II. THE FOREIGN AND MILITARY INTELLIGENCE OPERATIONS OF THE UNITED STATES: AN OVERVIEW

Permanent institutions for the conduct of secret foreign and military intelligence activities are a relatively new feature of American government. Secure behind two oceans and preoccupied with the settlement of a continent, America had no permanent foreign intelligence establishment for more than a century and a half. In times of crisis, Americans improvised their intelligence operations. In times of peace, such operations were not needed and were allowed to lie fallow.

Despite the experience of the First World War, Americans believed they could continue this pattern well into the Twentieth Century. The military services developed important technical intelligence capabilities, such as the breaking of the Japanese code, but the American public remained unaware of the importance of effective intelligence for its security. As a world power, the United States came late to intelligence. It came on December 7, 1941, when Japan attacked Pearl Harbor.

That searing intelligence failure led to the Congress' first effort to deal with the necessity and complexity of modern intelligence. The Joint Committee on the Pearl Harbor Attack, after a sweeping investigation, recommended in 1946 a unified and permanent intelligence effort by the United States—concepts ultimately embodied in the basic charter for American intelligence, The National Security Act adopted by the Congress in 1947. However, neither the Pearl Harbor Committee, nor the National Security Act addressed some of the fundamental problems secret intelligence operations pose for our democratic and constitutional form of government and America's unique system of checks and balances.

The Senate Select Committee on Intelligence Activities represents the second major effort by the Congress to come to grips with intelligence problems, in particular the basic constitutional and structural issues arising from a permanent secret intelligence establishment. While these problems were the subject of the investigation and are the focus of this report, the Select Committee wishes to emphasize that it found much that was good and proper in America's intelligence efforts. In particular, the capacity and dedication of the men and women serving in our intelligence services is to be commended.

This inquiry was not brought forth by an individual event such as a massive intelligence failure threatening the nation's security. Rather it is the result of a series of occurrences adversely affecting the liberties of individual Americans and undermining the long-term interests and reputation of the United States. In effect, the Select Committee was created to deal with the question of whether our democratic system has effectively governed in the crucial area of secret intelligence.

Mr. Clark Clifford, one of the authors of the National Security Act of 1947, told the Committee that:

> The law that was drawn in 1947 was of a general nature and properly so, because it was the first law of its kind. We were blazing a new trail. [1]

It has been the responsibility of the Select Committee to consider where this secret trail has taken the nation, and with this as prologue, to begin the task of charting the future.

A. The Basic Issues: Secrecy and Democracy

The task of democratic government is to reconcile conflicting values. The fundamental question faced by the Select Committee is how to reconcile the clash between secrecy and democratic government itself. Secrecy is an essential part of most intelligence activities. However, secrecy undermines the United States Government's capacity to deal effectively with the principal issues of American intelligence addressed by the Select Committee:

—The lack of clear legislation defining the authority for permissible intelligence activities has been justified in part for reasons of secrecy. Absent clear legal boundaries for intelligence activities, the Constitution has been violated in secret and the power of the executive branch has gone unchecked, unbalanced.

—Secrecy has shielded intelligence activities from full accountability and effective supervision both within the executive branch and by the Congress.

—Reliance on covert action has been excessive because it offers a secret shortcut around the democratic process. This shortcut has led to questionable foreign involvements and unacceptable acts.

—The important line between public and private action has become blurred as the result of the secret use of private institutions and individuals by intelligence agencies. This clandestine relationship has called into question their integrity and undermined the crucial independent role of the private sector in the American system of democracy.

—Duplication, waste, inertia and ineffectiveness in the intelligence community has been one of the costs of insulating the intelligence bureaucracy from the rigors of Congressional and public scrutiny.

—Finally, secrecy has been a tragic conceit. Inevitably, the truth prevails, and policies pursued on the premise that they could be plausibly denied, in the end damage America's reputation and the faith of her people in their government.

For three decades, these problems have grown more intense. The United States Government responded to the challenge of secret intelligence operations by resorting to procedures that were informal, implicit, tacit. Such an approach could fit within the tolerances of our democratic system so long as such activities were small or temporary. Now, however, the permanence and scale of America's intelligence effort and the persistence of its problems require a different solution.

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[1] Clark Clifford testimony, 12/5/75, Hearings, vol. 7, p. 50.

