ORIGINAL TRANSCRIPT

INTERVIEW WITH WILLIAM E. COLBY
DIRECTOR, CENTRAL INTELLIGENCE AGENCY

"U.S.News & World Report"

Washington, D. C.
October 31, 1974

58 Q Mr. Colby, many people around the world question the moral right of the CIA to spy on friendly countries, as opposed to countries that are potential enemies of the U.S. How do you answer that?

A It comes right down to the concept of state sovereignty and the right of a country to protect itself. That includes the right to carry out such operations in the world as are believed necessary for self-protection. I think that moralists over the years have accepted some degree of clandestine work as part of the normal relationship between states. In any case, is spying any less moral than developing weapons systems, or many of the other things that nations do in their self-interest?

Q How do you decide whether to operate in a friendly, or neutral, country?

58 A The decision concerning any intelligence operation is determined by the answer to four questions: What is the

benefit being sought? What is the risk of exposure? What is the impact of exposure? And how much does it cost?

In certain situations, you don't have to conduct clandestine operations to get the information you are after. So you're foolish if you run the risks and absorb the costs of ordering a clandestine mission. Obviously, in a friendly country the adverse impact of exposure is going to be very great. So that is a very negative factor. But there will be some situations in some parts of the world where a well-conceived, low-risk operation is necessary to get at something terribly important.

Q What about covert operations like the one the CIA conducted in Chile before the overthrow of the Allende regime?

A Again, it's a matter of the United States taking a de-

- more -

58

cision that a certain course of action is important in the best interest of this country. There have been exposures before. The Bay of Pigs operation against Cuba, of course, is a notable example.

Q Do you, as the Director of the CIA, decide that a covert operation such as against Chile should be conducted?

A No, these decisions are very carefully structured. The authority for these operations stems from the National Security Act. This says that the CIA will carry out such other functions and duties -- beyond the gathering of intelligence -- as the National Security Council may direct from time to time.

Furthermore, we explain to congressional subcommittees how we use the funds that are appropriated annually for the CIA. We have no secrets as far as these subcommittees are concerned. We answer everything that they ask. I don't

58

describe each operation but if a member of a subcommittee

58 asks what we are doing in any particular country I'll give him a fair picture.

Q Who actually makes the decision that a covert operation should be undertaken?

A The actual operation is approved by a policy committee of the National Security Council -- the Forty Committee. If there is concern about the situation in some country, we go look at it and see what we could do that would help implement national policy. Then we go up to the National Security Council and say, "Here is what we think we can do to carry out a general policy of defending ourselves and improving our position with regard to that country." If our proposal is approved, we go ahead and carry it out.

I'm not suggesting that the CIA in any way has been pushed or shoved in undertaking actions of this sort.

Q Is clandestine activity the major element in CIA activity

58 -- even in these days of detente?

58 A To get the answer to that question, we have to stand back and examine what United States intelligence includes. It includes what is called "the Community" -- embracing the intelligence services of the Army, Navy and Air Force, the Defense Intelligence Agency, the FBI, intelligence units in State, Treasury and the Atomic Energy Commission. All of these agencies collaborate on the intelligence job. After all, intelligence consists essentially of the collection of information -- by overt and covert means -- the assessment of all this information and deriving conclusions and judgments about the world from these assessments.

In 1971, President Nixon said that the Director of Central Intelligence should take a leadership role in this whole effort. And I've tried to do this. Essentially I have four jobs.

One of my jobs is to be head of the intelligence "com-

58 munity." I don't have authority over these other agencies

58 but I do have certain influence on them because of my responsibility to report on what they are doing and other powers I have.

A second job is the running of the Agency -- the CIA. Third, I have to be substantively informed about situations around the world so that I can participate in National Security Council meetings. Fourth is the job of acting as a kind of public spokesman and handling problems like our recent troubles.

Now, to get back to your question: By reason of the way the "community" is structured, clandestine activity does represent a considerable percentage of CIA's activity. But if you measure that against the whole of the intelligence "community," it's a rather small percentage of the total "community" effort.

