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TRANSCRIPT

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SUBJECT DANIEL PATRICK MOYNIHAN

BROADCAST EXCERPT

CHARLIE ROSE (ANCHOR): Tonight, Senator Daniel Moynihan of New York and William Crowell, the Deputy Director of the National Security Agency, on an extraordinary time in American espionage history, the decoding of Soviet transmissions to its agents in the United States.

WILLIAM CROWELL (DEPUTY DIR., NATIONAL SECURITY AGENCY): The first level of encryption was to take words and phrases in a code book that would convert them into numbers. The numbers were not random. They were essentially sets of numbers, usually 4 or 5 numbers together, that would stand for a single word, or several words in a phrase.

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ROSE: During and for decades after World War Two, scholarly analysts at Arlington Hall, the headquarters of the U.S. Army Signal Intelligence Service decoded super-secret Soviet transmissions. Yesterday, the results of their efforts were finally made public. Among the disclosures, powerful evidence that the Rosenbergs were, indeed, Soviet spies; that the Soviets had over 200 clandestine agents working in this country and that Whittaker Chambers' disclosures were accurate.

Joining me now from Washington Senator Daniel Patrick Moynihan, who runs a federal commission on the uses and abuses of secrecy and in a rare media appearance, the Deputy Director of the National Security Agency, William Crowell.

Thank you both for coming.

Senator Moynihan, tell me the significance of this, and what it is that's so fascinating for you about this story, about finally making this public.

SEN. DANIEL P. MOYNIHAN (D-NEW YORK): Two things. First, there are an awful lot of real heroes involved, as Director Crowell will tell you more about them. But these people work year in, year out, year in and finally broke one of the most complex codes ever done, and they did the country an enormous service.

But then there was a second aspect. What they showed was that indeed there was a huge Soviet espionage effort targeted on the atom bomb. Director Crowell told me today they've opened an exhibit in which--on this whole thing. And one, they have a picture of the United States atom bomb next to the first Soviet atom bomb. And he said they're the same thing. They're the same thing. And they did get it. They copied it. It worked.

That happened. We learned about this through these codes at just the moment when it seemed to us--Americans, the most important thing on Earth, on, in life, was to protect this secret from falling into enemy hands.

Then it turned out, it had. Then we wondered: What had happened to our nation? What else were they finding it out.

And here you come to the second part, which is that in the end, you see, there are no secrets, except in nature, and if you are qualified to find out those secrets, you will. When it came to the hydrogen bomb, the American scientists, first having thought that it couldn't be done, and thinking it shouldn't, then two American scientists, (UNCLEAR) and Teller, found out a way to do it, and our scientists, Heinz Bete(?), Oppenheimer, said: Well, if the, we can figure it out, if (UNCLEAR) and Teller can, well, Sakharov will, and, indeed, Sakharov did.

But thereafter we had the idea that there were somehow secrets that should be kept from an enemy which had access to them, simply because they were secrets in nature and not in a file cabinet. I wonder if the Director would agree.

ROSE: Dr. Crowell.

CROWELL: Well, I, first of all, I don't think that secrets that are kept from one particular target, or country, are necessarily secrets not kept from (OVERLAPPING VOICES) So, you have to be careful to generalize that only one target counts.

The second thing is that it's our job to protect the information that we produce with the funds given to the agency by the public, as long as it is necessary in order to make it effective for the future. And, so, even though it may be difficult, as you say, I believe that we do have an obligation to protect them as long as we do.

ROSE: Have we raised the debate that clearly is something that you have given some thought to, Senator Moynihan, the notion of whether we need a CIA and the notion of spying in a post-Cold War world? Are we touching on that question for you?

MOYNIHAN: We need the kind of CIA that John Deutsch has taken on and is going to shape. We do not have the protracted conflict with the one Soviet Union. We have many such problems. But the problem with--in the context of the atom bomb spying, we created a kind of culture of secrecy in our government, which persists to a degree that is not useful to us.

In 1970, Frederick Seitz(?), then the president of Rockefeller University, headed up a panel of scientists that was advising the Pentagon on this issue, and Dr. Teller was a member, for example, and they came out and said--I'll read you, I'll read you an excerpt. It's very important.

It says: The task force noted that more might be gained and lost if our nation were to adopt unilaterally, if necessary, a policy of complete openness in all areas of information.