B. The Scope of the Select Committee's Inquiry into Foreign and Military Intelligence Operations

The operations of the United States Government in the field of intelligence involve the activities of hundreds of thousands of individuals and the expenditure of billions of dollars. They are carried out by a complex "community" of organizations whose functions interact and overlap. Because of their scope, the Select Committee could not deal in depth with all aspects of America's intelligence activities. Instead the Committee focused on the principal organizations, their key functions and the major issues confronting the United States in the field of foreign and military intelligence. In doing so, the Committee sought to uncover the truth of alleged abuses by the intelligence agencies and to ascertain the legitimate needs and requirements of an effective future intelligence system for the United States that can function within the boundaries established by the Constitution and our democratic form of government.

The Select Committee focused on five institutions:

—*The National Security Council* (NSC), which on behalf of the President, is supposed to direct the entire national security apparatus of the United States Government, including the intelligence community. As the senior policymaking body in the executive branch in the field of national security, the NSC is also the ultimate consumer of the nation's intelligence product.

—*The Director of Central Intelligence* (DCI), who is charged with producing intelligence which reflects the judgments of all of the intelligence organizations in the executive branch. He is also supposed to "coordinate" the activities of these organizations.

—*The Central Intelligence Agency*, which houses the government's central analytical staff for the production of intelligence, but which devotes its major efforts to developing new means of technical collection and to operating America's clandestine intelligence service throughout the world. In the latter capacity it carries out covert action, paramilitary operations and espionage.

—*The Department of State*, which is the primary source of intelligence on foreign political and economic matters, and as such is both a competitor in the collection and evaluation of intelligence and a potential source of external control over clandestine intelligence activities of the Central Intelligence Agency.

—*The Department of Defense*, which is the major collector of intelligence, the largest consumer, as well as the principal manager of the resources devoted to intelligence. It houses the largest intelligence collection organization, the National Security Agency (NSA), and the largest intelligence analysis organization, the Defense Intelligence Agency (DIA).

C. The Intelligence Process: Theory and Reality

These organizations, and some of their offshoots, constitute the United States intelligence community. In theory at least, their operations can be described in simple terms by the following cycle:

—Those who use intelligence, the "consumers," indicate the kind of information needed.

—These needs are translated into concrete "requirements" by senior intelligence managers.

—The requirements are used to allocate resources to the "collectors" and serve to guide their efforts.

—The collectors obtain the required information or "raw intelligence."

—The "raw intelligence" is collated and turned into "finished intelligence" by the "analysts."

—The finished intelligence is distributed to the consumer and the intelligence managers who state new needs, define new requirements, and make necessary adjustments in the intelligence programs to improve effectiveness and efficiency.

In reality this pattern is barely recognizable.

There are many different consumers, from the President to the weapons designer. Their needs can conflict. Consumers rarely take the time to define their intelligence needs and even if they do so there is no effective and systematic mechanism for translating them into intelligence requirements.

Therefore, intelligence requirements reflect what intelligence managers think the consumers need, and equally important, what they think their organizations can produce. Since there are many managers and little central control, each is relatively free to set his own requirements.

Resources therefore tend to be allocated according to the priorities and concerns of the various intelligence bureaucracies. Most intelligence collection operations are part of other organizations—the Department of Defense, the Department of State—and so their requirements and their consumers are often the first to be served.

Collecting intelligence is not an automatic process. There are many different kinds of intelligence, from a radar return to an indiscreet remark, and the problems in acquiring it vary greatly. Information that is wanted may not be available, or years may be required to develop an agency or a technical device to get it. Meanwhile intelligence agencies collect what they can.

In the world of bureaucracy, budgets, programs, procurement, and managers, the needs of the analyst can be lost in the shuffle. There has been an explosion in the volume and quality of raw intelligence but no equivalent increase in the capacity of analytical capabilities. As a result, "raw" intelligence increasingly dominates "finished" intelligence; analysts find themselves on a treadmill where it is difficult to do more than summarize and put in context the intelligence flowing in. There is little time or reward for the task of providing insight.

In the end the consumer, particularly at the highest levels of the government, finds that his most important questions are not only unanswered, but sometimes not even addressed.

To some extent, all this is in the nature of things. Many questions cannot be answered. The world of intelligence is dominated by uncertainty and chance, and those in the intelligence bureaucracy, as else-

where in the Government, try to defend themselves against uncertainties in ways which militate against efficient management and accountability.

