The intelligence community: time for reform?

With no immediate threats to national security and its own reputation tarnished by scandal, is there a future role for the CIA?

by David C. Morrison

If the U.S. military is going through contortions adapting itself to an uncharted post-cold-war world—and it is—imagine the task of reinvention and justification confronting the U.S. intelligence community* in the wake of the unexpected Soviet collapse.

The U.S., after all, has always maintained military forces, however small and ill-equipped they might have been at different points in our history. But the large standing peacetime intelligence infrastructure that came into being with the establishment of the Central Intelligence Agency (CIA) in 1947 is purely an innovation of the cold war. Its predecessor, the Office of Strategic Services, was created after the 1941 Japanese attack on the U.S. at Pearl Harbor.

So accustomed have Americans been over the past half century to the existence of the CIA and its fellow intelligence agencies, it is easy to forget that in 1943, U.S. analysts were scurrying through the stacks of the Library of Congress for maps and photos of German targets for American bombers. Until then, no centralized, national intelligence service had served to gather and collate such information.

Haoing receded during the Carter Administration (1977-81), the CIA’s cohorts resurfaced in the early 1980s, increasing their staff by about a third under President Ronald Reagan’s director of central intelligence (DCI) William J. Casey. As its ranks swelled to more than 20,000 agents and analysts, the CIA built a huge new annex at its headquarters in Langley, Virginia. Then came the Communist crash, starting with the fall of the Berlin Wall in 1989 and culminating in the dissolution of the Soviet Union itself in 1991. Initially, at least, these events appeared to presage a fundamental rewriting of the rules of the cold-war spy game.

During the long twilight superpower struggle, 125 CIA analysts scrutinized Soviet military affairs. The task of pondering Russian military activities is now assigned to fewer than 10. In 1992, the Justice Department announced that 350 Federal Bureau of Investigation (FBI) agents would be reassigned from domestic spy-catching duties to combating street gangs and health-care fraud. That year, too, the chief of Russia’s overseas intelligence service stated that his agency would cut back its spying on the West to focus on countries that “now pose a greater danger” to Moscow.

Reform is the watchword

Not surprisingly, “reform” has become the watchword of the day. Absent the familiar, overarching Soviet threat, and dodging falling defense budgets, those intelligence agencies lodged in the Pentagon took a fairly hefty bite out of the reform apple. The 1991 Persian Gulf war, waged in retaliation for Iraq’s invasion of Kuwait, provided another impetus for revamping military intelligence: War-fighting commanders complained vociferously after that brief conflict that the supply of wide-area spy photos and bomb-damage assessment was both inadequate and generally tardy.

A Central Imagery Office has since been established to ensure the prompt delivery of spy photos to those who need *For a who’s who of the intelligence community, see box on page 18.

*THE DISCLOSURE in 1994 that Aldrich H. Ames, a CIA counterintelligence officer, had carried on espionage activities for the Soviet Union and more recently Russia since 1985 without detection, discredited the intelligence community.

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In the wake of A1drich H. Ames' espionage case, the United States intelligence community has been under scrutiny. The Ames case, which was revealed in 1994, exposed a major intelligence failure within the Central Intelligence Agency (CIA). The case underscored the need for reform within the intelligence community, particularly at the CIA, which has seen a significant reduction in its workforce and a shift towards a more centralized structure.

The intelligence community, led by the Director of Central Intelligence (DCI), has been under reform pressures since the 1990s. The DCI's role has evolved from a figurehead position to a more active role in the management of the intelligence community. The post-Cold War period has seen the intelligence community adapt to a new security environment, characterized by the end of the Soviet Union and the rise of multiple competitors.

The intelligence community, especially the Central Intelligence Agency, has faced serious challenges, including significant security breaches and failures to prevent crises. The Ames case and similar incidents have highlighted the need for more robust security measures and better intelligence sharing within the community.

The evolving security environment has also led to changes in the way intelligence is collected and analyzed. The shift towards a multipolar world has required the intelligence community to adapt to a more complex and unpredictable security landscape. The intelligence community is grappling with the challenge of providing timely and accurate intelligence to policymakers, while also dealing with the aftermath of major security breaches.

In conclusion, the intelligence community faces significant challenges in the post-Cold War era. The community is undergoing a period of reform, with the DCI at the helm, to address these challenges and ensure the community remains effective and与时俱进 in a rapidly changing security environment.
major areas: new priorities and a new structure better suited to those priorities.

Consequently, Boren and Representative Dave McCurdy, another Oklahoma Democrat, pressed for a bill in 1992 to institute a new structure. The current DCI would be replaced with a Director of National Intelligence (DNI). Rather than seeking to coordinate the activities of today's one dozen major intelligence-community components, the DNI would directly preside over four new agencies—one to collect human intelligence, another to gather signals intelligence, a third to shoot overhead imagery from reconnaissance satellites and aircraft, and a fourth to analyze the product of those three efforts.

Their proposal sparked debate but little action. For logistical and security-classification reasons, almost four fifths of the intelligence community's budget and activities reside in the Pentagon. A DNI's direct control over these monies would thus be difficult to ensure. Skeptics also worried that segregating analysts from collectors might serve to divorce intelligence from its consumers and spawn a wholly ingrown, self-contained bureaucratic culture.