Q Has detente changed the character of your work or reduced

58 the need for clandestine intelligence?

58 A I wish it would. If you get to the logical end of detente then logically we would have established a relationship of mutual trust and collaboration in the world with the Soviet Union. This, in turn, would encourage the Soviets and convince them that they ought to be more open with their information. But that's not the situation now.

Unfortunately today the Soviet attaches can go to almost any newsstand in this country, pick up a copy of a technical aviation magazine and from it learn a vast amount of detail about our weapons system. Unfortunately we have to spend hundreds of millions of dollars to get that kind of information about the Soviet Union. We couldn't satisfactorily fulfill our responsibilities unless we did spend those millions of dollars on clandestine gathering of useful information.

Q There is growing pressure for the CIA to restrict itself

58 to the collection of foreign intelligence such as you've

58

just described, and abandon your covert operations -- that is, aiming at the overthrow of governments. How do you react to that idea?

A The nation would not collapse if the CIA tonight were not permitted to conduct covert operations any longer. In fact, because of a change in policy over the years, we do considerably less of these than we did during the worldwide confrontation with the Soviets and the expansionist drive of the Communists in the 1950s. And we do considerably less than during the period in the '60s when we were dealing with Communist insurgency and subversion. The detente has decreased the problem. Consequently we don't do very much. We still do some. But covert actions are a very small percentage of our total effort at the moment.

Q Why is it needed at all?

A I think there are a number of situations where a little

58

discreet help to a few friends of the United States or a

little help to a few people espousing a certain policy or program in a certain country can enable us to influence a local situation in a way that may avert a greater crisis in the future. So I think the tool is important to preserve so that we can use it if we have to.

Q Do you assume that undercover agents from friendly countries are operating in the United States?

A Sure, I do. The fact is that the FBI has captured a number in the past. You have to recognize that in dealing with a lot of countries around the world it's accepted that we all engage in this kind of clandestine gathering of intelligence. Nobody gets emotional about it. It's been going on since Moses sent a man from each tribe to spy out the Land of Canaan.

Q There has been some comment that budget cutbacks have

58 hurt intelligence gathering to the point where Secretary of State Kissinger goes into talks with the Russians with inadequate information. Is there any truth in that?

A We obviously are suffering budgetary pressures from the inflation problem. I think we are still giving a very good intelligence product to our Government. I have great confidence in it. There have been some things that we have turned down because they were totally out of reach in terms of financial commitments involved. These have been in the category of things that would have really made our intelligence more complete but I don't think that it has dropped below a danger line at this point. I don't think it has imperiled our ability to negotiate at the moment.

However, we do have a problem coming up because of the inflationary squeeze as we project ahead a few years. We've tried to respond to this by focusing our effort on the more

58 important things and dropping off the thing that we may have

58 needed in a different world.

Q Where have you been able to cut back?

A Luckily, today we are not required to maintain the scale of effort that we did in past times in Southeast Asia, for example. Our problems in some of the other parts of the world are really a lot more manageable than they were when we were deeply concerned about the situation in a large number of countries that were under pressure of Communist subversion or insurgency. The impact on the world balance could have been quite substantially affected if any one country had made a very substantial change in political direction. Today, I think the world balance is a little more stable.

The real challenge for intelligence is to provide the kind of information that enables us to negotiate and enables us to anticipate future developments in a lot of countries that would be of great importance to us. Obviously, the

58 subject of economics has become important in the past few

58 years. Twenty years ago -- even 10 years ago -- this was largely handled on the side as not much of an intelligence problem. Terrorism has become a problem to us. The narcotics problem has grown in the past few years. But other situations correspondingly have declined and we've been able to compensate.

Q Mr. Colby, the CIA has been widely criticized for its involvement in Watergate --

A The CIA did two wrong things in the Watergate affair. The first was providing Howard Hunt paraphernalia for use in his work for the White House. The second was making available to White House employes the psychological profile of Daniel Ellsberg. They weren't earthshaking errors, but they were wrong. We know we shouldn't have done it and we have told our employes that we won't do it again.

