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Remarks at Phoenix Rotary Club

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I wanted to talk to you a little bit today about what goes on in the Intelligence Community, what we are trying to do, and how we are trying to do it consistent with the demands of a free society which puts us in a rather special category. And it is one that we don't often have an opportunity to explain in detail. In fact there are many things I would like to tell you today that obviously I cannot. Someone gave me a button not long ago; I should have brought it along. It says: "My job is so secret that even I don't know what I'm doing." That is part of the problem, of course. In a society such as ours, secrecy raises elements of suspicion and distrust. The Orwellian theory of what's going on there, the possibility that we may be covering something that we shouldn't be doing under the guise of secrecy—and we in the United States have had a track record where various agencies have indeed overclassified and fallen back under the cloak of secrecy. And yet I want to make, if I can, the obvious case for secrecy and tell you how we are operating within that framework.

The year that just ended has been a very busy and demanding year, quite aside from all the Iran-Contra hearings and all the questions that were raised at that time. Other things of importance have been going on in the world that affect us all. It is very important that somebody understands and can advise and predict for the policymakers of this country so that they can in turn make wise decisions about our involvement, our participation, and our policy positions.

When we think about, and have thought about, Latin America with the problems in El Salvador, Panama, Nicaragua, Haiti; and moving around in other directions, in Moscow—our embassy problem and our relationships with the new Gorbachev *perestroika* and *glasnost*; the problems in Africa with Angola, Chad, Mozambique—major problems that started this year; and they have been dynamically followed by problems in the Persian Gulf, the war in Afghanistan, the problems of nuclear development in India and Pakistan, the crisis in the Philippines, the elections in Korea, the visit of the new Japanese prime minister, the death of Taiwan's president, and our relationship with the People's Republic of China. This is just to mention a few issues and to get your thinking clear on the importance of our understanding, as best we can, and with every resource that is available to us, what is happening in the world in order that those to whom we have entrusted our leadership can make wise and sound decisions.

I am not a policymaker and CIA is not engaged in policymaking. That is an important point for me to remember and for all of you to remember. But if I were a policymaker, I would not want research papers, but I would want national estimates prepared for use that are helpful, not simply giving the kind of

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regurgitation of information that is available in the common libraries. We have within the Intelligence Community and particularly within the Central Intelligence Agency vast human and technical collection capability—both human resources around the world and satellites in the sky. And we have within the Agency an enormous pool of dedicated, talented, and gifted Americans—the functional equivalent of a great American university. The problem, the test, is to make the maximum and most effective use of those resources consistent with the kind of society that we have.

I'm not going, because of the time allowed, to tell you all of the things that we do to assure ourselves that the information is useful. The terms of reference that we prove, the terms of studies have a lot to do with this, but so I think do the weekly meetings that I have separately with the adviser to the President on national security, lunch with the Secretary of State, breakfast with the Secretary of Defense, and many others to be sure that we are in tune with their needs—all go into the process of being useful.

We have to understand, in a very large sense, what is going on in terms of arms production and arms usage. In my litany I gave you a little earlier I should have included arms control because it is one of the most important things we are working on at the present time. We need to know both the capabilities and the intentions of our adversaries. That information cannot wait too long. I visited NORAD, some of you may have been there yourselves, the Cheyenne Mountains, in Colorado, one of the most important centers of our early warning systems where it became abundantly clear that we don't deal any more in terms of years, or weeks, or days, but often in terms of minutes in which to make a decision about whether something that has been launched represents a direct threat to the security of this country calling for a cataclysmic response.

In addition to being useful and timely, it is very important that our work product not only be objective but be seen to be objective. All last year we heard reports, accusations, and innuendos that somebody was "cooking the books" to favor a particular line of policy that those in the Intelligence Community wanted to see happen. I don't think this is factually accurate, but I have put in place a number of procedures. I will not detail these procedures now, but they are designed not only to satisfy the policymakers of the objectivity of our work, but to assure and satisfy those gifted people I mentioned earlier who produce the national estimates that they are allowed to produce their opinions and their views within a framework in which we are not trying to influence or shape their outcome. We want to call it the way that it is. And I have made it very clear to the policymakers that, in turn, they may use it any way they want. They may use it in its entirety, they may use it in part, they may ignore it, they may tear it up and throw it away, but they may not change it. It stands as the record of our Intelligence Community assessment and it will be there for history to judge.

