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Intelligence in Support of U.S. Foreign Policy
Gordon Negus

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Intelligence in Support of U.S. Foreign Policy

Gordon Negus

Mr. Negus is the Executive Director of the Defense Intelligence Agency (DIA). He began his career in the Air Force at the Rome Air Development Center, progressing from a project engineer to Chief of the Applied Research Section, Directorate of Communications. He came to DIA in 1967. His early accomplishments include the development and implementation of management policies and practices for performing scientific and technical intelligence through a combined DIA-service arrangement, and the successful oversight of service technical sensor data processing operations. He has served as Defense Intelligence Officer for Strategic Forces and Strategic Arms Limitations, as Assistant Deputy Director for Research, as a member of the Defense Intelligence Senior Executive Service, and as Vice Deputy Director for Foreign Intelligence. In 1986, he assumed his current position as Executive Director, the senior civilian in the Agency and one of the three members of the command element. He is responsible for daily DIA operations, and also for long-term planning and strategic resource management.

Oettinger: Mr. Negus has agreed to be interrupted with questions during his talk. He will speak about the future of the world and what that might mean for the task of gathering and using intelligence effectively in both government and the private sector. Is that fair enough?

Negus: That's fair enough. The subject is intelligence, command, and control. I'm going to start by giving you a tutorial on intelligence, command, and control that's probably below you, but it's been pent up in me for 20 years, and I have a captive audience now. I worked for nine years in Air Force command and control systems as a communications engineer. I went to DIA to start my intelligence career, but for the first five years I ran intelligence production of foreign command and control (C&C). Back in Vietnam days, I worked on Vietnam command and control operations. We started a very ambitious Soviet C&C program. I've been in the C&C business now for 30 years and I've seen a certain sloppiness in both what individuals call intelligence and what they call command and control, and I want to try something on you. I will use this opening as a springboard to get into the more interesting subjects of current intelligence support to policy.

When I entered the C&C field, it was nice and neat. It was "command and control." Five to ten years later, it got sloppy. This distinguished professor could probably tell us how C^2 went to C^3 — "communications" added to "command and control." That bothered me because communications is a support service of command and control. Then, for other reasons in the Pentagon, we went to "C^3I," command, control, communications, and intelligence — as a single noun. I'd like to ask you what the hell intelligence-command and control is? I find senior people, called command and control experts, who treat command and control as a noun, and call it command and control systems. There's a certain CINC who's asking for a billion and a half dollars for a brand new command and control system — it has computers, it has display systems, and that's what the whole world thinks that command and control is — those "things." I think, it's a verb; you have to have command and control of some X

process. Now I don't know what this course is all about, the noun or the verb....

Oettinger: It's very simple. For this course, intelligence is the eyes and ears looking outward. Command is the direction and the internal number system, essentially telling folks what you want done. Control is making sure it gets done under the internal information scheme. Now what anybody else may mean by that is part of what we study.

Negus: As long as you don't try to sell it as a thing unto itself.

Oettinger: It's there as a function to support a commander. The commander is part of it.

Negus: Command and control is going to be the process. You start with a process.

Student: Can you give us an example of a process?

Negus: Running a college, running an air defense system, running a service function, running a printing press. Command and control operations manage the performance of these processes. Intelligence always needs a customer. It is not an end unto itself. One customer of intelligence is a command and control manager. That's where the "I" comes in. I want to talk just a little about the philosophy of intelligence. Find your customer and then look at the processes the customers have C^2 responsibility for and then you know what the intelligence requirements are. A lot of people lose this support concept for intelligence. This is where the "intelligence failures" come from. We didn't know the Shah was going to get overthrown. We didn't foresee the Marcos scenario. But remember, we (intelligence) don't get turned on unless somebody gives us a requirement to get turned on. If somebody doesn't care about the Iranian Shah's stability, we're not going to work it. Intelligence is a certain check you've got to do around the world. But when intelligence stops listening to requirements, and becomes an end unto itself, then it becomes an information producer, not an intelligence producer. I know it sounds basic. I have been successful, to be honest with you, in managing intelligence by focusing not on intelligence for intelligence, but on who the customer is, what he is trying to do, what his requirements are, and then creating, managing, and bringing up intelligence operations relative to the requirement, relative to the process, relative to an end game. So if that's what your course is, I applaud you. Keep it a verb and not a noun.

Oettinger: I trust that by "responding to the requirements of the customer" you don't mean serving him up what he wants to hear. Would you elaborate on this?

Negus: In the DIA, our customers, the Secretary and his staff members, make plans and policy. DIA is in a fortunate bureaucratic organizational situation because we also work with the Joint Chiefs of Staff (JCS). We are what's called "the J2," the intelligence staff officer on the Joint Staff and under the Chairman. We have a third set of customers as a member of the intelligence community under the Director of Central Intelligence (DCI), which handles the corporate approach to all the intelligence units and operations in Washington.

Oettinger: Major General C. Norman Wood, who was up here a couple of weeks ago, is about to become executive director of that.

Negus: Yes, General Wood is now the director of the IC (intelligence community) staff.

Therefore, our customer's "process" is national security affairs. I want to talk about the intelligence support to national security affairs in its current structure and get into where we're going to go.

Lesson number one: In intelligence we're going to go where the policy changes go. So to find out what changes to make in intelligence, we need to watch where United States policies are going. I would like to bring to your attention two speeches made last week. For my world, they are watershed speeches. Secretary of State James Baker gave a keynote speech on United States foreign policy, and Senator David Boren spoke to the Friday National Press on the role of intelligence in the '90s. I'm trying to push the idea of intelligence as a support function. You need a customer, you need to know the customer's process, that would generate intelligence requirements for you to react to. So we're going to walk through the principal United States national security policies, which are not going to be news to you, of course, and try to highlight the intelligence requirements implications that may or may not be news to you. I want to give you a flavor of the spectrum of intelligence support to national policy, and then we'll talk about those policy changes and therefore the intelligence changes. Simply put, United States foreign policy for the last 40 years was in the Baker speech: communist containment and regional stability. There have been different actors, different presidents and national security advisors, who emphasized one over the

other. Kissinger was a regional stability guy, I would say. Other people, a lot of the Reagan administration, certainly, exercised a containment philosophy.

