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JOHN MCMAHON: Thank you very much. I would like to thank Ed Reynolds for that very lengthy litany of jobs. I also would like to thank Ted Libby for the invitation to come up here and address you. This is certainly a personal thrill for me because it is not very often that one gets to speak back to so many teachers.

In addressing any audience, it is always essential for the speaker to build a bridge between himself and his audience. Today I'm fortunate in the fact that that bridge already exists. In fact, there are many bridges which tie intelligence to the educational world, and certainly to that educational world that exists here in Connecticut.

In front of CIA's front entrance to the headquarters building stands a statue of a young man, a Connecticut Yankee by the name of Nathan Hale. Nathan Hale, like you, was a teacher. Like me, he was an intelligence officer. And in behalf of his nation, he set forth on a mission to cross Long Island Sound and spy upon British troops. Unfortunately, he was captured and was hanged. But before he went to the gallows, he said those immortal words, "I only regret but I have one life to live for my country."

That statue is a reminder to all of us in CIA of a true patriot and the dedication that it takes to be an intelligence officer.

There are other bridges that go back to the very foundation of our nation, in which New England payed and played such an important role. We speak today of the need for early warning to thwart any missile attack by the Soviets against the United States. New England had its early warning system in a gentleman by the name of Paul Revere, the first early warning system of our country. And George Washington, when he wrote General Clayton back in 1771, in speaking of intelligence, said that the need for the procurement of good intelligence is so apparent, I need not urge it further.

And as intelligence has gone on in our government over the years, it has shifted and expanded, contracted. And today we face an awesome task.

After World War II, it was rather simple. We were called upon to thwart the Soviet subversion of Western Europe and give the Europeans the opportunity to have the Marshall Plan take hold. We put a man-to-man defense against the Soviets in Europe.

They went into labor unions, we went into labor unions. They went into schools, we went into schools. They went into religious organizations, political organizations, we went in to thwart them. And indeed, the product of that effort is obvious in what we see in Europe today.

But there was something going on in the Soviet Union that we knew little about. The Iron Curtain was indeed down, and the only knowledge we had of the Soviet Union and what they were doing in their military installations stemmed from captured World War II photograph that we obtained from the Germans. And that prompted President Eisenhower, in those days, in 1953, to call together a panel of academicians, businessmen, technologists, government leaders to recommend to him what should be done. And out of that panel came the recommendation of the U-2 program. And you're well aware of that.

But the world has changed. It's no longer just the Soviet Union. It's no longer just our interest in their strategic weapons. They have now postured themselves with conventional arms and a conventional army and navy which permit them to reach out across the world.

And look what they have done. They're in Yemen and Ethiopia, which is a threat to the Suez Canal. They're in Vietnam, which covers the other end of the Indian Ocean. We see them in their support base in Cuba threatening the Caribbean and the Panama Canal. And through their friends the Libyans, we see the constant threat of the Polisario against Morocco, which threatens Gibraltar.

We have to watch and be prepared to see where can they strike next and what do they prey upon. And they prey upon the very things that you people teach. The social elements that make up any country, the dynamics that drive it very much play a role in what happens in that country.

As the Third World has reached out and improved itself and sought greater demand for energy, energy has loomed very large in our way of life and very much a requirement for us to stay on top of. And we've seen what happens when the demand for oil gets too great and the gas lines that it can cause. And right now we witness, through the Iran-Iraq war, a possible threat to the Persian Gulf.

No longer are we just interested in the politics of a country or the world, but the economic capabilities of each country.

The Third World, as we call it, is in debt over \$600 billion. And what happens when a country has such a large debt

it can no longer get funds to develop or, for that matter, to purchase raw materials which it can then fashion in to export? A tremendous cycle and a tremendous burden on the intelligence agencies of the government to watch and to prepare our policy-makers so that they can handle that situation and take action to counter it.

