

DD/A Registry
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22 December 1988

MEMORANDUM FOR: Deputy Director for Administration

FROM: William M. Baker
Director, Public Affairs

SUBJECT: Recent Speeches by Director of Central Intelligence,
William H. Webster

1. I have enclosed selected speeches given by Judge Webster over the past several months. Two of the speeches, the World Affairs Council of Washington, D.C. (25 October) and the Council on Foreign Relations (12 December), address the changes under way in the Soviet Union. These two speeches also include discussions of regional issues and the problems of advanced weapons proliferation and narcotics. I have also enclosed the DCI's remarks at the dedication of the William J. Donovan statue at Headquarters (26 October) and at the retirement ceremony for Lieutenant General Leonard H. Perroots, Director of DIA (14 December).

2. If you have any questions or comments about these speeches, please contact [redacted] Chief of our Speeches Unit. She can be reached at [redacted]

3. I encourage you to send these speeches to others in your office who may wish to know what the Director is saying in his public appearances.

[Redacted signature box]

William M. Baker

Attachments:
As stated

DD/A REGISTRY
FILE: Pub 5-1

REMARKS

BY

WILLIAM H. WEBSTER

DIRECTOR OF CENTRAL INTELLIGENCE

AT THE

DEDICATION OF A STATUE

OF GENERAL WILLIAM J. DONOVAN

CIA HEADQUARTERS BUILDING

OCTOBER 26, 1988

Former Director Helms, former Director Colby, Mrs. Casey, members of the Donovan family, our friends here for this occasion: I have to tell you that about 50 years ago I received an autographed copy of Father Duffy's book about the "Fighting Sixty-Ninth." It was an inspiration to me then, and I can hardly believe that, half a century later, I have the privilege of participating in this ceremony.

Today we recognize General William J. Donovan for the central place he holds in our profession.

We recognize General Donovan as an able and inspiring leader -- a quality that earned him the lifelong respect of the unit he commanded in World War I, the "Fighting Sixty-Ninth." It has also earned him the respect and admiration of all of us in intelligence. We understand what a strong leader he had to be to establish the Office of Strategic Services in the midst of strong resistance, to lead the O.S.S. in some of World War II's finest intelligence successes, and to establish the foundations of modern American intelligence -- foundations that we in the Central Intelligence Agency build upon today.

The statue we dedicate this afternoon is a symbol of the man -- a man of personal bravery, vision, and broad political and military understanding. A man who, according to Bill Casey, was "curious about everything and everyone." He was unusual, Casey felt, for he "realized, earlier and better than most, that 'stranded' information was not much good. It had to be analyzed, dissected, and fitted into the larger whole that modern warfare required."

General Donovan was also a man who inspired great loyalty and great deeds. General Maxwell D. Taylor once asked an old soldier to give him a brief definition of leadership. The man replied, "Leadership is when your leader tells you he is going to take you to hell and back and you find yourself looking forward to the trip."

Under General Donovan's leadership, the O.S.S. achieved much. It helped attain many Allied goals during World War II -- working with the French resistance, facilitating the U.S. invasion of North Africa, and infiltrating Hitler's reich. In these efforts and in others, General Donovan never stopped trying to persuade the leaders of this country that intelligence, combined with covert action, could help our nation achieve its strategic goals without all the bloodshed he had witnessed in both World Wars.

To those of us here today, this is General Donovan's greatest legacy. He realized that a modern intelligence organization must not only provide today's tactical intelligence, it must provide tomorrow's long-term assessments. He recognized that an effective intelligence organization must not allow political pressures to influence its counsel. And, finally, he knew that no intelligence organization can succeed without recognizing the importance of people -- people with discretion, ingenuity, loyalty, and a deep sense of responsibility to protect and promote American values.

Bill Casey commissioned Lawrence M. Ludtke to create a statue of General Donovan that would be a monument to all that he means to us and to our organization. It was also Bill Casey's idea to place the statue here in our main entrance hall across from the stars that represent Agency officers who have given their lives in the line of duty. Both Bill Donovan and Bill Casey

deeply mourned the sacrifice of our people -- even in the cause of freedom and democracy.

It is said that President Eisenhower paid tribute to William Donovan as "the last hero." We pay tribute to him today because, as Bill Casey realized, he is our own. Let this statue remind us daily of the enormous contributions that General Donovan made to American intelligence. And let his life continue to be an inspiration to us all.

REMARKS

BY

WILLIAM H. WEBSTER

DIRECTOR OF CENTRAL INTELLIGENCE

BEFORE THE

COUNCIL ON FOREIGN RELATIONS

WASHINGTON, D.C.

DECEMBER 12, 1988

When I was first asked to speak to you tonight, I didn't anticipate that I'd be privileged to be introduced by Howard Baker, for whom I have the very highest esteem, and with whom I was privileged to work for many months before he left office. His guidance to me, both in the Oval Office and on the Hill, was of extraordinary value, and I deeply appreciate the common sense that he brought to the White House and to our country. I would also like to say that we have occasionally swung a tennis racket together. I would like to talk about how good we both are, but Sam Hayes* is in the audience and he knows better -- so I won't.

When I spoke to the Council in New York last December, I discussed the role of intelligence in our society as I saw it -- to provide timely and objective intelligence to policymakers, and to do so with fidelity to our Constitution and to our laws. A year later, I remain convinced that these two objectives are not mutually exclusive. We are collecting information in every corner of the globe, and we are providing finished intelligence to policymakers on hundreds of issues, ranging from arms control to the earthquake in Armenia. Yet just as important, we are observing the rules of oversight and accountability that build trust between those who have the intelligence responsibility and those who are the elected representatives of the American people. It is that trust that makes it possible for us to operate with the confidence, the aggressiveness, the perseverance, and the resourcefulness that we need to do our job.

*Samuel P. Hayes, a social scientist and educator, is a member of the Council on Foreign Relations.

