

INCIDENTAL PAPER

**Seminar on Command, Control,
Communications, and Intelligence**

**Managing Intelligence for Effective Use
Bobby R. Inman**

Guest Presentations, Spring 1980

William E. Colby; Bobby R. Inman; William Odom; Lionel Olmer;
Lee Paschall; Robert Rosenberg; Raymond Tate; A. K. Wolgast

December 1980

Program on Information Resources Policy



Center for Information Policy Research



Harvard University

The Program on Information Resources Policy is jointly sponsored by
Harvard University and the Center for Information Policy Research.

Chairman
Anthony G. Oettinger

Managing Director
John C. B. LeGates

Copyright © 1980 by the President and Fellows of Harvard College. Not to be
reproduced in any form without written consent from the Program on
Information Resources Policy, Harvard University, Maxwell Dworkin 125,
33 Oxford Street, Cambridge MA 02138. (617) 495-4114

E-mail: pirp@deas.harvard.edu URL: <http://www.pirp.harvard.edu>
I-80-6

MANAGING INTELLIGENCE FOR EFFECTIVE USE

B. R. Inman

**Director, National Security Agency
and Chief, Central Security Service**

B. R. Inman, the current Director of the National Security Agency, doubles as Chief of the Central Security Service. In the following discussion, however, he ranges across his background in a variety of intelligence-related positions throughout the governmental structure, and synthesizes that variety of viewpoints. He considers policy goals, constitutional and statutory structures, and comments on the ways in which institutional opportunities and budgetary restraints shape information flows and gathering and use of intelligence.

It's useful for this discussion to dwell on the various assignments I have had in the intelligence business. I happened into it. It was not a chosen profession. I was told it was time to go to postgraduate training, my third choice was a curriculum listed as "Naval Intelligence," and I got my orders by return mail. They were obviously desperate. I ended up assigned as a watch officer for the Chief of Naval Operations. I stood my first watch one early July evening in 1958. A few hours later the coup in Iraq came. Nuri Said and Faisal were overthrown, killed and dragged through the streets. A few hours later the decision was made to accept a request that we land Marines in Lebanon. So my first introduction to the utility of intelligence came in the process of trying to support crisis management at the national level of government. It was also an early introduction to the criticality of flowpaths thought out in advance, and what the absence of communications does to that process.

The two years that followed were very exciting for me, dealing with current intelligence problems and trying to convey the knowledge of that to a whole range of decision makers, because the incumbent Chief of Naval Operations was one who was inclined to share what knowledge he had suddenly found with anyone else he thought might be interested, and it didn't matter who the bearer of the news might happen to be. I found I had a great deal more flexibility as a lieutenant than I would have in subsequent years with a lot more rank. I made a brief further attempt at an unrestricted line career, but found I really was caught up in intelligence. I did an assignment with a Naval officer resident at Fort Meade as a tenant of NSA, where I was an analyst for 33 months looking at the Soviet Navy as my prime occupation in a complete all-source environment. That means no categories of intelligence were restricted in their flow for my consideration, so long as they dealt with the general topic of the Soviet Navy. I was watching them at a time when they rarely sent any ships 200 miles beyond their waters, and when they did the units frequently broke down and had to be towed back. By the time I left three years later I had seen them develop a permanent presence in the Mediterranean and off West Africa, and they were building a framework for their presence in the Indian Ocean.

I was told at that point that my career needed to be broadened, and I went off to be an attache in Stockholm. It was a broadening tour in that it brought me patience. It also gave me a great deal of exposure to external users of intelligence. It was my first working relationship with the State Department. The pace was much slower than my personal inclination. I dwell on this to let you understand that, from first exposure, my interest has always been in the "indications and warning" sector -- in trying to foresee the events that are beginning to develop, and to orchestrate the flow of information to support crisis monitoring, whether on the upper level of the government or at the tactical level.

After the attache tour I was plunged into the tactical level. I went to the staff of the Navy's Commander in Chief Pacific Fleet to head the current intelligence operation. From there I watched a series of events, including the seizure of the Pueblo and the loss of an EC-121 off Korea. I began to spend a lot of time examining how our government had structured the flow of information. A system had been established years ago so that, on anything that might be a crisis, information should flow from the point at which it was detected to the highest levels of government and be available to the President within ten minutes. But no comparable attention had been given to what pattern of flow should be orchestrated to insure that information is available to support the conduct of military operations. As a sideline observer with the time to take notes and analyze, I found that in each of those two major crises the Washington decision makers did indeed have knowledge, widely spread among the departments, within ten minutes of the event. And in a very uncoordinated way they went about making telephone calls to various places around the world seeking individual pieces of information. Those who had command of forces got the information no sooner than an hour and five minutes after the event, because it had to stack up behind all the other reports that were coming at flash precedence.

I went from that to the 7th Fleet Intelligence job for 27 months, involved on a day-by-day basis with the conduct of military operations in the Vietnam sector, or dealing with the current series of crises in the Korean sector. Again we were primarily focused on trying to take information from sensors and apply it within two to three minutes, recognizing that, if it was more than 15 minutes old, it passed you by. That turned out to be

totally consuming, but also it went by much too rapidly. I came back for a National War College tour, a follow-on tour outside intelligence, returned briefly to the fleet environment, then I was selected as a flag officer, and finally I came back in September 1974 to be Director of Naval Intelligence.

I was very euphoric about coming back as a brand new flag officer, but two months after I arrived that euphoria disappeared with the advent of something called the Church Committee. I got a crash course in Congressional relations; I also got a crash course in research in going back through endless drawers of old files for 25 years, looking for sins of commission, sins of omission — a real grounding in how little information we had provided over the years to the legislative branch. Not merely about how one went about collecting intelligence, but also how little tangible guidance we had derived from it to help shape the legislative decision making process.

Suddenly in one of those “massacres” that occur from time to time, a number of senior officials were fired, and I found myself pulled out of that neat cocoon of being the Director of Naval Intelligence and, with Congressional investigations behind me, spending my time worrying about how one derived information to support military weapon systems and policy making. I became a Vice Director of the Defense Intelligence Agency, a troubled agency, unstable, with rapid turnover of leaders, a perfect example of how not to create a government agency. The organization had been created in 1961 by establishing billets and then filling them by permitting the services to send the agency the 60 percent of their people they wanted to get rid of, while holding on to the 40 percent they wanted to have. This made for a group of people who had no great reason to be innovative. They were just sufficiently accomplished so that they were at too high an achievement level to be fired.