"In general," intelligence experts Abram Shulsky and Gary Schmitt have warned, "centralization moves the locus of the intelligence effort further and further away from the policymakers who need to make use of the intelligence product."

More controversy

"Covert activities" are undercover attempts to affect political events in other nations, for example by mining a harbor or arming rebels. "Covert operations" are the collection of intelligence by human agents. If anything, most CIA critics would like to see more covert operations (human-intelligence collection) and less emphasis on intelligence learned from interpreting remotely collected satellite imagery.

Although they reportedly consume less than 5% of the intelligence community's resources, covert activities continue to be the lightning rod for CIA critics, as witnessed by the Iran-contra affair in 1986, the effort to use funds from the covert sale of arms to Iran to supply the "contras," antigovernment rebels in Nicaragua. The public view of covert activities is skewed, CIA advocates contend, because successes—such as the arms aid that helped Muslim rebels convince the U.S.S.R. to withdraw its troops from Afghanistan 10 years after they marched in—go largely unheralded while dismal failures become fodder for front pages.

Even covert operations utilizing foreign agents to collect intelligence have become the subject of much criticism and controversy in recent years. In 1988, the agency learned that every one of its Cuban agents was actually working for Fidel Castro's intelligence and disinforming Washington. Two years later, it discovered that all but a few of its East German recruits were also double agents. More than 30 Iranian agents recruited by the CIA were ferreted out and tortured in the 1980s. Most recently, a CIA postmortem of the Ames affair has revealed that the Pentagon may have received distorted data on Soviet military planning funneled through the CIA by double agents.

In a 1994 report, CIA inspector general Frederick P. Hitz painted a dismal portrait of a hidebound old-boy culture that had allowed an alcoholic nonperformer such as Ames to rise in the covert ranks.

"That an officer with these observed vulnerabilities should have been placed in positions involving counterintelligence and Soviet operations where he was in a prime position to contact Soviet officials and thus massively betray his trust is difficult to justify," Hitz wrote.

William E. Colby, who served as DCI under President Gerald R. Ford (1974-77), argues that Ames's betrayal should be put in perspective. "In the 40-odd years since its founding in 1947, [the] CIA has had the massive total of three traitors who served the Soviet Union," he wrote in 1994. "Terrible, but... certainly nothing like the flood of defectors from KGB [Soviet secret police]... over the years." Colby, nevertheless, acknowledged the need for "changes."

Close observers of the agency have attributed Ames's seemingly inexplicable career to the agency's rapid growth in the 1980s that eliminated pressure to discard "unsavory" people. The spy directorate's failure to ensure personal accountability has been another much-decried bureaucratic ill. "The issue of managerial accountability has been one of my office's principal points of focus since its inception in 1990," according to Hitz, "and we have enjoyed mixed success in our efforts to assist in bringing it about."

DCI Deutch seems prepared to step up to that plate. In early 1995, the Operations Directorate again came under fire for retaining on its covert payroll a Guatemalan colonel implicated in the murder of a U.S. citizen. After Deutch pledged to clean house, operations director Hugh E. Price—who had been mildly reprimanded by Woolsey for negligence in the Ames case—promptly resigned. Deutch subsequently disciplined 11 agents involved in the Guatemala affair.

That preemptive strike does not, however, mark Deutch as a foe of covert operations and activities. "I believe that the U.S. needs to maintain, and perhaps even expand, covert action as a policy tool," CIA chief Deutch asserted in a widely reported speech last September. "Let me be clear, we will continue to need to work with unsavory people. We will actively seek out any individual who can provide important intelligence from within a terrorist cell or a factory supplying arms to a rogue state."

As suggested by the Guatemala case, however, there are clearly limits as to how "unsavory" the people the agency puts on its payroll can be.

Recruiting useful agents in areas of interest has indisputably yielded a rogue's gallery of informants. Over the years, the CIA had also paid $160,000 to the corrupt General Manuel Antonio Noriega, eventually deposed as Panamanian president in a 1989 U.S. invasion.

And, from 1992 to 1994, the CIA cut checks for Emmanuel Constant, a leader of the Haitian military junta's paramilitary thugs. While Constant supplied tips on his group's activities, he also led those activities and may have skewed CIA analysis of Haitian affairs with his bias against now restored Haitian President Jean-Bertrand Aristide. In part to forestall this sort of contamination, Stansfield...
Turner, President Jimmy Carter's DCI, has urged that the CIA be sharply and cleanly divided in two, between an analytical branch and a spying branch.

In a 1992 report, a task force sponsored by the Twenty-first Century Fund concluded after a year-long study that covert action "inherently conflicts with democratic aspirations." That stated, the fund's panel judged covert activities to be justifiable if vital national interests could not be served by overt means.

Covert actions "are not magic bullets, nor exceptional tools to be used alone when everything else has failed," Washington intelligence expert Roy Godson argues in a 1995 book extolling carefully planned undercover missions to influence foreign governments. "There may be exceptions," he adds, "but generally these operations must be coordinated with and supported by diplomatic, military and economic measures, or they will not be strategically significant."

Deutch appears to agree. "What will be different is that we will not do these things blindly without thorough vetting and established procedures for accountability," he continued in his September speech. "We will not undertake covert action to support policy objectives unless it is approved at the highest level of government and only if the President authorizes such action after a scrupulous review process, including timely notification of the appropriate congressional oversight bodies."