As you look at the economics of the world, you also think of the civil technologies. And what is happening in the world today? We find that markets which were once ours and which we owned completely are now threatened with competition. In essence, we have our enemies as much -- our friends as much of a threat as our enemies. Western Europe very competitive with us in electronics. Japan. Japan already proved its strength in Detroit. It's put us on notice that it's coming after us in the computer world. And in the 1990s that computer world will represent some \$300-billion-a year-business. Can the United States afford to be second best?

The aircraft industry. We see the threat that the governments that subsidize the Airbus can do to Boeing. And all over the United States we see the U.S. firms trying to compete with foreign industries that are subsidized by their governments.

And when you think of technologies you have to think of the technology transfer that has gone on around the world and the tremendous drain of that technology, particularly to the Soviet Union. We find so much of our technology loss that we have a \$200-plus-billion defense budget to stay even with ourselves. The Soviets had the plans to the C-5A aircraft before it flew. They have acquired look-down, shoot-down radar. They have acquired our laser range finders in tanks. And they have acquired this both legally through companies that exist here in the United States that enjoys all the privileges, laws and protection of the U.S. citizens, and they have acquired it clandestinely as well.

And when we stop our interest in just looking at what is happening in the world politically or economically, then we have to turn to threats such as terrorism. There have been over 12,000 people killed or wounded in the last 15 years by terrorists. At one time, Americans overseas, particularly American businessmen, were sought out by terrorist groups as hostages. The terrorist groups, when they needed funding, would kidnap an American, acquire some ransom money, and they were good for the next fiscal year.

Now the terrorism in the world has taken on another threat, and that is simply murder. And Americans are no longer the targets for their funds, but targets because they are Americans.

It was no coincidence last year at the Versailles Economic Conference that the American school in Paris was bombed, that Bank America was bombed, and that American Express was bombed. And we bear the burden throughout the world of trying to know about those events and to neutralize them and interdict them before they can happen.

And then we see narcotics, which continues to be a plague to any society, including our own. There are 41 million Americans who spend \$80 billion a year in this country on illegal narcotics. And your intelligence organizations are called upon to try and stop that. And it's extremely difficult because the funds are so great. You stop one traffic route, there are 12 others. A trafficker is arrested, there are thousands to take his place. When a farmer in Latin America is paid 60 or 70 dollars a month for his crop, when he can be making \$1300 a month growing marijuana, it's obvious that's where he turns.

And somehow, we have to get a handle on how that money flows. How is it legitimized? How does it end up in shopping centers and condos and apartments? There's a tremendous movement of funds internationally, and our job is try to find that out. Because if we can thwart the movement of those funds, then maybe we can help dry up the narcotics.

As you look at the intelligence that is required, there is one key factor in back of all of it, and that's people. Intelligence is a people organization. It's made up of people that has an appreciation for the very subjects you teach. How can anyone talk about Lebanon, for instance, if they don't appreciate the cultural dynamics that go into that country, the religious tugs and pullings that go on there? And that is why when you look at an organization like CIA you're, in essence, looking at a middle-sized university. We have people that reach the entire spectrum of knowledge: anthropologists, geologists, social science, political science, cryptographers, computer scientists, you name it. In fact, CIA brags that it could easily staff a middle-sized university. And indeed it could.

But we don't do it just by ourselves. We reach out in our analysis and touch into the academic talents that exist around the United States. And we draw from the universities, in a consultative fashion, the competence that exists there.

This was denied us during Vietnam, and fortunately has come back. And I think it's making our intelligence product that much better. If you sit in the ivory tower of CIA, you can become very focused, in not only your opinion, but how you view things. And by having this outside influence, it keeps our product much sharper and pointed in the direction that it has to point.

We, as an agency, can recruit a considerable number of people. Last year we had 250,000 applicants, applicants from all walks of life. We can bring in the scientists, the economists, what have you. The person that makes up the operations officer, the one who does the spy work or espionage, as you call it, is usually a young person 25 to 30 years old, has an advanced degree, and at one time we demanded that they had a language. Our academic institutions, as you people can well appreciate, have failed us in recent years and languages no longer became requirements for advanced degrees. And as a result, we're content if we can find a person with a language aptitude which we have to teach them ourselves.