We changed administrations in the middle of that year, and the new administration included a good many people who had been associated with Congressional investigations. They were eager to do a zero-based investigation of how the U.S. was organized to accomplish its national intelligence functions. Like all of us they had letters and a number, Presidential Review Memorandum 11. The structure of all those reviews was normally driven by the Assistant to the President for NSC Affairs, as Chairman; the State Department; and the Director of Central Intelligence with two votes: one for his intelligence community staff, one for his CIA vote. None of the defense intelligence agencies were represented, but there were two voices from Defense, speaking for the Chairman of the Joint Chiefs of Staff and the Secretary of Defense. A very wise and very shrewd Director of Planning of the Joint Chiefs wanted no part of that study effort, so I found myself borrowed from the DIA Vice Director role to substitute as the chairman’s representative on a study of how the U.S. intelligence community should be run. The new Assistant Secretary for International Security Affairs had the role of the Secretary of Defense; as time went on he had other responsibilities, so I picked up the same role for the Secretary of Defense.

For some four months I lived at the center of a great deal of controversy over how one should structure intelligence functions. I was successful in a few endeavors, unsuccessful in a number of others, in shaping the structure we were eventually given. We will come back to that.

When that effort was finished, I left for the pleasant assignment of Director of the National Security Agency. I had never worked inside that organization, but I had been an avid user of the product of the signals intelligence process for 20 years, largely in the

role of crisis monitoring and focusing on indications and warning of future events. I discovered very rapidly, however, that that job had a number of other functions besides indications and warning. The day after I arrived one of the employees out of a great sense of frustration, having gone through a long period of time under one director and now having to cope with a new director, decided that issues that concerned him were not likely to be addressed. So as a member of the Institute for Electronic and Electrical Engineers he wrote a letter in which he told the IEEE that he thought a lot of the functions they were doing in sponsoring discussions of public cryptography were potentially in violation of the law and damaging to national security. It took very few days for that to make its way to the media, and the immediate inference was that NSA was using coercive means to try to scare the part of the academic community that was doing research in the area of cryptography.

To deal with that problem I fell back on my early experiences with Church and Pike. I simply asked the Senate Select Committee to investigate it, and they did so. The value of having those committees was reconfirmed to me. After very thorough investigation over a period of months they issued two reports, one classified, one unclassified. They concluded that the individual had acted in a private capacity; the agency had not taken a role. In their classified report they took note of the fact that the agency probably should have acted on the issues. But they also made a very searching inquiry into the entire area of public cryptography and protection of privacy. (That was useful, because the administration was then engaged in yet another PRM exercise.) They discussed how the government should be organized to discharge its roles for communication security, especially as it relates to the national security; how it dealt with government non-national-security information; and how it supported the private sector.

While that investigation was going on we suddenly had a press story that a professor at the University of Wisconsin had had secrecy clamped on his patent application. It took all of thirty seconds, upon reading that article, to be instantly suspicious that the secrecy order probably emanated from my agency. It turned out that a very well-meaning, middle-level bureaucrat who had been assigned to look after areas of research had run across one and promptly asked for a secrecy order. The way the government structure worked, that was all it took to apply secrecy — though not to prevent a patent. What happens is that the ability to market the information is limited; the patent process is not inhibited by the secrecy order. When a patent secrecy order comes through there can still be financial compensation to the person; there are procedures by which one can apply. But they are complex, and they do not cover the legal costs. It's clear that this is an area that needs a great deal of improvement, and efforts are underway now to bring that about. What I was able to deal with was the review process for how one could ask for a secrecy order, and I could establish mechanisms to let a patent application proceed while this was going on. But if one proposed to review secrecy, it had to be done by a senior body.

We'd barely gotten that in process when another application came along in which there was a difference of views. I took the conservative approach and asked for the secrecy application. And my education took another leap forward, because the ink was barely dry on the secrecy application when the lawyers began communicating for the inventors, and the public relations officer called up. It was an interesting exercise in how people have learned the skills of manipulating press coverage to enhance the prospects for marketing their inventions. They dealt with that side of it much more skillfully than we dealt

with our side of trying to get an evaluation. They meekly said they'd be happy to help us through this process, and would we please bring them \$50,000 for rights to examine the application? We eventually did some simulations, decided it clearly did not have interest for us, and released the patent application. There were a lot of interesting dialogues, particularly with public relations officials who were disappointed that more publicity was not forthcoming that would help them in marketing. Eight months later they got the patent. The story in the New York Times reminded everybody that this newly granted patent was for that device that NSA had wanted to classify earlier.

In the midst of all this, controversy started swirling about something called a data encryption standard, which has to do with how a government agency can give advice to other government agencies in dealing with capabilities that are to be used primarily in the private sector. IBM had been requested by the National Bureau of Standards to develop a standard for movement of information, and NBS had asked NSA to examine the end product. The controversy revolved around classification more than reasons for valid concern about the prospect of use.

This series of events — the IEEE letter, the patent secrecy cases, the encryption standard controversy — led me to reexamine NSA's 26-year history of no public discussions of its missions and functions, and its relationships with the academic world limited to classified research. What does that history entail? The government has been involved in the business of making codes and ciphers for use in its own communications back to the early days of the Republic. And from time to time efforts were made to intercept and exploit communications of potential adversaries. World War I gave a very substantial boost to that. The efforts began long before the U.S. was drawn into the war. You remember the Zimmerman letter and the part that played in shaping U.S. attitudes toward the combatants.

In the postwar years the best signals were normally referred to as communications intelligence, not signals intelligence. Let me explain the difference. Communications intelligence deals with the written or spoken word, while electronic emissions — radar signals, foreign-instrumented signals, telemetry — all make up the category of signals intelligence. The most effective of the communication intelligence organizations belonged to the State Department until 1929, when the decision was made that gentlemen didn't read other gentlemen's mail and that State should get out of that business. The War Department and Navy Department added their own efforts, and by the late 1930s they were reasonably productive, reasonably effective — small — but they interchanged information rather freely. Each made its own contribution to the development of codes and ciphers. President Roosevelt decided in 1940 that there should be a collaboration with the British for wartime reasons, and that was a very productive relationship. The details of that collaboration have recently entered the public forum through a great deal of publicity about Ultra and other things. The details of all foreign relationships after World War II, however, remain classified, largely on behalf, interestingly enough, of the foreign participants, rather than the U.S.

In 1947, at the time of the new National Security Act, a separate Air Force was created under the Department of Defense, and they wanted their own separate signals intelligence service. As so often happens, though two organizations can work out their problems, once there are three they can't agree on anything, and the usual practice of withholding information begins to happen. In 1949 an overseeing body called an Armed

Forces Security Agency was created. It had little authority; it was an advisory body and did not direct the activity of the other elements.