For two decades, federal law has dictated that the President must make a formal "finding" authorizing covert activity and that congressional leaders be given "timely notification." These stipulations, however, have not forestalled continuous disputes between the executive and legislative branches over what constitutes "timely notification."

Although it receives less press, positive or negative, the CIA's Intelligence Directorate, which collates data and prepares analyses for policymaking consumer throughout the government, fulfills the agency's most unsalable role in the national decisionmaking process.

Like the covert operators, these intelligence analysts have suffered from "notable failures" over the decades, Joseph S. Nye, Jr., former chairman of the analysis-coordinating National Intelligence Council, recently acknowledged. (Again, the agency's intelligence coups tend to be cloaked under the veil of secrecy.) Signal among those failures mentioned by Nye were the CIA's 1962 prediction that the U.S.S.R. would not place missiles in Cuba; the failure in 1973 to foresee the Arab-Israeli War and, in 1979, the toppling of the shah of Iran; and the 1989 forecast that Iraq's President Saddam Hussein would remain quiescent for at least the next three years.

As for the CIA's much-decried inability to anticipate the stunning Soviet breakup, Nye notes that "almost everyone (including President Mikhail S. Gorbachev) failed to predict that the Soviet Union would collapse in 1991."

With that collapse, of course, the world has become infinitely more unpredictable. It is tough to estimate the future force structure of the Russian army, for instance, when no one can say for sure who or what party will be governing in Moscow next year.

The intelligence council "has tried to cope with this uncertainty in a variety of ways," Nye adds. "Most important is the increased emphasis on alternative scenarios in preference to single-point prediction. Its job, after all, is not so much to predict the future, but to help policymakers think about the future."

In a startling statement in late 1994, former DCI Turner stated that the CIA had ill-served the Carter Administration by providing lengthy "National Intelligence Estimate" reports on topics such as Iran and the Soviet Union that were "irrelevant" to policymakers.

Although, some intelligence specialists disputed Turner's admission, the form and substance of the CIA's analytical product has been a matter of no small debate over the years. In a 1994 paper, Douglas J. MacEachin, then chief of the Intelligence Directorate, complained that long analytical documents had traditionally "outranked—for purposes of rewards and promotions—the shorter memoranda, despite the fact that our most important consumers have consistently told us that it is the latter that they found most useful."

Analysis: drowning in data

Along with a renewed emphasis on finely honed analytic "tradecraft," MacEachin urged the production of pointed papers that make "a snappy march through the evidence followed by a delineation of the analytic logic for any conclusions."

That goal, ironically, is impeded by the flood of data now pouring over CIA analysts. The chief obstacle once was too little information about diplomatic and military doings in closed Communist societies. With the crumbling of the Iron Curtain, which had divided East and West since 1946, and the launching of thousands of new "open sources" in formerly "denied areas"—journals, newspapers, public parliamentary debates and so on—the problem today is just the opposite.

The number of periodicals published around the globe surged from 7,000 in 1972 to a whopping 116,000 in 1991. In 1952, only 87 Soviet journals were available for translation and study by CIA analysts. As of 1992, more than 1,700 newspapers were being churned out in Russia and the other former Soviet republics.

The CIA's "operators and analysts come from cultures conditioned by the cold war," Ernest R. May, a professor affiliated with the Joint Military Intelligence College, has remarked. "The former think of penetrating police states and coping with conspiracies; the latter think of piecing together rare facts, like archaeologists. Neither group may successfully adapt to a world that is more like that of a Washington news reporter, that is, challenged not to find information but to avoid being inundated by it."

Given this tidal wave of data, and the downsizing the agency is now undergoing, former DCI Robert M. Gates argued last year that the CIA "should be more focused on issues that are central to national security—the former Soviet Union, China, regional powers and conflicts, terrorism, proliferation." Gates served under President George Bush and is a 20-year CIA veteran.

The problem is that while almost everyone seems to agree that the CIA needs to adopt a sharper set of priorities, few can agree on what those should be. If anything, the dilemma confronting the CIA is that so many issues are now given priority, whereas during the cold war the Soviet threat was the overriding question. In July 1995, DCI Deutch announced that the Clinton Administration would retilt its intelligence preferences toward supporting military operations and combating international criminals, drug traffickers and terrorists. Intelligence overseers in the newly Republican-dominated Congress have fretted that this reorientation might mean the short shrifting of a CIA role in weapons proliferation, economic matters and political issues.
New roles, old debates about secrecy

In recent years, the CIA has stuck its thumbs into a variety of new pies. Under DCI Gates, for instance, it began exploring the possibility of "mining" its classified archive of satellite photos as an aid to studying environmental change and degradation over the three decades that the intelligence community has been collecting such images.

In the CIA's first-ever annual report to Congress in April 1994, DCI Woolsey proudly noted the CIA's provision of "crucial information" to policymakers on the proliferation of nuclear, chemical and ballistic-missile technologies around the world. Spread of these "weapons of mass destruction" is widely viewed as one of the preeminent security challenges of the next century.

