



4701 Willard Avenue, #218  
Chevy Chase, MD 20815

(301) 656-4068

PUBLIC AFFAIRS STAFF

The Real Story

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Issues Facing the CIA

CASSANDRA CLAYTON: Tonight we begin our special correspondent series called In Focus. Each week we'll examine a major issue with a leading journalist. Tonight, Charlie Rose reports on the Central Intelligence Agency.

Charlie, thanks for joining us.

CHARLIE ROSE: It's nice to be back.

The CIA's been in the news recently for a variety of reasons: one, the nomination of a new Director to succeed William Webster; two, revelations that it kept funds in the scandal-ridden BCCI; three, a guilty plea by one of its top officials accused of withholding information from Congress about the Iran-Contra scandal; and questions about its performance before the Persian Gulf War and before the recent coup attempt in the Soviet Union. And then, looking to the future, a debate has begun about the role of the CIA now that the Cold War is over.

Our report begins with former CIA Director William Colby

addressing the conflict within the Agency between two key factions: operations and analysis.

WILLIAM COLBY: Gates is obviously a struggle, but the change to analysis is not a struggle. That's inevitable, I think. The change in the world, the opening up of Eastern Europe, the Soviet Union, the lack of the Cold War, all of this. No longer does some little fight in some lost corner of the world immediately become the basis for a confrontation between the Soviet Union and the Americans.

ROSE: Former CIA operative Vincent Cannistraro.

VINCENT CANNISTRARO: The problem is that the Agency does not have a sense of mission now, after the collapse of the Soviet empire.

ROSE: Have they had a sense of mission?

CANNISTRARO: They have, at certain periods in their history, had a sense of mission. They don't have a sense of mission now. They are, in some respect, demoralized. And no one has articulated for them what it is the Central Intelligence Agency, as well as other intelligence agencies, ought to be doing in the new realities. That's the problem. And the problem really is one of leadership.

The old mission was oriented on the Soviet Empire and the necessity to collect against Soviet intelligence, Soviet communism, and Soviet government's attempts to extend its hegemony over Third World countries.

GEORGE CARVER: For four decades-plus the CIA has been very much involved in the conduct of the Cold War, which has now been won and we're going into a new and uncertain world. And its importance has not diminished, but its missions and functions and responsibilities and priorities are certainly going to have to change.

ROSE: The Persian Gulf War points out one dilemma for the CIA: finding the balance between human intelligence, spies, and the use of technological intelligence, satellites in the sky.

CARVER: The intelligence community did a superb job of collecting the kind of hard data that tells you down to a gnat's eyelash what the enemy's capabi -- what your potential adversary's capabilities are and the changes therein; but that the whole policy structure of the U.S. Government, including parts of the intelligence community, misread Saddam Hussein's character and misread what he intended to do with those, because they were looking at him through blinkered eyes and through a perspective that they were unwilling to let facts change.

ALEXANDER HAIG: I think, in terms of battlefield intelligence or tactical intelligence, that it was very, very efficient and very effective. In terms of strategic intelligence, clearly there were a number of serious breakdowns.

For example, we knew where the Iraqi forces were before the conflict, but what we didn't know was what they were going to

do with those forces. And that was an important setback or a failure on the part of our strategic intelligence.

ROSE: And now this question: How well did the CIA do in predicting the unsuccessful coup in the Soviet Union?

CARVER: Dick Cheney, in February of this year, said that Gorbachev's days might well be numbered because of a coup attempt against him. The intelligence community certainly paid a lot of attention to the mutterings in June by the head of the KGB about how the U.S. was using perestroika and glasnost as a device for corrupting Soviet society, the similar mutterings that came out in July. They certainly paid attention when Politburo member Alexander Yakovlev resigned from the Communist Party shortly before he was canned, just Friday before the coup, and said that a coup was imminent.

So, the actual timing may have come as a surprise, but then it came as a surprise to Mikhail Gorbachev, too.