The problem of secrecy, particularly in analysis, much less in(?), than(?) science is that it prevents you from correcting your mistakes and, and in the end, you know, the simple fact is that for all our enormous intelligence apparatus, we missed the collapse of the Soviet Union completely. Admiral Turner, who was Director of CIA under President Carter, has said, you know, that some revisionist talk going on. But on the corporate(?) view, missed it totally. And that's partly because no one knew what...was.

I--just one more thing. In 1960, when President Kennedy came in, he was told that by the year 2000, he should expect that the Soviet Union would have a gross national product three times that of the United States. Well, that's what he knew. And persons might disagree with that. I know that Walt Rostow didn't think that at all. But, nonetheless, that's what the President knew and couldn't act on any other assumption. And what he knew was profoundly wrong.

ROSE: Do you agree? Do you think that the directors of the CIA during the Reagan administration, then, and Bush administration would agree with you that they missed totally the fall of Communism?

MOYNIHAN: No. No. They wouldn't. But they would be wrong, because they did. Two years before the Berlin Wall came down, the official CIA estimate of per capita gross domestic product in East Germany was higher than West German. I once said to Director Deutsch, you know, any taxi driver in West Berlin could have told you that is not so. He said: Any taxi driver in Washington.

ROSE: Mr. Crowell, before we move on to the (UNCLEAR) project, any comment about this and the notion of, you sit at NSA, and, in a sense, of the future role of intelligence gathering and secrecy in a different world than we now inhabit after the end of the Cold War. Some say, a more difficult, more complex, and a more dangerous world.

CROWELL: Well, I think it is becoming more complex. I think also there is definitely a move toward more openness in the intelligence community.

MOYNIHAN: There is.

CROWELL: I think that's health.

(OVERLAPPING VOICES)

MOYNIHAN: You saw it yesterday.

CROWELL: I think you did see it yesterday. On the other hand, I would like to emphasize again that what we spend money to develop, the sources and methods, and if we reveal the sources and methods while they're still viable, essentially we are throwing away that money, because we will need those sources and methods to continue to produce the information.

So, there's a period during which you have to make judgments about what you want to accomplish and whether or not it's in the interests of the public to release the information or to try and retain the capability. And it's a balance. And I think we're getting better at the balance than we used to be.

MOYNIHAN: Right. If I could say--the rule--if everything is secret, nothing is secret. And one of the secrecy system--not nearly so much about the very technical, hugely complex, mathematical exercises you go through and collecting exercises in the National Security Agency, which is our listening agency, but the analysis of what's going on in the world. Right now, I'll ask you, Larry (SIC), how many times have you picked up the Washington Post or any other paper and read in the front page that a CIA analysis has just revealed.

Well, that's bureaucratic in-fighting going on in our town, the capital, your town, all our town, on, in which the least scrupulous person has the advantage of being willing to give out secrets which others won't give and not always get the best results. You get the kind of results in which a huge miscalculation we were thinking we might have to fight the Soviets at Arlington, Texas, about 4 years before they imploded.

ROSE: Do I hear you saying that because of--Mr. Deutsch has moved over from Pentagon to the CIA that you no longer believe it's necessary to abolish the CIA?

MOYNIHAN: I made that proposition 3 years ago, because I wanted to start a conversation. I think we had that conversation. I think we had a good results. (OVERLAPPING VOICES) scientists who understand the limits of these things.

ROSE: Take me to (UNCLEAR) project, Mr. Crowell, and tell me, Director Crowell, tell me about the men and women who came together, what their task was, what their skills were, what was so extraordinary about their effort--and you were part of it, I think, at that time.

CROWELL: Well, I joined it late in the, in the program, and so I had the opportunity to meet many of those who were still with the project. But I didn't mitt--I didn't get to meet until yesterday, actually, some of the more prominent members, like Meredith Gardner.

The original, the first person who began the program was Jean Grable. She began on the 1st of February, 1943. She is an absolutely fascinating lady. She was a schoolteacher until about six weeks before she began the project. And I spent a fair amount of time with her, both yesterday and this morning, renewing acquaintance...

(OVERLAPPING VOICES)

ROSE: What was the project?

CROWELL: I'm having trouble with this--

ROSE: What was the project? What was the project?

MOYNIHAN: The project was breaking an intensely complicated code which involved using a lot of one-time pads(?). I was in the Navy for 6 years. And I--those one-time pads are never repeated.