And I am delighted that we have with us here today language teachers. And I hope that your industry is a growing one. And I urge you to sell our product. We are losing through retirement and attrition that second-generation American that had the second language from the kitchen. And that is no longer a privilege and an opportunity that we face. And as you can well imagine, language is an ingredient for us not only in doing our business overseas, but also in analyzing events that happen there. The language brings an insight into the culture and the thinking of people that you can't get any other way.

Back in 1780, right here in Hartford, Connecticut, there was an eclipse of the sun. In those days, the people were highly religious. And when that eclipse occurred in mid-afternoon and darkness fell, many fell to their knees, thinking that the end was in sight. The Connecticut House of Representatives was in session, and there was a great clamor to retire and run outside. The Speaker of the House, one Colonel Davenport, rose to his feet and silenced the din with these words. He said, "If Judgment Day is upon us, then we must accept it. If it is not, we need not worry about it. But if it is coming, I would like to be found doing my duty. So please light the candles so we can enlighten this hall of democracy."

In the past 200 years, that hall of democracy has prevailed in the United States. And really, it is the best calling card that we in intelligence has. And you look around the world, the people of the world envy the United States, envy the open society that we have, and envy that democracy. And that helps us encourage people to work for us, of all nations, because they look upon the United States as something they aspire to and they would like their country to be that way.

We have a very glib saying that goes, "We do not recruit spies. We recruit patriots." And indeed we do. And it's the people of the world, throughout the world, providing their intelligence which permit us, as a nation, to maintain that light of democracy around the world.

You educators have an enviable role in that democracy. Through your education, you're able to keep democracy very much alive in the United States, to keep it an open society, to cause the youth to think, to reach out beyond their grasp, to expand their minds, to worry about other people. And that is one thing we have going for us, is an appreciation of the dignity of the human being and the individual. And it is through the educational process that that will be fostered and maintained.

I'm proud to be with you today. I admire your goals. I applaud your accomplishments. I'll be pleased to stand still while you ask questions. I only note that I find no indiscreet questions, only indiscreet answers. And if I feel I can't answer you correctly or accurately, I will tell you so and not give you the thousand yard treatment.

[Applause]

[Comments about microphones]

MAN: I was interested in your comments when you talked about the hot points of the world, Suez, Gibraltar and Panama. And then you also switched to questions of industrial competition. And at least as I heard you, the suggestion was that we have difficulties with friends, in terms of the Japanese relative to Detroit and in terms of the Airbus.

Are you suggesting that the CIA has a role in this kind of foreign activity?

MCMAHON: Good question. It doesn't have a role in what I would call industrial espionage, to go get the plans to the next plane or next computer that the Japanese are going to build. What we do do, though, is stay on top of the various technologies in countries around the world so we can advise our policymakers in commerce, or what have you, the capabilities that we see growing in a country, so that they can make sure, in their trade and in their decisions regarding that country, they keep that in mind.

They also have a mechanism where they advise the U.S. industry as to growing technologies around the world, so that the U.S. industry can either move there to acquire that technology or begin to build a competitive capability itself.

There's a saying that our case officers have, at least at the moment. If you can appreciate a case officer lives several lives overseas, hopefully his life as an intelligence officer is the quiet one. What he must put out in front of why he's there and what he's doing, and it's usually not his primary purpose. So a great deal of his intelligence gathering takes place at nights and on weekends, and usually in the rain. And

it's very hard on the home life. And our officers will often say that they're more than happy to give that up for Uncle Sam, but they're not so sure they'd do it for General Electric.

MAN: Could you tell us something about the difficulties and achievements of intelligence gathering in Lebanon?

MCMAHON: Lebanon, as you can well appreciate, is a beehive and a see of activity, often conflicting. The greatest intelligence on Lebanon is an appreciation of how Lebanon got to be what it is, and the aspirations and desires of the various religions and ethnic groups that make it up. Lebanon has a very difficult course before it. It requires a great deal of help. It requires a great deal of compromise by the various factions within Lebanon who are willing to concede something they hold dear at the moment for the greater good of Lebanon.