With that umbrella, let's go through the elements of the United States national security policy. From our perspective in the defense — this is not a popular subject, but one we believe in — the rock bottom policy of containment is deterrence. And the rock bottom policy of deterrence is strategic nuclear deterrence. We opened that policy as you well know, in the 1950s.

Our policy of nuclear deterrence is a doctrine more than a policy. There are three policies that make it work. There's a declaratory policy. There's an acquisition policy. There's an implementation policy, or employment policy.

The declaratory policy is: you tell your enemy what you want to do to them to deter them. It has gone through various definitions that sound like rhetoric and speech-waving. I'm going to mention them because I want to tell you the consequences in the intelligence support process. I'm talking about the declaratory policy of nuclear deterrence, which opened with the Dulles proclamation of massive retaliation. That gave way to the Kennedy-McNamara era. Robert McNamara, a systems analyst, and Maxwell Taylor helped develop the theory of flexible response. Kennedy, a bright guy (I guess I better say that in this building), and McNamara said this thing called mass retaliation does not make logical sense. There's no way we're really going to do that. If they send one division across, we're not going to annihilate them. That gave birth to the flexible response theory, which means graduated control.

DIA was formed about that same time, so it took that general policy and translated it into operative intelligence — it retargeted intelligence to support the policy. Let's talk about the other policy. The declaratory policy tells the world, tells your enemies, how you're going to deter them, and what their penalty is going to be for transgression. But you also have to have an acquisition policy to buy weapons in order to execute that declaratory policy. Here, you have to have reasons to know how much you are going to buy. How much is enough? Early on we did not have an acquisition policy and the services acted totally independently. The defense department was nonexistent. The Air Force started building missiles and buying planes, whatever money could buy, and the Navy did the same thing.

The nuclear deployment policy is: How are we going to allocate those weapons on targets operationally? That's where it gets real. You can talk about nuclear deterrent. You can buy weapons. Then somebody has to be a war planner and make it credible for execution. McNamara, the organizational man, brought order to this, created an organization called the Joint Strategic Target Planning System in Omaha, and made them the designers of our nuclear war plan. That's where the DIA came in. We got the job of developing the target database for our nuclear war plan. This created a checkmate on buying weapons. Because how many targets you have tells you how many weapons you need.

So a little intelligence analyst ends up with the job of checkmating billion dollar weapons programs, because policy people decided, "You must have reasons to do things and we're going to look to intelligence to tell you." That's an example of intelligence being effective with no public notice. In fact, intelligence is a very strong participant in the government process, in the defense process, and has a very strong influence, generally with little public recognition. I want to tell you how things changed from the flexible response policy to a nuclear policy first called sufficiency and then called counterveillance. These are declaratory policies. Our current policy under the Bush administration is a derivative of these policies which took shape under the Carter administration and was fine-tuned under Reagan.

There are a lot of side issues here. McNamara decided to numerically define deterrence. He defined 25 percent population kill, 50 percent industrial kill, as deterrence. That is pretty heavy national damage. James R. Schlesinger came in and raised it to 70 percent economic kill but decided people kill is immoral, therefore we stopped targeting people, only industrial capacity. Schlesinger also decided that the side that recovers economically the fastest "wins" the war, so denying recovery deterrence came into vogue. It became a law that 70 percent of the Soviet industry is supposed to be put at risk. That meant we had to define every piece of economic value in the Soviet Union, put a value on it, add it up, and report back to Congress, "We now have 70 percent of the Soviet Union's gross national product at risk."

Oettinger: That puts body counting to shame.

Negus: That's right. So we were finding shoe factories, determining floor space and assigning dollar value; it got crazy. That drove the target database up to many, many thousands of targets.

Tens of thousands. The Carter administration said, "Let's put at risk what they value." What they value is their leadership. They put a lot of value on war making, so current deterrence is to be defined as putting Soviet leadership and their industrial war making capacity at risk. This approach brought the target database back down. The slight policy difference, made with the wave of the hand, requires intelligence to hire a hundred people or fire a hundred people because it trickles down to different functional expertise.

Where is that world going to go? We certainly recognize a constrained intelligence budget in the future. There's certainly a perception of less threat in the world and there's going to be budget cuts. I might point out that the intelligence today does not reflect a Soviet lessening of strategic capacities. Their new weapon design bureaus are active, the flight test program is active, as are their R&D programs. This situation is why the Secretary of Defense differs with the DCI. The threat hasn't gone away on the strategic level. The Warsaw Pact lessening is threat irreversible. But, it's not that simple. The threat problem has to be elementized.

Oettinger: At the risk of boring everybody to death, may I underscore the enormous importance of some of the things that Gordon has said in the last few minutes. Lest they go by you, they sound so innocuous, but no one else in the eight years of this seminar has made as clear cut a statement as what Gordon has just said about the enormous influence of policy declaration, or doctrine, at the national level on the details of what everybody else does. There's a belief in stable periods that whatever is being counted is somehow engraved in tablets, and then everybody's surprised when there's a change like the one we're experiencing right now. But it's not surprising at all if you understand what Gordon has said about the primacy of policy assumption and, therefore, in a country like ours, political process. Politics is absolutely fundamental and the analytical portions then follow through based on the policy direction.

Negus: I didn't know I was so profound. I just want to give examples of where intelligence both helps form policy and then has to react in support of policy. As we said at lunch, there's a fine line between helping to formulate policy and making it happen. That's not our job. Certainly it has been done, but we're wrong when we do that. We need to be checkmated.

