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The Process of Reorganization Within the U.S. Intelligence Community
Richard L. Haver

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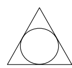

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The Process of Reorganization Within the U.S. Intelligence Community

Richard L. Haver

Mr. Haver is the first official to hold the position of Assistant to the Secretary of Defense for Intelligence Policy, to which he was appointed by Secretary of Defense Dick Cheney in July 1989. Before this appointment, he held several positions in Naval Intelligence, including Deputy Director of Naval Intelligence, Technical Director at Navy Field Operational Intelligence Office (NFOIO), Technical Director of the Naval Ocean Surveillance Information Center, and department head at the NFOIO. Mr. Haver left active duty in the U.S. Navy after six years in 1973 to become a civilian intelligence analyst in the Anti-Submarine Warfare Systems branch at the Naval Intelligence Support Center. He has received numerous awards, including the Presidential Rank Meritorious Executive Award in 1983, the Presidential Rank Distinguished Executive Award in 1985, and the National Intelligence Distinguished Service Medal in 1989.

Oettinger: Our speaker today is Richard Haver, who is Assistant to the Secretary of Defense for Intelligence Policy. You have seen his biography and know about his career, so I won't waste either your time or his by introducing him further other than to say that he's agreed to be interruptible with questions and discussion as he goes along. Richard, it's our pleasure to have you.

Haver: Thank you. It's my pleasure. Yes, I encourage questions. I was reading last year's synopsis and I saw my good friend Dave McManis came here. He did the opposite, he wanted 30 minutes of his own time.

Oettinger: Well, that was because he'd been here before and he knew how I could be. He wanted me to shut up.

Haver: I'll start off with a story that sort of epitomizes what I really do and where I came from. I have four daughters. I'm very proud of them and I coach their basketball and softball teams, at least in their younger days before they got into high school. Last year, in particular, I had a very good softball team. One of my player's father happens to be a naval officer, a fighter pilot, and I had never run into the guy; I knew him by reputation, but he was usually off at sea. Well, we were playing a championship game last spring for the softball league and, as fate would have it, his daughter, who was our best hitter, was hit by a pitch. She took one in the helmet, thank God for plastic helmets, a glancing blow, but it clearly stunned her. She went down to the ground, and I rushed out to see if she was OK, and her father showed up. I hadn't met him, but it was obvious he was concerned about his daughter, and we dusted her off, and she seemed to be all right. We tried to get her reoriented. I told her what day it was, what inning it was, and how many other players were on base and how many outs there were. She sort of shook her head and said she was okay and trotted off to first base. Her father, walking off the field with me, said, "I knew you were involved somehow in intelligence, but now I know you're an intelligence analyst." And I said, "Well, that's true. Why?" He said, "Well, everything you told my daughter was absolutely correct and not of the slightest value." That's what a lot of people think of intelligence.

I'll try to improve on that performance here in the next couple of hours. Tony gave me a loose-cannon approach to this. For the last six weeks I have been heavily involved in the process of the reorganization or contemplation of reorganization of the intelligence community and I thought it might be useful to go over some of that process with you. It's still in a

state of flux. There are two different bills before the House and Senate, respectively. There's also a rather extensive array of task force reports and evaluations done under the auspices of the new Director of Central Intelligence, Bob Gates, and I've had a role in some of those. I think it is coming to a head, meaning that within the next month or so, the fate of that legislation probably will be fairly apparent, at least politically if not functionally, and also, exactly what Mr. Gates intends to do, and how the Congress and the Executive branch of the government intend to deal with that. I think it will be reasonably well defined by the end of April. I won't try to scoop any of that, but I will certainly try to give you a rough idea about what the issues are inside that debate. Of course, I can't help in the process of explaining leaving some of my own opinion out there to be seen.

I would like to start off, though, by making three general observations — nothing too profound here, but I think they're pertinent. The first one is the intelligence process. The more you deal with the media, the more involvement you have, and those involved in information services across the whole spectrum of users in the domestic scene, as well as the international and national security scene, bear a great deal of similarity. It was recently highlighted, at least in the Washington press and on CNN last week where the defense information or intelligence news network, its video manifestation, was shown for the first time to the public, and, of course, the logical similarity between that and CNN, although they talk about this being the "exclusive network," was pointed out. The first thing I'd like to leave you with is that we really are in the information business and that's what intelligence is about. It's a service organization and there are more similarities, I believe, than there are differences in the way in which we approach our job of acquiring information, analyzing it, and trying to translate it into something that our consumer wishes to have. Then there are differences.

The second observation is that there is a tremendous amount of change inside the system right now, much of it dictated by outside-of-the-community events, not simply the change in our international politics. Whether you believe the Cold War is over or not, it's quite clear that the challenges we have to address are significantly different, but also the differences and changes in technology, differences in the way in which we have to go about getting resources to do our job in the intelligence business. All of these things are in a rather dramatic state of change right now. I don't think it's going to necessarily reach some point where it's all concluded. We rediagrammed the system and that's the way it is for the next 20 or 30 years. I suspect that this is a rather extended period of change. These reforms, these alternations, will have to be iterated. They will have to evolve. They will not have a single-point solution. We will not create a new agency and then that new agency will sail forth the way it was originally designed. It will go through, I think, a rather significant transformation at both the tactical and the national level inside the intelligence community.

The last point I would make, and it's particularly good to see people from other nations here, is that one of the advantages in the job I have is that I get to meet many of the visiting officials from our friends and allies and, frankly, some of our former enemies — Russian intelligence people who have been in our lair in the last two years — an absolutely unthinkable thought. I've actually been to Moscow, something I never thought would happen, and met with officials from the Russian intelligence operations, as well as from Japan, Korea, France, and England. A whole host of these visitors come through and, of course, they connect with the Secretary of Defense's office, and with the Director of Defense Intelligence Agency, or with the National Intelligence Agency; and so we have an ability to interact with them, despite all of our problems, despite all of our failings, and the things that we know can be done better.

Universally, all of the people I've run into believe that the United States intelligence system is by far and away the best in the world. We may have problems, we may have things we don't do as well as others, but no one walks in thinking that somehow the U.S. service is less than theirs; they all walk in with the idea that they have come to where if intelligence is done right, this is the place where it's done the very best. Some of it is because many of our foreign friends are fascinated with our technology, but most of the time I find when we deal with our technologically advanced allies, very few of these countries believe it's beyond their reach to build any of the technical collection systems that we presently possess, whether it's Japanese, or French, or the Israelis, or the British. All of these countries have advanced electronics industries, all of them are in the space world, all of them are quite capable of producing the systems that we have, although perhaps it would cost them more.

I find, however, what they're most interested in is our know-how — how we make it work. They're interested in the organization. They're interested in the process that we have developed inside the U.S. intelligence system over the last 30 or 40 years, how we match requirements with collection actions, with processing, and with the product that comes out the other end, how we evaluate that in order to decide that we need to build something new, how we go about conducting our research and development. In many respects, it's how we manage, orchestrate, and run this system that these folks are seeking information about, and it's not a spy game.

They clearly want to go back into their own nations and improve their systems, and they're seeking the answers to some of these problems that they're addressing for the first time as these nations evolve internationally, that they believe we have answers. To some extent I think we do; in other cases I think they find out we haven't solved the problems yet either, although we have some potential solutions. But I try to leave you with those three thoughts that the system is very much akin to information management and display as it is practiced in the domestic world. Secondly, that it is a tremendous change, but it isn't going to stop now. And third, regardless of how poor the system is and how much it changes, it still seems to me to be as well run as any other endeavor in the intelligence world here and globally.