My good friend, General Vernon Walters, former Deputy Director of Central Intelligence and now our Ambassador to the United Nations, describes a view held by many in this country about intelligence. "Americans," he said, "have always had an ambivalent attitude toward intelligence. When they feel threatened, they want a lot of it, and when they don't, they tend to regard the whole thing as somewhat immoral."

With so much going on around the world that affects our national security, I think the American people want a lot of intelligence. And tonight I'd like to focus on three concerns that have and will continue to command the Intelligence Community's attention. These concerns are the changes under way in the Soviet Union, the proliferation of advanced weapons, and the narcotics problem. I could only pick a few issues but I think these are three that are certainly going to be with us in large scale. I'd also like to discuss the changes that have made it possible for us to take on those challenges with the confidence of the Congress and the American people.

As you might expect, those of us in the intelligence business have been keeping a close watch on leadership changes and reform efforts in the Soviet Union. Some of us were in New York last week watching that 45-car caravan careen around the streets of Manhattan, drawing attention everywhere, making short stops and receiving occasional cheers. And then, of course, there was the sight of the President-elect and Gorbachev standing with the Statue of Liberty in the background. But there is a contrast to that that I think I should mention. A report from Moscow just came in and it says this: "The smug, self-righteousness once so characteristic of Soviets is far less evident today than a decade ago. They seem strangely deflated. Aside from those

lively souls who pen letters to the editor, the truth seems to have made Soviet man more introspective than inspired. Thousands of Soviets gathered recently in Gorky Park to witness an emotional, well reasoned, and protracted debate between a self-styled 'moderate' who supported perestroika in measured terms and a 'radical' who, espousing accelerated change and 'pluralism,' was sharply critical of Gorbachev for dragging his feet. The debate itself was fascinating but more riveting still was the total absence of reaction from the passive, silent, uncommitted crowd. Gorbachev has clearly experienced the frustration of the debaters in Gorky Park." I found that contrast extraordinarily interesting.

Although the range of intelligence issues that we face today is broad, the Soviet Union is -- and will continue to be -- the primary focus of our intelligence collection and analysis. Its military capability, its efforts to increase global influence, and its aggressive intelligence activities are still serious threats to U.S. interests.

Gorbachev's efforts to reform his country have not fundamentally altered these truths. Arguably, they make the Soviet Union of even greater concern to U.S. intelligence.

Like many of you, I have been fascinated by what is occurring in the Soviet Union. Gorbachev has stirred up the stew -- bringing new life and dynamism to Soviet politics and pushing a series of reforms that none of us could have foreseen five years ago.

The forces of democracy are making some political and economic inroads -- especially in the Baltic republics. Although the USSR certainly is not headed toward democracy as we know it, today's Soviet leaders appear to understand

that their system is faltering largely because it has not given the people enough breathing room -- room to innovate, room to inquire, room to unlock creativity.

Change is occurring in the area of foreign policy as well. This Soviet leader has signaled by word and deed that he wants the USSR to be a more active and effective player on the world scene. He is more willing than past Soviet leaders to reevaluate the costs and benefits of Soviet foreign policies and make decisions on that basis. For example, the Soviets are leaving Afghanistan -- although with some difficulty and with a bittersweet taste in their mouths. And they are eliminating a whole class of nuclear weapons under the INF treaty -- a process that includes unprecedented on-site inspections of Soviet military facilities.

Gorbachev's announcement of unilateral troop reductions at the U.N. last Wednesday illustrates his willingness to pursue radically different approaches even as it highlights the challenges that these new approaches represent for the Western alliance. The announced reductions, if fully implemented, will remove some -- but not all -- of the Warsaw Pact advantages over NATO. In particular they will substantially reduce the ability of Warsaw Pact forces to launch a surprise short-warning attack. At the same time, this step was clearly calculated to put pressure on Western governments for reciprocal steps and to undermine support in the alliance for modernizing defense programs.

This and other initiatives that may well follow will complicate the task of maintaining unity within the alliance as we approach the upcoming talks with the Warsaw Pact on conventional arms reductions.

The dramatic nature of these policy changes clearly has provoked controversy within the Soviet Union. A major power struggle continues between reformers, who believe radical changes are necessary to make the Communist system work, and conservatives, who fear such changes could destabilize the very system they are trying to save. The outcome of this struggle will affect how far and how fast reform progresses, the extent to which central authority is relaxed, the general welfare of the individual, and how competitive the Soviet system will be over the next few decades.

In late September, Gorbachev significantly strengthened his position in the Soviet leadership -- undertaking the most sweeping overhaul of the top party leadership since Khrushchev ousted his chief opponents in 1957. The changes made should allow Gorbachev to push his policy agenda at home and abroad with renewed momentum.

While an important victory, this struggle to reform the Soviet system will go on for decades, requiring Gorbachev and his successors to overcome enormous political, economic, and cultural obstacles.

There are strong reasons to question whether a system designed to centralize authority, maximize government control over its people, and concentrate resources on building up the nation's military strength can become more decentralized and democratic in its decisionmaking and more solicitous of its people. Nationalist unrest is currently testing the Soviet system's ability to make reforms work. Communal unrest in Armenia and Azerbaijan have forced Moscow to put the region in a virtual state of martial law on a semipermanent basis. The tragic earthquake that struck Armenia last week will temporarily divert attention from the nationalist struggles in the Caucasus.

But the underlying problems will remain -- the nationalist issues are not yet resolved. Just last month, the Communist leadership of Estonia declared the republic "sovereign," an unthinkable development even a year ago. While rejecting this declaration, Gorbachev has signaled a willingness to compromise. It is by no means certain -- and many doubt it -- that minority aspirations for independence can be squared with Moscow's need for control.

But if the last three years have taught us anything at all, it is that Gorbachev is a highly skilled politician, and we cannot rule out the possibility that he can, ultimately, pull off a "revolution from above" that actually increases authority below.

The Soviet reform effort presents the U.S. Intelligence Community with some formidable challenges. We must pay closer attention than ever to the political struggles and issues being raised as Gorbachev challenges the established interests of individuals and institutions within his country.