The current strategic nuclear deterrence policy, seems valid for the future, for long term projections. We have fairly long lead times in intelligence of Soviet activities at the strategic level. Those weapons don't get turned on, don't get turned off, very fast. There is no evidence of change in Soviet nuclear doctrines. The policy of nuclear deterrence remains a valid policy in terms of "the threat." Most of the world leaders understand that. We've had a lot of contact with allies in intelligence relationships. Margaret Thatcher, of course, strongly supports deterrence, as does Helmut Kohl in Germany, and Francois Mitterand. The democratic world's support for nuclear deterrence will remain bedrock, at least for the foreseeable future. So we will continue in that game. Where there is change, of course, is going down the ladder of national security policy based upon nuclear deterrence underpinned by a NATO alliance requiring deterrence at a conventional level in Europe, with strategic nuclear deterrence as a backup to the tactical rung on the ladder. The Warsaw Pact is nonexistent as a unit in terms of command and control. But some note that their weapons are still there, the mass fire power is still there, 105 divisions still are forward deployed; therefore, the threat persists. There is some validity to that. Yet, their capability to implement their war plan, which we happen to know quite a bit about, is gone. Their command and control process and its integrity is gone. The alliance, the cohesion of the Warsaw Pact, is gone at the military level. The dominance of the Soviets is gone. Soviet domination of eastern European forces was as dominant physically as it was politically. They owned those forces. They could command them independently of the authorities of the national forces. It was a unified command, whether it was a German regiment or a Polish regiment, under the general staffs of the Soviet Union. That now is not true. That is why the threat is gone.

Student: Sir, when would you say that all of that disappeared?

Negus: Fast. In the last six months.

Student: You're saying, as Dr. Oettinger always likes to say, it's been decapitated. The body is there, but the head is gone.

Negus: Yes. The command and control is gone, if you call that the head.

Student: Has the command and control been disassembled?

Negus: Some of it has been physically disconnected. But more importantly, the authority is gone.

Student: Is that true for theater and tactical nuclear?

Negus: That's what I'm talking about. First off, theater tactical, except for a very few exceptions, is all Soviet and that is still intact under the Soviet authorities. We don't think the non-Soviet forces have any independent nuclear capabilities, although they might have some chemical. The Soviet theater tacticals are still intact and under their control.

The Secretary of Defense mentioned two days ago the current status of Soviet command and control of those forces poses an interesting question, since some of it's Lithuania, some of it's Czechoslovakia, and some of it's Azerbaijan. Let's talk about the old world before the decapitation of the Warsaw Pact and what U.S. strategy was. Fundamentally, the first principle is forward defense. Both from a military perspective and a political perspective, you had to be on the border. Germany is only 300 miles deep, so it's not enough if you're sitting in Luxembourg and mobilizing through Germany to meet an attack halfway in Germany. That political situation demanded a border defense that put our troops forward. Of course this posture caused some German politicians to say, "We don't want you exercising, knocking down our cornfields, or flying too low, etc." Those kinds of political issues ignore the fact it was German security policy that forced the forward defend doctrine in the first place.

Another fundamental principle is coalition warfare. It's not their war, it's our war. I'll come back to some of the intelligence implications of this. About eight years ago, the concept of deep strike came on line. The Soviet strategy was an offensive strategy. Their force structure and command and control were designed for offensive warfare. They required extensive mobilization of their force and to bring up what we call second echelon forces. They didn't have enough fire power and forces on the line so they planned to mobilize forces in Poland and in the western military districts. U.S. counterstrategy was to conduct holding actions on the forward line of battle and to strike deep against their second echelon force as a counter to Soviet deep strike strategy. However, our conventional forces were never sizable enough to ensure a win strategy, and so tactical nuclear weapons where added. This theater nuclear force was to act as a trip wire to U.S.'s strategic forces. Coalition warfare, however, required sharing intelligence, and in intelligence you usually don't like to share anything, so that made an interesting management job. Managing intelligence sharing is a constant struggle between the tactical commanders, who demand full intelligence sharing to make their war plans viable, and U.S. intelligence managers, who resist any sharing. We'll get into that.

The deep strike policy meant that you had to have a whole intelligence infrastructure with communications — eyes, ears, computers — to make that old process work. That required a large investment in manpower and dollars. To counter the Soviet Warsaw Pact offensive doctrine, part of our strategy included a surge reinforcement. Fighter squadrons and troops had to get over there within the first 30 days of war. Therefore, early intelligence on warning of attack became vital. That required computers, radars, optical systems, eyes, and ears. You should know that a very large portion of the United States' intelligence assets are in Europe, in people and collection operations. Thus the debate: if the threat is gone, you don't need so much intelligence. The most dynamic change occurring so far in defense intelligence is the drawdown of our tremendous investment in intelligence systems to support the Warsaw Pact battle.

Let's move on to the next cornerstone of United States' national security policy, regional security programs. The Carter administration, of course, took a human rights approach to foreign policy on a regional basis. The Reagan administration was basically confrontationalist in terms of containment and counterinsurgency against communist insurgency. That brings you to conflict in the Philippines; we have an insurgency going on in the Manila area, coming up the island chain. There are contras, the El Salvador, Nicaragua situation where we've got insurgency going on. I'm not judging the policy, right or wrong, but there have been different changes in our regional policies over the last decade. These changes require different intelligence capabilities. New collection capabilities, and production operations are required to support counterinsurgency initiatives.

Oettinger: If you could say a few words about when to anticipate policy and ways of creating things before the boss asks for them, rather than reacting to the boss.

Negus: The key to good management from an intelligence point of view is seeing those early tea

leaves and starting to reallocate your people, getting different experts. You should get the idea that intelligence management, the intelligence business is, while not mundane, very common with other management needs. Most of it is hard work. Most of it is management, resource allocation problems — deciding if you need more Latin American analysts, so you go out on the market and you buy those, and then you need fewer Zimbabwe experts. To make those resource swing decisions, you have to read those tea leaves and understand what the problem is. I'm going to come back in a few minutes to talk about what we see in the tea leaves right now. We've learned a lot in the last eight years on how to do crisis management, starting with the hostage attempt in Iran.

