

DIRECTOR OF CENTRAL INTELLIGENCE
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Remarks By
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"The End of the Cold War: Where Do We Go from Here?"

Having been a Regent of the Smithsonian Institution, it gives me a special pride to appear at the Resident Associate Distinguished Speakers Program. I'm told that this is the first Smithsonian sponsored meeting here at CIA Headquarters, and I think your presence here tonight helps to underscore the importance this Agency attaches to being as open as we possibly can about the work that we do.

Last December, we dedicated a new and important monument right here at CIA. It's a plain monument -- it has a simple concrete base that holds erect three sections of the Berlin Wall. I'm told that these three slabs of reinforced concrete were removed from an area near the Brandenburg Gate in the wake of the peaceful revolutions which swept communist governments from power in Europe.

For members of the CIA and the intelligence family, this monument is much more than concrete and steel, it represents an important part of CIA history. Few realize that in 1961, as the wall was being built, we were beginning to occupy this Headquarters building. And for the next 29 years much of our work was devoted to breaking down the barriers to peace and freedom created by the Cold War.

Now that the Cold War is over and a portion of the Wall rests at the foot of our building, some have wondered, to paraphrase the title of this speech, "What's Next For The CIA?"

Some of our critics complain that CIA and the Intelligence Community are stuck in some kind of a Cold War rut -- unable to move forward because of a mindset mired in the past. Nothing could be further from the truth.

But before I talk to you about how we are changing and evolving to meet the future challenges to our country, I want to reflect a bit on how our past has prepared America's intelligence service to meet the future.

When people think of CIA, they think of surreptitious meetings and secret spy swaps at midnight across the Glienecke Bridge in Berlin. But while much of the mythology about CIA has to do with clandestine operations, the history of American intelligence is just as firmly rooted in the traditions of academia -- of painstaking research and objective analysis.

Bill Donovan, the father of modern American intelligence, realized that merely collecting information from spies -- or any other source -- was not enough. The information had to be analyzed, placed in proper context and most importantly, the finished intelligence product had to be timely -- a lesson made painfully clear at Pearl Harbor. And so in creating a central intelligence organization after the war, Donovan enlisted the support of noted Harvard historian William Langer, Sherman Kent of Yale and others, who together built a strong tradition of scholarship in intelligence.

Building on this tradition of scholarship, and over the 46-year history of CIA, we've accumulated a wealth of knowledge and developed unique insights into different peoples, languages, cultures, economies of

countries in all corners of the globe -- information that has relevance today.

In earlier years we were concerned that underdeveloped and unstable countries would be susceptible to communist influence. Today, many of these same countries are still unstable, threatened by fanatics, or facing humanitarian crises that not only endanger their sovereignty but also challenge regional stability. We had to understand how sophisticated weapons technologies could influence the outcome of war -- the same technologies that some unfriendly third countries now seek to acquire to threaten their neighbors.

In many other areas -- from understanding the Soviet economy, to defense conversion, from the problems of Soviet oil production to understanding the many important religious and ethnic rivalries -- our knowledge, gained from decades of careful study and research, can be placed in a broader context, important for understanding the issues of today. Our country's leaders -- both civilian and military -- rely on our vast reservoir of knowledge. They count on our analysis of global events, and they look to us for judgments that are not only sound, but objective and fair.

Yet, while we focused on Cold War issues we were never wholly consumed by them. We had experts looking at everything from the stability of major foreign currencies to water resources in the Middle East. On economic issues, our analysts monitored both the international economy -- trade, finance, economic competition -- and the domestic performance of countries around the world. We had -- and continue to have -- recognized authorities on international monetary affairs, advanced technology developments, the inner workings of regional economic groupings, and many other economic issues of direct interest today. We've learned from our past and we are using that knowledge as a springboard to the future.

Make no mistake about it. The world has changed in fundamental ways. In his inaugural address just a couple of months ago, President Clinton said that, "today, as the old order passes, the new world is more free, but less stable. Communism's collapse has called forth old animosities and new dangers."

Of the many issues that have come to the forefront in recent years, few have more serious and far-reaching implications for global and regional security and stability than the proliferation of

weapons of mass destruction. Weapons proliferation poses one of the most complex challenges the Intelligence Community will face for the remainder of the century, and no doubt, beyond.