We must also help the policymaker sort out how reform will affect Soviet military and economic capabilities and -- even more difficult -- how it may change Moscow's foreign policy.

We must manage the information explosion that glasnost has produced which, though welcome, challenges us to sort out what is important and what is not, what is real versus what Moscow wants us to hear.

We must provide intelligence and analysis for U.S.-Soviet arms control talks. As these negotiations progress, the Intelligence Community will be increasingly asked to assess Soviet motivations and monitor Soviet compliance with the provisions of agreements. And the amount of support required is tremendous. The INF treaty has required the United States to monitor about

120 facilities declared by the Soviets. Monitoring the START treaty, if we get one, could involve as many as 2,500 weapon locations spread throughout the Soviet Union.

Yet whatever arms control agreements the U.S. makes with the Soviets, our relationship is likely to remain essentially adversarial. Policymakers will depend on the Intelligence Community to make quick and accurate assessments -- and even to anticipate Gorbachev's sometimes unorthodox and unexpected initiatives, examples of which we saw in the United Nations last week.

But the Soviet Union is certainly not our only focus.

Another major concern is the proliferation of advanced weapons, particularly ballistic missiles. By the year 2000, at least 15 developing countries will either have produced or be able to build their own ballistic missiles. Although these missiles may be somewhat crude and inaccurate, many of them will have capabilities well beyond battlefield range. And the high speed of ballistic missiles enables an attacker to strike with little warning and makes it difficult for the defender to destroy incoming missiles.

Ballistic missiles also convey important new political and military status to those who acquire them. Many of the countries where these missiles are being developed are in the Middle East -- an area where we have important security interests, and where regional tensions are highest.

All of the Third World missile development programs rely on foreign technology to some degree. But much of this critical technology is already diffused throughout the world, is available for other purposes, or can easily be diverted. There is also extensive sharing of technology among Third World missile countries, and they are increasingly pooling their resources and technical know-how.

Another disturbing development we have seen is the outright transfer of complete missile systems from one country to another. This could become a way for developing countries to leapfrog ahead of the competition, although most countries will still seek to develop missile capabilities that they alone control. We can also look for Third World countries themselves to become major exporters of missiles and missile technology.

As threatening as the increase in ballistic missiles and the transfer of entire missile systems may be, we must also be alert to attempts by developing nations to arm ballistic missiles with chemical warheads. A major question we are now addressing is what lessons Iran and Iraq -- and the rest of the world -- have learned from a war that involved the first sustained use of chemical weapons since World War I.

After the First World War, the use of chemical weapons was outlawed by signers of the 1925 Geneva Protocol. During World War II -- even during the most desperate battles -- both sides refrained from using chemical weapons -- weapons that Winston Churchill referred to as "that hellish poison."

The Iran-Iraq War ended that restraint and set a dangerous precedent for future wars. The Intelligence Community has considerable evidence that Iraq used chemical weapons against Iran and also against Iraqi Kurds. Iran, too, employed chemical weapons against Iraqi troops.

Chemical weapons are thought to offer a cheap and readily obtainable means of redressing the military balance against more powerful foes. Some see them as the poor man's answer to nuclear weapons, and as many as 20 countries may be developing chemical weapons. Our President, our Vice President, and our Secretary of State have all spoken out strongly about this problem, and I must

say that many of our friends in the Middle East see it not as a problem but more as a practical opportunity. And therein lies a major diplomatic problem for us.

It also appears that the moral barrier to biological warfare has been breached. At least 10 countries are working to produce biological weapons. And this presents us with another intelligence challenge.

Along with assessing capabilities to develop and produce ballistic missiles and chemical and biological weapons, we must make judgments about what could prompt foreign countries to use them. This is one of our most important tasks, and we will continue to provide U.S. policymakers with as much accurate and timely information on this issue as we are able to produce.

The third matter of great concern to the Intelligence Community that I want to discuss tonight is the narcotics problem. You heard a lot about it in the Presidential campaign. And it is a real problem.

You are all aware of the alarming extent of narcotics abuse in our own country. Almost 40 percent of organized-crime activity in our country is related to drugs, generating an income estimated to be as high as \$110 billion.

On the international scene, we have documented ever-increasing rates of drug production and trafficking. Narcotics activity has been accompanied by an alarming increase in violence and intimidation -- especially in Latin America. Drug traffickers in Colombia routinely use violence. Judges and other government officials, businessmen and journalists in that country have been the targets of bribery, intimidation, and assassination. I suppose this was symbolized especially in the destruction of the Supreme Court building by

drug dealers or terrorists employed for that purpose who literally assaulted the Supreme Court building with artillery.

The Intelligence Community collects and analyzes information on every step in the operation of narcotics production, processing, distribution, and the laundering of profits. Our efforts are designed both to meet immediate needs for intelligence and to help fashion longer-term drug control strategies. And this is not without its problems, because our interest in gathering intelligence and protecting sources and methods is often inconsistent with the law enforcement community's desire to use that evidence and then being required by the courts to furnish the source of the information in criminal discovery.

We provide intelligence to the FBI, the Drug Enforcement Administration, the Customs Service, and the Coast Guard to assist them in their drug interdiction and enforcement efforts.

We also assist foreign governments in their counternarcotics programs. Several Latin American countries are undertaking a major cooperative effort to destroy drug processing laboratories, airstrips, and chemical holding areas. We are also supporting an interdiction operation at the southwest border that involves federal, state, and local authorities in both countries.

Our intelligence can help foreign countries measure the extent of their own drug problem. Using some of our intelligence analysis, U.S. diplomats were able to show one foreign government the extent of environmental damage done by the slash-and-burn agriculture of its narcotics growers. The government intensified its eradication efforts and made a major dent in drug production. But the narcotics industry is resilient. In this case, narcotics

production came down, but the country has increasingly become a regional transit point for narcotics.