In 1993, 427 acts of international terrorism were committed compared to 362 in 1992, Woolsey observed. "When terrorist acts did occur, the community supported efforts to identify and bring perpetrators to justice," he added, as in the coordinated effort launched after the 1993 World Trade Center bombing in New York City.

Along with a Counterterrorism Center, the CIA also boasts a half-decade-old Crime and Narcotics Center. "Using the full array of intelligence resources, from human sources to national technical means, intelligence-community efforts tracked closely with priorities established by the President's national drug strategy," Woolsey stated.

Calls for closer CIA coordination in battling crime climaxed in 1992 when it was discovered that the agency had not shared information on the corrupt Italian Banca Nazionale Del Lavoro with all of the appropriate federal agencies. This is a particularly touchy area, however.

As enacted in the 1947 National Security Act, and recently reiterated by Congress, the CIA "shall have no police, subpoena or law enforcement powers or internal security functions." A 1981 Reagan Administration executive order, which remains in effect, does allow the agency to disseminate to domestic law-enforcement agencies "incidentally obtained information that may indicate involvement in activities that may violate federal, state, local or foreign laws."

The CIA appears to have been reluctant to explore this loophole too deeply, though, for fear that any case that lands in court could result in pressure upon the agency to reveal sensitive sources and methods. Police agencies, similarly, worry that indictment of any malefactors who have a relationship with the CIA could result in a hopelessly tangled prosecution. Thus far, therefore, the intelligence and law enforcement communities seem to have sustained something of an arm's-length relationship.

The same goes for ties between the world of cloak and dagger and that of trade and commerce, even though the notion of economic espionage has become one of the hottest topics on the intelligence agenda. This is hardly a novel idea.

In early 1992, a Los Angeles-based scientist was convicted of selling classified "Star Wars" technology to Japanese firms. The following year, a 21-page document prepared by France's equivalent of the CIA came to light here. It listed as intelligence targets 49 U.S. high-technology firms, 24 financial institutions and six U.S. government agencies. Previously, two officials with the French consulate in Houston, Texas, were observed snatching trashbags outside the home of a Texas Instruments executive.

In early 1995, France turned the tables, expelling five U.S. agents accused of ferreting out information on Paris's negotiating stance in the final months before the Uruguay Round of the General Agreement on Tariffs and Trade was completed at the end of 1993. More recently, a flap has erupted over possible CIA spying on Japanese negotiators during mid-1995 automobile-export negotiations.

"They do it to us and we do it to them," a senior White House official told the press during the resulting furor. Such economic espionage has "always been a legitimate use of intelligence services," he insisted. An age-old dictum has it that nations don't have friends, they have interests. Or, as a Russian Intelligence Service official recently put it: "It is well known that friendship is one thing and special services another."

Spying for General Motors?

General economic analysis and data collection to aid the U.S. side in trade talks or in government-level contract negotiations is one thing. The Foreign Corrupt Practices Act of 1977, barring American aerospace and construction firms from engaging in bribery and other practices common overseas, can place U.S. companies at a severe competitive disadvantage. Data on what deals foreign firms are offering can help level the playing field. But wielding the CIA as a tool in commercial espionage against specific overseas companies is a far more touchy issue.

With the risk of war with the Soviet Union a relic of the past, and the vigor of America's economic competitiveness in the global marketplace of mounting concern, some advocates are pushing for the CIA to go much further than simply garnering diplomatic and negotiating secrets and to engage in outright commercial espionage.
The U.S. Intelligence Community

The Intelligence Community, the bewildering alphabet soup of agencies that collect and process intelligence, has been perhaps more accurately described by a senior intelligence official as a "tribal confederation."

The chief of chiefs is the Director of Central Intelligence (DCI), who heads both the Central Intelligence Agency (CIA), the nation's sole independent intelligence agency, and the intelligence community as a whole. Wearing his CIA director's hat, he commands fewer than 20,000 employees and a $3 billion annual budget. Wearing his DCI hat, he is aided by a Community Management Staff charged with coordinating the activities and budgets of the agencies that comprise the wider intelligence community.

The community's activities are divided into two categories. The National Foreign Intelligence Program meets broad national needs. Tactical Intelligence and Related Activities, or Tiara, is designed to serve military users. The bulk of the community's assets, however, reside in the Defense Department, which finances much of the nation's intelligence activities through its top-secret "black budget," which also conceals the CIA budget.

Overhead reconnaissance—signals and images captured by planes and satellites—is managed by the National Reconnaissance Office (NRO), a $6-billion-per-year Pentagon agency headed by an Air Force official. Considered to be "within but not part of" the Pentagon, the National Security Agency (NSA) wields almost 25,000 employees and a $3.5 billion budget to tap and decode communications and signals the world over. The Central Imagery Office, set up in 1992, ensures that photos collected by the NRO promptly find their way to operational commanders, CIA analysts and other needy "customers."

The Defense Intelligence Agency (DIA), now boasting 6,500 employees, was created in 1961 with the hopes of subsuming the service intelligence agencies into one organization. Although the military intelligence infrastructure has recently been revamped and simplified, the Army Intelligence and Security Command, the Office of Naval Intelligence, the Marine Corps Intelligence Center and the Air Force Intelligence Agency have all survived and prospered.