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We had that problem in a small way in the Persian Gulf, when the policymakers got ahead of the Intelligence Community in making certain decisions, including the flagging of tankers without knowing what all of the implications of their actions were, according to our own best estimates. And there was some grousing that perhaps they ought to be allowed to have something to say about how that assessment worked. It might actually implicate the War Powers Act or some other thing. We made it very clear that our estimates would be the best we could produce. They would not for any political reason, or policy reason, be changed. And I think it's a healthy relationship now between what we do and what they do. And I think that that relationship may very well be, in the final analysis, the most important contribution that I could make in galvanizing a cohesive Intelligence Community without compromising the integrity of the individual analysts or the program managers.

All of you I'm sure appreciate the need for secrecy in much of what we do. The two key words that have come to be very important to me, and more so than in any past experience I've had—we certainly were aware of them at the FBI—are sources and methods. If we do not have sources around the world willing to tell us information that we need, because they fear that their identity will be revealed by one process or another—whether it is public congressional inquiries or leaking to the press or by any other means—we're not going to have those sources, and we're not going to have that information. If we cannot develop our most sophisticated technology for gathering information—whether it's signals intelligence, communications intelligence, imagery intelligence of photographs we take from the sky—we're not going to have the methods because our adversaries will devise and have devised the means to frustrate the methods that have become so successful for us.

And so, while we need to protect sources and methods, we have to find a way consistent with that need for secrecy to demonstrate that we are accountable, and to find methods of being accountable that build, rather than erode, trust with those who have the oversight responsibility for our work, particularly the Congress.

I want to talk to you about covert action, a term that became almost a household term during the past year. It is an activity that has been assigned to us and accounts for less than three percent of our resources but which attracts the most heat, the most confusion, and generates the most ill ease and suspicion. Covert action is what it says—it is action that is not intended to be made public. But what it is, primarily, is political work through communications, through training of people in other countries, providing supplies, giving advice. The purpose of covert action is to implement foreign policy—our foreign policy, our national policy, not the foreign policy of the CIA or any other internal group, but the declared policy of this country. And we do it because there are many countries in the world whose

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leaders need and want our help, but for political reasons and other legitimate appropriate reasons cannot have our participation known at the risk of destabilizing their countries. There are also emerging democratic forces around the world that need our support, and our State Department and our President have taken positions to support those democratically oriented organizations—insurgencies which are fighting for the opportunity for freedom in their country. And obviously, our participation in support of those agencies must be done clandestinely.

The statutes and the regulations define covert action as activities conducted in such a way that the role of the United States Government is not apparent. From President Franklin Delano Roosevelt forward, in my lifetime every single President has endorsed and used covert action. How we use it, of course, becomes vitally important.

I hope that you will not associate the problems of Iran-Contra with covert action generally. The problem there was that a non-intelligence agency, the National Security Council, slowly and through understandable error became an operational center for the release of hostages and the development of initiatives looking for people in Iran after Khomeini. Orders were issued out of the National Security Council that, in my view, should not have come from there because they were operational. The National Security Council is designed to coalesce and coordinate policy options for the President to decide, not to engage in operational activities. They did not understand and were not subject to the constraints that would have worked within the Central Intelligence Agency. That whole situation was described as a government without rules inside a government that did not know, and it must not happen again. Fortunately, the President and the national security adviser at the time made it very clear that the National Security Council was out of the operations business, and it now falls back to those of us who are disciplined to understand the constraints under which we must operate.

I came to this job bringing with me two cardinal theses that I developed in my own mind both on the bench and with the FBI. And they are that intelligence activities must be conducted lawfully and with absolute fidelity to our Constitution and to our laws; and that there must be a trustworthy system of oversight which builds, rather than erodes, trust and confidence. Today, most proposals for covert activities are advanced because the State Department or the Department of Defense or some other policymaking organization has come to us for help. When a proposal emerges, it must pass through a strict screening process in the Central Intelligence Agency, ultimately going to a group of senior managers known as the CARG, the Covert Action Review Group, which examines the proposal not only in terms of its management problems, but also asks itself these questions: is it consistent with overt United States foreign policy? Remember, this was one of the problems in Iran-Contra. Is it consistent with American values? Will it make sense to the American people when it becomes public? And will it work? I think this kind of scrutiny assures a more effective and productive use of our covert activity.