As the Korean War began the government's experience was judged unsatisfactory. Some elements of the government, particularly military forces in the forward area, were well served by a rapid flow of useful information. Others felt they did not get requisite information even though it was available. So in 1951 President Truman caused the chartering of the Brownell Commission, which looked at the government's overall intelligence structure. Most of its proceedings are still classified, even to this day. But out of that effort came a decision that the signals intelligence mission of the U.S. government was vital to national security, and that it was unique because of the fragility of the source — if another country knew specifically that its communications were being targeted, the odds were very high that it would stop using electrical communications, or would move on to other cryptanalytic systems which would defy all exploitation, or at least rapid exploitation.

A decision was made to create a single signals intelligence system. At the core of the system, the National Security Agency serves as a repository where all the current analytic attack is done, and as a focal point for dealing with all the government's needs, not just the needs of the national policy makers. The responsibilities for communications security were consolidated in NSA at the same time.

A series of defections (including the Martin and Mitchell case) in the late 1950s brought the first intense Congressional investigations of the signals intelligence function. Congress was not asked to enact charter legislation, but it did enact a series of laws related to protection of the information and security requirements for people working in intelligence. I am the only head of an intelligence organization who cannot waive the requirement for a background investigation. Others may do it by choice, but by law the Director of NSA may not waive that kind of investigation before hiring any employee or consultant.

Laws were enacted in the intervening years to protect sources and methods. So, for example, we do not have to provide a normal information on structure on organizational charts. These laws were designed primarily to protect against espionage activities with clear, documented efforts, including the Dunlop Case in 1962, involving a sergeant who had been selling information to the Soviets for a fairly extended period of time. He was caught, not because of swift counterintelligence activity, but because they were trying to shift him from military to civilian employment, and that meant he had to go through the whole clearance process, including polygraph examination. That process disclosed his employment as a Soviet agent.

In 1974 came the Church Committee, and intensive examination by the Pike Committee and others about the wisdom of some of the activity — maintenance of files, access to information about U.S. citizens. But there was no substantive challenge to the necessity for the U.S. to engage in a viable signals intelligence undertaking. Following those investigations came real impetus, not from the Executive Branch but from Congress, to enact charters which would give us a strong legislative basis for conducting this mission. The charters move slowly; as you well know, they're not enacted, and they may not be enacted, at least in this current session. But in the last session we did obtain a foreign intelligence surveillance act, which for the first time prescribes means by which a special

court of seven judges holds all hearings in secrecy, and in secrecy issues warrants to authorize electronic surveillance of foreign intelligence targets — to support the potential conduct of military operations and foreign relations. A great many restrictions were included on how one might handle such information so as to protect the privacy of American citizens.

So I find myself presiding over an organization which is well established, is technically extremely competent, and is sheltered from the bulk of publicity that has affected the rest of the community. The organization is, nonetheless, unable or unwilling to defend itself against allegations that it does not always act in the best interests of the U.S. government and the U.S. public. And it is also subject to some of the bureaucratic competitions between major agencies, which can impact on its degree of success in carrying out functions.

Student. I was particularly interested in your point about going to the congressional committees to get an investigation. Is that something that you would not have done before your own experience with the congressional committees?

Inman. Again I should instance my background. I spent 18 months as an executive assistant to the Navy's Vice Chief, the number two uniformed person. And one of the functions I watched, day by day, was the Navy Department's conduct of congressional relations. The relationships focused primarily on the two armed services committees, and, to some degree, the two appropriations committees. Those were functions that were sometimes done very well and sometimes done very poorly. But the impact of their work was visible very quickly. And while the armed services committees subjected the Department to intense scrutiny and sometimes petty treatment on the whole spectrum of issues, once they had dealt with an issue and had authorized legislation they became strong vocal advocates on the floor of the Congress and on the other committees of the Congress for a viable, strong Navy.

So I approached the Church Committee and the Pike Committee, when they first came up, with the idea that, if we had to go through an inquisition, we ought to look for a forum. The intelligence community had fallen on very difficult times, and was not being well defended in the area where it deserved defense — the Executive Branch. And Congress was a mechanism to focus on that. I began with the persuasion that if we could evolve this process so that, if the congressional committees established the requisite security, you could engage in a steadily ongoing dialogue about the things you had to do in order to collect your information, you would likely get better support for a stronger, healthier intelligence structure. The first opportunity I had to put that in practice was my request for an investigation.

Student. Do your colleagues share that point of view?

Inman. I would have to tell you in all honesty that I went to do that on my own. I did not ask the various overseeing officers whether or not I ought to, I simply did it. And a good many others who were worried about precedent were not pleased with that. I remain absolutely persuaded now, as I was at the time, that it's the right procedure, and that there is an oversight function to be performed and that those committees are in a better position to do it if they are less cannibalized. It has not been the best of seasons for Congress! But on balance there is still more credibility attached to their conclusions than to

those of the Executive Branch, which is afflicted with memories of the sixties and the public's worries about whether or not their government lied to them.

I should tell you, though, that I had one disappointment. I found that when Congress issued its reports, the classified report, which was circulated reasonably widely within the Executive Branch, had an immediate helpful effect. It made a substantial impact on the people in policy making positions in the Executive Branch who had latent suspicions about NSA; they were prepared to accept the clean bill of health that we got — they had not been prepared to accept that in our reporting up through the Executive chain. But the unclassified report got very limited treatment in the media; in fact, in a couple of cases it was sort of brushed off. It was my challenge of that treatment in a dialogue with some members of the media that led to a series of articles on dialogue with academia and got all this process started.

Student. Have you found that your colleagues now look back at that incident and think that was the appropriate thing to do? Or do they still shudder at the thought that it was done and hope that it never happens again?

Inman. You can get a wide spread of views within the Executive Branch or within the intelligence community even now on the viability of the dialogue with Congress. I believe if you were to poll the various organizations today you would get a reaction not very far from my own from the Director of Naval Intelligence and the Director of the Defense Intelligence Agency. I'm not that closely acquainted with the current views of the heads of Army and Air Force intelligence. The CIA has some different views on what one should discuss and how one should go about discussing it. We differ on what we should say about our foreign relationships. The fact that I have been with those two committees, in a very detailed examination of the classified foreign relationships, has caused a little apprehension on the part of some of our foreign partners. But as time has gone on, and we have gotten the financial support to do things which are beneficial for those relationships, the worries have subsided. And in no instance have those two committees violated secrecy, so a little confidence has been built up. On the other hand the agencies retain a certain reticence, because they frequently do not tell their corresponding legislative bodies anything about the relationship at all — because they either do not want to do it, or have no means to do it, in their own government affairs. So there is still some apprehension about dialogue, even classified dialogue, between an element of the U.S. intelligence community and the Congress.

Student. Would you comment on the CIA's reluctance to share details with Congress (whereas NSA and some of the other offices are not so reticent) because if there's a mistake they have people to lose, while NSA has machines? And how much damage is done to your operation by some of the Executive Branch slips, such as Nixon's famous comment about the radar in the EC-121?