By the way, that operation was not an intelligence failure. The Carter administration was very dedicated to the mission of returning those hostages and put a lot on the line with a risky operation. The problem, from an intelligence management point of view, was that security needs overrode good intelligence support. The operation was so secretive that intelligence was not brought in in an organized, systematic way. We were being asked for increments of intelligence information in order to plan the operation. At that time I was managing what's called a research division and most of the analytical part of DIA was under my authority. I was not read into that program. Post mortem, we had 500 individual requirements from the operators associated with the plan. When it got up to question 199, you kind of knew what was going on; it didn't take until 500, yet we were not able to participate in a structured way.

After Iran, DIA management decided to address "low intensity conflict" intelligence support in a major way. From an intelligence process point of view, it is a different kind of a problem than conventional warfare. You cannot invest in large database and long-term studies, but you need to have a process standing by, ready to react in need. You need experts who know how to find things fast, you need experts who know how to manage the collection, you need experts who know how to pull data together, and you need process experts along with regional experts, because you never know if it's Iran today, Panama tomorrow, Nicaragua the day after tomorrow. So you need those regional experts, but mostly you need a process, and that's another basic point I want to talk about in intelligence. It's not just products. It's not just studies and estimates. It is people and you've got to maintain their skills in their language and their area of orientation. You have to invest in them, have them travel to their regions of expertise, develop a latent capability as the best intelligence you can have. That latent capability was completely drawn down in the '70s by the budget cuts and we built it back up in the '80s. Now it may be torn apart again.

Oettinger: How do you prepare yourself to deal with nothing but contingencies? How important is it that people know one another and work together, so that when a particular thing happens you've got lateral and vertical and sideways communications among people who can speak in shorthand? Would you compare it to esprit de corps among a bunch of Marines who train together and have a career together? Is it that sort of thing? How does that translate into intelligence?

Negus: One example is it has brought the intelligence community together more because none of us knew how to cope with those things in a systematic way. Another example that I'll touch in the Q and A is counternarcotics. We got thrown in the counternarcotics business a year ago. We're also trying to learn how to deal with that problem. When you have hostages at risk, you really don't have time for bureaucratic prerogatives. If one agency can help another agency, if they want to do it, and they want to have it done, it's done. Crisis management situations bring intelligence agencies together a lot more. We appreciate each other's skills better, and know how to draw upon them better. The U.S. intelligence community is better integrated today than it's ever been, both in personal relationships and in a mutual capability relationship. And, in the case of terrorism, we can extend those relationships to our allies and non-allies. Intelligence has to have relationships with everybody, whether friend or foe, for that purpose. You may have hostages in Iraq in an airplane on the end of an airfield. Then you have to work with their intelligence. You've got to know what their local security arrangements are. Are they capable of handling it? Will they take help? Obviously, you do these things with your traditional allies, but you also need to have contact established with your non-allies, in case of a mutual need. It happens.

Student: Back in the '70s, early '80s, there was a huge bureaucracy in the intelligence community saying, "You want to talk to that other agency, you go through channels absolutely, up, over, and down." But what has happened more is lateral communications. When there's a question, ad hoc

teams form over the telephone. One guy who's in charge at CIA will call someone at DIA who calls somebody else. It's amazing. There's a real coalescence down at the analyst level.

Oettinger: Over the years that I've worked in these areas of government and the private sector, I've come to the conclusion that what makes things work better (rather than worse) in most situations is subversive lateral channels in which folks are able to communicate with one another. So I've formed a hypothesis that if one were to publish phone books and make folks more accessible, the world would be better. Then it dawned on me that maybe that was wrong, that it is the fact that folks have to sneak around making these lateral connections that makes them work. Would either of you care to comment on that?

Student: The fun of the chase is always there, but on the other hand, my perception was that over time it became not only tolerated by the bureaucracy and the management but also encouraged.

Negus: Because of the necessity of it. We don't have time to do each other's jobs. We need each other's specific expertise to do our own jobs. That's better appreciated today, and better communications helps that. We are putting in a video system between ourselves and the National Security Agency (NSA). We have video conference calls, which are very effective.

Student: You're only 20 miles apart. But you have to react that fast sometimes.

Negus: I talked about having the capability to react, but you have also got to do some homework in order to be most effective. Out of the Iranian situation, the one project we initiated is called our counterterrorism embassy database. We try to keep 157 intelligence packages on embassies and consulates to support an action against a hostile takeover. To support a policy like counterterrorism, you have to do a lot of mundane intelligence. You need information on the locations of embassies in the cities, photography on nearby airports, on all local facilities. What's the fuel supply there? What are the roads from that airport to your embassy? How many junctions are there? What's the traffic pattern? What are the alternate routes? What's surrounding the embassy? Is there a soccer field where you can land a helicopter? It gets to be a lot of work. When you do such detailed intelligence for 157 places, it starts to build up. It's also a dynamic problem. You can't assume somebody didn't put a telephone pole in the middle of that helicopter zone after you've written the report, so you have to keep the data fresh. This is another example of where a general policy, i.e., counterterrorism, gets translated into intelligence hard work. If you have good insurance on a shelf, then you can work with operators and quickly support them. The only problem is if you've information for 150 embassies, but the crisis occurs at the 151st.