(OVERLAPPING VOICES)

ROSE: Go ahead. Explain what a one-time pad was, because it's at the heart of this, which made it so complicated.

CROWELL: Well, actually the codes that were used in the (UNCLEAR) were really double-encrypted system. The first level of encryption was to take words and phrases in a code book that would convert them into numbers. The numbers were not random. They were essentially sets of numbers, usually 4 or 5 numbers together, that would stand for a single word or several words in a phrase.

Once you took the words and converted them to those numbers, then you applied what is called a one-time pad. It is a book of numbers that are truly as close to random as man knows how to produce. Those numbers are added to the numbers from the code book, following a set of rules that produce a random result. When the message is sent, the entire process is reversed on the other end.

Now, the problem is that for the cryptographer, is that the one-time pad, if it's truly random, is unbreakable. It is a task that is impossible. If it is not random, it's going to be very close to it and still very close to being impossible, unless mistakes are made in the construction and fabrication of--

MOYNIHAN: And the Soviets got overloaded. Didn't they? They just had to do much.

CROWELL: The war was a strain on them. They had to fabricate and ship. These codes, they had to be shipped by courier. The production of them was quite a strain. They had to be printed and bound and all of those kinds of things. And you had to have some source of the randomness in the beginning. It became easier to reuse some of them.

ROSE: Yeah. So, they re-used. Go ahead. Make that point.

CROWELL: What they did is they remanufactured--they didn't re-use--they remanufactured pages of these one-time pads in varying ways in order to mask the fact that they had been remanufactured.

ROSE: And what was the heroic breakthrough at the time that allowed them to--

CROWELL: Well, the breakthrough really came in two phases. The first phase was this job of, that Jean Grable actually began, of collating and sorting and categorizing all the traffic, until you knew that it was different kinds of traffic, enciphered in different forms, so that you had all of one type of information that you were looking at. And then to find some way of finding the anomalies, the non-randomness, if you will, or the areas where you could exploit it.

Now, that stripped away the first level of encryption. You went from random numbers to then a set of numbers that were non-random in 4 or 5 letter groups. Now, all you still had were numbers. And you had to be able to convert those numbers into text.

MOYNIHAN: Didn't Gardner, around 1947 come up with 3 words?

CROWELL: Yes.

ROSE: This is Meredith Gardner, who was one of the analysts.

(OVERLAPPING VOICES)

MOYNIHAN: 3 words.

CROWELL: Meredith was an absolutely brilliant man. And not only did he know all these languages, but he knew how to fit into logic of human communications these patterns of numbers. He could look at the numbers and say: Gee.

ROSE: Sounds like.

CROWELL: It sounds like, or it's going to be like.

(OVERLAPPING VOICES)

MOYNIHAN: You can't teach it. Put it that way.

ROSE: And you can't teach it. Then what did you need to get it?

MOYNIHAN: You need a Meredith Gardner.

CROWELL: You need a Meredith Gardner.

MOYNIHAN: And all his colleagues. A lot of heroes.

CROWELL: A lot of time and a lot of tenacity.

ROSE: Now, these people came to the job--I want to move on to what they discovered, once they broke the code--but they came to this job with not skill in, in decoding. But they were schoolteachers and they were what? archaeologists, and they were whole series, a variety of pre-war experience.

CROWELL: There were linguists. There were archaeologists. There were musicians. There were English majors. There were teachers. They were--

MOYNIHAN: Notice. Notice. They were musicians. They were English teachers. Those people know something.

CROWELL: They know the--they know human language and a lot about the order of language.

ROSE: Should we trust the government more to musicians and teachers, Senator Moynihan?

MOYNIHAN: It was a damn good thing we had them on hand in 194...I think Mr. Crowell would want you to know that just as the Soviet espionage in effect stole the first details of the atom

bomb, also stole the fact that we had broken the code. This happened, I guess, probably the British counterintelligence...

ROSE: That was Philby, wasn't it? Kim Philby?

MOYNIHAN: Well, I'll turn to...

(OVERLAPPING VOICES)

CROWELL: ...the popular notion is that it's Kim Philby. And Kim Philby in his own book certainly was not bashful about claiming some credit for that. But it's not entirely clear.

ROSE: It's not clear.

CROWELL: It's not...

ROSE: But you don't rule it out?

MOYNIHAN: Well, when you're living in Moscow, and the Soviet government is paying your, your, for your, buying your drinks and so forth, you don't want to underestimate how much, how important you have been to them.