Intelligence is also used to help implement anti-drug laws. The Anti-Drug Abuse Act of 1986 and the bill recently passed by Congress call for the United States to withhold some foreign assistance from nations that are not working to counter drug activity within their borders. To support such legislation, we monitor the activities of the drug traffickers and analyze how well other countries' counternarcotics measures are working.

But policymakers recognize that intelligence, important as it is, does not provide a solution to the narcotics problem. Intelligence can illuminate an issue -- track, clarify, and predict an outcome. But the only real solution -- in this country and worldwide -- is a reduced demand for narcotics, coupled with a real reduction in supply. My own sense is that this is going to be a major problem for us at home. Present machinery, including the recently enacted law, will require much fleshing out by Executive order if we are really, this time, to mount effective campaigns against drug problems.

It is encouraging that international cooperation in fighting the drug problem has increased considerably. In 1987, 23 nations joined the U.S. in eradicating drug crops -- in 1981, there were only two.

Supporting our national fight against drugs will continue to be a major priority of the Intelligence Community.

I've talked thus far about three of the major concerns that will continue to be at the top of the Intelligence Community's agenda -- Soviet affairs, weapons proliferation, and narcotics. Now I'd like to talk a bit about the changes that have occurred over the last 19 months -- changes that have

strengthened the Central Intelligence Agency and have helped to build a higher level of confidence in us and in our work.

You may recall that at this time two years ago, the CIA was at the center of a storm that threatened to destroy confidence in our role in American life and to shatter the trust that is so indispensable to our mission. Throughout 1987, we were subjected to the most searching inquiry into our part in the Iran-Contra affair.

At the end of last year, I sent a note to all CIA employees that said: "If ever a time in the 40 years of the Central Intelligence Agency required the talent and energy of those who serve, this has been that time." And a year later, I can report that our people have responded, and we have together taken the Agency through one of the most challenging eras in our history.

We have, I believe, restored public confidence in the CIA and greatly improved our relations with Congress. And we have done this by establishing clear guidelines -- guidelines that are workable and well understood and have been scrupulously followed.

We have established policies to ensure that our intelligence assessments remain objective and that analysts are protected against the pressures of political influence. As Director of Central Intelligence, this insistence on objectivity may be the most significant contribution that I could make in galvanizing a cohesive Intelligence Community without compromising the integrity of the individual analysts and program managers. And I am proud to say that in the time I have been at CIA I haven't heard anyone accuse us of "cooking the books."

I'm also proud of what we have done to strengthen the review of covert activities. These activities are the focus of the greatest congressional and public attention, but I think it is worth pointing out that only about three percent of the Intelligence Community's resources are spent on covert action. Under the guidelines I have established, the Agency's senior managers must review all proposed covert action findings and related documents that are to be forwarded to the National Security Council. They must apply tests designed to ensure that each program can be done, is consistent with our declared foreign policy, and if exposed would make sense to the American people. And as I have consistently stated in all my public statements, we must have this capability. It is a vital extension of our national foreign policy and we need to protect its availability. We do this through the professional measures I've just mentioned.

Because I know of the need to be absolutely candid with Congress, and the responsibility that intelligence professionals have to protect sources and methods, I have established guidelines governing our dealings with Congress. And I have made it clear that in dealing with Congress there is no excuse for deception. There have been some questions that Agency officials who brief on the Hill -- and we've briefed a thousand times this year -- have had to refer back to me. They've been authorized to demur rather than skirt issues that they were not authorized to discuss, and we have worked out arrangements with the Congress. Sometimes the questions have come all the way up to me, and sometimes I've lost the issue. But we have not left Congress feeling that in some way anyone in the CIA has been disingenuous with them. As a result, our relationship with Congress has improved, and I believe it will continue to improve without "giving away the store."

There is another point I want to make about our work, and it is that the intelligence we provide to policymakers on the Soviet Union, weapons proliferation, narcotics and many other issues is not easy to come by. In fact, it sometimes comes at great cost to the men and women of American intelligence. And I think of that every time I walk through the main foyer of our Headquarters building, where stars have been carved for those who have given their lives in the line of duty. And I am reminded that it is the creativity, the determination, the brilliance, and the courage of our people that spells the difference between success and failure.

A German poet was once asked how the medieval Germans ever built their lofty cathedrals. He replied, "Men in those days had more than just an opinion, they felt a commitment."

I think our people show a similar commitment, and I hope that we continue to attract those best suited to carry out our mission. We are looking for people who are risk takers, but not risk seekers. People who are dedicated and responsive to our law. People to whom fame and fortune are not a necessary part of their lives, but who can find in our important work an avenue to pursue their highest aspirations for a safer and a better world.

With such people we can continue to provide the intelligence that policymakers need, observing the rules of oversight and accountability that both the Congress and the members of the Intelligence Community have a right to expect. This is what you would want of us, what all American people would want of us, and we are doing our very best to supply it.

REMARKS

BY

WILLIAM H. WEBSTER

DIRECTOR OF CENTRAL INTELLIGENCE

AT THE RETIREMENT DINNER FOR

LT. GEN. LEONARD H. PERROOTS

ARLINGTON, VIRGINIA

DECEMBER 14, 1988

Thank you, Gordon.* Len, Mrs. Perroots, distinguished guests and friends, I'm delighted to have a chance to participate in this evening to honor a distinguished general and a distinguished intelligence officer. And I have to say that those were some of the finest viewgraphs I have seen in my brief experience in military intelligence.

I've tried to imagine a waiter commissioned by the GRU to report back on the activities of the Intelligence Community here tonight. And I know that it would only spread fear and trembling if they could see how efficient and determined and lacking in humor and how serious we were this evening.

