramento. He served in the U. S. Army from January, 1954 to '56. He's the past president of the Metropolitan Chamber of Commerce, Sacramento chapter of United Way; past president and director, Sacramento Safety Council, and many, many other important committees and agencies in Sacramento. But most important, he's a member of the Comstock Club and will introduce our speaker today.

Al Coppes.

[Applause.]

AL COPPES: Thank you, President Bell. Ladies and gentlemen.

For many years, in fact from the days of Mata Hari

to the recent age of [word unintelligible] and 007, the world of spies and espionage, counterintelligence was viewed by all of us, at least all of us who weren't part of it, as a very fascinating and romantic factor in the 20th Century and centuries before. Somehow I question whether any of us, perhaps other than our guest speaker today, can explain it. That's all changed in the face of the past few years. Today domestic and foreign intelligence and investigative activities of the federal government are operating under clouds of suspicion, storms of criticism, damned if they don't disclose everything to the Congress, or many of their activities, double-damned if they do.

This abrupt change in public opinion is something which has got to be a matter of concern, I think, to all of us. And although he can honestly say it didn't happen on his ship, our distinguished guest speaker is one who must feel displeasure to a very marked degree.

Very briefly I'd like to relate to you something of his background so that you can have a better appreciation as to why he is especially suited to his current position as Deputy Director of Central Intelligence for the United States.

A native of Scranton, Pennsylvania, Frank Carlucci graduated from Princeton University in 1952. He served as a lieutenant junior grade in the Navy from '52 to '54; attended the Harvard Graduate School of Business from '54 to '55, and then spent one year with the Jansen Company in Portland, Oregon. That was just before the age of the binkini bathing suit, and he didn't find enough of an attraction to keep him with Jansen; joined the Foreign Service, therefore, in 1956 and was assigned to the position of Vice Counsel and economic officer in Johannesburg, South Africa. He had a number of assignments in Africa and in South America, and in 1969 returned to the U. S. as Assistant Director for Operations for the Office of Economic Opportunity. From January to September, 1971, served as Director of the OEO.

In 1971, he was appointed Associate Director, Office of Management and Budget, followed by appointment as Deputy Director of that agency. From 1972 to '74, he served as Undersecretary of the Department of Health, Education and Welfare. He was appointed United States Ambassador to Portugal in December, 1974 and served in that position for three years.

Ambassador Carlucci was nominated by President Carter, confirmed by the Senate and sworn in as Deputy Director of Central Intelligence on February 10th, 1978, just a few months ago.

It's a particular pleasure for me to introduce to you at this time Ambassador and Deputy Director Carlucci.

[Applause.]

DEPUTY DIRECTOR FRANK CARLUCCI: Thank you very much, M. Coppes, for the introduction. Mr. President, distinguished guests, and ladies and gentlemen.

After those comments on my leaving Jansen to join the Foreign Service, I can't resist the temptation to let you know that the Foreign Service has its livelier moments as well. I hadn't intended to tell this, but you oblige me to. And the story has absolutely nothing to do with the theme of my remarks today.

But back in 1961 when I was a junior Foreign Service officer serving in Zaire, then known as the Congo, we had a visit from three United States senators -- Senators Gore, Hart and Neuberger. And I was serving as escort officer. And I arranged for the President of the Congolese Senate, a man named Richard Cummergo (?), to invite them to his house for lunch. In Congolese society, at least in those days, you very seldom saw their wives. But as we came up to the door, Cummerego came out and he had a woman at his side. So I introduced her as his wife. We were having cocktails. Another woman came in, shok hands all around and went over and sat down next to the first one. Senator Gore turned to me and said "Who's she?" And I said "I don't know. Maybe she's his wife." And he said "I thought you introduced that other woman as his wife." And I said, "Well, I don't know; let me ask him." And he says "Well, they're both my wives." And with that the interest of the American senators picked up considerably. Maureen Neuberger stood up and came over. And Cummergo said "No, mom, you mustn't get excited about this. You have to recognize that over here in the Congo our customs are very different than yours. For example, where I come from, up in a backwoods district of the Congo, I'm a big tribal chief. And as a tribal chief, I would normally be entitled to five or six wives. But since I'm a Catholic, I have only two."