Today, over two dozen countries are seeking advanced weapons, including nuclear, chemical, and biological weapons, as well as missiles to deliver them. And our job is getting more difficult, because as international awareness of the problem increases, countries and their suppliers are becoming more clever in devising networks of front companies to frustrate export controls and buy what would otherwise be prohibited to them.

The challenge we face in controlling proliferation is multifaceted: we must decipher and untangle the complex web of suppliers, middlemen, and end users; we must distinguish between legitimate and illicit purposes and help interdict the flow of material, technology, and know-how to potential proliferators.

The Middle East represents an area of special concern, because half of the countries have nuclear, chemical or biological weapons programs, at least in development.

Iran, for example, has embarked on an ambitious across-the-board program to develop its military and defense industries -- and this includes their weapons of mass destruction programs. Tehran is shopping in Western markets for nuclear and missile technology and is trying to lure back technical experts it drove abroad in the 1980s. Because it hasn't been able to get what it wants from the West, it has turned to Asian sources; Iran's principal suppliers of special weapons and technology since their war with Iraq have been North Korea and China.

Iran has an active chemical weapons program and it makes no bones about its right to chemical weapons -- especially in light of Iraq's use of chemical weapons against it. Iran has produced at least several hundred tons of blister, choking and blood agents -- possibly as much as 2,000 tons -- at a steadily increasing rate since 1984.

Iran's behavior in rearming and rebuilding its military and developing a strategic deterrent is ominously analogous to Iraq's action in the 1980s -- and could pose a grave threat to regional stability. The development of an Iranian nuclear capability would

not only dramatically alter the regional power balance but probably would trigger an even greater arms race.

The Middle East is an area in which our core strategic interests are engaged. Access to oil at market- (not politically-) determined prices is vital to the world's economic health. And as we learned during the Gulf War, it matters who controls this vital resource. Israel's security is an abiding concern, and one complicated by our wider interests in the region.

But these strategic concerns cannot be viewed in isolation. Rather, they are caught up in a vortex of growing regional tension and instability into which we are increasingly drawn. Even our definition of what defines the Middle East is changing: the large and potentially unstable states of Central Asia, with their ties to neighboring Muslim states, are now part of this region. Tired authoritarian regimes identified with failed nationalist and socialist ideologies are being challenged from below by their exploding and economically desperate populations. Some in the Middle East are drawn to a radical brand of politicized Islam which draws on deep-seated anti-Western feeling. Frustration and a sense of

powerlessness give rise to terrorism and put some of our friends in the region at risk.

Thus, the transfer and introduction of important and new weapons technology has an incendiary effect on the stability of the Middle East and Central and Southwest Asia. And the Intelligence Community is on the look-out for systems and technologies that have the potential to alter the power balance in the region.

We are also paying careful attention to R&D developments and trends in technology that could affect our nation's security. For example, semiconductors under development promise to revolutionize segments of the electronics industry -- and will likely lead to a new generation of smart weapons that were used with such devastating result in the Persian Gulf.

But the CIA and the Intelligence Community are not just focused on weapons technology, because in many other areas new technologies contribute to the complexity of the issues that we face.

In the financial marketplace for example, rapid communications are bringing countries, organizations

and individuals closer together. Sophisticated computer networks move literally billions of dollars across international borders instantaneously. This has fueled a huge increase in world trade and has led to greater economic prosperity for many countries. But those same financial networks are being used with increasing frequency by drug kingpins and organized crime syndicates -- groups that now have a vehicle for moving laundered money quickly among a variety of front companies. This of course, complicates our job -- trying to unravel the complex trail of illegal drug transactions. It also makes more difficult the job of our partners in law enforcement, who seek to prosecute those responsible for the flow of illegal drugs into this country.

All of us have had terrorism on our mind recently. The tragic bombing at the World Trade Center in New York and the deadly attack on CIA employees just outside our gates reminded us that the world -- including at times our own country -- remains a dangerous place. While we hope we are not now beginning a new chapter for terrorism, we have the organization needed to meet the challenge. CIA and the Intelligence Community -- through its Counterterrorist Center -- are working closely with law enforcement on these cases. We are looking at all

the angles -- including the possibility of international involvement. While this investigation is on-going, our people are working hard -- checking our sources, following up on leads, using our knowledge of people and organizations, and making judgments about who is capable of performing such an act. And we are reporting our findings to law enforcement.