So, I'm tempted to tell you of a reputation that we already have -- at least at one agency. The President is telling perestroika stories he collects. They are supposed to be authentic, although Howard Baker says he makes them up. The President confronted me the other day and said that Gorbachev had directed the KGB to find out how perestroika was working in the Urals. And the KGB officer went out into the Urals and visited the hamlets, the small villages. In each case he would go to see the mayor. And in one village he started off by asking how things were in the village. And the mayor said, "Everything is fine in the village." He said, "What do you think of perestroika?" "We like perestroika." "Are you prospering?" "We are prospering." "Are there any television sets in this village?" "Yes. There must be a television set in every hut in the hamlet. Some huts have more than

* Gordon Negus, Executive Director of the Defense Intelligence Agency.

one television set." "How about refrigerators?" "Oh yes, there's a refrigerator in every hut in the hamlet." The KGB officer leveled his eyes at the mayor and he said, "Do you know who I am?" And the mayor said, "Of course, I do. Who else but a CIA agent would come into a village with no electricity and ask questions like that?"

Well, I am delighted to have a chance to participate in this program, and, in deference to our honored guest this evening, I shall not use a single acronym.

The program we've just seen has made one thing pretty clear. Wherever Lenny is, there's a lot going on. He's taken care of projects and people. And when he's in charge, those around him will tell you that they have a good place to work. That is because Lenny makes sure that those who work for him have the information they need to get the job done and the training they need to do the job better. And if they don't know what they need to do the job better, Lenny can tell them that too. Lenny has never been accused of lacking for words. But tonight our words are for Lenny, rather than from him.

When he retires on the last day of this year, Lenny will retire from the highest position in military intelligence. In his 33 years of distinguished service to the Air Force, the Intelligence Community, and the country, Lenny has made a lasting contribution to intelligence. He has strengthened the quality of our product, the capabilities of our intelligence officers, and the integrity of our profession. Perhaps that may be his most abiding contribution. With these accomplishments, he's made intelligence a more vital and valued part of our nation's defense and national security policy.

As Director of DIA, Lenny has set the highest standards for intelligence collection and analysis. And he has not been shy in communicating this to the troops. "If your intelligence reports are lousy," he told a class of new defense attaches this past spring, "sending a mountain of them is not going to help. Likewise, I assure you, that if you send fewer reports, but of better quality, no one will complain, especially not me."

The intelligence that Lenny demanded also had to be free of personal or political bias. And I have seen this again and again. Lenny and I share the opinion that the credibility of our analysis depends upon the objectivity of our product. Early this year, Lenny told a group of defense attaches, "You have to keep the guy who needs the intelligence away from the guy who is collecting it." And he has told his analysts to keep a similar distance from policy concerns in developing their judgments to protect their independence and the objectivity of the results.

Lenny's willingness to stand behind the analysis of DIA and of the Intelligence Community has earned him our admiration and our respect. He has resisted pressures to change his counsel, and he has both defended and insisted upon the analytical integrity of his organization. From time to time, Congress spots apparent errors in competitive analysis. And I have been asked to reconcile apparent differences. I know on one occasion they had to think a while when I told them that I felt that the methodology used was correct and that the conclusions reached, while they differed from others in the Community, were to be accorded the highest level of respect. And they said, "Well, what do we do about this?" And I said, "Well, take the worst case between the two and make your policy judgments accordingly." And I think that's what they did.

Under Lenny's leadership, DIA has won high marks, not only for the quality and integrity of its intelligence, but for its ability to meet the intelligence needs of its consumers -- from the operational commanders, to the Joint Chiefs, to our allies.

Providing and enhancing intelligence support to operational commanders around the world has been one of his top priorities, and he has done a whole lot to eliminate the gaps, the redundancy, and the incompatibility in the communication of intelligence both between services and from the intelligence producers to the tactical commanders in the field. In 1986, the Defense Intelligence Agency received the Joint Meritorious Unit Award for the intelligence support it provided -- especially to operational commanders -- during the Libyan air raid, the Achille Lauro incident, and the hijacking of TWA flight 847 -- all in just a short period of time.

At the request of Secretaries Weinberger and Carlucci, Lenny has spoken with foreign heads of state, briefed ministers of defense, and addressed foreign parliaments on U.S. defense intelligence concerns. In fact, he returned from a final and very successful briefing tour only last week. And he was good enough to call me while he was away. He has probably briefed more chiefs of state and chiefs of defense than any other living American.

I know that he is especially proud of his work with the Defense Intelligence College. And this is an exciting, dynamic time for the College. It's attracting and serving more students than ever before -- students not only from the intelligence agencies, but from all parts of the armed services and the federal government. Thanks to Lenny's efforts, the Defense Intelligence College has expanded its faculty, broadened its

curriculum, and become a center for research and learning in the intelligence field.

His efforts to strengthen defense intelligence have benefitted the entire intelligence process. Under his leadership, the Defense Intelligence Agency has played a strong, respected role in producing national estimates -- managing many estimates and contributing significant expertise to others. DIA is always in there when we have our meetings before reporting to the President.

I also think we've seen people get along a little better with each other in the Intelligence Community during Lenny's tenure as Director of DIA. More analysts in different agencies are working with each other, rather than against each other. And without in any way sacrificing the principle of competitive analysis, we are producing complementary analysis. We've made some real progress, and I think Lenny deserves a good deal of credit for this.

Under his leadership, DIA is now providing more and better support than ever to our nation's defense and security policy. Intelligence is now a regular, valued input at every stage of weapons development and procurement -- from the definition of need through the design of a particular weapons system to its eventual retirement and replacement.

Arms control is another very important challenge. In early November, I awarded a unit citation to DIA's Strategic Negotiations Branch for its superior defense intelligence support to our strategic arms control talks with the Soviets. And the Defense Intelligence College has been charged with training our U.S. inspectors and escorts for the INF treaty. The first class of inspectors was ready within three months of the treaty's signing.

The late General Max Taylor, whom many of you knew as I did, once recounted a conversation he had with a hard-bitten and highly decorated Sergeant Major when he was conducting an Army study on leadership. General Taylor asked the Sergeant Major if he could give him a brief definition of leadership. The old soldier replied without hesitation, "Leadership is when your leader tells you he is going to take you to hell and back and you find yourself looking forward to the trip."