Inman. Let me deal with the second question first. To give you the detailed examples might add to the damage. But I have watched what happens when the leak occurs and the target changes its pattern of use of electromagnetic systems which had provided information so as to deprive us of information. So it has ceased to be an academic question for me, and become a very real one. And there have been far more such leaks than I ever

would have wanted to see in the 33 months I've been in my current job. It is a major problem, and we do not appear to be anywhere near grappling with it.

The leaks come in two forms. One is the conscious leak by a policy maker who wants to support the wisdom of a policy decision he's made, or else discredit somebody else's plans; from time to time one infers that some electoral response is intended. The other is the "over the transom" leak — the disaffected individual who, for whatever reason, feels his grievances have not been dealt with in a normal manner, and deliberately delivers classified information to a journalist or a magazine which elects to use it. I can cite you substantial damage done in both categories.

As for the first question about the CIA view — that seems to me a simplistic definition of the problem. I believe if the CIA were to tell Congress it was prepared to fully share all details except the identities of the individuals, they'd probably reach a bargain pretty quickly. The question of how forthcoming you intend to be in a dialogue is fundamental. One has to sort out between covert operations and clandestine intelligence collection. In clandestine intelligence collection you are providing information as a service; the identity of the source is rarely at issue unless there is some question about the validity of the data, and I believe that's a very rare occurrence. In covert operations, on the other hand, you are dealing with plans for activity supporting either foreign relations or quasi-military operations. You could view that as something classified by the separation of powers in the Constitution. But in any case I don't believe the real issue is identity of the source. It's a larger reluctance to share information on sources and methods. I find that same thing in the conduct of my own business. I direct all the signals intelligence operation of the U.S. government, except that conducted in direct support of clandestine operations. The theory is that there is greater hazard to those human lives if someone from NSA is watching surveillance communications, that there's somehow a danger of a leak if there's sharing. The question is, are you getting the most competent examination and support for the clandestine operations without sharing? So what you're really dealing with is a basic reluctance to deal with Congress and with the other intelligence organizations and parts of the government. In all such questions you get exactly the same issue — that you're dealing with the lives of people as opposed to machines.

Student. You talked earlier about flow of intelligence information, and your concern that it got quite rapidly to the very top but not to those who were required to execute actions. Do you think this problem is a result of technical insufficiencies — that the CINCPAC couldn't access the system? Was it bureaucratic problems inherent in the way the organization was set up? Or was it political problems, in that someone along the line wanted to aggregate all the authority for himself to prevent actions being taken without permission?

Inman. There really are two different issues. One is the question of flow of information related to a crisis, most often shaped toward the prospect of military operations being potentially involved — and that's a technical question. The design of the system automatically routed information from its point of origin to Washington and automatically distributed it to a number of major consumers. Now, whether the watch centers immediately took it to the individual in charge is a local problem in each of those organizations. Technically, the normal communications routing pattern took over, so it was a matter of having to deal with normal technical procedures. The volume of communications and the

enormous explosion of communications, both our own and the potential targets', is also an issue; you're rapidly getting a huge volume of information to sort through. But that's a technical problem and it can be solved by technical means. Some progress has been made. It's still not as good as it ought to be, but we're far far ahead of where we were.

Now there is a separate issue of suppression of information for policy or political reasons. And much of this grows out of the hold placed on circulation of information which might prove politically viable, or which might permit people to preempt ongoing or planned policy actions by prematurely leaking. The favorite way to kill a project you're not in favor of is simply to leak in advance that somebody else is talking about doing it; the publicity itself often closes the door on that as a route that can be followed. There have been some instances of that occurring.

Student. About the technical lack: you've been a line officer, you've been an intelligence officer for CINCPAC. I find it difficult to understand that if, let's say, you have a Critic message that the Pueblo is being shot at by North Korean gunboats, that message would get to the White House and CINCPAC would not have some method of identifying critical messages, at least so that the President reads them.

Inman. It was a basic design decision made at the national level back in the 1960s.

Oettinger. Can we pursue that a little more, because it gets right to the heart of some of the questions we've been looking at all semester: the relationship of constitutional statutory authority, the peculiar role of the JCS in the chain of command, Truman's relationship with MacArthur, etc. One gets the sense, in looking at all this, that at least some of the organizational pattern and the upward and downward flow of command information has to do with the Commander in Chief, the National Command Authority, the military services and other kinds of organizational and control elements, more than with technical feasibility.

Inman. I'm walking on the thin edge here in describing the system by which the traffic flows. (I think probably some of the investigations have made me pretty cautious.) At the same time that the Critic message is filed, the one that goes all the way up, a Lateral-Critic is filed, with exactly the same message content but without the same technical means for insuring automatic routing. It is an expensive process to establish the additional lanes that assure that automatic routing. The pattern is essentially the spokes leading outward from the hub, and they all come back to that central hub. That's how the system has been designed for years to flow information to the national level.

Messages may arrive which do not fit the Critic definition of events of such overriding importance they should be brought to the President's attention within 10 minutes. One may decide that it is not that sensitive that he's going to deal with a coup, or a lost unit, or the killing of an ambassador, and he uses the lesser Flash precedence instead. There is always the chance that the other commander, or an ambassador, may elect to sit on the information and not send it back. I have no direct experience of any series of events that I could really share with you. I've heard all kinds of allegations about Vietnam, and clearly, while there was no great willingness to send bad news forward, there was a great urge to send forward the good news. But in crisis monitoring the flow of that information up to the principal decision makers has never been a problem. The problem you get is in

the U.S. structure for deciding plans based on policy. There you can run into all kinds of bureaucratic approaches and priorities. The Joint Chiefs of Staff will not want to discuss their detailed contingency planning with other departments. They believe they have the expertise, and they don't want to spend much time being critiqued by the other departments, where they think there's less expertise. Or the President and the Secretary of State will insist that all information about negotiations flow only to them and not include the Secretary of Defense, the Joint Chiefs, etc. Inevitably, in instances where I've seen that occur, it is not because they don't trust them, it is simply a question of limiting the possibility of leaking the information. The basic rule is that the more communication centers and administrative personnel you flow through on the way to the principals, the greater the danger of that information being leaked by someone who either is simply trying to curry favor or disapproves of policy.

Student. Do you lean more toward viewing it as a leak question than as a constitutional or a trust matter? The MacArthur-Truman case would suggest that there may be an element of trust, or an element of mistrust, involved, rather than a question of maintaining the civilian Commander in Chief kind of chain or alternatives.