Back to two themes that are occurring inside this reorganization, which you have undoubtedly heard about or read about (if you don't have copies of that legislation it does make interesting reading because it clearly looks at some of the problems of the community). And I suspect that when all is said and done that historians or people who simply do post-mortems on the political process will find that there was far more symmetry to the Senate and House proposals and what the Executive branch also decided to do, than there were differences. There will be sharp differences on such matters as money, perhaps, and other areas, but I think they'll be struck by the similarities. And I think the reason is that one of the things about the intelligence process is that it is less political than others. There's a more genuine sort of national interest in correcting it without necessarily making political statements and the fact that we're all working from the same common experience. One of the things that occurred in the 1970s was the creation of these intelligence oversight committees of the Senate and House. They were not necessarily born out of a favorable or non-adversarial process. There were committees called the Church Committee in the Senate and the Pike Committee in the House of Representatives that did a rather difficult and somewhat politically charged scrub of the intelligence community, and from that emerged this legislation and then these committees. But the good news about those committees is that, as they have matured, it has resulted in a staff structure in both the House and Senate of the U.S. Congress. A number of members of the legislative branch are quite comfortable with what goes on inside the intelligence community, quite knowledgeable, and not only see the strengths and the benefits, but also can discern where the weaknesses and difficulties are, so that legislation tries to address those.

Let me start off with the first one as money. As is fairly well stated inside the justification for the Senate bill at the present time, the money that is devoted by the U.S. Congress to the intelligence process is embedded inside the Defense claim. You cannot find line items in the federal budget spelling out intelligence. There are those who believe that hinders the authority and the freedom of action of the Director of Central Intelligence, Mr. Gates, or his predecessors. While he does have responsibility for the intelligence program, he doesn't own the money, and in Washington they always talk about the Golden Rule — he who has the gold, rules. And so there is the perception that the Secretary of Defense ultimately rules, because the Secretary of Defense holds the gold. And to some degree, there's truth to that. On the other side, however, you will find a strong opinion, I believe, in the executive branch, that it is undesirable to have the intelligence account hanging out from underneath, if you will, the protection of the Defense Department appropriation. I believe that that comes down to three major reasons why the community does not want to see itself standing alone. The first one is the subjecting of the choices, the decision-making process of that intelligence, to the whole political process. The last thing we would like to see is a debate about whether money should be invested in a certain satellite system, or invested in hospitals for the Midwest, or research into certain areas. If the intelligence account is held up in a public sense and balanced against all the domestic issues, it's going to be very difficult for people to make the choices for the intelligence, unless there's a full understanding about why that intelligence is developed, and then the whole secret, the whole issue about sources and methods will be revealed. There's no way (to be a

little bit crude) to be partially pregnant in this. You either are or you're not. You're either totally in the public spectrum or you're out of it.

The second reason is that there are tremendous costs that are borne by the Department of Defense to support the intelligence process that are never delineated as intelligence money. If you went to an air base where we fly our U-2s or we used to fly our SR-71s, you find an Air Force facility that is largely dedicated to the support of reconnaissance, an intelligence operation. Yet, the only costs that are borne by the intelligence community for maintaining that facility are the aircraft themselves, perhaps the salaries of some of the people. But the commissary, the runway maintenance, the roofs of the hangars, the repairing of the electrical fence, the guard force, all of that is simply borne by the Department of the Air Force as a necessary expense required to run an air base. If you went into the Navy, you would find that Navy ships or submarines used to conduct intelligence operations are not bought out of the intelligence account. The crews are not paid. Their salaries do not come out of the intelligence claim. The food, the fuel, all of the things that basically make the operation possible, are all borne out of the general operating account of the Navy, and about the only thing that's really specifically intelligence aboard are perhaps some people who have certain expertise, and the equipment that would be fitted on board the ship or submarine to do a specific operation in support of an intelligence objective. Trying to go into the general operating accounts of the services with a sharp pencil and a green eyeshade to delineate exactly what those sums are would not only be difficult but would probably also significantly increase the dollar sum that would be identified as associated with intelligence.

Student: You have all these free goods and all these different bases and things, how do you know that you're managing the use of those resources efficiently?

Haver: I suppose I'd say there's a bureaucratic answer and then there's the reality that the Air Force has to run that base and the Air Force manages as it does all the other bases. When the Air Force has to examine its accounts, it is not uncommon for the Air Force to stroll in. In fact, for example, the SR-71s aren't flying today as reconnaissance platforms largely because the U.S. Air Force stepped forward, talked about the expense and the out-year costs of maintaining this, and challenged the community as to whether those costs really were commensurate with the gain that was going to be derived from that platform. After a fairly fractious internal debate about that, the SR-71 was driven out of the program. But its point of origin in terms of its demise began with the individuals who operated it as an airplane, as a going resource, the very people who run the base. They took a look at their out-year costs of maintaining this asset and said, "This is simply going to get a great deal more expensive. Do you people realize that? Are you in Intelligence really going to bear that expense, and is the gain worth it?" And, frankly, the choice had to be that it was not. As much as I for one was enamored with the SR-71 as a collection platform, its better days had passed it by and, frankly, it had been replaced by other systems. That sort of friction, that sort of tension, goes on all the time. I would say, in a very simple sense, it starts with the DOD Controller who is Mr. Sean O'Keefe right now, but he's the one who examines all these programs and compares them against other programs that he runs, and he will frequently cause this challenge to occur. In other cases it's done by the Congress and in other cases it comes from inside the system where there's simply an examination of requirements. The President, last fall, asked for a review, a blank sheet of paper review, of the intelligence requirements across the board, both tactical, coming out of the Department of Defense and the unified CINCs, and out of all the other departments of the government, from Agriculture to Commerce, to State, to Transportation, to the Treasury. And they have answered the first phase. We are now in the process of taking this restatement of intelligence requirements and balancing it against the programs we presently have and asking ourselves the tough questions. Is this a match or are there mismatches here? Are there areas where we have too much collection or where we have too much processing, too many analytic resources working in this area when the requirements simply are not that great any longer in that region? For example, world health has received a very modest effort from the intelligence community. Because there's such a great concern about the spread of AIDS internationally, and other major health concerns, a whole variety of consumers at the national level wish to have the intelligence community more involved in bringing forth information on that subject. That process is in mid stride right now. So it happens at both ends, both from a pure comptroller, statistician point of view at one

extreme and, on the other, the fundamental match or mismatch of resources to the requirements that we have.

Oettinger: It seems to me that the argument is an unavoidable one, because even if the resource were, say, leased by the Air Force to the intelligence community with an overt budgetary amount, you're dealing with joint and common costs where what it costs and how the price is related to that would become the bone of contention and the argument would be exactly the same. So, it's not clear that there's any way out of this kind of situation, other than continuing contention.

Haver: And, to some degree, that's healthy. To some degree, that push and pull outside the bureaucracy serves the public interest well. It clearly can get extreme, though, and it probably has in some instances. I, for one, believe that the whole Congressional intersect process is a success. It has worked well, served the public interest well.