I think that the world appreciates how difficult it is, but the alternative is pure chaos. And I think it's incumbent on us, Europe, and the various elements within Lebanon to try and make it work.

If you have an unstable Lebanon, then you have a threat in that portion of the Near East, a threat to Israel, a threat to the stability throughout there.

MAN: Would you comment, from a personal viewpoint or from the agency viewpoint, about the controversy surrounding ex-CIA people writing memoirs and sharing information that might be embarrassing or injurious to our nation's security?

MCMAHON: Unfortunately, history is replete with black sheep in every family. And for an intelligence officer to put pen to paper on his operations is anathema to us. The only way that we can operate with our sources overseas is to develop an element of trust. Trust and confidence is very integral to that relationship. It is for that reason that we are frightened by the Freedom of Information Act. We're all for the freedom of information, we're all for having Americans, academicians, historians have the legal access to our product. What we want to protect, though, is the review of our operational files where the names of our agents take place.

Right now, when we get a Freedom-of-Information-Act request, we must review the agent's file for information, and someone makes a determination, line-by-line, what may be released. And what we fear is, through inadvertence, something will be released which permits identification of that individual. And that's why we want to protect the operational files.

When a former CIA employee writes, he begins to violate that very principle. He, himself, begins to reach into those operational files. And I deplore any intelligence officer who writes about his operations or his knowledge of the people. I don't mind them writing about their experience overseas and how they viewed policies of one country or another, including our own; but not writing anything operationally. And it just bothers us tremendously.

And this is why we were gratified with the identities legislation that was passed last year, which permits us to prosecute anyone that exposes the names of either our own people or our sources.

WOMAN: Would you speak a bit about the United Nations and the role that it's playing in the world today? And yesterday Harrison Salisbury [inaudible].

MCMAHON: Well, I'm very grateful for the United Nations because a lot of criticism that would fall on intelligence falls on the United Nations.

[Laughter]

MCMAHON: The United Nations is not an efficient organization. A good many people will also argue to its effectiveness. But to me, it's an essential forum for people of the world to express themselves one to another.

A key to resolving problems and to understanding various positions that nations have is communications. And the United Nations forum provides a forum for such communications. I think, ineffective as it is, the fact that little nations have as much clout as big nations or that big nations can dominate little nations, with all its inefficiencies, the United Nations, I feel, is essential. And it's a mechanism for world peace. It's a mechanism by which people can talk to one another. And I just hope that maybe someday it will improve. And I give a vote for the United Nations in spite of its imperfections.

MAN: Do you feel that there are any major misunderstandings that the American public has about the mission of the CIA or the effectiveness with which the CIA can carry out that mission?

MCMAHON: I do. If I were every to forget, every newspaper in the country reminds me every day.

We have an excellent intelligence service. We don't have all the answers. Sometimes our analysis comes out wrong, but it doesn't come out wrong because we analyzed the facts we

had. It's that we failed to anticipate the random or the floating decimal point. And it's those situations that get you in trouble.

We can constantly improve. There's no question about it. And this is why I think it's necessary for the CIA to have a very aggressive program outside the agency, in going to universities, in having research done there, encouraging professors to spend their sabbatical in the agency, which they do; and also reaching out to the various institutes and industry.

We by no means have all the answers. We do have an insatiable audience for our product. The policymaker in the United States, the United States Government is breathtaking in what it wants and what it needs. They speak of an intelligence gap in Grenada. An intelligence gap. There were a couple hundred more Cubans, maybe? And how do you stay on top of little islands? Do we put CIA people all over those islands? We're not that big.

So there's a lot of things that are going to happen. There'll be a dust-up in the Beagle Channel, and we may not know it. But we don't have too many people that want to paddle around the Beagle Channel looking for it.