Beyond this is the fact that the organizations of the intelligence community must operate in peace but be prepared for war. This has an enormous impact on the kind of intelligence that is sought, the way resources are allocated, and the way the intelligence community is organized and managed.

Equally important, the instruments of intelligence have been forged into weapons of psychological, political, and paramilitary warfare. This has had a profound effect on the perspective and preoccupations of the leadership of the intelligence community, downgrading concerns for intelligence in relation to the effective execution of operations.

These problems alone would undermine any rational scheme, but it is also important to recognize that the U.S. intelligence community is not the work of a single author. It has evolved from an interaction of the above internal factors and the external forces that have shaped America's history since the end of the Second World War.

D. Evolution of the United States Intelligence Community

The evolution of the United States intelligence community since World War II is part of the larger history of America's effort to come to grips with the spread of communism and the growing power of the Soviet Union. As the war ended, Americans were torn by hopes for peace and fear for the future. The determination to return the nation promptly to normal was reflected in demobilization of our wartime military establishment. In the field of intelligence, it was clear in President Truman's decision to dismantle the Office of Strategic Services, scattering its functions to the military departments and the Department of State.

The Second World War saw the defeat of one brand of totalitarianism. A new totalitarian challenge quickly arose. The Soviet Union, a major ally in war, became America's principal adversary in peace. The power of fascism was in ruin but the power of communism was mobilized. Not only had the communist parties in France, Italy, and Greece emerged politically strengthened by their roles in the Resistance, but the armies of the Soviet Union stretched across the center of Europe. And, within four years, America's nuclear monopoly would end.

American military intelligence officers were among the first to perceive the changed situation. Almost immediately after the fall of Berlin to the Red Army, U.S. military intelligence sought to determine Soviet objectives. Harry Rositzke, later to become chief of the CIA's Soviet Division, but at the time a military intelligence officer, was despatched to Berlin by jeep. Although the Soviet Union was still an ally, Rositzke was detained, interrogated, then ordered expelled by the Soviet occupying forces. He managed, however, to escape his Soviet "escort" and arrive in Berlin. He described his experience to the Committee:

> We got on the outskirts of Berlin and yelled out "Amerikanski," and were highly welcomed. And as we went over the Autobahn the first basic impression I got, since I had known

Germany well before the war, was a long walking group of German males under 16 and over 60 who were being shepherded to the east by four-foot-ten, five-foot Mongolian soldiers with straw shoes.

The Russians also had been looting. With horses and farm wagons they were taking away mattresses, wall fixtures, plumbing fixtures, anything other than the frame of the houses.

We then made our way through the rubble of Berlin—most were one-way streets—identifying every shoulder patch we could, and passed the Siemans-Halske works, in front of which were 40 or 50 lend-lease trucks, on each of which was a large shiny lathe, drill press, et cetera.

When we had seen enough and were all three extremely nervous, we headed straight west from Berlin to the British Zone. When we arrived we had an enormous amount of exuberance and a real sense of relief, for the entire 36 hours had put us in another world. The words that came to my mind then were, "Russia moves west." [3]

At home, the Truman Administration was preoccupied by the transition from war to an uncertain peace. Though dispersed, and in some cases disbanded, America's potential capabilities in the field of intelligence were considerable. There were a large number of well-trained former OSS operation officers; the military had developed a remarkable capacity for cryptologic intelligence (the breaking of codes) and communications intelligence (COMINT); there was also a cadre of former OSS intelligence analysts both within the government and in the academic community.

E. The Origins of the Postwar Intelligence Community [4]

With the experiences of World War II and particularly Pearl Harbor still vivid, there was a recognition within the government that, notwithstanding demobilization, it was essential to create a centralized body to collate and coordinate intelligence information. There was also a need to eliminate frictions between competing military intelligence services. Although there was disagreement about the structure and authority of the postwar intelligence service, President Truman and his senior advisers concluded that, unlike the OSS, this centralized body should be civilian in character.

The military resisted this judgment. Virtually all of America's competing intelligence assets were in the armed services. Then, as now, the military considered an intelligence capability essential in wartime and equally important in time of peace to be prepared for military crises. Thus, the services were strongly opposed to having their authority over intelligence diminished. In contrast, factions within the State Department were reluctant to accept any greater responsibility or role in the field of clandestine intelligence.