The third item is a reality, although this may not always stay the case. The Secretary of Defense, at least the present one, because I happen to be reasonably close to him and can see it, clearly sees himself as the principal benefactor of the intelligence process. That the intelligence process has done well reduces risk in military operations, permits the acquisition of the right systems instead of the wrong ones, and it is very constructive to have the Secretary of Defense play a large role in that process. When and if there is a shortfall in the intelligence account, when there is a situation in which intelligence (if it could simply have another X amount of funds) could get a significant job done — the Secretary of Defense not only has the deepest pockets, but the Secretary of Defense in almost every instance is the one who is likely to be the ultimate benefactor and has the most enlightened view of, in effect, breaking free those funds. If he was not the deep-pockets source, if it had to go back into the Congressional process to change the budgetary priorities, this would not only take longer and be more difficult, but probably be more fractious. So there is this notion that if the Director of Central Intelligence has to go begging for money, it is far more likely that the individual will get a favorable hearing from the Secretary of Defense than any other particular entity in the government. So this merger of the programs is considered sound.

Student: In the winter issue of *Foreign Policy* magazine, Halper Woodstock wrote about ending the Cold War at home and talked about the same things that you're discussing now. I was wondering if, perhaps, you could address that because he said that the very accountability things that you just talked about are actually against our Constitution and hurt the intelligence process.

Haver: The accountability in what sense?

Student: That by the Congress hiding it — they would call hiding it in the Defense Department — it's not open for scrutiny and, in fact, it's not as efficient as it could be. Now I think that clearly they're arguing for a reduction; but even if they weren't, there are ways to do it better. Well maybe I'll just leave it at that. Are there ways to do it better if it's open? I mean, we've talked about the reasons for the Executive branch to continue to hide it in the Defense Department, but is there a flip side?

Haver: Obviously, honest and loyal people have made the suggestion so there must be some merit for it. It is not without merit to separate the intelligence account and those cases have been made. I think, on balance, where I come down is that the system is better the way it is. I think, for example, it is very difficult in a public forum to describe how the intelligence process works or doesn't work. The difficulty is, if you explain how we did something, you would then give the target of that particular reference a great deal to work from. To get away from sort of a classic Cold War context and to get into, say, the counternarcotics process, there are a number of very sensitive techniques used to attempt to gain information about how the international drug cartels are functioning. If one had to, in an open forum, describe even in very general terms some of those activities, I am sure that the effectiveness of that collection would be immediately affected, probably driving it to zero. The cartels show an amazing ability to deny us information, hence they're still in business. I hate to give them any more assistance than they presently have. I think it's a matter of being scrutinized by the people's representatives, and the committees do that quite well. I think the problem is basically going onto the floor of the Congress, not where the committees hold forth, but where the open debate occurs.

At the present time, the intelligence accounts are never debated on the floor of the Congress. That takes place inside the committees — through interaction between the Armed Services Committees, the Appropriations Committees, and the Special Committees on intelligence. And then when

it comes out of that committee structure, it's embedded in the defense buy. If it stood alone, it would have to come out alone. Admiral Inman, who, of course, has been out for about 10 years but is still considered one of the sage actors in this, testified before Senator Borren's committee last spring on this subject and said that if the Congress would agree to fence this, that is, allow the Intelligence Committee to decide and then report it to the floor as a take-it-or-leave-it bill — this is the money: take it or leave it — that he would advocate pulling it out, but if the Congress found that it could not provide that sort of protection, that if it was going to arrive on the floor and be subjected to amendment and paring and public discussion of its details, that he would oppose it. And to a large extent, I think that's a very wise position to take.

Oettinger: May I just underscore that because it shows how much of a spectrum of positions are possible here and the need for striking a balance. The old way before the Pike Committee, and so on, where a couple of members of Congress . . . .

Student: . . . went up to see Richard Russell.

Oettinger: That was clearly, in retrospect, much too far without public scrutiny. The other extreme is floor debate. Admiral Inman's argument gives another reason for an intermediate position. I'll give you another argument. You mandate things to be certain specific ways and overt, and you force them, in fact, to get perverted. One good example is — out of the intelligence realm — there is a legislative limit on the size of the staff of the Joint Chiefs. Right? Well, nobody can operate under that. So, for years and years, essentially they have been lying and scheming in order to survive by way of having officers elsewhere in the services do the work that should be done by staff. So, at some point, if you go too far against the natural grain, whatever that may be, you then encourage lying and thieving; and I guess the point that Richard is making is there are a lot of different places where it can be struck and if you see it as a continuum, rather than the black and white arguments that you get in moments of passion, I think you have a much better picture.

Haver: Another aspect of this is the tension in the Congress between the committees. The turf of the intelligence committees and the armed services committees overlaps, and you will find that one of the motivating factors inside the Senate bill to pull this out is an attempt by the Senate committee to extract itself from the fact that it doesn't really have total control over this. Once the Senate Intelligence Committee has completed its deliberations, the whole matter is then referred to the Senate Armed Services Committee, who then has the full opportunity, and frequently takes advantage of that opportunity, to go into the work that's already been done by the Senate Intelligence Committee and make alterations — play with the accounts, rejuggle the funds. So, to some degree, there's motivation to create through legislation more delineable turf within the Congress of the United States.

As Tony says, this is a multifaceted debate. I don't think there is one absolute issue or position on this. Obviously, a significant number of very studious individuals have found positions all along the spectrum from one end to the other. I don't believe that it's really a Constitutional question, myself, because this whole matter of national security law is rather murky in the way the Constitution spells out authorities of the President and the legislative branch. And, clearly, most of the intelligence charter is not in law. Most of the organizations that I'm affiliated with do not have a legal basis; they have an executive order. They have a national security director that created them as the Congress has seen fit, through its process of controlling the purse, to perpetuate. So they, in effect, have ratified the executive action by appropriating the funds to carry it out, but there is a singular lack of solid charter for any of this. The DCI, the Director of Central Intelligence, has just a few paragraphs in the National Security Act of 1947, and those authorities are somewhat murky. And there have been three executive orders since I've been in the business. One was written by Ford, the second one by Carter, and the third by Reagan, Executive Order 12333, and that really is far more a charter for the intelligence community than any piece of legislation. There's the War Powers Act and some of the disclosure of covert operations legislation, and so forth, that have been put forward by Congress in the last two or three years, and in one particular case, the President basically said, "Well, since I don't recognize this as Constitutional, I'm not going to follow it." And it hasn't been challenged yet. There hasn't been an issue that derides it.

The other thing that I would say characterizes the intelligence community, and it's probably the thing that I find the most satisfying despite all of this ambiguity, is a sense inside the government that this whole process needs to be done collegially — that this is a process that should not be politicized, that it would not serve the national interest to generate a

fractional partisan political debate over the issue of the size, shape, and direction of the intelligence community. So they have all avoided it, even this legislation put forward by Borren and McCurdy. Look at what they said right after they delivered it: that their primary purpose for putting it forward was to encourage debate, was to generate a dialogue between the legislative and executive branches over this, that there's no attempt by either branch to force their conclusion or force their position on the other because this is an intelligence item and one that doesn't fall into the partisan issue. One of the things that I think you would see if you take those pieces of proposed legislation apart is a diagram with a Director of Central Intelligence here, and then structure underneath; in fact, almost any decent treatment of this issue has a tendency to reduce the intelligence community into boxes. I read that Bob Harris was here last year and gave you an idea of how the system was structured, and certainly, if you look at the legislation, you'll see an emphasis on structure and on changing the structure, on creating new boxes, on delineating responsibilities, on writing charters and authorities that emanate from and are controlled by these boxes. My impression from working in this business for the last almost quarter of a century — I had hair when I started this job — is that as important as those boxes are, and as important as the charters are, what really makes this system work is the process. The lines that connect the boxes are as important to getting the job of intelligence to the consumer as the boxes themselves.