[Laughter]

So we have to decide where are our priorities, where should we concentrate on, and make sure that we don't miss the big ones.

MAN: Mr. McMahon, in your remarks you mentioned various kinds of CIA operations, including postwar involvement in trade unions and other things in Europe, and you mentioned the U-2 program. One of the things about intelligence is that I think it raises an ethical question about how far an intelligence operation should go. Where do you draw the line as an American intelligence officer?

MCMAHON: Well, I think we have to have a common base of ethics between us before I can really answer that question correctly. If you don't believe in war, if you don't believe in defending yourself, if you can't take a page from holy war theology, then there's no base for answer that.

But intelligence is a way of defending yourself. Intelligence is the least harmful way of defending yourself because it permits you to take action which, hopefully, avoids conflict.

I maintain, and I think rightly so, that our intelligence provides more of a peace-keeping and peacemaker role throughout the world than it does an aggressive one. And I think that knowledge is something that should be shared. Anyone in the academic community will argue that knowledge ought to be shared worldwide. Our intelligence organizations are just interested in that intelligence that people don't share. And that's why we're here.

MAN: In a New York Times article earlier this week President Reagan was characterized -- and the article was talking about the process he went through in reaching the decision to invade Grenada. He was characterized as being a legend in his own staff for being a President who [unintelligible] his own counsel and makes decisions very privately.

How would you characterize him as a user of intelligence of the nation or an appreciator of the intelligence of the nation, say compared to the last two Presidents?

MCMAHON: One thing I've learned early on...

[Laughter]

MCMAHON: ...is that a true intelligence officer has no political allegiance and that the President is his boss. And what he does is respond to the needs of his boss, regardless or however the boss may decide he wants that intelligence to come forth.

President Reagan is an avid intelligence consumer. And we feel that we are well exercised in trying to satisfy his needs. It's a very healthy environment for an intelligence officer because it's great not only to be wanted, but also have the feedback and the iteration that takes place at the highest levels. And that's nice.

We provide the President every morning a document on things that we feel he ought to know that day. And often the analysts involved will get a feedback follow-up on that very point. And that's very stimulating to the analysts involved.

I would say in recent years we have never really felt that we weren't used. It was a question that we couldn't satisfy enough of the need. And a great deal of that was caused by the tremendous cuts prompted by budgets and other things in intelligence. In the 1970s, your intelligence organizations were cut 40 percent in manpower and 50 percent in dollars. And we got down to rock bottom.

And oddly enough, it was Congress that decided it had gone too far, and began to rebuild. And we have been rebuilding in the last three years. And I think that's good. We're nowhere where we'd like to be, but we're a lot better than the direction we were going.

And I mentioned Congress. Let me prevail upon your question a little longer. People make a lot of fun of Congress. In fact, just being in Washington, you can do that. But it's a unique instrument of government. The best thing that CIA has going for it is congressional oversight. It is not only a confidence factor for you to know that CIA is doing the things that you want it to do and that you want your elective representatives to do, but it's also a tremendous protection for the institution.

This past spring and summer, when the furor over Central America, if there had not been congressional oversight, CIA would have been hung out to dry. But because so many congressmen and senators were with us, they were there for the takeoff....

[Cassette turned]

MCMAHON: ...to exist in an open society that we want, with the proper restrictions and controls. And you'll find that most people in intelligence are great advocates of congressional oversight.

It's also nice to know if you're going to go to jail, you're going to take a long of congressmen and senators with you.

[Laughter and applause]

MAN: Mr. McMahan, this morning I listened to Caspar Weinberger being interviewed on CBS News, and he was questioned about the U.S. involvement in Grenada. And he was particularly asked about the buildup of arms, a warehouse full of Soviet armaments that apparently we weren't aware of. And he stated in one breath that, really, there was no intelligence-gathering --there were no intelligence-gathering facilities on the island because we weren't represented there. And then in the next breath he turned around and said that intelligence sources told the American -- well, revealed that the intelligence students were in danger there.

