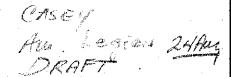
THE HEALTH OF INTELLIGENCE



IN THE BRIEF TIME I HAVE ALLOTTED, I'D LIKE TO TALK TO YOU ABOUT THE HEALTH OF YOUR COUNTRY'S INTELLIGENCE SERVICES. YOU UNDOUBTEDLY ARE ALREADY SPECULATING AND YOU ARE RIGHT -- THERE IS GOOD NEWS AND BAD NEWS. THE GOOD NEWS IS WE HAVE COME A LONG WAY IN THE REBUILDING JOB MANDATED BY THE ELECTION OF PRESIDENT REAGAN IN 1980, WHICH HE ENTRUSTED TO ME WHEN HE APPOINTED ME HIS INTELLIGENCE CHIEF. THE BAD NEWS IS CHALLENGES POSED BY THE SOVIET UNION CONTINUE TO GROW -- BOTH GEOGRAPHICALLY AND IN TERMS OF SUBTLETY AND SOPHISTICATION.

ON THE GOOD NEWS FRONT, WE HAVE REVERSED THE SEVERE DRAW DOWN IN PEOPLE AND FUNDS THAT HAD SUCH DIRE CONSEQUENCES FOR INTELLIGENCE DURING THE SEVENTIES. I HAVE REVAMPED AND REFURBISHED THE INTELLIGENCE ANALYSIS PROCESS, ONE OF MY HIGHEST PRIORITIES WHEN I BECAME THE DIRECTOR OF CENTRAL INTELLIGENCE. THE ESTIMATIVE PROCESS IS HEALTHY -- I INTEND TO KEEP IT THAT WAY. WE HAVE ALSO MOVED WITH VIGOR TO REVITALIZE BOTH HUMAN AND TECHNICAL COLLECTION. THE PRESIDENT AND THE CONGRESS ARE HELPING US OBTAIN THE FUNDS WE NEED TO CARRY ON THIS REBUILDING PROGRAM.

OUR ABILITY TO HIRE THE PEOPLE WE NEED IS VERY ENCOURAGING. THE AGENCY MAINTAINS AN INDEPENDENT NATIONWIDE RECRUITMENT SYSTEM THAT LITERALLY BEATS THE BUSHES FOR THE BEST QUALIFIED PEOPLE AVAILABLE. I'M HAPPY TO SAY WE STILL ATTRACT OUTSTANDING YOUNG PEOPLE FROM OUR COLLEGES AND UNIVERSITIES. IN THE 1982 FISCAL YEAR ENDING IN SEPTEMBER, THE AGENCY RECEIVED MORE THAN A QUARTER OF A MILLION INQUIRIES ABOUT EMPLOYMENT. OF COURSE, ONLY A FRACTION WERE INTERVIEWED AND FAR FEWER WERE FINALLY HIRED. OUR STANDARDS ARE EXTREMELY HIGH, BUT WE GO TO CONSIDERABLE EXPENSE TO ENSURE WE GET THE BEST. EVEN

WITH THIS EFFORT ...

APPROVED FOR RELEASE□ DATE: 08-Dec-2008 WITH THIS EFFORT, APPLICANTS IN SEVERAL CRITICAL CATEGORIES LIKE COMPUTER SCIENCES, ENGINEERING, ELECTRONICS, AND LANGUAGES ARE IN SHORT SUPPLY.

FINDING QUALIFIED APPLICANTS WITH ADEQUATE LANGUAGE TRAINING IS PARTICULARLY TROUBLESOME, AND WE HAVE BEEN FORCED TO INSTITUTE OUR OWN LARGE AND EXPENSIVE LANGUAGE TRAINING PROGRAM. IT HAS BEGUN TO BEAR FRUIT. JUST IN THIS PAST FISCAL YEAR, WE WERE ABLE TO SHOW THE FIRST OVERALL GAIN IN AGENCY-WIDE FOREIGN LANGUAGE CAPABILITY, WHICH MARKED THE REVERSAL OF A SLOW BUT STEADY DECLINE IN SKILLS SINCE 1966. OUR INCREASED CAPABILITY IS MORE SIGNIFICANT BECAUSE IT GIVES US ADDITIONAL COMPETENCE IN CHINESE, ARABIC, AND PORTUGUESE WHICH ARE VERY DIFFICULT TO HIRE. WE ARE CONTINUING TO WORK TO INCREASE OUR CAPABILITY ACROSS THE BOARD. INTELLIGENCE IS NOT ALONE IN ITS NEED FOR MORE LANGUAGE CAPABILITY. OUR COLLEGES AND UNIVERSITIES COULD DO WELL TO ESTABLISH NEW PROGRAMS TO MEET THESE NATIONAL NEEDS.