[Laughter.]

I'm very pleased to be able to substitute for Admiral Turner today. As much as I know, he wanted to be with you. Because I think it's terribly important that Stans and I come out and talk to the people of our country about the very fundamental debate that we are in in the United States today concerning our intelligence agencies. We are the only country that I can think of in the history of the world that has ever tried to define the role of a secret agency in a free society. And that's a very hard task. And it's doubly hard because you can hear about our failures, but you very seldom hear about our successes. Indeed, almost by definition, if an intelligence success becomes public,

it is then a failure.

The challenge is a difficult one. But I think it can be done, and I think we are making some progress. I think we're also making progress by making public some of our problems, in helping the American public to understand just what we do, just what are you getting for your tax dollar.

I'd like to review just briefly with you today some of the progress and some of the problems, as I see them. First of all, the intelligence business is very little 007 type stuff, if any at all. It's a very painstaking business. But it's really quite simple. It's simply a matter of putting together the best available information so that the policy-makers can make the best possible decisions. We in the intelligence business are not politicians. We simply assemble the facts, which are often drawn from public sources, and analyze it and present conclusions to the policy-makers.

To give you a dramatic example of the importance of this prosaic function, I think most historians are now inclined to agree that had the available information been pulled together in November and December, or December of 1941, Pearl Harbor would not have happened. The information was there, but there was no organization to put it all together and to present it to the President. And you see what happened. And indeed, the Japanese carrier task force had orders to turn back if they were spotted. And if they could have presented their information, it would have been easy to spot them.

As a result of this experience, the OSS and successor organization, the CIA, were founded. And it is not unnatural that throughout that period and throughout the period of the so-called Cold War, the emphasis of the intelligence agencies was on the military capacity of the potential adversary. Then in the 1960s, as the CIA and some of the other agencies were beginning to grow like Topsy, the agency became involved in operational activities, some of which, quite frankly, in my judgment, personal judgment, it was ill-equipped to handle. And the results of that are all too familiar to all of you. The abuses that were committed, although, if you trace them back, a large part were the abuses originated at the political level, and the CIA was being responsive to the political level. But be that as it may, the abuses were clearly real.

I think we've gone into an entirely new era, not just from the standpoint of checks and balances, but from the standpoint of the nature and the mission of the intelligence function. Sure, we're still interested int he strategic capability of the Soviet Union. We have to be for our own survival. But there's lots of other things that we have to be interested in as well. We have to be interested in Africa,

for example. But you can't, like we used to in the old days, look at one country in isolation. You can't say "What is the situation in Ethiopia?" Why? Because you've got to think of Somalia; you've got to think of Kenya. What about the People's Democratic Republic of Yemen right across the water? How are the Saudis reacting? And you move on down to the Sudan, which touches on Zaire, which gets you into the Angolan situation, which, in turn, moves you over to Zimbabwe, and on up you go, all of the way to Afghanistan. Now, I'm not saying there's some grand design that's going on in these areas. But I am saying that what happens in one country very clearly impacts quickly on another country. It's no longer enough to just have an analyst who can deal with country "X." You have to look at problems on a regional basis.

Also, we have to look in our analysis to bring more issue oriented types of questions. One of the things that we're all interested in today is the question of nuclear proliferation. How do we keep track of what other countries are doing, some of them clandestinely, in this field? There's SALT. Irrespective of what your view might be on the current negotiations, I think we all hope that sooner or later we can have a SALT treaty. But a SALT treaty is only as good as our capacity to monitor. And that gets back to the intelligence function.

And we can take two others areas, which, unfortunately, in the world of today seem to be growth areas, terrorism and narcotics. If you're going to deal with the terrorists, you have to have the intelligence on what they're up to. And our intelligence information can help our Drug Enforcement Administration deal with the narcotics problem around the world, because it clearly is not an isolated phenomenon.

And finally, you can't look at the security of the United States today without looking at our dependence on other areas of the world, examining such questions as the growth rate in the Federal Republic of Germany. We're looking at the question of oil reserves. And as many of you may be aware, we put out a highly controversial study on this. Whether you agree with us or not, you have to agree that a study of these matters is fundamental to our long-range interests.