ROSE: Err on the side of exaggeration and height? All right.

MOYNIHAN: ...happened...

ROSE: Somebody ac--somebody was told--somebody from the (GARBLED) the Signal Corps said to Philby at the time who, I guess, was, you know, was a high-ranking official of British intelligence: This is what we have done. And he then told the Soviets. That's at least believed or assumed in part.

(OVERLAPPING VOICES)

CROWELL: That part is known. He did know about the codes and, in fact, would follow the progress in breaking the codes to determine whether or not U.S. intelligence and our allies were getting close to him.

ROSE: Okay. What do we now know from the discl--from breaking the code. What did we know? I mentioned earlier. It told us that they--that they were trying to steal and did, in fact, steal the architecture of the bomb, the drawings and how to make a bomb. Two, what did it tell us about the Rosenbergs, Ethel and Julius Rosenberg?

CROWELL: Well, there are a number of messages that refer to the Rosenbergs. I believe that--I don't remember the exact number, but quite a number. And there are two that refer to Ethel Rosenberg. We know--

ROSE: They were involved in passing the secrets of the Manhattan Project...

(OVERLAPPING VOICES)

CROWELL: Well, the messages, the messages are mostly trade(?) craft(?) messages, and what they concern is, are things like requests for more film, so that Antenna or Liberal, which were the cover names for...

(OVERLAPPING VOICES)

MOYNIHAN: The code name was Liberal.

ROSE: Liberal? That was his code name?

CROWELL: That's correct. And before that it was Antenna. It was changed some time during the middle of the war.

ROSE: And the code name for the State Department was The Bank. And code name for Roosevelt was Kapitan.

CROWELL: Kapitan.

ROSE: Yes. And War Department, which, I guess, Pentagon, was Arsenal. Yes?

CROWELL: That's correct. And Winston Churchill was Boar, spelled b-o-a-r.

MOYNIHAN: And Washington, D.C. was Carthage.

ROSE: Was Carthage.

CROWELL: San Francisco was Babylon.

(OVERLAPPING VOICES)

MOYNIHAN: And Europe(?) in(?) Tyre(?).

ROSE: All right. What did it tell us of the disclosures of Whittaker Chambers later, who became a very controversial figure, defended by the right in American public life, Bill Buckley and others, at the same time he accused Alger Hiss. He was a principal accuser of Alger Hiss. What did it tell us about him? His disclosures?

CROWELL: Well, these 49 messages may have only confirmed some of his statements. There are further releases to be made over the next year, and I'll wait until those releases are made.

MOYNIHAN: But, Larry, let's be clear. There was a...division in American life over the charges that the Soviet Union had espionage rings running in our country and inside our government. They had--this had been going on since 1920. The minute the Soviet government started sponsoring Communist parties around the country, they sponsored a public party and a covert party. John Reed got 1,08,000 roubles from them clandestinely.

(OVERLAPPING VOICES)

MOYNIHAN: "Ten Days That Shook The World".

ROSE: "Ten Days That Shook The World".

MOYNIHAN: He's buried in the Kremlin Wall. Now, the most important fact is that they denied the existence of the covert side. And, so, a huge debate took place in America in which people who had been part of it, who had been a spy, would come out and say: Look, I was a spy. And he was, too, and so forth. And the others would say: No.

ROSE: Well, that's Whittaker Chambers and Alger Hiss right there.

MOYNIHAN: We are--I don't want to speak of names. But it defined an era of--that grew gradually more paranoiac, shrill, accusatory. We, we, we were hurt--the Soviets probably did more damage to us by the internal debate--

ROSE: By turning American against American, they did more damage than the information they actually found.

MOYNIHAN: Yeah. In the end, the information was, as I say, they didn't need any information for the hydrogen bomb. They figured it out on their own. But, but this culture of secrecy got--the people inside our government who knew it was true--

ROSE: Right.

MOYNIHAN: They could look at the (UNCLEAR) transcripts. I mean, you know, I've got some right here in front of me. They would just look at it and say: I know it's true. But they couldn't say it, because the (UNCLEAR), they kept it secret...

(OVERLAPPING VOICES)

ROSE: My next question. Why did they keep it secret for so long? And why now?

MOYNIHAN: Because we were listening to current traffic. Isn't that right...