Inman. You will recognize that mine has been a somewhat unusual career pattern, and I have had full benefit from being a sideline observer in a number of different circuses when not a direct player, and therefore free to shape a lot of opinions. I have now watched a number of different administrations, a number of different Secretaries of Defense and different makeups of the Joint Chiefs of Staff. Trust is always a critical element, and almost always develops slowly in the first stages of a new administration. It may happen very rapidly, it may take a fair amount of time. But it settles down. They work out basic working rules. And I cannot think of a case in which trust has been an issue once past that get-acquainted stage. But I can cite you a great many examples in which worries about leaks have controlled or influenced behavior.

Student. The Russian Embassy in Washington is going to sit on a high spot that may make it easier to monitor microwave transmissions. And there's been some mention of the Russians monitoring the private sector for financial and business information. Is there a reason for the location of the Russian Embassy? And are they really making as much use of the financial information as some people make out?

Inman. As to the Embassy, there was reason to worry, but those who ought to have worried were not knowledgeable so far as I can tell. The Soviet Embassy currently sits in a hollow surrounded by a number of high buildings which clearly interfere with the electromagnetic flow of information. That means they can access a lot of information, but a lot of it they can't get. They have some other facilities around the Washington area which they can use, and probably do from time to time. But one can't even say that the Soviets are so clever that they went out seeking only the best place to do that. There's a certain element of fortuitousness in their getting that location. I would also note that the new U.S. Embassy in Moscow will be sited in the lowest spot of the landscape. That suggests that the Soviets may have been attuned to some of these problems substantially earlier than the U.S. government.

As to their use of financial information, I have no answer for you. And I'm not hiding behind classified information. I don't think we really know whether the Soviets have used

any of the information they've acquired by electronic surveillance to manipulate markets. There were allegations at the time of the grain deal in 1974, and again during some pretty high-level Soviet activity in the sugar market. It is a fact that a lot of economic communications carrying that kind of information were probably accessible to them. But that information is probably also accessible to them in a variety of other forms. We are the most prolific society in the world in putting whatever we know or speculate in newspapers, magazines, the Congressional Record, with amazing speed. They have access to all that. The one advantage we have is that the Soviets often don't believe a good deal of it; else they would not need to spend so much money on their fleet of collection ships. They may well have used intelligence to manipulate those markets. But while the source of that intelligence could have been electronic surveillance, there is no direct evidence.

Student. You said that the classified report on your agency gave you pretty much a clean bill of health, but the unclassified one didn't. How do you deal with the issue of trust in that context, since Congress is elected by people who read the unclassified reports? How do you protect yourself?

Inman. It's a matter of confidence-building. In public policy, trust is the most difficult thing to generate and the easiest thing to lose. But in a profession that must operate almost totally behind closed doors, because of the need to protect sources, methods and access to information, you usually end up saying "trust me." And here you run into a very delicate balance, since you cannot use the normal mechanisms of the media or a detailed discussion in Congress. If you don't manage to generate that trust, you fail to find a public following. I get out and do a fair number of these kinds of discussions, partly to inform myself about attitudes in the academic sector, looking for assistance there. I try to do it out of any glare of publicity, because of my conviction that the heads of the intelligence agencies should not be public figures. If they are, if the work force sees their profiles day after day on the front page of the paper, on television, on the weekly magazine cover, and sees them getting all the credit for what they're doing, it's a little hard for them to enforce the discipline of protecting secrecy. That again serves to limit what you can do about generating public trust. It comes down to the elected members of Congress, and the President and his principal advisors, saying — and being believed by the body politic — that the intelligence operations are legal, necessary and productive. They can say the first two now. I'm not sure they can say the third one as well as we ought to have.

Student. I hope I haven't misunderstood you. You're not saying that we trust each other and we don't have institutions to try to project trust?

Inman. No, I'm saying exactly the opposite. That was one of the reasons I supported Congressional oversight to bring to bear the checks and balances of the legislative process. There is a mechanism inside the Executive branch as well, the Defense Inspectors General for Intelligence, who spend all their time looking for abuses. So we are indeed well-scoured, and I believe we have a very effective series of checks and balances. The institutional ones work. What we don't have is a comparable one that works for quality, works to keep performance high. There is not a comparable degree of outside attention toward what are our future needs.

Student. Would you say something about your own or NSA's experience with the President's Foreign Intelligence Advisory Board with respect to quality of performance?

Inman. Let me set it in context. You have a Director of Central Intelligence with a series of staffs and a charge to do some performance evaluation and resource allocation. You have a Secretary of Defense responsible for a substantial portion of the actual execution of intelligence operations, since he has responsibility for all the reconnaissance satellites, all the signals intelligence in another structure and the analytical areas of various departments and defense intelligence agencies. You have the Intelligence Oversight Board at the White House that only looks, in this kind of structure, at abuses. You have the Office of Management and Budget which recommends to the President how much investment he should make in intelligence. For some years you had a separate body, the President's Foreign Intelligence Advisory Board, that did not so much screen budget levels or volume of outflow as select specific target areas of interest and examine them in great detail, and gave the President individual, independent judgments on either the utility of the activity or the appropriateness of the level. To some degree that involved the investment issue — were you doing enough fast enough. Certainly, in my experience, a major impetus for the step forward in satellite reconnaissance came from the urgings of the President's Foreign Intelligence Advisory Board; it went at a much faster pace than it would have gone otherwise. The Board was early in recognizing the need to do more with economic intelligence; that was about its last action before the Board was disestablished as part of the overall review process in 1977. I believe it has left a void; this is an area where we have the institutional checks and balances for looking for abuses, but we don't have the checks and balances to foresee effectively the needs of the government over the next decade or two. We don't have independent judgments whether a sufficient percentage of the resources are going into a given area to assure that, in the competition against the number of aircraft or tanks being bought, there is a flow of tactical intelligence. Or that at the national level there is sufficient investment in a data base, in linguists, in coverage of third-world economic targets. My view is that there is a void in doing that effectively.

I am not arguing "trust me." What I'm saying on the "trust me" side of the question is that in most cases you have the Fourth Estate, the media; and their examination is yet another mechanism to rely on, separate from the legislative or the executive. The intelligence community is never going to be fully effective in gaining support, though, because it simply cannot give as much access, due to the way it must operate, to the kind of detail needed to make balanced judgments.

Student. To pursue the question of Congressional rationalization of operations and checks to make sure you're spending the money in the right places — I know that the CIA does have a follow-through review on reporting material which easily determines whether the requirements are being met, and this is done through a series of interviews. (I've never seen NSA do that.) But, in addition to that, there are a series of boards which review and report on specific topics, almost as the Intelligence Advisory Board did. You don't think those kinds of arrangements are sufficient to ensure that current requirements are being met and that future requirements projections are being discussed in an interagency manner?