We went from LIC into counterterrorism. The Defense Department intelligence, DIA, got the account for terrorism when the White House policy included reprisals as a policy option. Before that, there was a real question about what the Defense Department should do about terrorism. Is it a soldier's job? Whose job is it? Nobody stood up and said, "It's my job." We didn't have a customer, therefore we didn't have a requirement, therefore we weren't turned down. The basis of the Reagan policy of reprisal is deterrence. But again, to make policy a reality, we need to be able to execute it. So we start to develop a database on terrorism units for reprisal targeting. It proved difficult to identify reprisal assets that have return-value for these very elusive organizations. The closest we came was the Libyan Khaddafy situation, where we had clear intelligence on their guilt. With proof of participation by the Libyan government in a terrorist act, the White House called up the military forces and said, "Do something about it." We had previously done some preliminary homework on Libya, trying to identify target association with their terrorism support activities. We had identified some training bases that we associated with terrorism. We also identified some command centers and airfields. Some terrorism supplies were coming in by Soviet aircraft and Libyan aircraft so we emphasized these targets. But collateral damage is always a dicey problem because you don't really want to hit a French embassy that's half a block away from your objective target.

Let me just carry some of these points over into where we are going from here. I talked about the nuclear strategic level — there will be carryover because that need is still there. At the Warsaw Pact level there is great change, threats are dissipating, and there's great upheaval. We're planning on running down many assets associated with that whole thing.

There was a short synopsis of the Baker speech that I mentioned printed in the *Washington Times*. A week ago, Baker was at the Council of World Affairs in Dallas and gave a speech that was the

hallmark of a new foreign policy. He said the policy of containment, prompted by an offensive Soviet doctrine, that has dominated our foreign policy for the last 40 or 50 years, has given way to the promotion and the consolidation of democracies. It sounds like just another speech, but if you really think about it, that's obviously what's happening, or at least it's potentially what the U.S. foreign policy will be. There are tremendous implications if such a policy takes hold, and I think it will. It challenges the Defense Department's dominant role in foreign policy. With policies like deterrence and containment or even regional stability, policy execution got translated into military programs. NATO politics dominated European politics. That's a defense game. The policy of regional stability also gets translated mostly into military programs — training, selling jeeps and airplanes, and nation-building projects for the Corps of Engineers. If what is being said is true, that's not going to be the future. "The motivation and the consolidation of democracies" will be. Thus, security alliance relationships will transfer to economic relationships. It's bringing a different set of actors on stage in Washington. The State Department has not been a powerful institution in our government, I think, in many years. But change says that they're going to recapture foreign policy. Commerce and Agriculture will become our new customers for the intelligence community. Unfortunately, today they don't know how to use us and we don't know how to support them. We're going to have to learn.

So I think those things are fundamental. Senator Boren is the chairman of the Senate Select Committee on Intelligence. It's one of our oversight committees. He gave a speech Tuesday at the National Press Club — and I don't know if he and Baker coordinated it, but the theme is quite similar. In his role as intelligence community chairman he said, "We've got to take the economic counselor out of the basement of the embassy and put him up in a top floor." He's got to be a main actor at the embassy. Intelligence has to get into an economic intelligence business in a very effective way.

Student: When you talk about intelligence in this case and providing economic intelligence to Congress, are you implying in any way that the DIA should take over this sort of role?

Negus: That's more of a CIA responsibility than ours. It just means that they will have to do it better, use more resources, maybe get out of the military business somewhat. We in some part will have to do that too. We'll have to do it in terms of these national defense budgets. How much money are they spending? Are they spending too much money on defense for their local situation? But primarily it will be the CIA's responsibility.

Oettinger: There was a prior question to that. At the nuclear level, but all the way down to the police, if ever there is a commonly recognized common good, which is therefore a function of government, it is defense. In the United States and in most other economies, including some of the eastern European ones, if ever there was a quintessential private sector, nongovernmental activity, it's the conduct of economic affairs. So behind the question of who in the government is responsible for economic intelligence is the question: Is economic intelligence a governmental function in the first place? Is it appropriately shared between the government and the private sector, and if so, what is the relationship between a national government and commercial interest? A military force belongs to a national government, just as a police force belongs to a municipality. But economic entities do not belong to a nationality in the same clear cut way. I think that there is a set of questions within these innocent sounding words that Gordon has uttered that are absolutely fundamental in terms of a completely different way of thinking about government and private sector relationships with intelligence in the defense sense.

Student: Does that mean the CIA and DIA are suddenly going to start giving U.S. Steel and Dupont the latest news on what's going on?

Negus: In the extreme, that's a possibility and I want to come back to that. Let's talk about how we get there. It is our job and the CIA's job to do foreign economic intelligence at the macro level. We watch the amount of money spent on defense and the production of arms. But, as I gave you examples of, usually an intelligence macro job gets translated into a micro job. For instance, to stop terrorism we're working on a way to land a helicopter. The macro job of the economics of a certain nation gets elementized down at the tactical level of information. How much steel are they doing? What's the port capacity? What's the storage? Are the oil tanks full? When you get down to that level, it could have value at the corporate level. So I think that in doing more of the macro job, which is legitimate and done by national intelligence, we're going to have more and more information that is of value at the corporate level. There is some interest now on some policy development of capitalizing on

that at the corporate level — precisely what you are talking about. What if the corporation that you want to give information to is 38 percent owned by Japan and it happens to be Japan that you're talking about? There's some very dicey problems that are associated with this whole field.

Student: Would that include internal intelligence? If you start checking out foreign-owned corporations within the U.S.?

Negus: Happily, we are forbidden to even think that. We have no domestic authority.

Student: Would the Bureau get involved in that?

Negus: The FBI? If there's a statute that's being violated. Make certain you understand that neither DIA nor CIA has any responsibility for domestic intelligence.

Student: I think it's true, though, that there are strong policy constraints about getting involved in the direct application of foreign intelligence to private entities today. It will take a major change for that to happen. But the Commerce Department and Treasury Department are customers of the intelligence community and, in fact, that information is provided from government to government and then translated into policies that are implemented by those particular departments. That seems to be a salutary way of doing it for the foreseeable future. If policy changes drastically, there may be more fundamental changes that will allow intelligence to be used more directly.

Negus: That's the current world process.