There seems to be a contradiction here. Could you sort of clarify this for me, please?

MCMAHON: I don't think it's a contradiction. All you had to do was witness the events that happened. Bishop, who was not really our friend -- in fact, had been -- installed himself

under a military coup with the support of the Cubans -- was basically an illegal leader of a country. But he began to become dis -- he became disenchanted with the Cubans. And I think that was the beginning of the end for him. And when Coard and Austin and that crowd decided that they were going to take over and Bishop was killed or executed, and a number of his ministers, we were left with a little country there that was run by murderers.

And the students in the colleges, you must recall, were controlled under a curfew. And the Canadian -- the Grenadians in charge said, "Well, we'll let an airplane in today," and today came and went. No airplane was allowed in. The Canadians tried to fly a plane in to bring out the Canadian citizens, and they were denied. And I think the President was very concerned as to what was happening. It was on a downward path. And he did not want to suffer another Iranian hostage situation.

And I think the greatest evidence of what was going on in Grenada was to look at the expressions of those students when they saw the U.S. military and when they got back to the United States and kissed the ground and when those who proclaimed themselves as doves said they never wanted to hear anyone speak against the United States military again. I thought that was tremendous and I thought that was true vindication of the President's decision.

MAN: ...one of the concerns that I have is in giving, rather than a bipolar view of the world, a sort of a multipolar view of the world. [Unintelligible] questions of points of view of legitimacy which the United States claims in the world. Perhaps too political a question. But tell us, do top officers of the CIA, in presenting information to the executive, argue questions of the political legitimacy? In that sense, I'm thinking about the CIA's involvement in Chile in '72, where an elected regime was overthrown.

MCMAHON: The CIA, as I mentioned, is a willing servant of the head of state, the chief executive of the United States, the President. We're part of the National Security Council and we take our directives from them.

CIA does not get involved in the policy decision. We point out the options. We point out the possible consequences. But the decision of whether to go to Chile or not to go to Chile is not for CIA. We don't get involved in that discussion.

MAN: Hopefully, we all learn from our experiences. What are the lessons that our intelligence community learned from involvement in Vietnam?

MCMAHON: [Laughter] I could have gone all day without hearing that.

[Laughter]

MCMAHON: I'm not sure if we, as a nation, has learned anything. I have an opinion that if you go to war, go to war. Don't try to fight half a war. We fought half a war in Korea. We fought half a war in Vietnam. Our military was constrained as to what it was going to do. When the aircraft went in on the bombing runs, they were instructed by Washington what routes to fly, and they had only so many avenues to approach military targets. And as a result, those avenues were loaded with anti-aircraft, rockets, SAM systems, and what have you. And so we were fettered in our fighting.

And I think that the lesson comes from there is that, you know, if you fight a war. And the U.S. had formed such a part of the South Korean structure that when it withdrew, that structure collapsed.

I think history will only have the true visibility into Vietnam in years out. But one thing is true of Vietnam. It was scoffed at back in the '60s, the early '70s. But the domino theory proved factual. After Vietnam came Laos. After Laos came Cambodia. We even see the Vietnamese in Kampuchea today occasionally lobbing shells into Thailand. And if you really want to find believers of the domino theory, go to Southeast Asia and see what the Malaysians and the Indonesians feel about Vietnam.

MAN: ...Two fairly quick questions. One, an Army colonel in Grenada yesterday said that the only map they had of Grenada was a map put out by a tourist bureau. And I'm wondering why, without spy satellites and so forth, we didn't have a more accurate map to give our military.

Secondly, in the late '60s and early '70s, when the CIA was under attack, weakened by Congress and the media and public opinion, did the NSA and the DIA, were they able to take up the slack because the CIA had to back off?

MCMAHON: No, they were not. They have entirely different missions and they couldn't fill the void there.

And as far as our colonel with the tourist map, I really don't have an answer for that. I don't know why that's all he had. But maybe when he went down there he had other things in mind.

[Laughter and applause]

[Presentation of gift]