Six months after V–J Day, and three months after he had disbanded OSS, President Truman established the Central Intelligence

[3] Harry Rozitzke testimony, 10/31/75, p. 7.
[4] For an organizational history of the CIA, see Chapter VI.

Group (CIG). CIG was the direct predecessor of the CIA. It reported to the National Intelligence Authority, a body consisting of the Secretaries of State, War and Navy and their representatives. CIG had a brief existence. It never was able to overcome the constraints and institutional resistances found in the Department of State and the armed services.

The National Security Act of 1947 [5] was passed on July 26, 1947. The Act included, in large part, the recommendations of a report prepared for Secretary of the Navy James Forrestal by New York investment broker Ferdinand Eberstadt. Though largely concerned with the creation of the National Security Council (NSC) and the unification of the military services within the Department of Defense, the Act also created a Director of Central Intelligence (DCI) and a Central Intelligence Agency (CIA). The powers of the DCI and the CIA were an amalgam of careful limits on the DCI's authority over the intelligence community and an open-ended mission for the CIA itself. The power of the DCI over military and diplomatic intelligence was confined to "coordination." At the same time, however, the Agency was authorized to carry out unspecified "services of common concern" and, more importantly, could "carry out such other functions and duties" as the National Security Council might direct.

Nowhere in the 1947 Act was the CIA explicitly empowered to collect intelligence or intervene secretly in the affairs of other nations. But the elastic phrase, "such other functions," was used by successive presidents to move the Agency into espionage, covert action, paramilitary operations, and technical intelligence collection. Often conceived as having granted significant peacetime powers and flexibility to the CIA and the NSC, the National Security Act actually legislated that authority to the President.

The 1947 Act provided no explicit charter for military intelligence. The charter and mission of military intelligence activities was established either by executive orders, such as the one creating the National Security Agency in 1952, or various National Security Council directives. These National Security Council Intelligence Directives (NSCID's) were the principal means of establishing the roles and functions of all the various entities in the intelligence community. They composed the so-called "secret charter" for the CIA. However, most of them also permitted "departmental" intelligence activities, and in this way also provided the executive charter for the intelligence activities of the State Department and the Pentagon. However, the intelligence activities of the Department of Defense remained with the military rather than with the new Defense Department civilians. At the end of the war, the Joint Chiefs of Staff decided to continue the inter-Service coordinating mechanism—the Joint Intelligence Committee—which had been created in 1942. With the 1947 Act and the establishment of the Joint Chiefs of Staff, a working level intelligence operation was created in the Joint Staff, known as the Joint Intelligence Group, or J–2.

The structure created by the 1947 Act and ensuing NSCID's was highly decentralized. The task of the CIA and the Director of Central

[5] See Chapter VII for an analysis of the 1947 Act.

Intelligence was to "coordinate" the intelligence output of all the various intelligence collection programs in the military and the Department of State. The CIA and its Director had little power to act itself, but the potential was there.

F. The Response to the Soviet Threat

Immediately after its establishment, the CIA and other elements of the intelligence community responded to the external threats facing the United States.

—*The threat of war in Europe.* Following the war there was a distinct possibility of a Soviet assault on Western Europe. Communist regimes had been established in Poland, Hungary, Romania and Bulgaria. Czechoslovakia went Communist in 1948 through a coup supported by the Russian Army. There was a Russian-backed civil war in Greece. And, above all, there was the presence of the Soviet Army in Eastern Europe and the pressure on Berlin.

In light of these developments, U.S. policymakers came to the conclusion that outright war with the Soviet Union was possible. The U.S. intelligence community responded accordingly. The CIA assumed the espionage task, running agents and organizing "stay-behind networks" in the event the Soviets rolled west. Agents, mostly refugees, were sent into the East to report on Soviet forces and, in particular, any moves that signalled war. The U.S. went so far as to establish contact with Ukrainian guerrillas—a relationship that was maintained until the guerrillas were finally wiped out in the early 1950s by Soviet security forces. CIA activities, however, were outnumbered by the clandestine collection operations of the military, particularly in Western Europe, where the Army maintained a large covert intelligence and paramilitary capability.