Q If someone called today from the White House and asked

58 the CIA to do something improper, what could you do about it?

58

A Well, that's very clear. In my confirmation hearing I said that if I was ordered to do something improper beyond my authority, I would resign. That's easy. Also our employes have been instructed that if there is any question at all about anything that they are being asked to do they are supposed to come to me. My contention is that if anybody really tried to misuse the CIA at this point the organization would explode from inside. It really would. And that's good because it's the only protection we have against this kind of problem.

(Mr. Colby: Please supply date.)

Q Do you operate at all inside the United States?

A We are forbidden by law to engage in any activities affecting the internal security of this country. That's pretty clear. Now what do we do inside the United States? We have a large building up on the Potomac River. We obviously have a lot of employes there. In order to know something

58

58 about them before we hire them, we conduct security investigations. We also make contracts with people around the country to supply us with things that we can use in our activities abroad. And we sign contracts for research projects so that we can expand the base of our knowledge.

We have a service in our Agency that goes around and talks to American citizens who may have knowledge of some foreign situation that they are willing to share with their Government. We identify ourselves as representatives of the CIA and we assure these Americans that they will be protected as a source. But we don't pay them and we don't conduct operations to obtain this kind of intelligence in the United States except to the extent that it is provided voluntarily.

We also have some support structures in this country for our work abroad. We have business and other relationships that make it possible for some of our people abroad

58

58 to appear to belong to something else rather than the CIA. We also collect foreign intelligence from foreigners in America. This is intelligence about foreign countries and has nothing to do with protecting the internal security of this country against those foreigners. That is the job of the FBI.

- more -

58

58

Q A number of Congressmen complain that there is no effective control over the CIA. Is there any reason why your agency shouldn't be subjected to tighter supervision?

A I think we have responded to Congress's right and desire to know about the details of our activities over the years in the form that Congress itself has arranged. Now, the arrangements we have with our oversight committee in Congress is a lot more intense today than in past years. Twenty years ago all of this was considered a very secret affair. Today it's much more open. That's the way Congress wants it and we are responding.

- more -

58

58

Q Mr. Colby, do you feel the effectiveness of the CIA is impaired by all the publicity you've been getting lately about secret operations?

A Obviously this has raised questions among some of our foreign friends about the degree to which we can keep secrets. Leading officials of foreign governments who are concerned about this have brought it up in discussions with me. We have had some individuals who have worked with us in various parts of the world who have indicated a disinclination to work with us any longer because of the very real dangers to them of exposure.

In that respect, we have been hurt a little. But frankly, I like the way our society runs. I think it is perhaps unique that the chief of intelligence has to be exposed, as

- more -

58

58 he is in America. But I think America gains a great deal of strength from it.

Q How do these leaks affect morale at your agency?

A You have to draw a distinction between leaks that lead to criticism of our programs and policies and leaks that expose our people. I think that we can and should stand up to the criticism. But the tendency to expose our people can be very difficult and also very dangerous. You will recall Mr. Mitrione, who was killed in Uruguay. /Dan Mitrione, a U.S. police official assigned to train police in Uruguay, was kidnaped and killed by the Tupamaro guerrilla on August 10, 1970./ He was murdered -- that's the only word for it. He was alleged to have been a CIA officer, which he was not. I think it is reckless to go around naming people as being identified with the CIA.

Q Why can't you prevent former CIA officials from publish-

58 ing books that reveal secrets of your agency and the names

58 of secret agents?

A There are criminal penalties for people who reveal income-tax returns or census returns or even cotton statistics. But there are no criminal penalties for people who reveal the name of an intelligence officer or agent or an intelligence secret. I just think that's wrong.