The toughest job of any leader is to inspire and motivate his people. And I think this may be Lenny's greatest talent -- his great ability to communicate his vision, his enthusiasm, his energy, and his commitment to others. And his dedication and loyalty to his people have been returned to him many times over.

Lenny, through your many accomplishments and through the dedication and service you have inspired in others, you have done much for the intelligence profession and for your country. Whatever you choose to do in the future, you have our best wishes for your success and our gratitude and appreciation for your distinguished service to our profession and to our country.

Thank you.

REMARKS

BY

WILLIAM H. WEBSTER

DIRECTOR OF CENTRAL INTELLIGENCE

AT THE

WORLD AFFAIRS COUNCIL OF WASHINGTON, D.C.

WASHINGTON, D.C.

OCTOBER 25, 1988

Intelligence collection may be in the eye of the beholder. About two months ago then KGB Director Chebrikov made one of his rare, perhaps even one of his first, appearances to talk about intelligence. And he quoted a speech that I made last year -- or at least a press interview, I think with The Los Angeles Times -- in which I was asked whether, following the problem with our Moscow Embassy, it was still possible to collect inside the Soviet Union. And I had said yes, that we were indeed able to recruit assets who would supply needed intelligence for that purpose. And then Chebrikov said that nothing could be plainer -- this makes the point for why the Soviet Union should spend more money on counterintelligence. I suppose you've heard us make the same argument in this country. A few days ago, the chief of the KGB in Leningrad made a similar statement.

It brings to mind one of the stories collected for the President as part of his perestroika collection. This story was about Gorbachev's desire to find out how his program of perestroika was working in the outer areas. Gorbachev sent a representative out into the Ukraine to visit some of the smaller villages. The representative went to the mayor of one of the villages and, after talking to the mayor for a moment, he said, "Do you have any television sets in this village?" The mayor looked at him and said, "Of course we have television sets. In fact, there may be two television sets in many of these huts." The representative said, "That is very interesting. What about refrigerators?" And the mayor said, "Of course. We all have refrigerators." The representative looked the mayor in the eye and said, "Do you know who I am?" And the mayor said, "Of course I do. Who else but a CIA

agent would come into a village with no electricity and ask questions like that?"

Frank Carlucci, Crowe, Shultz and others are going around having bilaterals, but I have to tell you we have no planned bilaterals with the KGB.

It is the fall of 1988. We edge toward the end of the year and the end of the decade. I have been asked rather frequently in recent months to reflect on what the most important intelligence issues of the 1990s will be. The question reminds me of an observation once made by a nuclear physicist who said, "Prediction is very difficult, especially about the future." With that cautionary note in mind, I will make a few predictions about some of the key issues that now confront the Intelligence Community -- issues that we expect to be with us well into the next decade.

My good friend, General Vernon Walters, who was Deputy Director of Central Intelligence and is now our Ambassador to the United Nations, describes a view held by many in this country about intelligence. "Americans," he said, "have always had an ambivalent attitude toward intelligence. When they feel threatened, they want a lot of it, and when they don't, they tend to regard the whole thing as somewhat immoral."

With so much going on around the world that affects our national security, I think the American people today want a lot of intelligence. And a whole range of issues are commanding the Intelligence Community's attention -- international terrorism and drug trafficking, the proliferation of advanced weapons, the transfer of strategic technology to the Soviet Bloc -- to name just a few intelligence issues that are global in nature.

Our interests around the world as a free superpower require our awareness of happenings, plans, capabilities, and intentions in many regions of the world where insurgencies, war, and political change are going on -- such as in the many different countries in Latin American and in Africa, the problems in the Middle East, the struggle in Cambodia, to name just a few.

This evening, I want to concentrate on three geographical areas that are -- and will continue to be -- of great interest to U.S. policymakers and, thus, to the Intelligence Community. These areas are the Soviet Union, South Asia, and the Persian Gulf.

The nations of these three areas have many common borders. Their interests are, necessarily, interrelated. Yet it is really a region without boundaries, for the force of developments there is felt far beyond Moscow, or Islamabad, or Tehran. Gorbachev's plans for reform, the withdrawal of Soviet troops from Afghanistan, and the cease-fire in the Iran-Iraq conflict -- one of the bloodiest wars of our time and one that breached the international restraint against the use of chemical weapons -- have an impact far beyond the immediate region. All these events have major implications not only for regional peace and stability, but for the interests of the United States and the West and, indeed, for the entire world.

The Soviet Union will remain the primary focus of our intelligence collection and analysis in the 1990s. Its military capability, its efforts to increase global influence, and its aggressive intelligence activities continue to pose security challenges to United States interests.

Gorbachev's efforts to reform his country have not fundamentally altered these truths and, in fact, make the Soviet Union of even greater concern to U.S. intelligence.

Like many of you, I have been fascinated by what is occurring in the Soviet Union. Gorbachev has stirred up the stew -- bringing new life and dynamism to Soviet politics and pushing a series of reforms that none of us could have foreseen even five years ago.

The forces of democracy are making some political and economic inroads. Although the USSR certainly is not headed toward democracy as we know it, today's Soviet leaders appear to understand that their system is faltering largely because it has not given the people enough breathing room -- room to innovate, room to inquire, room to unlock creativity.

Change is occurring in the area of foreign policy as well. For example, the Soviets are leaving Afghanistan and they are eliminating a whole class of nuclear weapons under the INF treaty -- a process that includes unprecedented on-site inspections of Soviet military facilities.

The dramatic nature of these policy changes clearly has provoked controversy within the Soviet Union. A major power struggle is under way between reformers, who believe radical changes are necessary to make the Communist system work, and conservatives, who fear such changes could destabilize the very system they are trying to save. The outcome of this struggle will affect how far and how fast reform progresses, the extent to which central authority is relaxed, the general welfare of the individual, and how competitive the Soviet system will be over the next few decades.