A new Defense Human Intelligence Service has been created to coordinate the overt and clandestine collection of data by military agents. Though not formally a part of the intelligence community, the Defense Mapping Agency's 9,500 employees draw upon the community's data to generate military charts and missile-targeting data.

A startling number of civilian agencies boast their own intelligence components, with staffs ranging from a mere handful to several hundred. Chief among these are the State Department's Bureau of Intelligence and Research, the Energy Department's Intelligence Support Division and two Justice Department agencies: the Drug Enforcement Administration's Office of Intelligence and the FBI's National Security Division, which conducts counterintelligence investigations here in the U.S.

"The preeminent threat to U.S. national security now lies in the economic sphere," former DCI Turner asserted in 1991. "If economic strength should now be recognized as a vital component of national security, parallel with military power, why should America be concerned about stealing and employing economic secrets?"

Critics of this notion counter that there are a number of practical considerations that argue against a national policy of industrial espionage. For one thing, in this age of sprawling multinational corporations, it is increasingly difficult to define what precisely is a U.S. company. Would it be in the national interest for the CIA to assist the U.S. subsidiaries of foreign-owned firms?

For another thing, as an intelligence official observed during congressional testimony in 1995, the CIA was loath to "play favorites with American companies." If it accidentally neglected to read certain firms in a particular industrial sector into intelligence it had collected concerning that line of business, the CIA could find itself the subject of law suits claiming government discrimination.

Finally, "not one chief executive officer or other senior official of an American corporation has gone on record advocating or supporting such a program," TRW executive Randall Fort has observed. Small firms worry that CIA assistance might give an unfair boost to megacorporations. All companies have to worry about spoofing relations with firms and governments overseas. In any event, according to another executive, "if a company needs the CIA to tell them what's going on in their area of business, then they're already in Chapter 11."

CIA directors in recent years have felt pretty much the same, arguing that trade may be fiercely competitive but it is not war. "It is the role of U.S. business to size up their foreign competitors' trade secrets, marketing strategies and bid proposals," then DCI Gates commented in 1992. "Some years ago, one of our clandestine service officers said to me, 'You know, I'm prepared to give my life for my country, but not for a company.' That case officer was absolutely right."

Which is not to say that the agency has no interest in economic issues. "The community is not conducting economic espionage," Woolsey asserted in his annual report. "We are not trying to learn the business plans of foreign companies in order to give such information to American firms. Rather, we are providing policymakers with analytical support on world economic trends and on key international trade issues."

The CIA also has a keen interest in working with the FBI in preventing the covert acquisition of proprietary U.S. information by foreign governments and firms. "On occasion, the CIA briefs U.S. corporate officials directly concerning the foreign intelligence threats facing U.S. companies," the agency announced in a 1995 report. "As appropriate, the CIA coordinates with other U.S. government agencies, specifically the FBI, before notifying a U.S. company that it is the specific target."

The shroud of secrecy

While waging his quixotic campaign to win support for U.S. membership in the League of Nations, President Woodrow Wilson cautioned in a 1919 speech that the only alternative to the global parliament would be a U.S. government always poised to meet the threat of war. "And you can't do that under free debate. You can't do that under public counsel. Plans must
be kept secret,” Wilson warned, adding darkly: “You know how impossible it is to have a free nation if it is a military nation and under military orders.”

Absent U.S. involvement, the ill-fated League of Nations came and went, of course. But, to a degree that Wilson could never have dreamed, as America geared up 30 years later for the long cold war with the Soviet Union, the shroud of secrecy he had foreseen descended over a significant sector of U.S. government activity.

Article I, Section 9, of the U.S. Constitution, explicitly demands that “a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.” Although claims have been filed, no court has yet found the secret funding of intelligence activities to be unconstitutional. The budgets—and sometimes even the very existence—of large intelligence agencies have thus remained shrouded in official secrecy.

It has been widely reported in the press that the tab for all intelligence activities totaled just over $28 billion in FY 1995, and that the new Republican Congress was edging that figure upward in 1996. Whether or not to make this aggregate budget figure for the sprawling intelligence community public may be the most tooth-marked bone of contention in the general debate over post-cold-war government secrecy.

“There is a significant difference between the amount of dollars spent or the number of personnel and the nature of their activities,” intelligence expert Jeffrey T. Richelson has written. “There are a multitude of ways to spend $28 billion on intelligence collection and analysis. Likewise, there are many different ways to employ more than 100,000 people on intelligence missions. To suggest that a foreign nation can divine what information the U.S. is collecting about it, and how, simply as a result of knowing the total U.S. intelligence budget is absurd.”

A foot in the door
Squeezed as it is by the general decline in the Pentagon budget that includes its own appropriations, the intelligence community could actually benefit from boasting a freestanding budget, independent of the pressures to which general military spending is subjected.

For the time being, though, intelligence officials counter with a “foot in the door” argument. If a single aggregate spending number were published every year, they contend, pressure would mount for agency-by-agency breakdowns, and spy-agency chiefs might be subjected to irresistible demands to publicly justify apparently excessive spending targets. Additionally, they argue, a large one-year leap in intelligence spending might raise questions best left unanswered.