Inman. My honest reaction is that they are very bureaucratic, have little influence on the resource allocation process, and do not make viable, effective performance evalua-

tions. Neither do the interviews — they are selective. They are in some cases very good, but in other cases they do not cover the case at all. But I've become very skeptical of all of them, because I find that those who are doing them become very skilled at finding those who are going to give them a very glowing response. It doesn't take long, therefore, for the structure to become skewed, and you don't get the detailed examination. Some of our foreign friends do a much better job in this kind of evaluation. They're able to do it partly because they're smaller. One of the problems of a very large structure is that evaluating piece by piece becomes very difficult.

I ran into this problem painfully in an earlier environment, when I was Director of Naval Intelligence and I was facing more personnel decrements. I decided that I simply could not permit further decrement in the analytical sector, and that I had to cut either in support structure or in collection operations. The Navy had a small clandestine human intelligence operation, generally judged to be very efficient in volume of production for the numbers of people employed. I was almost to the point of doing some disabling cuts on the support structure side when I tried to get deeper at this question of performance evaluation. And indeed for 8,000 information reports of the previous year they could document, with a series of interviews, the great effectiveness of the product, and generate the number of outstanding or unique judgments. Not until I finally sat down to compare those to the basic requirements and the priority accorded the basic requirement structure did I find that that enormous number of information reports was almost totally in the lowest categories. Those were the targets they could access; they had no capability against the high priority targets, and no charter to operate against them. So I made the decision to make the cut there rather than in the support structure. I thereby gained a reputation for being in favor of technical collection and against HUMINT collection. I would still make the same decision in the same circumstances, though I thought then, and still think, that the personnel reductions were in the wrong direction.

The intelligence community has tried performance evaluation from time to time in various forms. During Bill Colby's tenure, when Sam Wilson was the deputy for the intelligence community side, the intelligence community staff drew together a series of very bright people and let them make their own judgments, not from interviews, of the quality of the products coming out. They so infuriated the managers with their criticisms that it came to a halt pretty quickly; but in going back and reading them some of them were very good. The only clear, concise performance evaluation I have seen in the last several years that did not have biases of one agency or another put in to bolster its case was done by the Senate Select Committee. A very gifted young woman historian did the evaluation, assembling all the available facts, together with the reports that were issued by agencies, by State and by the media covering specific areas. Then she interviewed the analysts to find out why they used some information but did not use other information that was available. This shed some very interesting light on biases: was the clandestine HUMINT reporting best? Or was it better, if one were looking at signals intelligence, to use direct information, but not reports being done by other countries?

So good evaluation can be done, if you find the intellectually curious people to put on the job. But you must protect them, because what they say is not always going to be complimentary, and it's likely not to be welcomed by managers who feel their day-to-day efforts are under assault.

Student. When you were talking about the location of the American Embassy in Moscow and the Soviet Embassy in Washington, you said you thought the Soviets were aware of this possible microwave problem a little earlier than we were. Do you think the Soviet leadership is generally better plugged into their intelligence network than we are? And if so, why?

Inman. I wouldn't want to make any judgment that they are necessarily better plugged in from an organizational, structural point of view. Continuity has a lot to do with it, and continuity has its pluses and minuses. Consider that Brezhnev has been in his current job since 1964, and that he was in the number two position for eight or nine years before that. Continuity of access is a plus, in having learned what is available and how to use it. On the other hand you can find some colossal cases where they appear to have taken action without considering the consequences, and you would judge that perhaps their intelligence base was not all that good. They make an enormous investment in collection, in manpower, in fixed stations. By most recent judgments I've seen, we have a very large lead in technology for processing or distribution or flow of information, which still ought to give us the net advantage. But an intelligence structure is only as effective as how you use it, how well it is focused on problems by policy makers and the military commanders, and the quality of the ongoing dialogue between users and the collectors. Ours is a better technological effort, but when that's detached from effective decision making, as often happens, it is not as good.

Student. Do you feel that perhaps the Soviets' greater receptivity to intelligence is a function of their past experience in Communist cells, and during the war, and during the struggle to gain leadership within the Soviet Union?

Inman. Remember that they have an intense interest in internal security, which no doubt helps hone their desire to look to the intelligence apparatus to find out what's going on. You know there are two major organizations, the KGB and the GRU, and the GRU is the military intelligence element. The head of the KGB is a member of the Politburo, has been for a long period of time. He's a direct participant in much of the policy making apparatus. What we don't really have a good feel for (though there are some insights from time to time) is how much competition there is between those two structures, and whether that turns out to be a plus or a minus.

I am in favor of competition in the area of analysis. In the area of collection, I believe, the problem is entirely different. You want to be able to focus your collection, so you want it to be pretty closely coordinated, not competitive, and you spread as much as you can to cover it. But in most instances you are dealing with bits and pieces of information, and your judgment about what those bits and pieces mean is shaped by the assumptions you bring to the problem. You very rarely get the hardcopy document that tells you precisely what's going on or what they intend to do in the future. So competition in the sense of rigorously going back and examining the assumptions as well as the pieces of information will give you a better product. The best-quality intelligence the U.S. has is its military intelligence, precisely because of the focus of effort, including CIA and service examination, that goes into it. When you move to political intelligence items the services and DIA don't take part. There's no real in-depth analysis of the political sector, so the only competition you really have at work is between CIA and I&R. And in the economic area there is

no competition. There is a small, very competent effort at CIA. But I believe the country would benefit by quickly creating another separate, competitive economic intelligence analysis body.

Student. Is there available information on the extent and size of the KGB and GRU, in terms of the number of people they employ?

Inman. I believe there is information in the public media that's been provided by the FBI in public testimony. A good deal has been written on it in the press. Some of it is good, some not very credible.

Oettinger. I'd like to ask about tradeoffs — as, for example, between speed and accuracy of analysis. If you're going to do very careful analysis and have competing sources and evaluations, it's going to cost you more time than if you pick up the phone and just ask somebody for an opinion. You mentioned, in discussing evaluation, that if it's done too much inside you get axe-grinding and so forth, and if it's too much outside you don't know anything; you get continuity and expertise, but you get capture. What are the most important kinds of dynamic balances that have to keep being reset where there are no once-and-for-all answers, as between speed and accuracy?

Inman. In the speed versus accuracy issue it depends how the information will be used. If it is for tactical support of military operations, speed takes precedence; accuracy follows very closely behind. But from living out at the user's end, I can tell you I very quickly ceased worrying about who the information came from. It was: could we get it fast, and was it accurate, in that order. The only other area that comes close to having that same condition, it seems to me, is support for conduct of foreign relations, in the specific question of negotiations. If you can obtain the other guy's bottom bargaining position, or what his instructions are as that position is revised, there is immediate tactical utility, and you don't need a lot of analytical effort to examine and massage it. But if you can't move it very rapidly from the point of recognition it is likely to be obsolete. So you hope it's accurate; it will have impacted on your own strategy, but the key is speed.