CROWELL: The methods that were used were, in fact, still useful into the 80s. And there was another issue, too.

ROSE: The methods were useful until--into the 80s.

CROWELL: That's correct.

ROSE: That was in terms of, of, of decoding their--

CROWELL: --crypto-analysis.

MOYNIHAN: I'm gonna say something, though, which is maybe a little too much off the cuff. I think more might have been gained, too, by American society, if we'd just gone all out and said: Here. Read this, if you have any doubts about it. Now, that's settled. Can we get this issue behind us? There was this era. It's over. And now let's go on. I, honestly, I think I think that.

CROWELL: There was another issue that I think troubled a lot of the people involved in the decision-making process, and that was the issue of names that appear in the traffic, in which there is no evidence that they actually participated in espionage, and even more importantly, some messages later on confirmed that they had not participated in espionage.

ROSE: Is an example of that that you could--

CROWELL: Not among the 49...

(OVERLAPPING VOICES)

MOYNIHAN: I'm gonna try to find it. I wouldn't put it one bit past the Soviets to identify in encrypted message a perfectly innocent but important American government official as one of their agents, in order to destroy him and, and, and, you know...

(OVERLAPPING VOICES)

ROSE: Disinformation of a kind.

MOYNIHAN: A disinformation. They were not nice people.

CROWELL: Well, and let me just say--I answered your question that there weren't any in the current release. But, in fact, you will find very few redactions, that is, names marked through in the message text of those messages that we released. However, I'd like to point out to you that there are a few. There are one or two. And those are cases where there are names that appear where we are uncertain and the FBI is uncertain--more importantly, the FBI, because they did the investigation--about whether or not these people actually were...

(OVERLAPPING VOICES)

MOYNIHAN: Well, you could have an agent bragging about: I got, I got contact here, this fella's working for me. She's, you know. And, and, it not be true. So, America had to go through this. We're coming out of it. And I want to say, the FBI, Mr. Freeh, the National Security Administration, the Army Signal Intelligence is the predecessor of the National Security Administration. They've been magnificent, as has Secretary Deutsch, Director Deutsch. We can be a little prouder today, not just of what we did by opening these things, by now that we know the people who did it for us in the first place. No one ever knew their names.

ROSE: All right. That's the important point I want to make before I have a couple more questions. But that must have been a wonderful moment for them, to be there and to be recognized, because for a long time they could not talk about who they were or what they did.

CROWELL: That's absolutely correct. And I talked with many of them yesterday, a lot more this morning. I think they were absolutely stunned--first, by the release. But secondly, by the fact, the focus of the release stayed on their contributions and their importance to the country, and they were flabbergasted. They were very, very thrilled and grateful to Senator Moynihan, to, to the DCI, to Dr. Deutsch, and to all the others that participated and to the way the media has treated the story, which has reinforced that.

ROSE: One last question about the CIA, about spying. Do you believe that Aldrich Ames was helped and there may be people that helped him who are still working within the CIA, within the American intelligence apparatus?

CROWELL: Is that question for me? I'm, I'm afraid I don't know the answer to that question, and I wouldn't want to venture a guess. I think it's too important a question to venture a guess.

MOYNIHAN: I will venture one proposition, that if we don't know now, we're going to find out. Yes.

ROSE: Do you agree with that, Director Crowell?

CROWELL: I believe there is a concerted effort--

ROSE: Find out?

CROWELL: To find out.

ROSE: Who helped whom? When? Could you have done this alone?

Senator Moynihan, you have spoken to this issue--and I only have a moment. But I want to get your thoughts, because it is drawing increasing attention; it is the question of the United Nations troops' peacekeeping mission in Bosnia. What should happen?

MOYNIHAN: We should get that peacekeeping mission out of a setting in which there is no peace, that they can't--they're not keeping a peace, and they're not enforcing it either. We should, in my view, lift the embargo of the legitimate government of Bosnia/Herzegovina, a member of the United Nations, which has been invaded, and it's been torn apart, and we have imposed an arms embargo on them, so they cannot--whatever else the right of self defense is specific in the Charter, and we've denied it to a member of the United Nations.

ROSE: I thank both of you for joining us. It's an extraordinary story. And to have you talk about it is a fascinating chapter in American history. And it must have been a wonderful moment to be there with the people who at long last were able to be recognized for important contributions that they made during an important time. Thank you both.

GUESTS: Thank you.

(END)