Congress has proved sympathetic to this stance, declining to enact into law proposals designed to pry loose an aggregate budget number. “The broad marker tells people nothing,” Larry Combest, the Texas Republican who chairs the House intelligence panel, told Defense Week last March. “You’re going to want to know how it breaks down, how much you spend in NFIP [National Foreign Intelligence Program], how much you spend on CIA… I just think that’s starting down a very slippery path. I don’t want to do that.”

The Clinton Administration has been moving tortuously to reform a governmentwide security system that undertakes almost 5 million “classification actions” every year. While the pace at which old documents are declassified may pick up, there is little indication that the veil of secrecy shrouding the intelligence community will lift significantly.

Until quite recently, absolutely everything about Washington’s most expensive intelligence agency was also stamped “Top Secret.” Having managed the nation’s space-reconnaissance satellites since 1960, the Pentagon’s National Reconnaissance Office (NRO) did not come to public notice until 1973, when a nodding censor failed to delete a reference from a 1973 congressional report. Nonetheless, the NRO remained the agency that dared not speak its name. In a 1982 report, Senate intelligence overseers mentioned “the Office of Reconnaissance Support,” adding plaintively that they “would prefer using the actual name of this office.” Fearing it might starve in the dark amidst the general post-cold-war defense-budget famine, the NRO finally went public in 1992, acknowledging the mere fact of its existence and promptly securing from Congress a law exempting it from officially disclosing the number of its employees.

Under so thick a cloak of secrecy, it came as little surprise last September when a furor erupted over news that the NRO was sitting on $1.6 billion worth of authorized but as yet unspent funds. Congressional appropriators quickly met behind closed doors and shifted more than $1 billion of that trove to pay for underfunded items in the general defense budget, including the B-2A bomber.

Like Navy ships, spy satellites take a long time to build and it is not uncommon for appropriated monies to remain on the books for years before they are actually expended. Nonetheless, the NRO’s failure to keep its Pentagon and CIA overseers, not to mention the relevant congressional committees, fully informed about its cash surplus, a White House official scolded, was “inexcusable.”
Oversight: the challenge of secrecy in a democracy

No nation, of course, can afford to hang all of its intelligence laundry out in the yard for its global neighbors to inspect. And the U.S. spy infrastructure, in many regards, is subject to more “light” than most of its overseas counterparts. To what extent does the extreme, often controversial secrecy under which the intelligence community continues to operate pose a challenge to the democratic system? The answer hinges upon the adequacy of congressional oversight.

“Fundamentally, the NRO’s secret accumulation of a billion dollars is much less disturbing than the fact that Congress was unaware of it for an extended period,” Steven Aftergood, a critic of government secrecy with the Federation of American Scientists, suggests. “If the designated congressional overseers are unable to reliably keep track of where any given billion is going, then even a rudimentary level of accountability is impossible.”

As holder of the American taxpayers’ frayed purse strings, it is unambiguously Congress’s duty to keep itself apprised of what the agencies under its jurisdiction are up to. When it comes to intelligence, this cardinal principle of representative democracy has not always been honored.

Not until a decade after the CIA was established in 1947, did the armed services and appropriations committees get around to creating intelligence subcommittees, weak bodies termed “the Potemkin villages [facades without substance] of congressional oversight,” by intelligence expert Harry Howe Ransom. Only in the mid-1970s, after the House and Senate committees publicly exposed a series of CIA assassination plots and other questionable activities, were dedicated spy-authorization panels set up on Capitol Hill.

Two recent controversies highlight the institutional tensions that continue to afflict relations between the covert world of intelligence operations and the often glaringly public world of Congress. In August 1994, senior members of the Senate Select Committee on Intelligence disclosed that they were “shocked and dismayed” to learn that the NRO’s new north Virginia headquarters would cost $300 million-plus, almost twice what the 3,000-employee office building was supposed to run.

Dennis DeConcini, an Arizona Democrat then chairing that panel, wrung his hands. “How could between $200 million and $300 million be authorized without providing a clear accounting?” he wondered. DeConcini, it should be noted, had a particularly rocky relationship with then DCI Woolsey. The House intelligence overseers proclaimed themselves generally more satisfied with the accounting they had received on the NRO building.

Although there are documented cases of intelligence officials deliberately misinforming lawmakers, congressional overseers may also have themselves to blame. During a Senate grilling, an NRO official acknowledged being “clearly negligent for not showing the budget breakout for this project.” The NRO, it seems, had stashed the headquarters spending numbers in its “base budget,” which finances ongoing operations—a less-than-transparent manner of listing a million-square-foot complex.

On the other hand, the NRO has more than two dozen civil servants writing its $6.5 billion annual budget, but the Senate intelligence panel boasts but one aide to blue-pencil its work. Consequently, “the great majority of continuing, or ‘base,’ programs go unscrutinized,” committee aide Mary Sturtevant admitted in an American Intelligence Journal article.

On the plus side, few if any nations have incorporated as much scrutiny of their government’s intelligence activities into their parliamentary structures as has the U.S. On the other hand, strikingly, in an op-ed article last year, former DCI Gates argued that “Congress should strengthen its own oversight.” Designed to keep as many lawmakers as possible current on intelligence affairs, rules limiting the number of years lawmakers can serve on the coveted intelligence panels should be abolished, Gates urged, because “by the time members have served long enough to understand this arcane business, they must rotate off the committee.”