Just a few weeks ago, Gorbachev successfully challenged a number of individuals in the Soviet hierarchy -- undertaking the most sweeping overhaul of the top party leadership since Khrushchev ousted his chief opponents in

1957. The changes made should allow Gorbachev to push his policy agenda at home and abroad with renewed momentum.

Yet this is only one victory in a very long-term undertaking to reform the Soviet system. The process will be long and drawn out at best, requiring Gorbachev to overcome enormous political, economic, and cultural obstacles.

There are strong reasons to question whether a system designed to centralize authority, maximize government control over its people, and concentrate resources on building up the nation's military strength can become more decentralized and democratic in its decisionmaking and more solicitous of its people. The nationalist unrest in the Baltic states, Armenia, and other regions of the USSR will further test the Soviet system's ability to make reforms work.

But if the last three years have taught us anything at all, it is that Gorbachev is a highly skilled politician, and we cannot rule out the possibility that he can, ultimately, pull off a "revolution from above" that actually increases authority below.

The Soviet reform effort presents the U.S. Intelligence Community with some very formidable challenges. We must pay closer attention than ever to the political struggles and issues being raised as Gorbachev continues to challenge the established interests of individuals and institutions.

We must also help the policymaker sort out how reform will affect Soviet military and economic capabilities and -- perhaps even more difficult -- how it may change Moscow's foreign policy.

In the Intelligence Community, we must manage the information explosion that glasnost has produced which, though welcome, challenges us to sort out

what is important and what is not, what is real versus what Moscow wants us to hear.

We must support U.S.-Soviet arms control talks. As these negotiations progress, the Intelligence Community will be increasingly asked to assess Soviet motivations and monitor Soviet compliance with the provisions of agreements. And the amount of support required is tremendous. The INF treaty has required the United States to conduct inspections at 117 Soviet facilities. Monitoring the START treaty, which is now being negotiated in Geneva, could involve as many as 2,500 weapons locations spread throughout the Soviet Union.

Yet whatever arms control agreements the United States makes with the Soviet Union, our relationship is likely to remain adversarial. Policymakers will depend on the Intelligence Community to make quick and accurate assessments -- and even to anticipate Gorbachev's sometimes unorthodox and unexpected initiatives, such as the proposal that he made recently to give up Cam Ranh Bay if we would give up the Philippines, or to withdraw troops from Hungary if we would give up our fighters based in Italy.

Moving south, intelligence about South Asia will continue to be important to policymakers for a number of reasons, not the least of which is Soviet influence in the region. Gorbachev's decision to withdraw Soviet troops from Afghanistan demonstrates his desire to cut Soviet losses in order to pursue other objectives. But despite the Soviet troop withdrawal, Afghanistan is going to remain a key foreign policy concern in Moscow. Because of the Soviets' continued interest and its strategic location, Afghanistan will remain an important concern in Washington as well.

I recall a meeting with President Zia this time last year. He went to his library shelf and pulled off a book showing a map of the region over which he had put a red celluloid overlay to illustrate Soviet influence in Afghanistan and show the strategic wedge that further occupation of that territory represented not only to Iran, but to Pakistan and nations further south.

We expect the Soviets to abide by their commitment to withdraw the rest of their troops from Afghanistan by February 15th of next year. That has not changed, despite the Soviets' pause in their withdrawal. At the same time, Moscow will try to retain its influence with Kabul through both economic and political means. The appointment of a new Soviet ambassador to Afghanistan just a few weeks ago indicates that Afghanistan remains a priority concern in Moscow.

Following the Soviet withdrawal, we believe that Afghanistan will be unstable for a considerable period and have so advised policymakers. The Soviet-backed regime has minimal control or support outside Kabul, and the withdrawal will make its position even more precarious. The Afghan resistance will continue its effort to destroy what is left of the regime. However, the ruling party's fragmentation may be as large a factor in the regime's collapse as the military initiatives of the resistance. We believe that the military could probably last for a longer period of time than we have predicted for the political structure itself.

The post-Soviet period will also find the Afghan rebels fighting among themselves. That has been historically so. They did it throughout the Soviet occupation and we expect that it will continue. Given that most ethnic groups

are better armed than ever before and are likely to capture additional weapons from the disintegrating Afghan army, we could expect to see tribal conflict continue for some time after the Soviet withdrawal.

The fundamentalist groups of the Afghan resistance will enter the post-Soviet era well-armed and well-organized. Whatever the composition of a future government in Afghanistan, Islamic ritual and law will probably play a larger role in its operations and its policies. But the nature and traditions of Afghanistan make the imposition of a Khomeini-style fundamentalism unlikely.

I think it's important to say that the United States cannot dictate who will finally emerge as the leaders in Afghanistan. A strong central government is unlikely, and residual hostility to the Soviets may eventually be matched by the return of historical suspicions about the West. Perhaps the good news about events in Afghanistan is not so much what has been gained, but what has been averted.

Clearly, the Soviet withdrawal and the struggle for political control are the primary intelligence issues in Afghanistan for the near term. But efforts by neighboring countries to exert influence there will also receive our attention. In the longer term, we will examine the future Afghan government's attempts to rebuild the country and resettle the world's largest refugee population -- more than five million people.

About three million of those refugees now live in Pakistan, a country that has fully supported the Afghan resistance. Pakistan has always been of strategic interest to the United States and to its policymakers, but the death of President Zia in August has raised new issues.

The response to President Zia's death has been a smooth, constitutional transition. Ghulam Ishaq Khan, the President of the Senate, has taken over as Acting President. Under the Constitution, a new president must be elected within 30 days after Parliamentary elections. President Ishaq has announced that elections set for November 16th will be held on schedule. A series of judicial rulings have removed the constraints placed on Pakistan's political parties in the 1985 elections, and the November elections have become the most closely contested in Pakistan's history.

I think I should also add that the military has supported this effort to fill the vacancies through constitutional means. I think there is real support for this process. Pakistan is plagued by problems of terrorism, partly as a result of its role in support of the Afghan resistance. But I do not think, as long as the terrorism is under control, that this will change the military's willingness to let voters decide the issue.