Student: This may be beside the point, but because I'm supposed to know a little bit about Germany, having lived there for a long time, people ask me whether anyone in the intelligence community or mass media foresaw the crumbling of the German Democratic Republic (GDR) and the Berlin Wall.

Negus: Neither DIA nor CIA were reporting or estimating the total and fast collapse that has happened.

Student: Let me ask you one personal question. I know this kind of thing remains important. Let me say that my best source of information about East Germany, when I was living in Germany, was my driver, who had two sisters and two brothers in East Berlin. They came to have some confidence in me and finally, over the years, I had a feeling of how a little fellow, and not an intellectual or intelligence expert, lives.

About six weeks before the wall fell, a French general in Berlin was asked at a dinner party what he thought about what was going on. This was before the wall. He said, "The wall's going to come down and it's going to break before this year, before the end of 1989." They said, "Well, if you're so smart, what day is it going to come down?" He said, "If you want to push me, about October 27th." It did come down on November 9th. We asked later where he got this information and why he was the only one who seemed to know. He said, "I didn't report it to intelligence, but I'll tell you where I got it. In the last two or three months before the wall fell, in my dinners and readings with the Russian generals and colonels in Berlin, they began to talk all the time about how the whole GDR was disintegrating and how Erich Honecker was ill. They said when he went it was all going to fall apart. The Russians then began to draw some conclusions." Now I wonder if that kind of information ever came across?

Negus: The key fact was the Gorbachev noninterference policy is what really broke the dam. We were saying the alliance is going to hell. But we didn't say, therefore the wall is coming down in November. We couldn't keep up with it. We were behind in that.

Student: I talked to the head of Siemens in Berlin and they had just finished an investigation of all the electrical equipment in East Germany. They say it's all got to be replaced. For example, the new palace in East Berlin — which you saw on television the other day during the election results — that's the newest and greatest building in the city, but it has to be torn down. Is this something that intelligence agencies should be gathering? I'd certainly want to know if the country is disintegrating or not.

Negus: Of course, that's our job. But when you have spontaneity like you had here, no intelligence is going to pick that up. Maybe we could do a better job in sensing it, but you aren't going to be so predictive. Things are out of control. We always get intelligence failures, but when the act is not known to any participants the day before it happens, like the wall is coming down tomorrow, how the hell can you do an intelligence assessment?

Oettinger: If you look at the arguments I had last seminar with Dave McManis* during the period

*David Y. McManis, "National Security and the Democratization of Information," in *Seminar on Command, Control, Communications and Intelligence*, Spring 1989. Harvard University, Program on Information Resources Policy, Cambridge, MA: 1989.

when he was national intelligence officer for warning, he had a whole literature on "Is warning possible?" McManis is very much on the side of yes, it is possible. That goes back to what Gordon said earlier, speaking about nuclear deterrence where there's a certain amount of stability, massiveness, and central control — where it's so difficult to do things quickly and orderly. So there are some things that are predictable, and where warning is more likely. When something like that depends on an act and even the actor doesn't know the day before, then you don't have that kind of predictability, and world events lie everywhere in between. This ties your remarks to some of the Pearl Harbor literature that examines an event that seems unforeseen and unpredictable. You look at the Pearl Harbor literature and it's absolutely clear that just like in your example of the guy who set the date, everybody "knew" about Pearl Harbor. In hindsight, after a particular event has occurred, you can then see the precursors. The odds are that somewhere in the bowels of the intelligence community and the mass media all the indicators were there, but somebody didn't put it together. Retrospectively, that is very easy. It is not so easy prospectively and so this question of possibility of warning has a great deal to do first of all with what it is you're warning about, and second, whether you're warning prospectively or retrospectively. It's a hell of a lot easier to do retrospectively.

Student: It was well known that East German production, while one of the firmer industrial capabilities in the Eastern Block, was still way behind. That comes as no surprise. But I think the point that everyone is making is could we use that key piece of information to predict that the wall was going to come down. The data was there, but why should anyone use it to come up with that analysis?

Oettinger: I repeat once again my San Andreas fault analogy: that it's one thing to know that it's there and that the tetonic plates are under stress. It's quite another thing to predict a particular time and date of an earthquake.

Student: I agree with you that the wall was unpredictable. The people who were doing it didn't know it themselves the night before, but we discovered afterward how this whole industrial system in East Germany was so rotten. I asked one of the leading people in Congress about it and he said, "You know, some of us knew, in our areas, but we were afraid to ask too much of what was going on in other areas. In other words, it was a great surprise to many of us sitting there how suddenly we discovered that the whole damn economic, financial side was rotten." After all, just two or three years before when Erich Honecker visited Bonn he was treated as a Head of State. They didn't know what was going on in their own industries. That's the thing that's really interesting to me as you look to the future.

Oettinger: Careful. They may have very well known what was going on in their industry and at that time figured that sucking up to the current leadership was the right way to get out.

Student: They weren't lying to me. They're some of my best friends.

Negus: Let me make a point, because a good question was put to us not too long ago. A year ago, without flinching we're going to Congress, and the Warsaw Pact is 9.9 feet tall. We need all of our NATO divisions. Then all of a sudden it's not there. Therefore were we wrong before or are we wrong now? You can't have it both ways. It's a good question. It couldn't change all that fast. We constantly focus on the capabilities of forces and not on that inner core. In that sense, we were intelligence failures. We faithfully counted the forces, we faithfully watched the T64 tanks replace the 54. The 72s replaced them. We knew the firepower, we knew the armor's thickness. That's not a lie. We said those tanks could beat our tanks. That's not a lie. Our requirements made us focus on all that.

When we first started seeing what was going on underneath the fact of their militarial capability was during the Afghanistan war. That gave us a first look at the operational capability of Soviet forces. We started to learn about the total animosity between officers and nonofficers, the incompetency, the lack of training and the lack of discipline in Soviet units. While we started to realize these weaknesses and to translate this intelligence into new Warsaw Pact assessment, we didn't translate these new insights into the political challenge that followed.