Outside the overseers

A subsequent flap underlined the woes often facing congressional overseers who uncover evidence of intelligence community misdeeds. In March 1995, Robert G. Torricelli (D-N.J.), who sits on the House intelligence committee, alleged in a letter to President Clinton—which he shared with The New York Times—that a Guatemalan colonel on the CIA payroll had presided at the beating death of a U.S.-born innkeeper and was implicated in the killing of a U.S. citizen’s husband.

An internal investigation at the agency later resulted in disciplinary action against CIA officials for failing to keep Congress “informed as required by the law” about the CIA’s relationship to the Central American officer. But Torricelli had to dodge House ethics charges of having violated an oath to protect classified information taken by all intelligence-panel members and a second, newer oath signed by all Representatives.

Because he came by his “rather extraordinary information” from “several members of the executive branch,” not from hearings, Torricelli said in his defense, his committee oath remained intact. The House-wide vow, he further charged, “is in direct conflict with the oath every Member of this Congress also takes as prescribed in the Constitution of the U.S….not to conceal criminal activity….”

Although a 1987 Senate intelligence committee staff study of 147 news leaks found that only 13 originated in Congress, some intelligence officials privately cite seepage from Congress as a justification for failures to keep lawmakers “fully and currently informed” about significant intelligence activities and failures as stipulated by a 1980 law. Again, the practical definition of this stipulation remains subject to dispute.

In 1987, Patrick J. Leahy (D-Vt.) re-signed from the Senate intelligence panel after admitting to having “carelessly” shown a reporter a study on the Iran-contra affair. (The Reagan White House, ironically, had wanted what it viewed as a vindicating report made public; the committee had voted not to release it.)

That same year, George E. Brown Jr. (D-Calif.) quit the House intelligence committee when his campaign to secure the public use of obsolete spy-satellite imagery was stymied by strictures against mentioning the NRO. “My resignation…is a protest to the Administration’s use of the
classification system to prevent members of Congress from engaging in vital national debates," a disgruntled Brown said at the time.

Clearly, there is no neat or easy way to square the circle of ensuring public oversight of clandestine government activities. But the CIA-congressional climate had so soured that the agency's covert operations directorate asked its spies in early 1995 to list any members of Congress with whom they had "personal ties" or a "working relationship" in hopes of enlisting any plugged-in agents in a campaign to boost its standing on Capitol Hill.

More recently, some measurable improvement in this crucial relationship appears to be in the offing. John Deutch, the CIA's new director, has salted his agency staff with former congressional intelligence aides as part of what he described as an effort to soothe relations with Congress. Deutch also appears inclined to put new teeth into the 1980 disclosure law, and the agency reportedly is forwarding as many security requests as it can now satisfy, rather than delaying them pending confirmation of which has often harmed the CIA's performance.

In the past, you'd have to be clairvoyant to ask the right questions, a congressional intelligence aide told The Washington Post. "I think they are discovering that it is far better to come clean than to have us find out about it [intelligence goofing up] on our own and come down on them like a ton of bricks."

U.S. policy options

The outcome of official reform efforts—both those instituted within the Pentagon and the CIA and those recommended by the blue-ribbon panel—remains to be determined. But whatever their outcome, the nation must consider a number of difficult policy options about the form and conduct of U.S. intelligence operations as it edges into the next century. Following are four issues for debate.

1. As a product of the now-defunct cold war, the CIA should either be dramatically cut back or abolished, and a diminished intelligence function should be assigned to another department of the government.

Pro: Recent incidents such as the Ames and Guatemala cases do not inspire confidence in the CIA. Trapped within its own unique "bureaucratic culture," the agency may now be beyond reform. Let another agency, such as the State Department, which does not carry the CIA's institutional baggage, carry out the crucial intelligence tasks that remain.

Con: Because it is constrained from touting its many successes, the CIA's performance is actually better than generally believed. Relatively unbiased intelligence analysis can only be provided by an independent agency, one not driven by extraneous diplomatic or military considerations. The cold war has been over for only half a decade; give the agency time to continue to reform itself before performing radical surgery.

2. Covert action has been a continuing source of bitter controversy, disclosure of which has often harmed the American image overseas. It is time to outlaw all such activities.

Pro: Stealthily seeking to influence events in nations overseas ill befits a nation dedicated to democratic values and priding itself on open government. Does the American public really want "unsavory people" on the government payroll as foreign agents? The advent of a less-threatening, post-Soviet geopolitical climate permits the U.S. to put an end to these troubling practices.

Con: The cold war may be over, but there remains no shortage of actual and potential threats to U.S. interests, many of which cannot yet be fully known or understood. Problems in the past have resulted not so much from a policy permitting covert activity (synonymous with "covert action" but not with "covert operations"), but from poor execution and failure to keep responsible elected officials informed. In a rough-and-tumble world, a great power like the U.S. cannot afford to tie its hands with legal niceties that too many other nations choose to ignore.

3. With military threats to American security on the decline, the gravest challenge confronting the nation is sustaining economic competitiveness. The CIA should be allowed to offer what assistance it can in the trade wars.

Pro: The arms race has given way to the trade race, and the survival of America depends more on the balance of payments than the nuclear balance. Other countries with more centralized economies use their intelligence assets to aid their exporters, so why shouldn't the U.S.? Why spend tens of billions of dollars every year on an intelligence community and not use it to address the most serious issue facing the country today?