I am charged in the National Security Act with the protection of intelligence sources and methods from unauthorized disclosure. But the only tool I have is a secrecy agreement that we have our people sign as a condition of employment. We have invoked this agreement against one of our ex-employes who wrote a book. We are currently engaged in a battle -- a civil action -- in the courts to determine whether we really can enforce it. I have made recommendations that would make it possible for us to protect intelligence secrets more effectively. These recommendations

58 would apply only to those of us who voluntarily sign an

58 agreement that gives us access to these secrets.

Q Mr. Colby, can we get back to the question of the necessity for the United States to maintain a big secret intelligence operation in an era of detente?

A Yes -- I didn't fully reply to that. I feel it is essential to the protection of our country, not only in the military sense but also in the sense of protecting us against the other kinds of problems we face overseas -- economic pressures, problems that can start in various parts of the world and eventually involve us. Through our intelligence work we are able to anticipate these problems. For example, if you don't know that another country is developing a particular threat, you can be caught very badly off base.

Beyond that, our intelligence work makes it possible to engage in negotiations. The SALT agreement between U.S. and Russia on nuclear arms limitation is the most obvious

58 example. Without the knowledge we had of Soviet weapons

58 through our intelligence activities it would not have been possible for us to negotiate.

We also have what I would call a peacekeeping role. On a number of occasions, we have seen situations developing in a dangerous manner. By alerting our Government in good time, it has been possible to defuse these situations.

Q What part do spy satellites and other forms of modern technology play in your work of collecting intelligence?

A Quite frankly, technical intelligence has revolutionized the intelligence business. You have seen the photographs that came out of the U-2 operation over the Soviet Union. We now have similar photos on many different areas of the world. You can realize the great importance of this development if you think back to the great debate in 1960 about the missile gap. People took up strong positions on both sides and we at the CIA were trying to determine what really

58 was happening -- whether a missile gap actually was opening

58

up in favor of the Soviet Union. Today it would be impossible to have that debate because the facts are known. They are right out there flat and very easy to see.

This kind of technical intelligence has made the SALT agreement possible. For years we insisted that any arms agreement would require inspection teams to monitor on the ground what the Russians were doing. Given their closed society, they wouldn't permit it. That stalled negotiations for years. Today we can make an agreement and I can tell the President and Congress that we can monitor it without on-site inspection teams.

Q Some people argue that these satellites and other forms

- more -

58

58 of technical intelligence can do the whole job and that there is no longer any real need for clandestine agents ferreting out information. Do you agree with that?

A Not at all. It's true that in closed societies like the Soviet Union technical systems can tell us to a great extent what is there. But they can't tell us what is going to be there in three or four years' time because of decisions that are being made in a board room in Moscow today. They can't tell us the political dynamics of a situation and allow us to assess how it is changing. And they can't tell us the intentions of people who may be bent on deceiving us. Intelligence of this sort can be obtained only by what we call "clandestine collection."

Q Looking at Russia's intelligence operation -- the KGB -- how does it compare with ours in scale and effectiveness?

A I think Soviet intelligence is going through a change -- 58 a good change. For years the big thrust was on stealing secrets. You remember the atom spies in America and

58 all that sort of thing. But in the past few years they have become more aware of the significance of assessment -- the analysis function of intelligence. They've set up institutes to study us, realizing that the facts really are easy to obtain in America. The problem is assessing what we might do, which in itself is a terribly complicated and difficult intelligence problem.

Q Are you suggesting that the KGB no longer maintains spies in this country?

A Oh, they do -- sure, they do. What I am saying is that they have moved from total dependence on espionage to greater reliance on other sources and other ways of collecting and assessing intelligence. You can only say that's a change for the good.

But the Soviets still run very extensive covert operations around the world. In any kind of foreign mission

58 they send abroad -- for example, delegations to international

58 organizations -- there always will be KGB people or people from GRU, their military intelligence. They also conduct a long-term program of training people and putting them in place under false identities to stay for many years. Colonel Abel was an example of that. They have the benefit, of course, of indirect support from a variety of Communist parties around the world.