—*Turmoil in the West.* The Soviets had powerful political resources in the West—the Communist parties and trade unions. Provided with financial and advisory support from the Soviet Union, the Communist parties sought to exploit and exacerbate the economic and political turmoil in postwar Europe. As the elections in 1948 and 1949 in Italy and France approached, the democratic parties were in disarray and the possibility of a Communist takeover was real. Coordinated Communist political unrest in western countries combined with extremist pressure from the Soviet Union, confirmed the fears of many that America faced an expansionist Communist monolith.

The United States responded with overt economic aid—the Truman Doctrine and the Marshall Plan—and covert political assistance. This latter task was assigned to the Office of Special Projects, later renamed the Office of Policy Coordination (OPC). The Office was housed in the CIA but was directly responsible to the Departments of State and Defense. Clandestine support from the United States for European democratic parties was regarded as an essential response to the threat of "international communism." OPC became the fastest growing element in the CIA. To facilitate its operations, as well as to finance CIA espionage activities, the Congress passed the Central Intelligence Agency Act of 1949, which authorized the Director of CIA to spend funds on his voucher without having to account for disbursements.

—*Nuclear weapons.* The advent of nuclear weapons and the Soviet potential in this field led to efforts to ascertain the status of the Soviet Union's nuclear program. By the time of the Soviet's first atomic explosion in 1949, the U.S. Air Force and Navy had begun a peripheral reconnaissance program to monitor other aspects of Soviet nuclear development and Soviet military capabilities. As the Soviet strategic nuclear threat grew, America's efforts to contain it would grow in scale and sophistication until it would overshadow the classic tools of espionage.

G. Korea: the Turning Point

The Communist attack, feared in Europe, took place in Asia. The Korean War, following less than a year after the fall of China to the Communists, marked a turning point for the CIA. The requirements of that war, the involvement of China, the concern that war in Europe might soon follow, led to a fourfold expansion of the CIA—particularly in the paramilitary field. This period was characterized by efforts to infiltrate agents into mainland China, which led to the shootdown and capture of a number of Americans.

The CIA's activities elsewhere in Asia also expanded. Instrumental in helping Ramon Magsaysay defeat the communist Hukbalahaps in the Philippines, the CIA also assisted the French in their losing struggle against the Viet Minh in Indochina.

The failure to anticipate the attack on Korea was regarded as a major intelligence failure. The new Director of the CIA, General Bedell Smith, was determined to improve CIA's estimating and forecasting capabilities. He called on William Langer, formerly chief of the Research and Analysis section of the OSS, to come to Washington from Harvard, in 1950, to head a small staff for analysis and the production of intelligence. An Office of National Estimates (ONE) was established to produce finished intelligence estimates. ONE drew on the intelligence information resources of the entire U.S. intelligence community and was aided by a Board of National Estimates composed of leading statesmen and academic experts.

By the end of the Korean War and the naming of Allen Dulles as DCI, the powers, responsibilities and basic structure of the CIA were established. The Agency had assumed full responsibility for covert operations in 1950, and by 1952 covert action had exceeded the money and manpower allotted to the task of espionage—a situation that would persist until the early 1970s.

Paramilitary actions were in disrepute because of a number of failures during the Korean War. However, the techniques of covert military assistance in training had been developed, and the pattern of CIA direction of Special Forces and other unconventional components of the U.S. Armed Forces in clandestine operations had been established.

In the field of espionage, the CIA had become the predominant, but by no means the exclusive operator. Clandestine human collection of intelligence by the military services continued at a relatively high rate. The military also had a large stake in clandestine technical collection of intelligence.

Major structural changes in the intelligence community were brought about by the consolidation of cryptanalysis and related functions. Codebreaking is a vital part of technical intelligence collection and has had an important role in the history of U.S. intelligence efforts. The American "Black Chamber" responsible for breaking German codes in WWI was abolished in the 1920s. As WWII approached, cryptanalysis received increased attention in the military. Both the Army and Navy had separate cryptologic services which had combined to break the Japanese code. Known as "the magic" this information signalled the impending attack on Pearl Harbor but the intelligence and alert system as a whole failed to respond.

In order to unify and coordinate defense cryptologic and communications security functions, President Truman created the National Security Agency by Executive Order on November 4, 1952. Prior to this time, U.S. cryptological capabilities resided in the separate agencies of the Army, Navy, and Air Force. The very existence of still the most secret of all U.S. intelligence agencies, NSA, was not acknowledged until 1957.