ROSE: The BCCI scandal points out another dilemma for the CIA. When does the opportunity to collect intelligence outweigh, on the one hand, dealing with unsavory characters, and, on the other hand, the possibility of being tainted by illegal activity? The CIA says they had funds at BCCI branches but their involvement was absolutely legal. Others say the BCCI connection helped the CIA in tracking terrorists worldwide. Some ask: Did the CIA connection provide BCCI with a national security cover?

Jack Blum was one of the leading investigators of BCCI and testified before Congress.

JACK BLUM: There comes a point at which one has to ask why intelligence agencies exist. The game is supposed to have a purpose. If the purpose is controlling terrorism, protecting the interests of the United States, you don't further that purpose by using facilities and working with the guys who are making terrorism possible, the guys who are making criminal activity -- for example, narcotics, smuggling -- possible. You, rather, shut it down and you go after them. You don't help them.

And I think this is a very serious question. Were we finding it convenient to use the same kinds of facilities that the criminals were using to support intelligence operations? And if so, where did common sense go?

ROSE: Before any issues about the future of the CIA and its new role can be worked out, it has to get a new Director. The President's choice is Robert Gates. He's currently the Deputy National Security Adviser at the National Security Council. Before that he was Deputy Director at the CIA. His confirmation hearings begin September 16th. And that's the subject of part two tomorrow.

CLAYTON: All right, Charlie. Now, that was a fascinating report, and a lot of people do have questions at this time about the CIA, and they've raised those questions about the Persian Gulf. Why didn't we know Saddam was going to invade?

And then just recently with the Soviet Union. You indicated the CIA did know that there was a coup plot underway, but why didn't we know when it was going to happen?

ROSE: Evidently, the CIA felt some pressure because of what happened during the Persian Gulf War, that they did not know or did not necessarily tell, say exactly what Saddam Hussein was up to. They knew that he had moved the tanks. They could see that from satellites. But they didn't know when. And at the same time, there were some countervailing evidence coming from friends of the President saying he -- King Hussein and people like that said, "He's told us he's not going into Kuwait." So there was reasons to not know the timing there.

Interesting about the coup, that the CIA learned from the Persian Gulf and they had been warning of a coup for a long time. Now, there were other warnings coming from the Soviet Union. On August 16th, Alexander Yakovlev, one of the former close advisers, quit the Communist Party and warned of a coup. And the CIA had been warning of a coup.

So, most people believe they came off with good marks. They just did not know any more than Mikhail Gorbachev knew when a coup might take place.

CLAYTON: What do you see as the role of the CIA in this new world order? Has it outlived its usefulness?

ROSE: No, it hadn't. What it is is really a balancing of the sort of assets, deciding how to reassess and redeploy the

assets. Clearly, we need more human intelligence in the Middle East. Clearly, the Cold War is over, and so therefore there's less of a need for some of the deployment of assets with respect to Eastern Europe and the Soviet Union.

So, that kind of debate is going on. There's clearly a new role, a more important role, which is assessing information.

CLAYTON: And in different areas of the world.

ROSE: Yeah. Especially the Third World. Especially areas that have not received a lot of attention on the part of the superpowers. The United States need for the CIA to provide the best and most timely information, and especially interpretation and analysis of that information, so policymakers have options to make their decisions.

CLAYTON: How much has the CIA's ability to do what it needs to do been compromised by the fact that it's been the center of many controversies lately, including this BCCI scandal? We'll probably be hearing a lot more about that.

ROSE: BCCI is interesting, in that the CIA says they did absolutely nothing illegal. But as Jack Blum points out, a lot is yet to be determined about what in fact went on. And what scandals may lie within that uncovering, we don't know.

The CIA's role and the CIA -- what they have to do, you know, is continue to find the right balance.

CLAYTON: All right. Thanks a lot, Charlie Rose. And we look forward to part two tomorrow night.