Those are the only instances in which I can make a case for speed. For the others the emphasis is indeed on accuracy. But accuracy is very hard to judge. Because, again, you're dealing with bits and pieces of information. I became very frustrated on this topic. Looking at the question of support for weapons systems, the more I delved into it the more I found that everybody was allowed to go and get their own contractor to build their favorite weapons system; and one of the early things that would occur is that the contractor would give them a threat analysis which supported precisely the design of the weapons system they wanted to build. We intended to stop all that, so that nobody could issue threat assessments for use on naval weapons systems but the Director of Naval Intelligence. We got a directive signed, but then it was difficult getting the talent to do it, or getting analysts who were willing to go out on a limb for what they believed. I finally pressed to try to structure it — put down the facts, then the postulations you make based on those facts, and the choice of what we think are the best ones, with a range of options. I even explored whether or not I could get them printed in different color ink so it would be clear which were the facts and which were the postulations, but that was too hard; the technology is not yet here to let you do that rapidly.

You really do need to be able to sort that out for people, because the vast bulk of what you're providing is not hard fact. And the assumptions need to be apparent to the reader. Let me skirt around an example, a classified interagency paper slant estimate which is now in progress. It examines some Soviet activity in a specific military sphere and finds it unimpressive, and the conclusion says its likely to stay that way for a long period of time. The body of evidence, when examined, consists of reports of the activity's difficulties, which one would anticipate being sent rapidly, plus interviews with defectors and refugees, all of whom left disgruntled. Consider what sort of estimate you would get if you were to go to any part of the current U.S. military establishment, tap a series of messages dealing with casualty reports for equipment, and interview a series of people who had left the military disgruntled, and were to take that as your only base of evidence in making judgments about the likely readiness of a given capability in the next ten years! In one of our own weapon systems developments it would be interpreted as normal difficulties in the path of an otherwise on-schedule, on-time, on-budget task.

The principal worry I have at this point has to do with the adequacy of our intelligence effort in providing our government a broad range of information, both in depth and in time-sensitive reports, on a great range of potential problem areas all over the world. We are probably better in our capability against the Soviets now than we have ever been, in responding to the need to verify treaties and a whole range of things. But we also have reduced our manpower on much of the rest of the world to the lowest levels since at least the 1950s.

And the great worry I have about this question of balance is: how does one bring about an effective planning process that examines targets, not just systems? I don't have any problem with examining systems, but I want them examined in light of the targets one needs to cover. I want to focus not just on the current problems, but on the perceived problems most likely to be faced by the country over the next decade or two. And I want the structure to have at least an equal voice in voting on the adequacy of existing application of resources — in my view that just does not occur in the current structure. The current structure is designed to sustain the status quo. Cuts were applied across the government to bring manpower levels down — you know, everybody take their fair share to pay for new collection means, to pay for new processing systems. So we lack a counterbalance for target examination, and we lack a data base on the areas of the world which were overlooked in the 1960s when we were focused totally on Southeast Asia — there wasn't a lot of worry about countries in Central America, the Caribbean, Latin America, Africa. I believe the odds are very high that in this decade we will face a lot of challenges in those areas.

Student. I find that very disconcerting. It seems to me that anyone looking at international politics, international economics or international relations during the 1960s and '70s knew that it doesn't take any great depth of analysis to know about pockets of problems in Rhodesia, Southern Africa, the Middle East and the Crescent. I don't understand why the resources were so directed toward the Soviet Union that one forgets about the Third World.

Inman. It was a nice bipartisan effort.

Oettinger. When your budget is being cut, it's a safe thing to do, isn't it?

Student. Well, I must have been in another place because every time I dealt with questions relating to international politics, we always had to deal with what was going to happen in Africa, what was going to happen in all the other places I just mentioned — and there was a recognition that it wasn't just the Soviet Union and the United States, it was all these other places.

Inman. The critical views are not all that welcome to a lot of those who sat in Washington and made the decisions during that period.

Student. Is it a psychological fact that it's just easier to deal with the problems of the Soviet Union?

Inman. Sam Wilson used to call it the Sunflower Syndrome, and I think he was right. Effort tends to go where the current focus is. The great focus was on the Strategic Arms Limitation process before, and in focusing your reference to provide information that is going to be highly valuable, there's a bureaucratic impulse to do that automatically.

Student. Do you think that since the Embargo it has been a little different?

Inman. The current series of crises has had a great impact. That impact was enormously evident last November and December, but then, when the economy began to collapse, the steam went out of moving to address those issues on any real-time basis.

Oettinger. I can't resist the impulse to comment with a personal anecdote. Once, studying for an educational base, a group of us looked at television sets and educational television in El Salvador. We did this on our own because we were interested in educational technology. What emerged was contrary to all the Great Society stuff being exported by the Johnson Administration to El Salvador and elsewhere. The technology was being used in a clearly repressive, centralizing manner. We weren't surprised when the Minister of Education got assassinated last year — obviously he'd be a target, for a whole variety of reasons. We tried to get support for further research on this out of AID. But since their little experiment hadn't gone well, the folks from AID who had put the money in there in the first place were not going to support further research on a failure. We couldn't go to the intelligence agencies, because at the time that kind of money was abhorred at Harvard. I bet that, if you went to look, you would now find a onetime part-time analyst on El Salvador at each of the major agencies, and with very little raw material to support his analysis.

Student. You talked about cutting your personnel in some areas, and you made a quick list of what you were sensitive against. Where do those lists come from? How are they generated?

Inman. The Director of Central Intelligence provides the objectives, the requirements and the priorities by charter for the U.S. Signals Intelligence System. That is the governing rule, going back to the creation of the Agency. The Secretary of Defense was made the executive agent for the conduct of those missions because the vast bulk of people who worked in the collection part of it were already in the Department of Defense, and because the largest user of the product, day by day, turned out to be Defense and the mili-

tary commands — in time of combat that percentage would go even higher. But from the outset it was not the Secretary of Defense, but the Director of Central Intelligence, who established the objectives, the requirements, the priorities.

In my earlier experience with the Navy's Human Intelligence Collection Agency, the problem was what we were permitted to target with. Human intelligence is governed by both the DIA and CIA. DIA first had to agree on the division of effort across what all the military human intelligence efforts were doing, and then CIA had the veto. DIA was not permitted to move into any areas CIA considered as its primary — so, for example, DIA was not to collect against economic or political targets, only military ones. Admittedly, that is where you would expect the basic competence to lie. But to do clandestine HUMINT collection requires elaborate cover staff, elaborate support structure, and the only agency really good at that is the CIA. I would make some rather radical changes on the human side. I would be inclined to consolidate the clandestine HUMINT collection efforts under the CIA's auspices. I would also separate out the covert action. So I succeed, in that brief description, in making both the military and the CIA angry. But I think over the long term the focus would turn toward information collection, as opposed to going in and conducting clandestine operations (which turn out to be more fun).