Student: Wouldn't there be some people in Congress who are smart and intelligent and capable, who would argue that this change in Eastern Europe is what has changed your tune? And that in fact, if the wall had not come down, and if there was still a situation that they'd been six months ago, that the Soviet block would have been 9.9 feet tall, and that the only reason the intelligence community has changed its tune is because the charade is up.

Negus: Two things. Part is charade and part is reality, i.e., policy change. Mikhail Gorbachev made fundamental policy changes and that was not known. The policy change of noninterference, made the Warsaw Pact go the way it did — versus Tianamen Square, where the policy change was to crack down.

Student: But are we sure that's the policy change? Like in Lithuania, it looks like that noninterference might not be a noninterference policy at all.

Negus: Gorbachev is not going to lose in Lithuania. Most people are saying he can't afford to win, he's got to let them go. If he lets that go on as an uncontrolled condition, his control is gone. There is no integrity. But he cannot afford to lose. Even if it costs him perestroika internationally for a year or so, he has to win. So if he cracked down and pulled Lithuania back in, that's really not much in the larger scale of what's happened. The block countries are gone.

Oettinger: What would stop Soviet tanks from going back into Prague, except world opinion and that won't move anything anymore than it did back in 1956?

Negus: But the Czech army isn't there anymore. There's no doubt about the Czech army's attitude. When they went in in 1956 they were part of the team. It was Czech soldiers too. It was Czech people as air traffic controllers bringing in those airplanes. That's gone.

Student: Let's go back just a little bit to the events that lead up to the Berlin Wall. How much did assumptions and beliefs on our part, on our leadership's part, put a blinder on seeing what might have happened, and what processes do we have in the analysis and intelligence community to try to ferret out these false assumptions and beliefs that may cause us to make a bad analysis?

Negus: I don't know what bad analysis you're talking about.

Student: Perhaps just missed analysis. Perhaps we had an assumption or a belief. Maybe we all believed that the wall would come down someday. I think a lot of people would tell you that they believed that the wall wouldn't last.

Negus: We were reporting before the wall came down that it was irrelevant. We use this as a very visible example. I have a nice piece of the wall on my desk that I am very proud of. But we are talking about the condition of the alliance before the wall came down. From a policy point of view, that was what we needed to make new policy. So I don't know what hitch it is that you are saying we need to fix.

Student: I'm not assuming that there is necessarily something that needs to be fixed, but there are things that get missed, when you look at history. In retrospect we can see it, and in a lot of cases you can trace it to failures of people to consider an option. Or somebody discounted an option when he had a chance to say, "That's an assumption maybe I should consider." But the leader said, "I don't believe it; my assumption is that it will never happen," so he never even thought to look for it. I'm curious if there is some way that the intelligence community says, "I know the boss doesn't believe this, but maybe we ought to look at it anyway so we can raise the flag if something happens."

Negus: That happens all the time.

Oettinger: That brings up my fanaticism about balance. Think about it from the point of view of the consumer. You have an intelligence community that keeps reporting a whole spectrum of things with probabilities attached, and people play those kinds of games and the probabilities are bogies anyway because you have to attach some reasonable incontrovertable number. And then the customer says you're bothering me with too much crap and now I've got to build up another staff inside the White House in order to distill all of it. They may say, "Just give me an assessment." Then you give them the assessment and somebody says, "How come you didn't tell me 16 other variables?"

Negus: I'd like to comment on something entirely different. These issues of intelligence failures and "we should have known," should not be addressed in a binary context. With intelligence it's more a matter of precision than if we missed it or didn't miss it. In reporting to the White House, I think our collective political reporting, that of the agency, NSA, and CIA, is very good. It's like eight or nine on the scale. If it got up to ten, we would have said the wall's coming down in two days. So if you're reporting the environment, or the pressure a leader is under, the kind of decisions that he is making — so that our decision makers understand the environment of their counterparts — that's almost the most we can do. It's a matter of precision. We have a President now, who's very comfortable with that situation. His background is in the CIA; he knows

how to use intelligence. He doesn't ask us what Gorbachev is going to do tomorrow. He's smart enough to know we can't answer that. He knows how to use the intelligence and he is confident enough to live in this position of uncertainty.

Oettinger: In an interesting sort of way, it seems to me that this habit of his of telephoning other leaders is not a bad way to respond to what is an extraordinary rapidly moving and fluid situation. If you have to design a quick response capability, it's hard to imagine a better one. Now it will, as historians will no doubt note, create its own problems. There will be impulsive things done that would have been done differently if the bureaucracy had more of a hand in it.

Gordon, can we get you back to the role of Congress?

Negus: Let me make one important point on this subject. Before the Soviet problem started changing, we in DIA were labeled captives of the Pentagon, sellers of the threat. Those are the questions we get asked, so we have to answer them. We in senior management at DIA recognize that we were behind the power curve reporting on all changes a year ago. There were signs then of Soviet change. This is just to give you a little anecdote to let you know about what intelligence is: it's management of people, it's not textbooks. We had a Monday massacre, too. We removed five people who we thought were too slow and too ideological over the years of "cold war." An agency can't be left totally off the hook for how well it does if management doesn't act. It's a good thing we did that, because the new people who came in were more attuned to it. I'd hate to go through the season we just had with Congress with the old guard. So a bureaucracy is just as good as its management. You have to act, you have to be aware of these problems. You can't be so defensive that you can't peel back and examine your conscience.

In terms of the role of Congress, we're very fortunate in the intelligence business. There are Congressional committees whose sole purpose is to watch every move we make. Not everybody has a Senate Select Committee and a House Permanent Committee. They are becoming more authoritative. Those committees were born out of Watergate. They have large staffs. The staffs can outman us in certain areas, find out more facts and be ahead of us. But by and large those committees are advocates and not adversaries. They are adversaries on a daily basis — but advocates on a strategic basis. They can therefore head off problems with the appropriations committees to ensure we receive the resources we need for new challenges. So I think it's a positive relationship by and large.