So intelligence-wise, these are different times; they're exciting times. Never, may I remind you, has there been so much interest on the part of the executive branch, on the part of the Congress in our intelligence work. And that offers an opportunity. But, yes, we are still living in a crisis of confidence. And that crisis in confidence makes it very difficult for us to take full advantage of those opportunities. Certainly government needs to be accountable. And certainly people like Woodward and Bernstein do an outstanding service in

what they do. And certainly we want to encourage journalists to be investigative journalists. But I don't think we should become paranoiac with an obsession about uncovering one thing after another. Sure, it's important to set up systems of accountability. Don't misunderstand me. But it's equally important in a certain period of time to build, and to build requires that we restore confidence in our government's institutions. And I speak to you as a government servant of some twenty-five years standing, who is proud to be a government servant, but who is quite frankly distressed at this lack of confidence and is looking for ways to rebuild it.

And as far as this administration is concerned and the intelligence community, I think a very great start has been made along those lines. An extremely tight system of checks and balances have been built in. And I think it would be virtually impossible for the kind of abuses that occurred in the past to repeat themselves. The President has reorganized the intelligence community under an executive order, putting the community at large,the general community, under the directorship of Admiral Turner and myself as his immediate subordinate, which means a better allocation of resources. We have authority over budgets of the other intelligence agencies, including the intelligence portions of the Defense Department and the State Department, to try and get duplication down to a minimum and, more importantly, to try and get a common sense approach.

This same executive order sets up a system of checks and balances to make certain that there're a full range of guarantees for the civil liberties of all Americans. And as a further check, the President has created the Intelligence Oversight Board, consisting of three distinguished Americans, Tom Farmer, former Governor and Ambassador Bill Scranton, and former Senator Albert Gore, which reports only to the President. It's independent of the intelligence agencies, and which can receive, and has the power to receive, any complaints of wrongdoing anywhere in the intelligence community, which means that any one of our employees can go directly to the Intelligence Oversight Board without consulting us and say "I think there's something wrong going on here." And the Intelligence Oversight Board has full authority to investigate it and to make its report to the President.

There's also a confirmation process, and we seem to have forgotten that in this day and age. I myself went through some thirty days of investigation by seven Senate staffers, fulltime, ten hours of hearings and a unanimous vote. I frankly think that that entitles me to a measure of confidence. But I haven't found that that's the case. I find that people say, "Oh, that's meaningless, because it was meaningless in the past." But I can assure you that the confirmation process, at least as it concerns the intelligence agencies, is not meaningless.

And finally there's the question of congressional oversight. And as you may be aware, the Congress has organized itself into two intelligence committees. They are select committees, hand-picked committees with outstanding senators and congressmen on them. They have set up the necessary security safeguards, and they are exercising very close oversight over us. They have access to any information they need to exercise this oversight. And we welcome it. We think it's helpful. We think this is the best way to restore public confidence in our intelligence agencies.

And finally there is the question of charter legislation the Congress is considering. Many of our colleagues in other countries think that charter legislation for an intelligence agency is just an impossible task. Here, too, we have agreed. We think the charter legislation would be helpful; would be helpful in restoring confidence and would be helpful in setting guidelines for our employees and their leaders.

So by and large, I think things are moving in the right direction. But there are some problems that I would like to mention to you.

I think we have to have clearly a greater appreciation on the part of the American people that secrecy is the heart of intelligence operations. No man is going to put his life in your hands by giving you information if he thinks he's going to read that information in the press or if he thinks his name is going to be compromised. It's simply axiomatic. It's also axiomatic that the more people who have access to the information, the greater is the likelihood of compromise.

And we are frequently criticized by the press for excessive secrecy. And I'm willing to concede that there may well be a considerable amount of overclassification in government. And we're making a determined effort, as I indicated earlier, to declassify everything that we can. But I would just hope that my journalist friends would argue just as vigorously for the protection of intelligence sources as they argue for the protection of journalist sources. To me the principle is the same, except in the cases of intelligence sources, we are frequently dealing with people's lives.