The system, unlike an executive department, is not run from one central authority. As important as people may think Mr. Gates is as the Director of Central Intelligence, he's more like Baron Von Richthofen running the flying circus than he is someone running a single ship where he's got a gunnery officer and a navigation officer, but they're all on the ship. He's got guys zooming all over the sky, flying their own mission up there. There really is only one organization that the DCI truly has control over directly and that is the Central Intelligence Agency, and that is, by far and away, the smallest of the major pieces of the intelligence community. The rest of it is heavily embedded in the Department of Defense; but there are significant elements of it in the Treasury, and in the State Department, and certainly in the law enforcement agencies, as well as the Department of Justice. And so you have a situation where Bob Gates is really more the chairman of the board of a loose confederation of people with common interests and common origin, trying to satisfy and produce a set of products that are needed but are not necessarily all glued together by authority. The line management and derived authority aren't so much there as are a common concern and an acceptance of the Director of Central Intelligence as the leader, the person who sets the policy and sets the pace in conjunction with the Secretary of Defense. My life during the last two years in this job has been highlighted every Friday by attending the executive breakfast with the Director of Central Intelligence and the Secretary of Defense. They will not meet tomorrow. They met on Wednesday because they're going to be out of town tomorrow. This occurs almost weekly — in the summer and sometime around the holiday periods when they're on trips there can be breaks. The Director of Central Intelligence and his deputy, who is Bob Gates today and, hopefully, Admiral Bill Studeman soon after confirmation is completed, hopefully successfully, and the Deputy Secretary of Defense, Mr. Don Atwood, and the Secretary, Mr. Cheney, and myself. I'm sort of the recorder of the notes. There is no tape running at that meeting, let me tell you. You'd have to burn it before you played it back.

They get together to decide what to do on a weekly basis with the intelligence process, whether it's long-range planning, whether it's a national estimate about the fate of economic reforms in the federation, whether it's to build or not build this certain new collection program, or whether it's to decide what our policy should be towards a friendly nation that wishes to develop a closer intelligence-sharing relationship with us. They sit there and they wrestle with the issue. In many respects, the DCI clearly represents the whole community and the account of intelligence. The Secretary serves in two forums. He's the consumer and he's also the guy with the bag of gold.

Student: Clearly, you're talking about a loose organization structure within the intelligence community and there seem to be a lot of benefits. I mean, you're very convincing of that, but what do you do when there's a rub and you've got these guys who say, "no?"

Oettinger: Before he answers, let me. I've run a little bit of groundwork over that because it's such a wonderful pastoral picture and the dichotomy you painted, Rich, is somewhat between partisan arguments between the executive branch and the legislative branch. As I was listening and hearing words

like community and acceptance and so on at breakfast meetings, I was reminded of the debates before the Goldwater-Nichols Defense Reorganization Act under somewhat similar circumstances. General Vessey who was on the chairman of Joint Chiefs testified that it was hunky-dory and he could handle it and the Congress didn't buy that one because, you know, "You're a good guy, General Vessey," but there have been predecessors and would-be successors who can't handle it and this harmonious community with its acceptance of one another, and sharing, and breakfast. Most of the time, historically at least, they might have been at war with one another, and knifed each other to death, and loath to give one another the time of day, protecting themselves from the Soviets or whoever else. So, this sounds very affected to me, like a latter-day conversion, perhaps even true, because the incumbents happen to have some close personal relationships. But where a Congress without being demoniacally partisan might have the Goldwater-Nichols case — a structural concern that this harmony, even granted that the incumbents engaged in it might, at some point under less benignly inclined incumbents, again get pitted against each other, fight each other for resources, especially in a tightening period, and that therefore make some changes in legislation so that things are more workable and less dependent on the personal accident or harmony. Maybe seeking a tweak toward a more institutionalized harmony might not be an unreasonable thing.

Haver: Let me make two quick comments on that. The first one would be that I understand your point about the Goldwater-Nichols. I was making my comments about the difference between organizing inside a department and organizing across department lines for that very purpose. I think one of the things that makes Goldwater-Nichols work is that there is one Secretary of Defense to whom all of the reforms in the Goldwater-Nichols process ultimately lead. It really strengthened not only the Secretary of Defense but the apparatus that the Secretary of Defense uses to function. Mr. Gates' problem is that he is not in an analogous situation. He has to, by nature, run a confederation process rather than a federated process of agencies and there's little prospect that that can change. Whether you're a fleet admiral, or a colonel, or captain someplace, or even some platoon sergeant, if information's an integral part of your mission, you've got to control it and you will do everything you can to create something that will remain responsive and under your control.

The second point, about the issue of this pastoral scene — you sit on the upper floor of CIA and you gaze out across the lovely tree line. The Secretary only eats fruit after his bypass surgery, the eggs are reserved for the rest of us; I guess we'll all die of cholesterol poisoning. But I've watched it with both Judge Webster and Gates. I was impressed that regardless of what was written down in law, if these people didn't get along with one another, there's almost no structure that could force them to. On the other hand, if they do get along, there's almost no structural impediments they can't overcome to solve the problem. I think, to a large degree, it starts at that. I'm also led to Winston Churchill's great quote when he was lecturing in the mid-30s about American government, and he said to this Oxford audience that one could not understand American government unless they understood that it was created by people who distrusted government. And, therefore, it was a government deliberately set up to make sure that it would always default to protection of the citizens and not itself. It was almost destined to be very inefficient and to some degree, I think, that's true.

Student: I hope it doesn't sound very outdated but it is about the budget you were talking about. If I understood you correctly, you said that there is no such heading as "Intelligence" in the budget.

Haver: That's right.

Student: It is difficult for me to understand working for the minister of finance that such a huge establishment can work without its own budget. Now the Secretary of Defense had this secret fund that you spoke of?

Haver: No, a foreign intelligence program was created. The Director of Central Intelligence is in charge of building it, the programs are spelled out, the sums of money to be allocated to it for the current year as well as the plan for the next six budget cycles is all embedded in that, and that's for all the elements. There are separate individual elements; there are separate accounts. It looks very much like any large governmental body's budget. The difference is that when it actually comes down to the appropriation process, those monies are then embedded in other accounts in the Department of Defense so that when the money actually comes out of the Treasury it comes to one person, it comes to the Controller of the Department of Defense and the Controller of the Department of Defense then allocates (he knows both sets of books) both the public sets of books and the private sets of books.

And the DOD Controller basically transfers the money to the Central Intelligence Agency or to the Defense Department accounts to whom that money goes. In fact, I would say, just to make it round, three-quarters of the money never leaves the Department of Defense, never leaves the controller's hands. It may go to the Army, the Air Force, the Navy, or it may go to the Strategic Defense Office or someone else who actually has the authority to expend those funds. So it never leaves the controller's hands. The quarter (I'm not trying to give any specific numbers) that actually goes out to the Central Intelligence Agency is then worked by them and is the only arm of the U.S. Government that essentially does not have to account for its money. Basically, at the end of the year, the DCI certifies to the president of the Congress that these monies were spent, and there is an inspector general and there is a controller in CIA, and those people are accountable; but, in effect, the Congress and the executive orders that went into this in the late 1940s created a situation where an adversary's intelligence operation would have a very difficult time figuring out where the U.S. Government was spending its intelligence dollar. And that was deliberate, to protect sources and methods, trying to protect the bureaucracy. Protection is being sought; for example, how big is the account of the National Security Agency for cryptologic research; how big is the account for construction of, say, reconnaissance satellites and things of that type. Because if someone could figure out how big those accounts were, then someone would truly have an inside into how robust or how weak the system was and then would have a way of manipulating what we can do. So that's the reason for the system being set up that way.