Student: You described how you were shifting away from the Warsaw Pact concern and taking people out of there. Where is the growth going to be?

Negus: Arms control, because we've got five arms control packages that require verification. It requires a lot of documentary-like detail work. The START treaty is 10 times as big as the INF in terms of things to watch dismantled. The CFE, a large force reduction, is a horrendous monitoring job. The political facts change the monitoring requirements. Even without the treaty, the teeth have been pulled from the threat because of loss of command and control. So the degree of monitoring and tight control is not as demanding as it would have been in a more hostile environment. Cheating is not going to be a problem because if a regiment delays pulling out when it is supposed to, the local mayor is going to blow the whistle and say, "You're supposed to get out of the country this month." Yet there is still a documentation problem. It still requires a large amount of manpower.

The political intelligence problem is increasing. We did not used to watch Czechoslovakia, Bulgaria, Romania, in detail economically and politically. We now have to do that. For the promotion of democracy we're going to have to do more Third World intelligence. Such as, what is the relationship and alliance of those countries? Also the ethnic problems of many nations are already heating up and will require intelligence monitoring.

Oettinger: I can't resist commenting on the fact that it is a marvelous irony that Shirley Temple has grown up to be one hell of a smart lady, who happens to be our ambassador in Prague. Life is full of odd irony.

Negus: Political intelligence will be a growth industry. We ought to do intelligence on allies who were freebies before. Again, not because we're adversaries, but you need to know in an alliance relationship if the other guy is keeping up his part of the alliance. There's a dependency between us and the Brits. Before, we had an attaché walk into the office and say "What's your defense budget? Here's my defense budget." They stopped doing that already. The EEC has changed our European relationships so it will take more sidewalk walking to get stuff that was a freebie before.

Asia is teeming with problems, such as the economic developments in Singapore and Japan. I took a nice seven-country trip out there in June. Everybody's nervous about Japan's economic growth there — Malaysia, Singapore. Policy decisions are going to have to be dependent upon knowing that intelligence. Our requirements are not drying up.

Then there's counternarcotics. A year ago we weren't in the business because we didn't have a requirement. Frankly, under Reagan, Caspar Weinberger particularly took a strong stand that no military capability readiness will be compromised for the narcotics problem. That's what we have DEA for. It's somebody else's problem. My job is military security. The new administration changed that policy so that in defense we will pay our fair share. That results in another Congressional decree telling the Joint Chiefs of Staff to monitor and track drug traffic. That's an operational problem — monitoring and tracking the drug problem — the military knows how to do this. We've got four task forces in the Caribbean, the Pacific, NORAD, and South America. We are now in this in a rather major way. There are never enough resources. I had a meeting in my office two days ago in which we decided to cough up 25 more bodies. We're not going to do Bolivia, we're not going to do Zaire; something's not going to get done to meet this narcotics bill. It is, for intelligence, a growth industry. As long as Congress says do the tracking that means we're going to try to do all the ships and airplanes. We're already starting to be successful. Then came the President's October speech about a narcotics strategy, the Andean plan. So now we're involved in supporting three Andean countries, doing eradication and interdiction there. That may happen in the golden triangle. Current politics of Laos and Thailand are not receptive to our participation in counternarcotic operations, perhaps eventually they will be. That will be a major intelligence resource.

Oettinger: Just to put a footnote on that and our earlier discussion about intelligence success or failure. It's important to distinguish between failures that have to do with the competence of the organization and a failure of a policy, that was well supported. I think part of the central message that Gordon is giving us is that behind this "requirement," you may have a customer who wants something that's nonsense — but that's between the customer and whomever this customer is answerable to. The distinction is an important one in terms of what we're concerned with in this course.

Negus: As intelligence managers, you damn well better try no matter what. When we first got the requirements for counternarcotics, we said, "You've got to be kidding us. There's no way we can do that." We threw 10 people at it. We threw 20 at it in our facility. You get there. But it still may not be doable. It could be another Vietnam. The policy may not be equal to the task, and the assets devoted to the problem may not be equal to the task.

Student: You suggested that intelligence is a real growth industry, but there won't be the financial resources devoted to it that there were in the past.

Negus: The resources are going down. No doubt about it. To give you an idea of our budget for 1992 to 1997, we had to do it according to three guidance levels. Most optimistic was a –3 percent, mid-optimistic was –8 percent, and high pessimistic was –12 percent. You've got to put those three budgets together.

Student: Is it real or not real?

Negus: It's real. We expect an 8 to 12 percent reduction in that budget.

Student: Do you have a separate unit for logistics, that just deals with logistics relative to your mission?

Negus: Yes, we've got a support element to support our own operation in terms of computers, communications, care and feeding. Under DIA our "operational arm" is the attaché system. The worldwide attaché program is managed by DIA. We are in 96 countries and accredited in about 125 countries. So that has a lot of logistics to it. Mostly military people are service attachés, but secretaries and other trainees and translators are civilians. We have 22 airplanes associated with the attaché system. Make that 21. Congress took one of them because we wouldn't fly this Congressman in Pakistan. He was there with his friend, and she wasn't his wife, and there are rules — not our rules, somebody's rules — that you can't do that. If you're not on manifest, you're not on official duty, you can't fly around on a military airplane. A good attaché said, "I'm sorry but she can't go." The Congressman went back and wrote a law that said DIA will lose one airplane per year. We lost the first one. All his colleagues said, "He's wrong, that's terrible, he shouldn't get away with that"— but their club wouldn't censor him. We

got the law stopped at one, but we lost an airplane over not flying a friend. That's some of the realities of the game.

Oettinger: One of our realities is that we're approaching bewitching time. We've got to get you back to an airplane and we want to leave you with this small token of our enormous appreciation for a fantastic session.