AS FAR AS SOVIET CHALLENGES TO OUR NATIONAL SECURITY, I AM GOING TO SKIP OVER THE MOST OBVIOUS ONES SUCH AS THE SOVIET UNION'S ABILITY TO PROJECT ITS POWER AND INFLUENCE ABROAD THROUGH WORLDWIDE SUBVERSION AND INSURGENCY, PRIMARILY THROUGH PROXY FORCES IN CUBA, LIBYA, NORTH KOREA, ANGOLA, AND ETHIOPIA. LIKEWISE, INTERNATIONAL TERRORISM AND NARCOTICS TRAFFICKING ARE FAMILIAR PROBLEMS THAT ARE GREATLY PUBLICIZED. THEIR CURTAILMENT IS CRITICALLY IMPORTANT TO THE WELFARE OF OUR COUNTRY AND TO OUR ALLIES ABROAD. WE IN THE INTELLIGENCE FIELD ARE DOING OUR PART TO HELP THE COUNTRY COPE WITH THESE PLAGUES.

BUT I'D LIKE...

CHALLENGES THAT YOU MAY NOT BE AS FAMILIAR WITH. ONE IS THE ABILITY OF THE SOVIET UNION, LARGELY THROUGH ITS INTELLIGENCE ARM, THE KGB, TO INSIDIOUSLY INSERT ITS POLICY VIEWS INTO U.S. AND OTHER FOREIGN GOVERNMENT'S POLITICAL, JOURNALISTIC, BUSINESS, LABOR, ARTISTIC AND ACADEMIC CIRCLES. THE KGB IS ADEPT AT DOING THIS IN A WAY THAT HIDES THE SOVIET HAND AS THE INSTIGATOR. THE SOVIETS USE THE TERM "ACTIVE MEASURES" TO DESCRIBE SUCH ACTIVITIES. IN OUR TERMS, THEY ENCOMPASS ALL COVERT ACTION AND PROPAGANDA ACTIVITIES OF THE SOVIET UNION AND ITS ALLIES. A FULL RANGE OF TIME-TESTED CLANDESTINE TECHNIQUES ARE USED:

--SOVIET AUTHORED OR INSPIRED ARTICLES SURREPTITIOUSLY PLACED IN THE FOREIGN PRESS TO INFLUENCE LOCAL POPULATIONS, WHICH THEN ARE RELAYED BY ALL SOVIET INFLUENCED MEDIA;

--FORGED DOCUMENTS THAT MAY BE TOTALLY FABRICATED OR ALTERED VERSIONS OF GENUINE DOCUMENTS;

--OUTRIGHT DISINFORMATION DESIGNED TO DISCREDIT INDIVIDUALS, INSTITUTIONS, GOVERNMENTS OR POLICIES;

--MANIPULATION OR USE OF INDIGENOUS FOREIGN COMMUNIST
PARTIES, INTERNATIONAL AND LOCAL COMMUNIST FRONT ORGANIZATIONS,
AND CLANDESTINE RADIO OPERATIONS.

ALL OF THESE ACTIVITIES ARE DIRECTED AT ERODING TRUST IN THE UNITED STATES AS THE LEADER OF THE FREE WORLD.

THE KGB HAS BECOME PARTICULARLY BOLD IN DISSEMINATING FORGED DOCUMENTS. WE SEE THEM INVOLVED IN CAPERS THEY WOULD NOT HAVE UNDERTAKEN A FEW YEARS AGO. THE MOST DAMAGING ARE FABRICATIONS OF OFFICIAL-LOOKING DOCUMENTS, OFTEN ATTRIBUTED TO SENIOR U.S. OFFICIALS, INCLUDING THE PRESIDENT AND VICE PRESIDENT. LATE LAST YEAR, DELEGATIONS ATTENDING AN IMPORTANT SECURITY CONFERENCE IN MADRID RECEIVED

COPIES OF A FORSED LETTER PRESIDENT REAGAN ALLEGEDLY SENT KING JUAN CARLOS.