Student: He does have a secret account but is accountable only to the President or. . .?

Haver: Correct. Although those books are wide open to the committees of the Congress.

Student: But otherwise classified?

Haver: Yes. And as Tony said, before the Church and Pike committees of the mid-70s, it was — and I'm not exaggerating — it was literally done by Senator Richard Russell himself. He sat on the Appropriations Committee and the Armed Services Committee, and he had the Congress right there and, of course, when he died, the Senate would not permit that to continue. In many respects, the Senators, themselves, bristled at the idea that this one person had that much control over what was their process, and they're the ones who stepped forward and imposed some of this. Whether Church and Pike would have existed or not probably would have changed because, frankly, Senator Russell used his authority like a club. And none of them had the gumption to fight Richard Russell while he was breathing, but as soon as he disappeared, they made sure there'd be no more Richard Russells. I think Tony's solution is right; the way the system was done, it was ripe for abuse. That sort of centralized authority, while perhaps not unconstitutional, clearly had the potential to be manipulated in a very derogatory way to the national interests. I don't think it was but it had that potential.

But, for example, the first U.S. reconnaissance systems that were put in orbit were literally done at the end of Richard Russell's pen. There was no one else in the Congress who knew they were going to be built or what they were going to do, or how much they were going to cost. And to some degree, he wrote a blank check and the coffers of the Defense Department were simply used to cover the checks. But it was done and I believe when all of the materials are declassified in 50 or 60 years, or who knows how long it will take (gee, with the way we're working today, maybe next year), but when that's done, I believe that historians will have a field day writing the history of this, and I believe it will be very favorable. The things that were done to produce this system were truly historic, both in technology and in information handling and in management. It's a major success story for the U.S. Government in the post-World War II era. There were some real heroes in there.

Oettinger: Just a couple of footnotes on that because I tend to agree with your assessment, and as far as the heroes are concerned, there are unclassified proceedings of meetings of the Security Affairs Support Association that mention the role of people like Edwin Land and others. You were talking about the heroic days of inventing something that didn't exist before and so there were no structures in place. Everything had to be invented and I think that this kind of ad hoc arrangement was quite appropriate. I mean, nobody knew what else to do.

Haver: I know, but it's now matured. It's matured and that's what this change is about. The change is about addressing the maturing process and preparing oneself for the next century from a different standpoint. Tony's absolutely right. There was no guidebook, so we wrote it as we went. Now, history is the guidebook.

Oettinger: And to your specific financial questions, obviously as Richard pointed out, the dollars are not there to see. But some of the structure of the intelligence programs and including some of the fine grain of the rivalry as between these national programs and the tactical programs, and the role of the military, and what serves their immediate needs of what they're jealous of, and what serves the President or other decision makers. You'll find if you look at the core background reading list, there's a piece by Elkins called, "Financial Management of Intelligence Resources,"* that you can look at for some of the structural detail.

Haver: Have you put on that reading list the *Yale Law Journal* article by Bruemmer?

Oettinger: No, I haven't seen that.

Haver: Oh, it's excellent, excellent. The January '92 edition of the *Yale Law Journal.***

It was written by a fellow who was Judge Webster's lawyer and who served on several of the early reorganizational efforts in 1989 and '90. He's now, I believe, out of the government and working as a private attorney in the Washington area. This is about a 22-page article in the *Yale Law Review* on the intelligence reorganization process. It's excellent. It really is a good piece of work. In fact, I think I have an excerpt from it in that bag I left in your car, unclassified, but very well done and approved by CIA for release. They were very good about it. There's a guy who doesn't know anything about the intelligence community by any chance.

Student: In the answer to your discussion you talked about a new intelligence organization perhaps evolving from this in three to five years, perhaps even sooner, and some of that may, in fact, be driven by targets, in fact the target may be what we're after. While we may see a downsize, a continuing downsize in the military target, there does seem to be some growth industry in economics of drugs proliferation, and things of that nature. So what today would be a very easy relationship could become acrimonious between those people who are professing and who are military on the one hand as opposed to the other, especially if we have a change in the administration, for example. How do you see this really coming down over the next year or so, given the structure we have today, and how it may be evolving?

Haver: Well, let me go through four major areas. They're in the bills, they're also, I think, in Mr. Gates' initiatives and I think there will be changes in this area. Exactly how it looks is probably still open to debate. One is in the management of imagery, of photography, of what is called the "phodint" or the "imint" world. It calls for a national imaging agency in the Senate bill. I believe that you will see, coming out of this, a more centralized authoritative approach, something more akin to the charter and activities in the National Security Agency and the signals intelligence world being created for the imagery world. There are many reasons, but the most dominant one is that there is a need that has always been there but became quite apparent during the Gulf crisis and war and that is to manage the totality of imagery, not necessarily to have some national authority decide when you're going to fly some photo-reconnaissance airplane up the road, but to manage the compatibility of these systems. We find that we have a great deal of capability; but, because there has been no centralized architect over the years, we have disconnects, incompatibilities inside the system, because they were developed in different places, by different people, for different reasons, and they never had to accommodate each other, whereas in the signals intelligence world, the National Security Agency has always stood as the element that integrated all of it and there's a definite seeking of that function to be performed, to have this centralized architecture. It's also quite evident, I believe, that that will take place inside the Department of Defense because most of this integration is downward in orientation. You cannot lift the fellows with the cameras out of the tactical units; in fact that's the element of the system that is the poorest served and the one that we have to improve. So, I think this will be done inside the Department of Defense.

Secondly, inside the intelligence community is a hole; that is, underneath the Director of Central Intelligence's hat, I think Mr. Gates will conduct a rather sweeping set of reforms and he has sent out a memo that I'm the guy who is going to have to go implement these reforms. So, you're sort of getting this from at least the reformer's mouth. I think it will take shape in a couple of different ways. One is that right now the central part of the community plays a very significant role in the orchestration of

*D. W. Elkins, ***Financial Management of Intelligence Resources: A Primer, 2nd Edition,*** Washington, D.C.: Defense Intelligence College, 1991.

**Russell J. Bruemmer, "Intelligence Community Reorganization: Declining the Invitation to Struggle," *The Yale Law Journal*, 101:4, January 1992, pp. 867–891.

matching requirements to activities by collectors. That works to a certain level of efficiency, but that efficiency has really not made much improvement lately, and I believe what you'll see is, as we create these other authorities, that that will evolve to them. In other words, that right underneath Mr. Gates' hat you will see less of this minuscule management of our individual collection agencies that has been there for a while. But you will see to things replacing that, however — one will be an attempt to strengthen the actual production of national-level intelligence. There is something called the National Intelligence Council right now. It's where we try to bring together all of the various parts of the community to make pronouncements, if you will, projections to come forward with the opinion of the community about the important issues of the day, be they Mr. Yeltsin's long-term political future, or the status of the North Korean nuclear program, or a review of difficulties in Yugoslavia and its prospects for revolution or evolution or resolution in the next six months. Those things are done now in an organization more akin to the Central Intelligence Agency. I think you'll see that move over and become more of a generalized community function and elevated to be something done directly next to the Director of Central Intelligence. And then you'll see another process that attempts to do something that we've long tried to do but have had difficulty doing. It's a point that you raised earlier — the evaluation side. It will bring more rigor to that process rather than having it happen almost by dint of the way the system runs, have it happen consciously, that is, to review on a fairly disciplined basis what it is the intelligence community is doing and whether that satisfies the demands that are being placed on it by the consumers. It's not something that can be measured quantitatively. We have lots of means of figuring out we have X numbers of frames of pictures, or you can literally do it by weight. We collected 7,000 pounds of information yesterday, and believe me, this system collects about that much every day. It is a monster, if you ever saw how the U.S. intelligence community works. But not all of it is of the same value. It's not something that can be weighed by simply aggregating the total numbers of reports. You have to go in and make qualitative judgments about whether this particular source, or this particular reporting, had X amount of influence over a product as opposed to another. It's something that we've struggled with for 10 years and the last guy who tried was a fellow named Doug George, who worked inside the office of the DCI, the IC staff at that time; and, while he got close, he didn't quite get all the way there.