H. The "Protracted Conflict"

With the end of the Korean conflict and as the mid–1950s approached, the intelligence community turned from the desperate concern over imminent war with the U.S.S.R. to the long-term task of containing and competing with communism. In the "struggle for men's minds," covert action developed into a large-scale clandestine psychological and political program aimed at competing with Soviet propaganda and front organizations in international labor and student activities. Specific foreign governments considered antithetical to the United States and its allies or too receptive to the influence of the Soviet Union, such as Mosedegh in Iran in 1953 and Arbenz in Guatemala in 1954, were toppled with the help of the CIA. Anticommunist parties and groups were given aid and encouragement such as the Sumatran leaders who, in 1958, sought the overthrow of President Sukarno of Indonesia.

At the same time, the CIA was moving into the field of technical intelligence and reconnaissance in a major way. The U.S. military had recognized the value of aerial reconnaissance within a few short years after the Wright brothers' successful flight in 1903 and had borne major responsibility for reconnaissance against Communist bloc countries. But it was the CIA in 1959 that began work on the U–2.

It proved to be a technical triumph. The U–2 established that the Soviet Union was not, as had been feared, about to turn the tables of the strategic balance. It gained more information about Soviet military developments than had been acquired in the previous decade of espionage operations. But there were risks in this operation. Despite the effort to minimize them with a special system of high-level NSC review and approval, Francis Gary Powers was shot down in a U–2 over the Soviet Union on the eve of the Paris summit conference in 1960. President Eisenhower's acceptance of responsibility and Nikita Khrushchev's reaction led to the collapse of the conference before it began.

Nonetheless the U–2 proved the value of exotic and advanced technical means of intelligence collection. It was followed by a transfor-

mation of the intelligence community. As the 1950s gave way to the 1960s, large budgets for the development and operation of technical collection systems created intense competition among the military services and the CIA and major problems in management and condensation.

To support the Director of Central Intelligence's task of coordinating the activities of the intelligence community, the United States Intelligence Board (USIB) was established in 1958. Made up of senior representatives of the State Department, the Department of Defense, the military services, Treasury (since 1973) and the FBI, USIB was to coordinate the setting of requirements for intelligence, approve National Intelligence Estimates and generally supervise the operations of the intelligence agencies. However, the real power to set requirements and allocate resources to intelligence programs remained decentralized and in the hands of the principal collectors—the military services, the Foreign Service and the clandestine service of the CIA. As collection programs mushroomed, USIB proved unequal to the task of providing centralized management and eliminating duplication.

I. Third World Competition and Nuclear Crisis

While the United States' technical, military and intelligence capabilities advanced, concern intensified over the vulnerability of the newly independent nations of Africa and Asia to communist subversion. And in the Western Hemisphere the establishment of a communist Cuba by Fidel Castro was seen as presaging a major incursion of revolutionary communism to the Western Hemisphere.

At his inauguration in January, 1961, President Kennedy proclaimed that America would "pay any price and bear any burden" so that liberty might prevail in the world over the "forces of communist totalitarianism." Despite the catastrophe of the CIA-sponsored Bay of Pigs invasion only four months later, the covert action and paramilitary operations staffs of the CIA were to shoulder a significant part of that burden. In Latin America the Alliance for Progress, the overt effort to help modernize the southern half of the hemisphere, was accompanied by a significant expansion of covert action and internal security operations aimed at blocking the spread of Castro's influence or ideology. This was accompanied by an intense paramilitary campaign of harassment, sabotage, propaganda against Cuba, and attempted assassination against Castro.

Nearby, in the Dominican Republic, the United States had already supported the assassins of Dictator Raphael Trujillo in order to preempt a Castro-type takeover. In Africa, significant paramilitary aid was given in support of anti-Soviet African leaders. In Asia, American intelligence had been involved for a long time in the Indochina struggle. The CIA, along with the rest of the United States government, was drawn ever deeper into the Vietnamese conflict.

Early in the decade the United States faced its most serious postwar crisis affecting its security—the Cuban Missile Crisis of October 1962. It illustrated a number of important facts concerning the nature and structure of American intelligence.

During the summer of 1962 overhead reconnaissance confirmed agent intelligence reports that some form of unusual military installation was being placed in Cuba. By October 16 it was clear that these were

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medium and intermediate-range ballistic missile sites capable of handling nuclear weapons that could strike targets throughout significant areas of the United States.