THE LETTER CITED "HIGHLY SECRET INFORMATION" ADVISING THE KING THAT SEVERAL OF HIS STAFF WERE OPPOSED TO SPAIN'S JOINING NATO, AND URGING HE MOVE AGAINST THEM. OBVIOUSLY THE FORGERY MEANT TO DISRUPT SPANISH-U.S. RELATIONS AND TO PROVOKE INTERNAL OPPOSITION TO SPAIN'S JOINING NATO. ALSO, LAST YEAR THE SOVIETS ADDED A NEW WRINKLE TO FORGERIES BY BUYING AVAILABLE UNCLASSIFIED CIA MAPS AND USING THEM TO DISCREDIT U.S. POLICIES. MOST RECENTLY AN UNCLASSIFIED CIA MAP OF CUBA WAS REPRINTED AND DISSEMINATED IN ETHIOPIA TO SUPPORT A STORY ALLEGING THE REAGAN ADMINISTRATION AND THE CIA ARE WAGING BACTERIOLOGICAL WARFARE AGAINST CUBA. AN EXAMPLE OF OBVIOUS DISINFORMATION ALSO OCCURRED LATE LAST YEAR WHEN RADIO MOSCOW CHARGED THAT THE U.S. WAS BEHIND THE UNSUCCESSFUL COUP ATTEMPT AGAINST SEYCHELLES PRESIDENT FRANCE ALBERT RENE. THE BROADCAST ALSO CLAIMED THIS WAS PART OF A U.S. EFFORT TO SECURE U.S. BASES IN THE INDIAN OCEAN.

THESE EXAMPLES ARE ONLY THE TIP OF THE ICEBERG -- THERE ARE NUMEROUS OTHER ACTIVITIES THAT CANNOT BE DISCUSSED IN THIS OPEN FORUM. SUCH ACTIVITIES CAN AND DO CAUSE ENORMOUS DIFFICULTIES FOR US IN THE UNSOPHISTICATED AREAS OF THE WORLD. THEY ARE A DIRECT CHALLENGE TO EVERYONE WHO BELIEVES IN THE VALUES OF A FREE AND OPEN SOCIETY.

ANOTHER CHALLENGE CAN ONLY BE TERMED A HEMORRHAGE. THE SOVIET UNION AND ITS ALLIES ARE RAIDING THE WESTERN STOREHOUSE OF TECHNOLOGY WITH UNCANNY SKILL AND SUCCESS. THEIR INTELLIGENCE SERVICES ARE DEVOTING VAST AMOUNTS OF MONEY TO TRAINING YOUNG SCIENTISTS AND SKILLED TECHNICIANS WHO ROAM THE WORLD TO ACQUIRE WESTERN TECHNOLOGY FOR SOVIET MILITARY ARSENALS. THEY HAVE SUCCEEDED TO THE EXTENT THAT BILLIONS OF DOLLARS WORTH OF TECHNICAL KNOWHOW FLOWS IN AN EVER

INCREASING STREAM...

INCREASING STREAM INTO THEIR MILITARY HARDWARE. THESE BOUNTY HUNTERS, WHO MOSTLY ARE ACTING UNDER THE COVER OF SOME LEGITIMATE ACTIVITY, SOMETIMES GO ABOUT THEIR BUSINESS USING LEGITIMATE MEANS, BUT MOST OFTEN THEY RESORT TO ILLEGAL PURCHASES, BRIBERY, THEFT AND ESPIONAGE.