We're also in the age of glorification of the whistle blower. And I think every agency of the federal government ought to have an outlet for grievances, for dissent, for complaints right up to the top. But that doesn't mean in government that everybody can do his own thing. I can remember in the old days I once had some difficulty with an agency employee; asked him to do something; he said no. And I said "Well, don't you work for me?" And he said "No." I said "But you're in OEO. You work

for me." He said "No, I don't. I work for the poor, not for you." Well, if everybody's as determined, we will not have a single source anywhere in the world.

There has to be a process. There's no effort in this process to prevent criticism of the agency. But nobody can simply enter the agency and write a book and make a profit from the secret information that he learns there. We simply have to have some constraints. And the issue is not whether Mr. Snepp revealed classified information or not. The issue of who is to make the judgment of whether it was classified. Should responsible leadership of the agency, confirmed by the Senate, make the judgment, or should each individual employee?

There's also the point of the Freedom of Information Act as it applies to our intelligence agencies. Mind you, I think the principle of the law is a good principle, and I'm not attacking the Freedom of Information Act. And if we said, well, we don't think we can give you that information, we have twenty days to appeal, and then they can take us to court. And it's not as far-fetched as it seems. We've had requests for information from foreign embassies, from East Germany. And we spend about $550.00 for a freedom of information request. And we put 190 man years last year into responding to freedom of information requests, some of them from -- a great many of them from outside from a man named Mr. Agee, who is the CIA turncoat that some of you may have read about in the papers lately, who down in Havana announced a campaign to expose all CIA personnel and agents, inviting people to write in, and in fact, in this publication, inciting them to violence; setting up an organization in DuPont Circle for this purpose. And here we have another anomaly. If Mr. Agee were giving out agricultural information from the Commodity Credit Corporation or certain types of information from the Department of Commerce, or maybe certain banking information from the U. S. government, there would be immediate criminal sanctions. But in the case of national security information, you have to prove intent to commit espionage. And there's no way when somebody leaks information to the public that you could really make a good espionage case.

So we are, in effect, powerless, absent some legislative remedy, to deal with this kind of thing, this kind of maliciousness that literally puts the lives of our people in danger.

That's the downside. But I want to go back and end up on the upbeat note.

Yes, the adversary is strong. And he's getting stronger in the military and intelligence sense very day. We need to be alert. And yes, we have had problems in the U. S. intelligence community. But in my judgment and the judgment of the Director,

we still have the finest intelligence organization, intelligence community anywhere in the world. And with support from the American public, groups such as yourself, I think we can keep it the world's number one intelligence organization and so so and still maintain the necessary checks and balances that preserve the civil liberties of all of our citizens.

Thank you very much.

[Applause.]

CHAIR: Thank you, Mr. Carlucci. If you'll return to the podium now, we'll start you off with a couple of easy ones and then work up to the toughies a little later.

We have knowledge of the CIA, KGB and Interpol. How many other intelligence agencies are there?

DEPUTY DIRECTOR CARLUCCI: Well, there're about a hundred and -- what? -- fifty countries in the world. I can't think of a country that doesn't have an intelligence organization of some sort or another; some very small and ineffective; others quite large and very effective. Intelligence is a very old profession, and I think it's going to be with us for quite some time. Sure, there've been technological improvements. But we're still going to need a human collection capacity, because all the machinery in the world can't tell you what's inside someone's mind, what their intent is.

So I suspect that every country is going to want to have an intelligence capability for some time to come.

Q: Who decides what information the Senate and congressional oversight committees need?

DEPUTY DIRECTOR CARLUCCI: In effect, they do. The President's executive order says that under his direction, the intelligence agencies will keep the oversight committees fully and currently informed. They let us know what information they need.

Should a disagreement arise, there is a procedure under Senate Resolution 400 for the entire Senate to meet, in camera, and to vote on whether the information they want or that they've been given should be released to the public. So far that's not been used. So far we've had no cases where we've had a difference with the Senate committee or the House committee on what information should be provided them.