As the United States moved towards a confrontation with the Soviet Union, U.S. intelligence played a significant role at every turn. Overhead reconnaissance of the Soviet strategic posture was vastly superior to that of the Russians. Reports from Col. Oleg Penkovsky, the U.S. agent in the Kremlin, kept the United States abreast of the Soviet military response to the crisis. U.S. tactical reconnaissance of Cuba not only prepared the United States for possible invasion but signalled the earnestness of our intention to do so should the situation deteriorate. Naval reconnaissance kept close tabs on Soviet ships bearing ballistic missile components. As the crisis neared its showdown with a quarantine, the President demanded and received the most detailed tactical intelligence, including the distance in yards between American naval vessels and the Soviet transport ships.

This crisis dramatized the importance of integrated intelligence collection and production in times of crisis. It also clearly illustrated the difficulty in distinguishing between national and so-called tactical intelligence. This distinction has been a central feature of the structure of the American intelligence community with the military services maintaining control over tactical intelligence and the so-called national intelligence assets subject to varying degrees of control by the Director of Central Intelligence or the Secrtary of Defense and the National Security Council. Cuba proved that in time of crisis these distinctions evaporate.

J. Technology and Tragedy

During the 1960s the U.S. intelligence community was dominated by two developments: First, the enormous explosion in the volume of technical intelligence as the research and development efforts of the previous period came to fruition; second, the ever-growing involvement of the United States in the war in Vietnam.

The increase in the quantity and quality of technically acquired information on Soviet military forces, in particular strategic forces, made possible precise measurement of the existing level of Soviet strategic deployments. However, it did not answer questions about the ultimate scale of Soviet strategic deployments, nor did it provide firm information on the quality of their forces. While it provided an additional clue as to Soviet intentions, it did not offer any definitive answers.

In the Pentagon disparate estimates of future Soviet strategic power from each of the Armed Services led Secretary Robert McNamara to establish the Defense Intelligence Agency. The Secretary of Defense was in the ironic position of being responsible for the bulk of American intelligence collection activity but lacking the means to coordinate either the collection programs or the intelligence produced. The DIA was to fulfill this need, but in a compromise with the military services the DIA was made to report to the Secretary of Defense through the Joint Chiefs of Staff. The DIA has never fulfilled its promise.

In the CIA the analysts confronted by the new mass of technical intelligence information underestimated the ultimate scale of Soviet

dployments while tending to overestimate the qualitative aspects of Soviet weapons systems. Previously, intelligence analysts had to build up their picture of Soviet capability from fragmentary information, inference and speculation, particularly as to Soviet purposes. Confronted with the challenge to exploit the new sources of intelligence on Soviet programs, the analysts in the intelligence community turned away from the more speculative task of understanding Soviet purposes and intentions, even though insight into these questions was central to a greater understanding of the technical information being acquired in such quantity.

The war in Vietnam also posed serious problems in the analysis and production of intelligence. In effect, the analysts were continually in the position of having to bring bad news to top policymakers. The result produced some serious anomalies in the nature of intelligence estimates concerning the Vietnam conflict. For example, the CIA continually flew in the face of the Pentagon and the evident desires of the White House by denigrating the effectiveness of the bombing campaigns over North Vietnam, but as American involvement deepened from 1965 onward, the CIA was unwilling to take on the larger and more important task of assessing the possibility for the success of the overall U.S. effort in Vietnam.

The increase in technical collection capabilities of the United States were also brought to bear on that conflict, creating in its turn important questions about the application of such resources to tactical situations. As one intelligence officer put it, local military commanders in Vietnam "were getting SIGINT (signals intelligence) with their orange juice every morning and have now come to expect it everywhere." This involves two problems: first, whether "national" intelligence resources aimed at strategic problems should be diverted to be used for local combat application and, second, whether this might not lead to a compromise of the technical collection systems and the elimination of their effectiveness for broader strategic missions.

K. The 1970s

Together, the advent of increased technical capabilities and the Vietnam War brought to a climax concerns within the Government over the centralized management of intelligence resources. This coincided with increased dissatisfaction in the Nixon Administration over the quality of intelligence produced on the war and on Soviet strategic developments.