THE DAMAGE ESPIONAGE HAS CAUSED TO NATIONAL SECURITY IS OBVIOUS IN THE DEVELOPMENT OF SOVIET WEAPON SYSTEMS. WILLIAM BELL WAS A RADAR EXPERT WORKING FOR A MAJOR U.S. DEFENSE FIRM. HE WAS RECRUITED BY A COMMUNIST INTELLIGENCE OFFICER WORKING UNDER COVER OF A POLISH EXPORTING FIRM CALLED POLAMCO. OVER 20 HIGHLY CLASSIFIED DOCUMENTS ON ADVANCED WEAPON SYSTEMS WERE HANDED OVER -- WE LOST VALUABLE SECRETS ON LOOKDOWN - RADAR USED ON THE F-15. THE QUIET RADAR SYSTEM DESIGNED FOR THE B1 AND STEALTH BOMBERS, ALL-WEATHER RADAR FOR TANKS, AND A HOST OF EQUALLY IMPORTANT RADAR SYSTEMS THAT ENABLED THE SOVIETS TO LEAPFROG COSTLY AND TIME-CONSUMING DEVELOPMENTAL STAGES. IN ANOTHER CASE, A DEFECTED SOVIET INTELLIGENCE OFFICER HAS DESCRIBED FOR US THE HUNDREDS OF MILLIONS OF RUBLES THE SOVIET INTELLIGENCE SERVICES HAVE SAVED THE SOVIET MILITARY BY SURREPTITIOUSLY ACQUIRING OUR ADVANCED TECHNOLOGY. HIGH ON THEIR PRIORITY LIST IS TECHNOLOGY FOR OBLATIVE HEAT SHIELDS FOR NUCLEAR REENTRY VEHICLES. THE LIKELY ACQUISITION OF EVEN SOME OF THIS TECHNOLOGY WILL ENABLE THE SOVIETS TO SHAVE YEARS OFF DEVELOPMENT OF THIS MATERIAL. THERE ARE NUMEROUS OTHER CASES AND I CAN TELL YOU OUR MOST SENSITIVE SECRETS ARE NOT SAFE FROM THIS ONSLAUGHT.

YOUR INTELLIGENCE SERVICES ARE BEING SORELY TESTED, AND WE WILL BE REQUIRED TO REDOUBLE OUR EFFORTS TO LIMIT THIS HEMORRHAGE OF OUR VITAL INFORMATION. AT THE CIA I HAVE ESTABLISHED A TECHNOLOGY TRANSFER

INTELLIGENCE COMMITTÉE...

INTELLIGENCE COMMITTEE THAT IS LOOKING AT THE WHOLE QUESTION OF HOW MUCH AMERICA'S RESEARCH AND DEVELOPMENT HAS CONTRIBUTED TO THE INCREASED ACCURACY, SOPHISTICATION, PRECISION AND COUNTERMEASURE CAPABILITY OF THE SOVIET MILITARY-INDUSTRIAL COMPLEX. BUT IN THE FINAL ANALYSIS, THIS IS A LARGER PROBLEM. THE ENTIRE WESTERN COMMUNITY MUST DEVISE INNOVATIVE WAYS TO COUNTER THIS GROWING SOVIET THREAT.

FINALLY, I WANT TO MENTION A PROBLEM YOU ARE MORE FAMILIAR WITH -- ONE
THAT IS CLOSE TO MY HEART. THAT IS THE BURDEN OF THE FREEDOM OF INFORMATION
ACT WHICH THE CIA AND OTHER INTELLIGENCE SERVICES CARRY ON THEIR BACKS. SINCE
I TOOK THIS JOB I HAVE QUESTIONED SERIOUSLY WHETHER A SECRET INTELLIGENCE
AGENCY AND THE FREEDOM OF INFORMATION ACT CAN CO-EXIST -- AND I FIND WE HAVE
SUFFERED WITH IT SINCE 1974.

THE FOIA WAS PASSED FOR LOFTY PURPOSES, BUT IT HAS BECOME A TOOL MISUSED BY PERSONS DISAGREEING WITH THE NEED FOR AN EFFECTIVE SECRET INTELLIGENCE ORGANIZATION AND BY REQUESTERS SEEKING INFORMATION FOR PURELY COMMERCIAL REASONS. THE ACT HAS MADE THE CIA A LAUGHING STOCK IN THE EYES OF FRIENDLY FOREIGN COUNTERPARTS. NO OTHER INTELLIGENCE SERVICE IN THE WORLD IS SUBJECT TO SUCH A LAW. THE AGENCY IS IN SERIOUS DANGER OF LOSING IN THE COURTS THE VERY SECRETS WHICH IT IS MANDATED TO PROTECT. THE WILLINGNESS OF FOREIGN INTELLIGENCE SERVICES TO SHARE SECRET INFORMATION WITH THE U.S., AND THEN RELY ON US TO KEEP THE RELATIONSHIP SECRET, IS WEARING THIN. MORE AND MORE FOREIGN LIAISON AND FOREIGN AGENTS FEAR THE INFORMATION THEY PROVIDE THE U.S. WILL WIND UP RELEASED IN SOME PART UNDER THE FOIA. THIS PERCEPTION PROBLEM EXTENDS TO THE AGENTS WE RECRUIT. MANY FEAR FOR THEIR VERY LIVES THAT COOPERATION WITH US MAY MEAN EXPOSURE UNDER THE ACT.