Because of the close relationship between the United States and Pakistan and because of Pakistan's strategic importance, the U.S. Intelligence Community will be following these developments with the keenest interest.

Further south is another region of great strategic interest for the United States -- the Persian Gulf -- an area where tensions remain high despite the cease-fire between Iran and Iraq. Not surprisingly, the peace talks between the two nations have been fitful and difficult. The animosities built up over eight years of bitter conflict are not easy to dispel.

The Iran-Iraq war cost the two countries more than \$350 billion, and even more in human costs -- more than one million casualties and one and a half

million refugees. This was one of the bloodiest wars of the century, and it will take many years for the two nations to recover.

The conflict has affected nearly every aspect of economic life in Iran and Iraq. Both economies have been weakened by the loss of oil revenues and both have borne the expense of large-scale arms purchases. Both countries have exhausted their financial reserves and have been compelled to cut economic development programs.

We believe these costs of the war will deter both sides from resuming an all-out conflict anytime soon. However, Iran and Iraq continue to distrust each other, and both will probably maintain their military readiness.

The U.S. Intelligence Community has closely followed the Iran-Iraq conflict, providing assessments of the intentions and capabilities of both sides, as well as the implications for the region and the United States. When the U.S. presence in the Gulf was increased, we began providing daily tactical intelligence support to naval forces operating with the U.S. Central Command. Our support included reports on Iranian antiship cruise missile sites, naval bases, airfields, and coastal defense installations. As a result, U.S. forces have been better able to successfully carry out U.S. foreign policy and protect our security interests.

The end of the Gulf war has created a whole new set of intelligence questions which we are now addressing -- questions such as what effect the cease-fire may have on the Western hostages being held in Lebanon; how the political struggle in Tehran to succeed Khomeini will be affected; what impact the cease-fire will have on each country's drive for regional influence; and the long-term impact of these developments on the cost of oil.

Perhaps the biggest question we are considering is what lessons Iran and Iraq -- and the rest of the world -- have learned from a war that involved the first sustained use of chemical weapons since World War I.

After the First World War, the use of chemical weapons was outlawed by signers of the 1925 Geneva Protocol. During World War II -- even during the most desperate battles -- both sides refrained from using chemical weapons -- weapons that Winston Churchill referred to as "that hellish poison."

The Iran-Iraq war ended that restraint and set a dangerous precedent for future wars. The Intelligence Community has considerable evidence that Iraq used chemical weapons against Iran and also against Iraqi Kurds. Iran, too, has employed chemical weapons against Iraqi troops.

I'm sure you've read many accounts recently about the use of and the effects of chemical weapons. These weapons are thought to offer a cheap and readily obtainable means of redressing the military balance against more powerful foes. Some see them as the poor man's answer to nuclear weapons, and more than 20 countries may be developing chemical weapons.

Mustard gas, which is a terrible weapon first used in World War I, is one of the favored chemical agents for several reasons -- its relative ease of manufacture, its long life in storage and on the battlefield, and its ability to incapacitate those who are exposed to it.

Some countries are developing nerve agents. These agents, though more difficult to manufacture, can cause death in minutes by attacking the brain and nervous system. Other nations may use common industrial chemicals such as cyanide and phosgene. Cyanide prevents the blood from carrying oxygen, while phosgene, widely used in making plastics, can destroy the lungs.

Most of these plants look like nothing more than pesticide plants and are difficult to detect.

The Intelligence Community will continue to monitor the ability of foreign countries to develop and produce chemical weapons, and their incentives for using such weapons. And with the increase of ballistic missiles in the Third World, we must be alert to attempts by Third World nations to arm these missiles with chemical warheads. Virtually every city in the Middle East would be subject to such an attack, if these two types of weapons are combined.

The proliferation of advanced weapons affects the prospects for peace and stability in regions such as Southeast Asia and the Middle East. For Israel, the spread of chemical weapons among the Arab states -- principally Iraq, Libya, and Syria -- could seriously alter the regional balance of power. This has major implications for peace in the Middle East.

It also appears that the moral barrier to biological warfare has been lifted. At least 10 countries are working to produce biological weapons, and this presents us with another intelligence concern.

Intelligence support is also vital to the success of United States efforts to prevent the use of chemical weapons -- efforts such as restricting the export of certain key chemicals and of ballistic missile technology. On the international front, the United States participates in the Geneva Conference on Disarmament, which is trying to negotiate a chemical weapons ban. And on September 26th, President Reagan addressed the United Nations General Assembly. He called on the signers of the 1925 Geneva Protocol and other concerned nations to convene a conference to consider actions that we can take together to reverse the serious erosion of this treaty.

Yes, assessing the proliferation of chemical and biological weapons is one of the most difficult challenges we face in the Intelligence Community -- now and into the next decade. It is also one of our most important tasks, for these weapons may well represent one of the most serious threats to world peace in the coming years.

The famed British writer and cynic, Somerset Maugham, once noted, "It is bad enough to know the past; it would be intolerable to know the future." It would, of course, be just as intolerable not to be prepared for the future. The intelligence issues that I have chosen for discussion today -- reform in the Soviet Union, unrest in Afghanistan, and tensions in the Persian Gulf -- are issues that will be with us into the next decade. Assessing these questions and their far-reaching effects is the critical task of intelligence.

Our machines, our systems, and our satellites are the wonders of the age. They help us to do our very difficult work. But intelligence is preeminently an affair of people. It is the caliber of the men and women of American intelligence -- their creativity, determination, brilliance, and courage -- that spells the difference between success and failure.

And I hope very much that we continue to attract those best suited to carry out our mission -- people who are risk takers, but not risk seekers. People who are dedicated and responsive to our law and discipline. People who understand and play by the rules. People to whom fame and fortune are not a necessary part of their life, but who can find in this difficult work an avenue to pursue their highest aspirations for a safer and a better world.

With such people, we can continue to provide the intelligence that policymakers need in order to make wise decisions in the interests of our national security. This is what you expect of us, what all Americans expect of us, and I can assure you we are doing our very best to supply it.