In the nation as a whole, the impact of the Vietnam War destroyed the foreign policy consensus which had underpinned America's intelligence activities abroad. Starting with the disclosures of CIA involvement with the National Student Association of 1967, there were a series of adverse revelations concerning the activities of the Central Intelligence Agency and the military intelligence agencies.

Concern over the secret war in Laos, revulsion at the Phoenix program which took at least 20,000 lives in South Vietnam, army spying on U.S. civilians, U.S. "destabilization" efforts in Chile, and finally the revelations concerning Operation CHAOS and the CIA's domestic intelligence role created a climate for a thorough Congressional investigation.

During this same period, the Executive moved to initiate certain management reforms. Beginning as early as 1968, there were cutbacks in the scale of the overall intelligence community. These cutbacks deepened by 1970, both in the size of the overall intelligence budget in real terms and in the manpower devoted to intelligence activities. CIA covert activities were sharply reduced with a few notable exceptions such as Chile. The internal security mission in foreign countries was dropped. There was a re-emphasis on collecting covert intelligence on the Soviet Union. Terrorism and narcotics were added to the list of intelligence requirements for our clandestine espionage services.

In 1971 James Schlesinger, then serving in the Office of Management and Budget, was asked to do a sweeping analysis of the intelligence community. That study led to an effort to increase the authority of the Director of Central Intelligence over the management of the intelligence community. However, President Nixon limited the scope of reform to that which could be accomplished without legislation.

Congress also took an increased interest in the activities of the intelligence community. The role of the CIA in the Watergate affair was examined in the Senate Watergate Committee's investigation. At the close of 1974 a rider, the Hughes-Ryan amendment, was added to the Foreign Assistance Act which required the President to certify that covert actions were important to the national interest and directed that the Congress be fully informed of them. In this connection, the responsibility to inform the Congress was broadened beyond the traditional Armed Services and Appropriations Committees of the Congress to include the Senate Foreign Relations Committee and the House Foreign Affairs Committee. However, the first real effort of the Congress to come to grips with the challenge posed to the American democratic form of government by necessarily secret foreign and military intelligence activities came with the establishment of the Senate Select Committee on Intelligence in January of 1975. The results of its inquiry are set forth in the following chapters of this report.

L. The Task Ahead

The American intelligence community has changed markedly from the early postwar days, yet some of the major problems of that period persist. The intelligence community is still highly decentralized; the problem of maintaining careful command and control over risky secret activities is still great. There is a continuing difficulty in drawing a line between national intelligence activities, which should be closely supervised by the highest levels of government, and tactical intelligence, which are the province of the military services and the departments.

The positive steps undertaken by President Ford in his recent Executive Order have not diminished the need for a new statutory framework for American intelligence activities. Only through the legislative process can the broad political consensus be expressed which is necessary for the continuing conduct of those intelligence activities essential to the nation's security and diplomacy.

Clark M. Clifford, who was one of the authors of the 1947 National Security Act that established the present legislative framework for America's intelligence activities, made these comments in open session before the Committee:

> As one attempts to analyze the difficulty and hopefully offer constructive suggestions for improvement, he finds much confusion existing within the system. It is clear that lines of authority and responsibility have become blurred and indistinct.
>
> The National Security Council under the Act of 1947 is given the responsibility of directing our country's intelligence activities. My experience leads me to believe that this function has not been effectively performed. . . .
>
> The 1947 law creating the CIA should be substantially amended and a new law should be written covering intelligence functions. We have had almost thirty years of experience under the old law and have learned a great deal. I believe it has served us reasonably well but its defects have become increasingly apparent. A clear, more definitive bill can be prepared that can accomplish our purposes by creating clear lines of authority and responsibility and by carefully restricting certain activities we can hopefully prevent the abuses of the past.

And Mr. Clifford concluded:

> We have a big job to do in this country. Our people are confused about our national goals and cynical about our institutions. Our national spirit seems to have been replaced by a national malaise. It is my conviction that the efforts of this committee will assist us in regaining confidence in our national integrity, and in helping to restore to our nation its reputation in the world for decency, fair dealing, and moral leadership.[6]

That is the spirit in which the Select Committee sought to pursue its inquiry and that is the spirit in which the Committee puts forward the following analysis of the intelligence community and the operation of its constituent parts.

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[6] Clifford, 12/5/75, Hearings, p. 53.