Oettinger: He even went to the Senate.

Haver: He went to the Senate Armed Services Committee where he did more activity. You'll see that occur. I think you will see the Director of Central Intelligence come forward and I think you'll see the administration come forward and seek a slight compromise solution on the money issue. The compromise would not be that the budget would suddenly be dropped out into public view, but that to strengthen the authority and the latitude of the Director of Central Intelligence, you'll see us request of the Congress their approval to allow the DCI to reprogram within the account during the course of the year. If the DCI sees that there are 10 people in the, say, CIA counting sub-Saharan-African naval order of battle and he'd rather have those people working on economic forecasting for Eastern Europe, he has the latitude within this claimancy to go ahead and shift those resources without having to go to Congress and getting the two committees and then the other four committees to realign his program. This could influence the Secretary of Defense as well. There are assets that belong to the National Security Agency or the Defense Intelligence Agency that may also come in for realignment, to give the DCI that authority but allow him to have more than just a spiritual leadership of the community, but actually have a functional responsibility to cross-track resources.

Oettinger: If I might, again. The issues that Rich describes have been around, you know . . .

Haver: It's forever.

Oettinger: Okay, so, an interesting question is why is so much of this coming to a head right now; and part of it Richard explained a moment earlier when he said, "The whole thing is maturing," and the issues at maturity are different from the issues in the salad days, the open cockpit, silk scarf sort of days, and I think also both Goldwater-Nichols and the fact of the Gulf War have a lot to do with this. The systems have grown up, disconnects and incompatibilities have become more marked when you have large things with large sums and it's obviously only a drop to one another, a National Intelligence Council. Well, you know, there have been similar bodies before and they didn't matter very much and it doesn't matter very much if all that happens is that the President doesn't get the latest something or other, because the President has many other means

of getting himself informed. So all these integration issues that are coming to the several points you made, have been around but not as poignantly. When something is smaller, integration is not that big a deal to the guys next door. When it becomes large bureaucracies, when you have people who look at photographs, and people look at something else, they can't even talk to one another. They see the world through entirely different eyes. But all of that doesn't matter unless there's somebody down there being shot at who is likely to die because these things did not come together. My sense is that some of the poignancy in knocking heads at the moment and tweaking the system is I don't think it will be more toward this harmony theme that you keep sounding. I think it's linked to what you heard from some of our previous speakers this semester, that things were not as harmonious, especially as you reiterate again, for some of the lowest levels and that, therefore, the experience of having real people shot at or not doing as well as they might because things didn't come together is a hell of a lot more impetus to get something done than if the President of the United States or a couple of high officials did not get something — if it was integrated or mellifluous as it were, maybe too mellifluous. Is that completely wild-eyed?

Haver: No. I've thought the same thing about why this is all happening now. I start off with the force of personality in the process. I don't think there would be as much drive behind this if Bob Gates was not the DCI. He clearly is an individual who sees an opportunity here. He sees a need and he's the sort of fellow who has the tenacity. When he took over, he commissioned 13 different task forces to address all these problems. These didn't spring from nowhere. There had been a variety of committees meeting, various deliberations conducted by both the Congress and by the DCI before Bob Gates got there. Instead of the normal bureaucratic process of giving this blue-ribbon panel six months to gather evidence and weigh the facts, Bob Gates gave them six weeks. He commissioned this the first week in December, and 12 of the 13 committees had to report to him by the 15th of January. Several of them had reporting dates before the end of the year.

Oettinger: But that's reminiscent of the services getting their act together when they saw Goldwater and Nichols and the handwriting on the wall. They said, "Geez, you know, we better get ahead of this before it gets us."

Haver: That's right, and I'm sure the people will also see that the Congress helped push this along. I think it is not an exaggeration to say the second thing is that the intelligence community itself, despite what it might well say about its flexibility and all the rest, that its focus was on the Soviet Union and all other considerations were lesser, including cases. And it was focused on measuring and monitoring the military balance, on cementing our allied relationships. We all had a common concern and so, whether you look at how we tried to apply Keppler's laws to the science of intelligence collection — from orbiting bodies, et cetera — all of the basic choices that were made in architecture and structure and allocation of resources were done against the backdrop of the Cold War, 14,000 nuclear weapons pointed at our throats. And there is now a clear view that while that threat has not completely vanished, there is still a great deal of instability there and military power and the like; one can't help but look down the road a ways and see a different situation. For example, as recently as 1988 there was a major debate inside the intelligence community and it, unfortunately, did come out in the press later on, and the issue was how much warning time we had, and had the reforms that Gorbachev began in '87 and '88 really reduced it. Our attitude in the early '80s was that war could break out in the central plain of Europe within hours; that we were within anywhere from 24 to 72 hours from the outbreak of the third world war on any given day, that there were two entire armies of Russians poised inside the German border, and there was a sizable NATO force standing eyeball to eyeball with them across the other side of the line with Berlin as a matchstick that could be ignited by any group of unforeseen circumstances. In '88 and '89, before the wall came down, there began a change in that attitude; the steps being taken were reducing that warning time to perhaps now months instead of hours. Instead of weeks, we might actually be looking at six months, perhaps in the argument was, "Is it six months or 18 months?" Today, the issue is measured in years, perhaps even in decades. The reason is that not only has the Russian army withdrawn, but it's withdrawn through enemy territory as they might see it. Whether it's the Ukraine or Poland or whatever, the immediacy of war in Central Europe just isn't there. No one is losing any sleep over the prospects of Russians and Americans slaughtering each other in the central plain of Germany anytime in the near future. And that is definitely going to change the

threshold. Another example: if you went back to our scientific and technical intelligence requirements as recently as the late 1980s, the Soviets, for example, had a missile — the AS-4 missile, slung underneath their backfire bombers. The U.S. Navy was extremely concerned about that threat — a high altitude, supersonic missile diving out of the clouds, battle group defense, the Aegis weapon system was all built — a whole series of countermeasure devices. I was sitting in Naval Intelligence at the time and the dominant collection requirement from the U.S. Navy at that time, in terms of enhancing ship defense, was, "Get me an AS-4 missile," or "Get me the brains of an AS-4 missile." Our countermeasures people wanted to take it apart and find out its weaknesses so we could build a countermeasure, which we would install on all our ships that would basically make the AS-4 missile crash into the ocean five miles short or 20 miles long. We were looking for that single point countermeasure, that magic box that every captain could have a little red button in his sea cabin and whenever anybody said, "World War III has begun," or, "By gosh, here come a flight of backfire bombers," he could reach up and push the button and know that his ships were a whole lot safer than they were five minutes before. Today there is zero interest in getting that sort of information. The reason? Not just because the AS-4 missile is less pertinent of a threat, but they're just as worried about Exocets and Harpoons — our own weapons systems. And the idea that we would go out and invest significant sums of money to build this single-point solution countermeasure device is unthinkable. The Navy could never get the money for it. So that whole intelligence requirement has just evaporated into thin air and now the interest is in the generic problem of antiship cruise missiles in general and the development of countermeasures and counterweapon systems that can deal with the whole panoply of them rather than that one weapon. And that is an example of what has happened across the board.