Q The Director of the FBI said the other day that there now are so many Soviet spies in America that he is having trouble trailing them. Why do we let so many in?

A We let them in as diplomats or in some other capacity. You have to realize that there has been a very large increase in the number of Soviet citizens in the United States, as compared with 10 years ago -- partly a result of detente. Now, if you get an increase in Soviet citizens in this country you inevitably are going to get an increase in

58 Soviet agents because of the role that the intelligence

58

apparatus plays in their society.

You see, in the Soviet Union the intelligence service is a very, very powerful institution because of its responsibilities for internal security as well as foreign intelligence. They have, in effect, merged the CIA and FBI. And their intelligence service carries a very high degree of responsibility for party discipline and public discipline. Consequently, the KGB has institutional power that is quite a lot stronger than ours. I'm glad to say that our domestic influence is far weaker.

(END INTERVIEW)

58

1 - Colby

58 The massive flow of information pouring in to Washington requires William Colby, as Director of Intelligence, to make constant evaluations of fresh global developments bearing on U.S. interests.

The following, in his own words, is the appraisal Mr. Colby gave the editors of "U.S.News & World Report" of tensions around the world, what they mean, what they could lead to and the possible impact on the superpowers.

(space)

Strategic balance: U.S. vs. Russia. "The Soviets are embarking on deployment of new missile systems that obviously will increase their strategic power considerably.

"But we do not see that in the foreseeable future they will have dominance over us. We have both reached the point where we can destroy each other and the rest of the world, and they know it.

58 "You ask if the transfer of American technology to the

58 Soviets is a matter of concern.

"We know that military purposes are a very high priority in Soviet decision-making. We do have procedures that put limitations on things of direct military value. And they have a problem of adapting technology which in our way of doing things works because of the competitive system. That is a problem they've got to do some adjusting to.

"The Soviets are, of course, far behind us technologically. They are able to challenge us in arms competition by taking a much more disciplined approach and putting in their major talent -- particularly talent. One very interesting thing is to compare the Soviet military work in space with the Soviet civilian work in space. There is an obvious qualitative difference between the two. The military work is much, much better."

(space)

58 Detente: Why Soviets want it. "There are three main

58 reasons for Soviet interest in promoting detente with the United States.

"First, they obviously want to prevent the kind of horrendous confrontation that is possible in this age of superweapons. The idea of a military exchange between us is just so incredible now that even they realize that something has to be done to avoid it.

"Secondly, they do insist that they be recognized as one of the world's two superpowers and get the status that their strength entitles them to.

"Thirdly, they would like to accelerate their development in economic and technical terms, because as they look at this enormous power of the West -- America particularly, but also the other countries -- they see it moving at a tremendous rate and they hope to benefit by a greater degree of exchange and participation in that movement.

58 "The Soviet agreement to liberalize emigration policies

58 is something that gets very close to the bone on Soviet decisions. But it obviously was a matter of great importance to American policy and had to be handled in some fashion.

"Generally, the Soviet concern over internal discipline is very high. This is partly a result of detente. They are a little nervous about what detente can do in terms of getting new thoughts and new political drives going within the Soviet Union. And they just don't want that to happen."

Soviet empire: Starting to crumble? "The Soviets face a real problem as their satellite states in Eastern Europe show signs of strong dissatisfaction over iron-fisted control from Moscow. The Russians have made it clear that they are not going to brook any substantial break in the Eastern European buffer zone.

"But, at the same time, they obviously have the problem

58 of dealing with the new political ideas that are circulating

58 in some of those countries -- including demands for greater freedom of action.

"The old idea of total Soviet dominance and control is under challenge even from some of the Communist Party leaders in Eastern Europe."

(space)

Western Europe: Communist penetration. "One thing the Soviets want to see is Communist participation in the governments of Western Europe.

"This is in line with Communist ideology which says that collapse of the European free enterprise system is inevitable and that the movement of Communist forces from minority voices to participation will enable the Communists to take over governments and run them.