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And then I present the same kinds of questions in our presentation to the National Security Council for the National Security Council Planning Group, with the heads of our major departments—Defense, State, Treasury, Justice—the President, and the Vice President, in attendance, so that they too have to ask themselves these questions. And then, the President himself makes a formal finding that the covert action is necessary for our national security.

Not only do we have internally the means of presenting a logical approach to covert action, but we must follow a line of rules established by the President and his National Security Decision Directive—NSDD—and also by a series of laws going back to 1976 and 1977 when Congress undertook to exercise oversight responsibility of the Intelligence Community. The Intelligence Community is required by law to keep both of the intelligence committees fully and currently informed of all intelligence activities. When something is unusually sensitive, we can do this by reporting to what we call the "Gang of Eight," which is the chairman and vice chairman of both committees in the House and Senate, and the Majority Leader and Minority Leader, and so on. They can then be the surrogates for the balance of the Congress on these more sensitive matters.

The law requires that the intelligence committees be kept informed on a timely basis. This year we are going through a kind of debate over whether there are any exceptions to immediate or prompt notice. There is a bill in Congress now to require notice within 48 hours. The President's NSDD requires notice within 48 hours of any finding that he makes except in those extraordinarily rare circumstances where he may determine that for reasons of life-threatening situations he would defer it. But he cannot defer it for more than 10 days without reexamining his position—in my view, a very logical approach to make sure that a decision is not made, as it was in Iran-Contra, not to tell the Congress and then put the finding on the shelf and not examine it again for 18 months. Every 10 days, that issue comes back to the President. I hope that in the ongoing legislation, efforts that will in any way restrict our ability to function in confidence, in protecting the lives that are involved, will give way to the more sane and rational approach that the President has committed himself to through a public document.

If these rules are all in place, and they are being scrupulously followed, I have taken the position that in dealing with the Congress, as distinguished from the use of deception in intelligence activities abroad, there is no excuse for deception of any kind. There will be occasions when, for reasons I have outlined to you, I will not want our people to divulge vital and secret information that exposes unnecessary risk to the projects or the individuals involved. But in those situations, and I have done this, I have told the Congress that I have an answer but I do not want to give it, and I have outlined the reasons. That gives those on the intelligence committees an opportunity to increase their heat on me if they think I'm wrong, to discuss it further with me, to negotiate and find a way to satisfy them

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that they are carrying out their oversight responsibilities without putting to unnecessary risk the projects or the people involved. But never will we answer obliquely or disingenuously or treat the question so narrowly that one can't have an answer that does not inform the Congress and pretend that we have answered the question. It is very, very important that through this level of candor, without giving up our sources and methods, we can indeed build rather than erode trust.

I think there is a limit to legislation in accomplishing missions of this kind which depend upon character. Trust in verification is the President's motto in arms control. And something very like it is true as we approach the difficult problem of making sure that we continue to build intelligence capability around the world, and at the same time demonstrate that we are accountable under our laws to those who have the responsibility for what we do.

An old friend of mine, Sir William Stephenson, 92 years old today, living in Bermuda, was the subject of a book a few years ago called *A Man Called Intrepid*. He didn't write the book but he wrote a foreword to the book, and in that foreword he said this: "Perhaps a day will dawn when tyrants can no longer threaten the liberty of any people. When the function of all people, however varied their ideologies, will be to enhance life not to control it. If such a condition is possible, it is in a future too far distant to foresee. Until that safer, better day, the democracies will avoid disaster and possible total destruction only by maintaining their defenses. Among the increasingly intricate arsenals across the world, intelligence is an essential weapon. (This is the man who helped break the code, the German code, and did so much during World War II.) Intelligence is an essential weapon. Perhaps the most important. But it is, being secret, the most dangerous. Safeguards to prevent its abuse must be devised, revised, and rigidly applied. But as in all enterprise, the character and wisdom of those to whom it is entrusted will be decisive. In the integrity of that guardianship lies the hope of free people to endure and prevail."

It seems to me a nation dedicated to the rule of law can protect itself and its heritage in no other way.

Thank you.

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