I used the antiship missile defense problem because it's one I know about but there are many other examples of the same thing. It's not anything that's written on paper, no one has stood up and talked about a new epoch, but when you look inside what is the driving engine for intelligence, which is what the consumer wants, it has gone through a major change. And there is a concern that we still have a lot of our structure geared to answer that question that was there two-and-a-half to three years ago — "Get me the brains of the AS-4 weapon. Define for me exactly how it works." A number of our technical collection activities and our analytic effort activities are focused on that. Now they're all shifting; they're all changing. And, of course, the issue that Congress and others are raising is, "Is the intelligence community going to get in front of this problem or is it going to be dragged along by it? Is it going to be the classic bureaucratic approach that the world hasn't changed until it becomes absolutely evident, or can the intelligence community get out in front of this changing environment and actually anticipate it and set up new structures?" And that, Tony, is what I think is probably the more dynamic drive.

There is one other factor in there and that's money — resources. The Defense budget, as you have seen, has come down in three major steps in the last two years. You will not see, but it has been mentioned in semipublic circles that very little was taken out of the intelligence account the last time around. Because we're embedded in the Defense account, there is a fair share notion. All right, if the Defense account was $300 billion — good — then let's just say for the sake of argument, keeping the numbers round, the intelligence account was $30 billion, then the intelligence account was 10 percent. Good. Now if the Defense account is going to be changed from $300 billion to $250 billion, well then, it's obvious (right?) that the intelligence should be changed from $30 billion to $25 billion. You take your fair share. While those numbers are wrong, that logic makes a lot of sense to all the other claimants inside the Defense community; it did not make sense to the Secretary of Defense, however. And, in fact, the intelligence account has not paid its fair share at all. It's paid about half, in a rough sense, of its fair share and it will probably pay progressively less if the current leadership has something to say about it. Why? Well, I think the why is very important. The view is that as we adopt new defense strategies that call for fewer forces based more in the continental United States, there are smaller forces forward-based against a myriad of smaller threats but still, to some degree, more lethal threats because the Russians at least knew how to play the game. We've got some actors out there, like Saddam Hussein maybe, that don't play the game by the same rules, so there is a higher premium on quality intelligence, and we need to know earlier and with more accuracy and more certainty about the intentions of potential disruptions to the world order and balance. We need to have policies that can then take advantage of that either to buy the military

time, to get into the right geographic position, or into the right political position. So there's a higher premium because of this rearranged strategy on having high-quality, accurate, complete information, and that that cannot be purchased by simply slicing the intelligence toe at the same rate you're slicing the rest of the foot.

So there will be a debate about that because those who sponsor the military account will see that, in effect, they are paying a higher price for these cuts because the intelligence community is paying less of a price. That's back to who protects it. I believe that debate will rage somewhat in the public domain and definitely more in the private domain, the classified domain inside the halls of Congress, and as a citizen, forget that I'm involved with the intelligence community, just as a citizen, it's a very important debate, very important — not only for the citizens of this country, but everybody else who depends on this country for some of the world's stability and for information that we share with a wide variety of foreign governments.

Oettinger: It's worth noting, it seems to me, that the reason again why that's a very real debate is that this country has been known to dismantle its intelligence establishment, as between World War I and World War II, when, essentially, except for a few almost bootlegged activities everything had to be reinvented from scratch. So the notion that this could happen again in the U.S. context, is not an idle one.

Haver: We have made required reading, Herbert O. Yardley's *The American Black Chamber*, published in 1929. Mr. Yardley, for those who don't know it, was an employee of the State Department, and he, in effect, ran the ancestral origins of the National Security Agency for the State Department. In 1929 the new Secretary of State, Mr. Henry Stimson, made a famous quote: "Gentlemen don't read other gentlemen's mail," and closed down Yardley's activities. Luckily, there was a fellow named Freedman over in the U.S. Army who, despite the intentions of the Hoover administration that shut down intelligence, ignored it, as is typical of this bureaucracy, and kept right on going and, of course, from that came the signals intelligence process that served us so well 50 years ago and on into the present.

Oettinger: There is even a Congress argument which says that, far from not getting its fair share, intelligence should get far less of a cut than anything else because it's the only thing that you know you need, whereas weapons systems and so forth — easy come, easy go. Measures and countermeasures and learning what is going on out there is about the only thing you can be certain you're going to need all the time, so that's the argument that would push to share above the fair share.

Haver: Some of the cuts are logical because we have fewer consumers, particularly the infrastructure in the intelligence community that was intended to support ships, or to support squadrons, or wings of aircraft, or divisions of the U.S. Army. As those divisions are cut back, then clearly the intelligence infrastructure necessary to support them can be reduced. And to some degree, as the immediacy of the military threat is reduced, what I would call the infinitesimal requirement of the need to know exactly what the circuit board looks like in the AS-4 missile is no longer a driving interest, the process that was established to acquire and then analyze, synthesize, and report that information can experience some shrinkage. On the other hand, however, there is a much greater demand for political and economic information, particularly law enforcement information. I am amazed to see, and I really shouldn't be amazed but I am, to see people like the Treasury Department and others step forward with very strong needs to understand white collar crime, stock manipulation, international trade violations, et cetera. We're not talking about spying on foreign businesses, we're talking about clearly illegal activity being conducted both by Americans and by others to manipulate markets and violate the accepted international order for trade and business, not an interest, necessarily, of the Department of Defense, but clearly an interest of the U.S. Government and its law enforcement arms. And, for that matter, many of our friendly governments as well, who also have an interest in seeing to it that trade agreements are followed through on how to create this, who the consumers are. First, one of the biggest problems with law enforcement intelligence is we have a number of very strict laws about the foreign intelligence system they used against American citizens, which it cannot. But, secondly, you have the U.S. legal system, which clearly means that people have the right to know the information that's being used to formulate the case against them. The right of discovery is a Constitutionally protected right that every citizen has if they're brought to trial. The information that's going to be used against them has to be disclosed and, of course, if you're

using extremely sensitive sources to acquire this and you then expose it in a trial, there's a good chance the next guy committing the same crime won't do it quite the same way in order to avoid what happened to Harry. So it's a very careful balance. The intelligence community will have to wrestle with this. It is not a cut and dried, "Well, that's easy. You just give it into the U.S. Attorney's hands and let him use it."

Oettinger: Excuse me, because you imply by that that it was easier in the good old days but it wasn't. I mean, we were discussing with Mike McConnell the green door problems and so giving intelligence to an operational person who might, therefore, use it and thereby blow the source, is as much a problem in the military context as it is in this civilian context. I just want to emphasize that.

Haver: That's a good point. In the military context you're talking about objective and mission, you can easily sit there, not easily, but there is a fairly definable set of rules you can apply to life and death circumstances and the importance. I mean, for example, Winston Churchill knew Coventry was going to be bombed but let it be bombed not to expose the Ultra source during the second World War. There were great debates in the U.S. Government about how to use the decryption of Japanese ciphers during the second World War. If we used it too much, the Japanese might very well wake up to the fact their code was broken and take steps. So we didn't use it in certain circumstances. But usually there's a fairly strong set of rules that can be applied. In the law enforcement sense, the dilemma is that you work from the courtroom out; you work with the apprehension of a criminal and putting that criminal in jail. And frequently, say in the narcotics case, the issue is we're catching soldiers, catching guys out here selling — that's not putting the Calley Cartel, the Medellin Cartel, or the Golden Triangle guys out of business and the issue is how to use this information strategically as opposed to tactically, which is the same model but a different set of conditions and also why I found out how independent U.S. attorneys are. Talk about a group in the U.S. Government who don't have to take orders from anybody, the U.S. attorneys are about the most independent bunch I've run into.