"Obviously, the Communists are playing a role in Portugal's Government now. They have considerable influence in other countries by reason of the 25 per cent or 28 per cent

58 of the votes they represent and the difficulties of organizing

58 governments among the fragmented parties on the other side.

"I think there's an increase in Communist Party influence. But a couple of curves are running: One is the increase in Communist influence and the other is the increased independence of European Communist parties from Moscow's control. It's really a little premature to tell where these curves are going to cross.

"We are certainly not saying, 'It doesn't matter whether the Communists participate in power.' What I'm saying is that this is a very complicated, multifactored matter to look at.

"We've seen evidence of various agents the Communists have had in NATO-related situations. If you get a Communist Party participating in a government which is a member of NATO, you then begin to put political factors into the handling of intelligence matters -- and suddenly some of these

58 secret matters become subjects of political controversy in

58 various NATO countries. This can get very complicated."

(space)

Sino-Soviet hostility: War isn't imminent. "The Soviets take a very serious view of China as a danger to them in the long run. Russian concern centers on Chinese missile systems -- strategic systems. They have worked hard on their intelligence about those matters.

"But I don't see a war starting in the near future, even though there is considerable hostility on both sides of the Soviet and Chinese positions -- and there is a gulf between them. This hostility certainly will go on as long as the present leadership lasts on both sides -- and probably will not be all that different in the succeeding leaderships.

"I don't anticipate a great deal of change in Chinese policy or Chinese-Soviet policies after Mao Tse-tung and Chou En-lai pass from the scene. This goes beyond personalities. I think the Chinese feel that they have to defend

58

58 themselves against Soviet influence and that this will continue more or less in those terms.

"The Soviets certainly want to avoid any Chinese-American collaboration against them. As they see it, the one element of that equation that they can make some kind of arrangement with is America. They really haven't been able to do much with the Chinese."

(space)

Cuba: Castro's policy now. "Fidel Castro's attempts to export his brand of Communist revolution to other countries of Latin America have diminished greatly. The Cubans have stressed in recent years the development of state-to-state relationships and have tried to get out of the business of being accused of trying to overthrow everybody. And they've been quite successful with that new policy.

"As for Russia, the Soviets still rate Cuba as a geographic asset, no question about it. It's a very substantial

58

58

geographic asset, but it's a very costly one to them in terms of the support the Cubans have required over the years.

"Cuba's present activities in Latin America -- stressing state links rather than insurgency links -- are, in general, of long-term use to Soviet interests. But Cuba is not a spearhead of Communist revolution in Latin America."

(space)

War in Mideast: Quite possible. "Another round of war between Israel and the Arabs is possible -- quite possible.

"It depends on whether the U.S. can reconstruct peace-making diplomacy and get that going. Obviously, the Rabat summit meeting at which Arab leaders named the Palestine Liberation Organization as the sole legitimate representative of Palestinians living on Arab land held by Israel puts a new factor in it.

"As for the Soviet role: They do have a desire to play

58

the role of a major power, particularly in the Middle East-

58 ern area. They are endeavoring to express that through their naval presence, through their aid programs, through their military aid and so forth. The nature of their policy right now is to keep that presence active, keep that capability of influencing the situation. But at the same time they have a considerable interest in continuing the detente program with the United States.

"The Soviets have indicated that they would go along with a Mideast peace settlement in which they played a substantial role. A settlement would deprive the Soviets of a situation they have been able to exploit -- the Arab-Israeli conflict. But also, at the same time, it would remove a danger that the thing might go off the tracks. They've got to try to go along a rather narrow track without abandoning their influence, but, on the other hand, not seeing the whole thing derail.

58 "The Soviets do get a certain amount of benefit from the

58

economic troubles that afflict the West as a result of the oil problems, but they don't have to do much about that. It's taking place pretty much on its own.

"On the other hand, they have to realize that an aggressive move to cut off oil would have to create a reaction on our side. Certainly it would be a very direct affront to any detente hopes that they have.

(END)

58