Weapons proliferation, narcotics, terrorism, understanding the interaction of dynamic forces like religious and ethnic tensions -- it's clear that we have a pressing set of intelligence priorities on our plate. But we also have been shifting our resources in ways that not only accommodate, but anticipate new issues that are important to our policymakers.

For example, our leaders are increasingly asking CIA to study environmental issues because we have special skills, resources, and unique insights.

Last November, we brought in a group of well known and highly respected environmental scientists to CIA. After giving them the appropriate clearances, we briefed them on the technical capabilities of some of our most closely held intelligence collection systems. The scientists were then offered the opportunity to

review what we collected. All of this was done with an eye toward determining if intelligence can help answer some of the most pressing environmental issues of our time -- such as ozone depletion, the effect of the diminishing rain forests, and global warming.

But it may surprise some of you to know that we have been looking at environmental issues for some time now. CIA has monitored Soviet handling of nuclear waste since 1948, when the reactor that produced the plutonium for the first Soviet nuclear weapon began operation. We now look at environmental contamination due to a variety of nuclear activities -- most of which supported weapons production -- and questions about the safety of stored but radioactive liquid and solid waste. This includes reprocessing of fuel from civilian and naval reactors, and naval nuclear activities.

Since the Chernobyl disaster in 1986, CIA experts have worked closely with other US government agencies to prepare detailed studies of Soviet-designed power reactors. And we are now working with these agencies to determine the most effective way to improve the safety of these reactors.

Just as narcotics was considered a nontraditional intelligence topic ten years ago, today other issues -- such as the global impact of the AIDS epidemic -- have assumed greater importance for intelligence. We began to focus on AIDS in the mid-1980s. The Intelligence Community's role is not to study the medical aspects of the AIDS virus itself, but to collect and analyze information on the impact of AIDS on people of foreign countries -- and their leaders -- and on the responses of foreign governments to the epidemic.

Tonight, I've identified just a few of the issues of concern to us. I have not mentioned for instance, the detailed intelligence support we provide our military in humanitarian efforts such as we saw in northern Iraq, in Somalia and most recently, in the airdrop of food to the Bosnians. I haven't mentioned our support to arms control negotiations, the reports and background briefings we provide to the President and to Congress on countless topics; or the whole host of other tasks for which we are responsible.

It is clear that in dealing with the aftershocks of the fall of communism and all of the new issues, that we in the Intelligence Community cannot handle tomorrow's problems using yesterday's solutions. We

must continue to reinvent ourselves on almost a daily basis.

But of all the challenges that the Intelligence Community faces, perhaps our most difficult assignment in the coming years will be to provide an expanding level of service within a contracting envelope of resources.

In the coming years, CIA and the Intelligence Community will be reducing personnel by about 17 and a half percent. We face this knowing full well that, as other defense organizations scale back, there will be greater emphasis placed on intelligence to provide vital warning and force multipliers for the military.

We will meet this challenge by revising our collection priorities, refocusing our technical collection systems -- learning what we can do and what we can live without. We know that more emphasis needs to be placed on the front end -- the collection of intelligence -- and less in the way of support. This means that our people will in some areas, need to be retrained; it means that the intelligence community will need to rely more heavily on artificial intelligence and expert systems and on a whole range of new technologies to help us sort through an ever

expanding set of information. But most of all, it means we must be flexible -- in the way we use our collection systems -- and creative in our approach to new problems.

But as we work to reinvent ourselves, we know there is a set of core responsibilities that will never change. Intelligence is and will remain the eyes and ears of the United States -- not just for warning our leaders of impending crises, but in providing information, insight and a context from which these leaders can make informed foreign policy decisions.

I've barely scratched the surface of the wide array of issues that confront American intelligence. But while the topics are many, the history and traditions of American intelligence -- the traditions of scholarship, unique insights, effective collection and timely analysis -- provide for us a sturdy guide for meeting the challenges of the future. American intelligence is focused on the important issues of today -- issues that represent barriers to peace and freedom for our people and for our friends and allies. And, like the Berlin Wall, these barriers too will come down.