Student: You said things that sound like military service or intelligence organizations are probably going to take one of the bigger hits this year. Is that true?

Haver: I believe that inside the services will come some of the most dramatic changes in terms of resources. The service S&T organizations, I think, in particular will see a change in their focus. There are three of these scientific and technical structures — there's one in each, the Army, Navy, and Air Force — they are rather large, they are populated with a very technically qualified group of people, and they have had, over the years, a very large role to play in making estimates about foreign weapons systems capabilities and assessing quantities that are being produced. That will change. Another one is proliferation. The proliferation of nuclear weapons and long-range delivery systems and destabilizing technology is a major factor in trying to reallocate our intelligence resources. But it was much different looking at the Russian nuclear program as opposed to looking at the Iraqi nuclear program — different sources, different technologies involved in doing that — and to some degree that which was done in the services doesn't fit any one of the service charters.

The second thing, I think, is in the area of operational (and this may get a little bit esoteric for those who aren't part of the old service intelligence organization), but when I was in the Navy up through the late '80s, there was a certain dominance in the way business was done — dominance by the Chief of Naval Operations and the Secretary of the Navy. I can remember things from the mining of Haiphong Harbor to the hitting of Khadafy and his tent in the late '80s. There was a clear role played by the service secretaries and service chiefs. One of the things that has happened as a result of Goldwater-Nichols is a diminishment of the dominant importance of those people in the process of running military forces. Much of the service intelligence organization, which is operational, particularly that which is in the Washington area, was built around supporting those people. They are no longer as important in the process. What has replaced them has been the unified CINC and the task force commander, the joint task force. Ten years ago, the numbered fleet was the most important element in the naval officer's life. I mean that's where he went and when he'd been through his numbered fleet tour, many of them thought it was downhill from there. He got further and further away from blue water and further and further away from reality. When numbered fleets are now made joint task force commanders, they're relevant; but when they're not joint task force commanders, they run the Navy component of this joint structure and the

intelligence that was tilted and aimed at supporting that numbered fleet commander structure is changing.

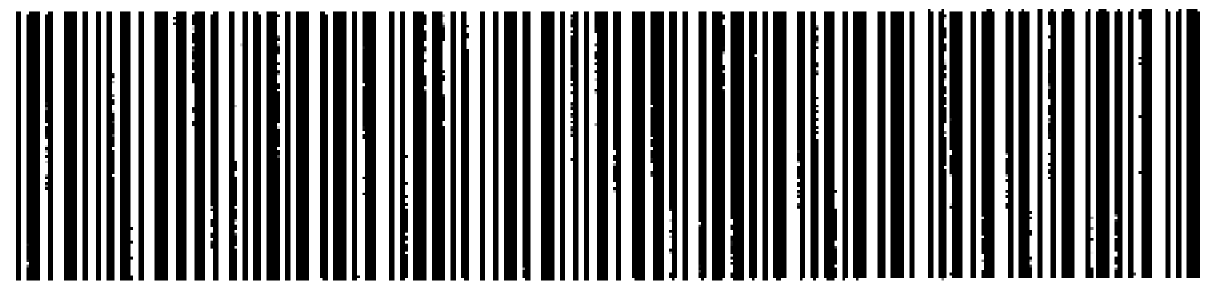
You mentioned at lunch while talking about how ocean surveillance nodes have turned into JICS. What has happened is the intelligence community has now developed these joint intelligence centers, and I believe they are the wave of the future, the way intelligence will be done that's relevant to a tactical commander. One way or another it will come through a joint intelligence center, and the hierarchy that supports that center. It will emanate from the Joint Staff and from the Joint Intelligence Agency more than it will emanate from the service intelligence structures. I lament that somewhat since that's where I grew up, but that's my view of how that will evolve. And, I think, in the next two years you'll see it start to have a severe effect on manning. As we come into a situation where there aren't enough people to fill all the billets and the billets are left open, unfilled billets, et cetera, will start to show up, and that's where the priorities are going to be set. People won't do it consciously, they'll simply do it by the billets they fill, and I think you'll see the joint billets filled and I think you'll see the service-specific billets that are over — they won't be filled — and then those organizations will bureaucratically atrophy even more.

In the national arena, I believe that you will see that evolve from a position where it currently is, I wouldn't say an even split, but there is clearly a major presence of the Central Intelligence Agency in the technical collection side. I think you will see that change, and the Defense Department will become significantly more dominant than it presently appears. But in a joint sense this will not be a service-specific thing. It will be DOD-wide again within the context of the Goldwater-Nichols.

In terms of those of us who work in the system, we'll see a lot of people that we haven't seen before at the intelligence table. I spent more time in the Department of Commerce the last two years than I did in the last 22 before that — more time in the Department of the Treasury with Customs and other people, more time with the people in the Department of Justice, and it's not because I've just decided to go to a new job and am driven around town, it's because these other elements in the U.S. Government are raising their need for intelligence and become things we have to service. I'm not sure if there still were a raging Soviet Union threatening the world with a nuclear Armageddon within a matter of hours that we would have the time, but because that has diminished, these other things have grown up. It's like my family budget. No matter how much I make, my children, wife, and I will figure out how to spend it all. Whatever comes in, it all goes out, I can never figure out even when I make more that I don't live any better and I don't have any more. I can't figure it out. I think, basically, that's the way this is. It will expand to fill up whatever space is there but new requirements are emerging.

The last thing I would say is that I believe that our product will fundamentally change. Less and less written product, less and less reports, fewer pages of material for our senior leadership to have to cull through, and we will evolve toward using the media — video — that will show up as a larger and larger factor. The current video system ties intelligence people together. The next logical step is to put those TV screens with the NSA-built encoding devices on either end in the executives' offices and have the executives actually gain their information from that resource. And, of course, one of the unique things that's not there for the Cable News Network is that the seniors will have the ability to talk back. They'll be able to ask the reporter at the other end of the tube what's going on. I think that will be a big change for us.

Oettinger: Rich, I'm sure this will not be your last word in all your new jobs and your new ventures but I'm afraid it's the last word of this seminar today because we've got to get you to the airport.



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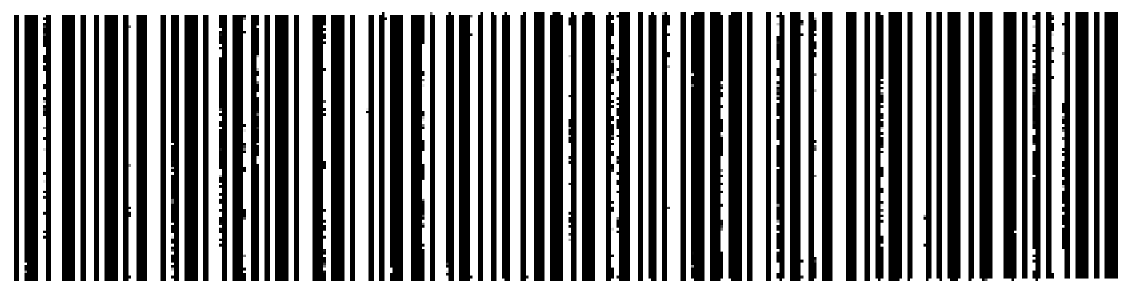

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