Con: Economic competition is not war, it is a challenge—and not one that can be materially aided by the sort of leverage the CIA could bring to bear. Attention to public education, manufacturing technologies and other matters directly affecting U.S. economic performance will bear more fruit than having the CIA embark on a course of industrial espionage. Besides which, serving as a handmaiden to industry can sour agency relations with friendly nations that are U.S. trade rivals.

4. As taxpayers, the American people deserve to know much more about how their intelligence dollars are spent. At a minimum, the government should publish the annual aggregate intelligence-spending figure.

Pro: It is constitutionally questionable for the U.S. government to spend tax monies without making a regular accounting to the people. Release of an aggregate intelligence-spending figure would not disclose damaging details about intelligence activities, but would keep the American people at least marginally informed about the fate of their dollars.

Con: Few nations on earth make available sensitive information about their intelligence resources. Publication of an aggregate intelligence-spending figure would only prompt demands for further information about specific programs. In any event, properly cleared members of Congress, who have full access to data about intelligence community spending, serve as representatives of the people.
**INTRODUCTION**

**DISCUSSION QUESTIONS**

1. Do recent CIA controversies such as the Ames spy affair suggest that the intelligence community should undergo a radical transformation? If so, should the CIA be disbanded and its functions turned over to the State Department?

2. In the eyes of some observers, the collapse of Soviet communism has undermined any rationale for covertly seeking to influence foreign governments. Do you agree? Do such secret operations erode the democratic principles upon which this nation was founded? Or do the demands of national security provide adequate justification?

3. Analysts generally agree that international competition today hinges more upon trade than upon military confrontation. If so, what are the pros and cons of tasking the CIA to collect economic and industrial data to enhance the position of U.S. companies?

4. Congressional oversight of the intelligence community has been a source of continuous controversy since the mid-1970s. Has Congress exerted too much direction over the CIA? Not enough? Can elected politicians be trusted with highly sensitive intelligence secrets?

5. Some reformers have sought to reduce duplication and centralize decision-making by consolidating direction of the far-flung intelligence community under a “national intelligence czar.” Would this result in more or less bureaucratization? Is competition between multiple agencies seeking to discover other governments’ actions and intentions a good or a bad thing?

6. Debate continues to rage over the advisability of releasing more public information about the size of the annual intelligence budget. Do you see value in the publication of a single, aggregate intelligence-spending figure every year? Should even more detailed information be made available?

**READINGS AND RESOURCES**

Godson, Roy, Dirty Tricks or Trump Cards: U.S. Covert Action and Counterintelligence. Washington, D.C., Brassey’s, 1995. 320 pp. $24.95. An examination and defense of covert activities as an indispensable “handmaiden of policy.”


Holt, Pat M., Secret Intelligence and Public Policy: A Dilemma of Democracy, Washington, D.C., Congressional Quarterly Press, 1995. 269 pp. $18.95 (paper). A detailed primer on intelligence activities, with a historical overview of American intelligence, an examination of the intelligence community, and a debate over the place of secrecy in a democracy.

Lowenthal, Mark M., U.S. Intelligence: Evolution and Anatomy. Washington, D.C., Center for Strategic and International Studies, 1992. 178 pp. $16.95 (paper). A solid basic text by a longtime intelligence specialist who is now staff director of the Senate Select Committee on Intelligence.


A comprehensive description of the organization and activities of the American intelligence infrastructure.

**CENTER FOR SECURITY POLICY,** 1250 24th St., N.W., Suite 350, Washington, D.C. 20007; (202) 466-0515; Fax (202) 466-0518. ■ A conservative think tank, the center closely follows intelligence questions and a wide range of other national security matters, faxing out regular “Decision Briefs” on key issues of the day.

**CENTRAL INTELLIGENCE AGENCY,** Public Affairs Office, CIA, Washington, D.C., 20505; (703) 351-2053. ■ The CIA publishes CIA Maps and Publications Released to the Public and an annual Factbook on Intelligence, both available free.

**CONSORTIUM FOR THE STUDY OF INTELLIGENCE,** 1730 Rhode Island Ave., N.W., Suite 500, Washington, D.C. 20036; (202) 429-0129; Fax (202) 659-5429. ■ In 1992, the consortium established a Working Group on Intelligence Reform which “meets periodically...to discuss proposals to reform the intelligence community.” Papers and proceedings are available upon request.

**NATIONAL SECURITY ARCHIVE,** 2130 H St., N.W., Suite 701, Washington, D.C. 20037; (202) 994-7000; Fax (202) 994-7005. ■ Relying on Freedom of Information Act requests and files contributed by authors and researchers, the archive has assembled the broadest collection of formerly classified U.S. government documents pertaining to intelligence activities and covert action open to the public.

**PROJECT ON GOVERNMENT SECRECY,** FEDERATION OF AMERICAN SCIENTISTS, 307 Massachusetts Ave., N.E., Washington, D.C. 20002; (202) 675-1012; Fax (202) 675-1010. ■ Created “to promote public oversight and free exchange in science, technology, defense and intelligence,” the project publishes a monthly “Secrecy & Government Bulletin.”