Student. You mean that you would separate covert from CIA, or from the Department of Defense? If so, how would you structure that?

Inman. You recognize that I'm talking now, not as the Director of the National Security Agency, but as an observer with years of watching — I will answer in that context. I put priority on human collection because I believe it is likely to be of greater utility to the government. You want to make sure that you keep effort focused on doing that, and I would leave that as a central core role of the CIA. And rather than have it be just a civilian effort I would give the military veto power. I would probably end up putting the covert operations under the Department of Defense. DoD has a support structure, and does have to support a good deal of it anyway. The HUMINT effort would need to be a mix of civilian and military; it probably would need to be a separate small agency — keep it small, and don't give it any incentive to go do things to be lively.

Student. To return to the larger question of resource allocation, there appears from what you say to be an insoluble dichotomy, in that intelligence provides prior warning of future problems, yet the resource allocation system provides resource allocation to current problems. So that, when Afghanistan or El Salvador happens, you're worried about SALT, which is a current problem. How do you address this?

Inman. Again, making sure you understand my biases in this case, this is one I lost. I thought that consolidating all the resource management under the DCI was the wrong way to go, for a couple of reasons. If you were going to leave the structure as it was, so that the DCI was also the head of CIA, you'd build in an automatic problem in making unbiased judgments about the balance of distribution of resources across the community when the CIA director has his own constituency to protect. Moreover, there is a question how much you can load on a single individual if the job is going to be done competently. You are asking an individual to be the President's Intelligence Officer, and really focus on that, and be able in the few brief minutes that become available to deal articulately

with the problem and get an awareness of it — not just go through what the briefing books say to cover that topic with no depth or direct understanding. That requires a lot of time. So does being a leader of a community — not a command. To be within a community means devoting a lot of personal involvement to the other members to draw out the best effort. It is enormously time-consuming to run a major agency which has many compartments; you want to know what's going on in all those compartments. The two-hat structure asks too much, and I felt the rational answer was not to consolidate the resources. Essentially 85% of the effort that's being funded is within Defense already. The idea in consolidating it was to see how you could spend less — the wrong reason. The right question was, is what you are doing adequate to deal with the problems that the country's going to face?

In the 1950s money flowed to intelligence, and even on into the early 1960s if you had a new idea, a new gadget that could do something, the money was there. The real draw-downs began in 1969, and they accelerated from 1971 forward. The manpower draw-downs reached low ebb about 1977, though another two percent was taken off in the 1978/79 time frame. Anyone doing research on resource allocation might want to ask James Schlesinger his views, because he was the OMB architect of the first major reduction. The incumbent Governor of Texas made the second major reduction, which did not impact on CIA but did on all the defense agencies, because he was very dissatisfied when he was not given prior notice of the October War in the Middle East in 1973. Clements created a 25 percent reduction in manpower.

Student. That seems strange: you had an intelligence failure, so you reduce your intelligence staff.

Inman. I suppose it's a good businessman's approach: if something's not going well you reduce it by about 25 percent, get rid of the ineffectives; and then when it's healthy you begin pouring more resources into it. In the corporate world this has been a very effective model. But when you're dealing with the civil service you have a very different set of needs.

Student. I mean, when you do that you first have to ask why it failed. If it failed because people were so overstretched that they just didn't have the time to examine the information and set priorities, then you can't just cut back 25 percent and make everybody work 50 percent harder. Citibank has done some things along these lines that they were trying to hush up. I found out because in Wall Street the clerks who handle the securities know everything that's going on in all firms. Citibank is being investigated by the SEC for massive failures. It's a common approach to say let's cut because it is not working right.

Inman. The problem is that with the Civil Service you don't fire people, and you simply don't have a flow of new talent coming in — so you end up watering down.

Student. Can we go back to the problem of economic intelligence? You say you feel we should bolster the effort. Will the formation of the Foreign Commercial Service help?

Inman. I'm not persuaded that Commerce is the best place to put it. I've considered a consortium. My wild brainstorm at this point is to put it into Energy. I really do think

that Energy has more reasons to sustain economic intelligence over a period of time; and yet in a way that doesn't give you the checks and balances I innately worry about. I worry that on the Commerce side you could end up spending more time studying what the U.S. business people are doing than looking at the foreign scene. I want the focus on the foreign scene — foreign sources of energy, raw materials, things like that.

Student. You said that CIA has a very good effort, that there is just no competition. Well, the INR has an economic office staffed by some competent economists — ten people; I'm not saying that's sufficient, but if you combine that with the EB bureau, my personal belief is that if EB ever used the material available it could be very effective.

Inman. If State were willing to sponsor economic intelligence as the alternate source, it's clearly a better place than Energy or Commerce, because of the potential to draw quality people to work on the problem from other fields. But my understanding has been that at State you run directly into the competition among agencies for a proportion of total manpower levels, and how much of those are going to be put in INR? The reason I bring it up is that there is a question what EB will be doing now that it has lost a lot of responsibility. Maybe now would be a good time for this type of thing to be pushed, while people are interested in seeing it formed as an alternative.

I'd like to make some concluding comments. I would say on balance the U.S. intelligence community is functioning reasonably well. The dialogue that has sustained it for 25 years continues reasonably good. The reductions have gone beyond the safe level, in my view, for dealing with all the problems that are likely to face this country in the 1980s. We need somehow, as a government, to be able to do viable long-range planning — not just for intelligence — but particularly to enable the intelligence community to focus on projected problem areas and shift focused attention ahead of the problems, rather than after they arise. In crisis response we are probably doing the best work across the spectrum at this time — it has worked effectively once the crisis was past; we've been able to focus on it and flow information about it, but there are limits. It's too late to establish viable agent nets when the crisis is underway.

But overriding all this, there is going to be the need to preserve secrecy — about how you access the information, what you are particularly interested in, how it's being used — and that's always going to be a barrier for public discussion. We must find new vehicles to put the era of the 1960s and early 1970s behind us in the relationship between the intelligence community and the academic world, as quickly as the process will allow without creating a new fear of suppression or intrusion on academic freedom. It is going to be necessary, if that is effective, to find ways in which classified research can be undertaken, however unpalatable that may be to some segments. The decades ahead are going to be so troubled that we're going to have to find ways around these barriers. We need to rebuild the information base. We need to bring some resurgence in the availability and quality of linguists. Finally, from the government side, there clearly needs to be a better effort to try to make information accessible as the "fertilizer" to keep that relationship going.