They're fundamentally interested in information that will enable them to do an effective job of oversight. And that doesn't mean getting down into every little detail, knowing where

the agent is. It means knowing what our allocation of resources are, what the nature of our product is, what our shortcomings are. It's a much broader dialogue than that.

Essentially, the answer to your question is that they make the request, and we respond.

Q: A recent article in the National Union concludes that -- a quotation -- "that the old CIA belongs to history." End of quotation. In view of the many disclosures of CIA abuses in recent years, do you believe you or anyone can balance the demands of openness in a free society against the needs of national security? Do you agree with the public disclosure of overall CIA budget?

DEPUTY DIRECTOR CARLUCCI: Well, the answer to that question is, yes, I think we can strike that balance. Sure, the constant investigations have taken their toll. But I think the corrective mechanism, the system of checks and balances, as I've described them, is now in place. And I think we can have an effective organization that gives us the necessary national security guarantees and still makes available to the American public a fair amount of information.

Obviously, we cannot make available sensitive information on our sources and methods. But we can make available some of our assessments that do not reveal these sources and methods. So I am optimistic that we can strike the right balance.

Do I agree with the public disclosure of the CIA budget? Our position is that if the Congress decides that for reasons of establishing credibility in their process that they need to reveal a single budget figure, we could live with it with revealing that single figure. We would not support, indeed we're opposed, to revealing any further data on our budget. The reason is quite obvious, because the more data you reveal, the more information it gives to our potential adversaries.

Q: What freedom does the CIA have to inform other nations about upcoming acts of violence by neighboring states, for example the invasion of the Shaba Province in Zaire?

DEPUTY DIRECTOR CARLUCCI: One of the characteristics of the intelligence business is an exchange of information among friendly intelligence services. It's one of the most sensitive aspects of our operations, for understandable reasons, so I can't go into it in any detail.

But the answer is, yes, with friendly governments we do exchange intelligence assessments. They give us information.

And by the way, we get a portion of our information, comes from friendly governments. We, in turn, provide them with information. All of this is done within the appropriate security constraints. Of course, we don't want to give information to a government if we don't have confidence that they can maintain it securely. But there is a rather large exchange of information between intelligence agencies.

Q: What is the criteria for becoming an agent or employee of the CIA, particularly as an operative?

DEPUTY DIRECTOR CARLUCCI: Well, I would like to think that the criteria are about the same as those to be a success in most any other profession. We like people who have judgment, who can make sound decisions. We like people who can write well, can articulate issues. But I would be the first to admit that there are certain strains in the intelligence business that make it more difficult -- people who have to live overseas, in some cases under assumed names. It's hard when you come home at night and you can't tell your family what you've been doing during the day. Indeed, in some cases, families don't even know what an intelligence officer's actual job is. And this is why the outstanding characteristic that we seek is dedication. The salary isn't very high. It's a standard government salary.

So the overriding motive is to serve the national interest. And I must say, and I know I speak for the Director as well, since I've been in the intelligence community, in particular in the CIA, I have yet to see as dedicated a group of people who have stood up well under the public attacks and who continue to be dedicated to doing the best job they can for their fellow Americans.

Q: We have time for just two more questions. Former CIA official John Stockwell wrote that the CIA recruited mercenaries to fight in Angola before Cuba or Soviets were there. True or false?

DEPUTY DIRECTOR CARLUCCI: Well, I really would not like to get into commenting on Mr. Stockwell's book, since it's my understanding that there is a lawsuit being brought on this specific area, on this subject. And obviously we cannot comment on anything under litigation. Also, obviously we in the agency are giving consideration to the possibility of a lawsuit against Mr. Stockwell since he broke the oath that he signed with us not to publish a book without submitting it to us for review.

Suffice it to say that I have read the book. I have had people who are close to the subject read the book. And we find a substantial number of inaccuracies in the book.

Q: The last question, and this is really a tough one: did you pick up the whole Russian submarine or did it break in half?

[Laughter.]

DEPUTY DIRECTOR CARLUCCI: I have to plead ignorance on that. From what I've read in the newspapers, it broke in half. And I think when that happened, I was in Portugal, so I had nothing to do with the submarine.

[Laughter and applause.]