UNDER THE ACT THE AGENCY FINDS ITSELF FORCED TO JUMP THROUGH NUMEROUS PROCEDURAL AND SUBSTANTIVE "HOOPS" TO PROTECT INFORMATION WHICH IMPINGES

DIRECTLY UPON THIS NATION'S SURVIVAL. WHEN THE CONGRESS ENACTED THE FOIA IT NEVER IMAGINED THAT THE INTELLIGENCE COMMUNITY WOULD HAVE TO WASTE SO MUCH TIME AND EFFORT JUSTIFYING THE PROTECTION OF SENSITIVE INFORMATION. ONE CASE

INVOLVED APPROXIMATELY 3,400 DOCUMENTS AND TOOK THREE YEARS TO LITIGATE IN THE FEDERAL COURTS. WHEN THE TIME CAME FOR A FINAL RELEASE, THE REQUESTER HAD LOST INTEREST AND THE DISTRICT COURT DISMISSED THE LAWSUIT. THE PLAINTIFF HAD BEEN ABLE TO KEEP THE SUIT GOING SIMPLY BY FILING PRO FORMA MOTIONS THAT TOOK TEN MINUTES TO COMPOSE, AND IN DOING SO COST THE AGENCY HUNDREDS OF HOURS -- AND CONSEQUENTLY THE AMERICAN PUBLIC THOUSANDS OF TAX DOLLARS THAT COULD HAVE BEEN BETTER USED BY THIS GOVERNMENT IN OTHER WAYS. ANOTHER SET OF EXAMPLES WOULD ONLY BE LAUGHABLE WERE THEY NOT SUCH A BURDEN. THE AGENCY HAS HAD TO PROCESS DOZENS OF LAWSUITS BROUGHT BY PRISONERS, MENTALLY UNSTABLE PLAINTIFFS, SPECIAL INTEREST GROUPS. AND BY INVETERATE LITIGANTS.

IN SUMMARY, THE FOIA AS IT RELATES TO THE CIA IS NOT AN EFFECTIVE VEHICLE FOR EXPOSING IMMORAL OR ILLEGAL ACTIONS. THE CONGRESSIONAL OVERSIGHT COMMITTEES WHICH THE CIA REPORTS TO SERVE THAT FUNCTION MOST EFFECTIVELY. THE FOIA, WHILE ENACTED FOR NOBLE REASONS, HAS BEEN ABUSED TO THE POINT OF ABSURDITY. SIMPLY PUT, THE FOIA IS THE MECHANISM WHEREBY VILLAINS, CRACKPOTS, WEALTHY LITIGANTS, SELF-STYLED PROTECTORS OF THE NATION'S MORALS, AND PERSONS INTENT ON WRITING BOOKS ATTEMPT TO USE A STATUTE FOR THEIR OWN PRIVATE BENEFIT. WORSE YET, IT IS BEING USED BY HOSTILE INTELLIGENCE SERVICES, SUCH AS THE KGB, TO UNDERMINE OUR SAFEGUARDING OF NATIONAL SECRETS.

JUDGE GERHARD GESELL OF THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA PUT IT BEST IN RULING ON ONE FOIA CASE: "IT IS AMAZING THAT A RATIONAL SOCIETY TOLERATES THE EXPENSE, THE WASTE OF RESOURCES, THE POTENTIAL INJURY TO ITS OWN SECURITY WHICH THIS PROCESS NECESSARILY ENTAILS."

THE INTELLIGENCE COMMUNITY MUST BE EXEMPTED FROM THIS WASTEFUL AND DESTRUCTIVE EXERCISE.