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4 October 1991

MEMORANDUM FOR: Deputy Director for Operations
Chief, Soviet/East European Division/DO

FROM: Joseph R. DeTrani
Director of Public Affairs

SUBJECT: Gerald Seib Interview with ADCI

1. On 3 October the ADCI had an on-the-record session with Gerald Seib of THE WALL STREET JOURNAL. Attached is an article based on that interview and PAO's rough-cut transcription of a portion of that interview.

2. Seib just returned from a trip to the Soviet Union with Secretary of State Baker, where he participated in some of the meetings with KGB Chief Batakin. He was present when Batakin said that the KGB was interested in working closely with the CIA on a number of transnational issues. Seib asked Dick for his views on cooperating with the KGB. The ADCI said that the CIA would be willing to talk and discuss those areas of common interest, i.e., narcotics, terrorism, and proliferation. The ADCI emphasized, however, that we would be reluctant to engage the KGB in any other areas of discussion, and we do not view them as equals. The ADCI stressed the fact that in moral and business terms the KGB is not the equal of the CIA. Therefore, the CIA is willing to look at this new KGB and see what they do to prove that, indeed, it is a new KGB.

3. Finally, Seib asked if the CIA would be willing to help the KGB draft codes to make them a legal, responsive organization. The ADCI said that the CIA is a very legal, responsive organization that operates within the rule of law. We would work with them on a selective basis trying to assist the KGB in those areas to make them a more legal, responsive organ of the government.

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Joe DeTrani

Attachments

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DCI/PAO/JDeTrani:gmc

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CIA's Acting Chief Says U.S. Is Ready To Cooperate With Soviet Spy Agency

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The acting head of the Central Intelligence Agency said the U.S. is ready to open an era of cooperation with the revamped Soviet intelligence service.

Richard Kerr, who is running the intelligence community while the Senate debates the nomination of Robert Gates as director of central intelligence, said the CIA is "quite willing to talk and discuss with the KGB those areas where we have a common interest, whether they are terrorism or narcotics or issues of [weapons] proliferation."

Mr. Kerr, in an interview, was responding to a Soviet government suggestion this week that the two intelligence services, Cold War foes for four decades, begin working together in some areas. The idea was offered by Yevgeny Primakov, who has just been named head of the independent intelligence agency the Kremlin is creating to take over intelligence functions long handled by the KGB.

Creation of the service apparently will change the Soviet system radically by separating intelligence activities from internal security work.

The CIA's willingness to begin working with the Soviet intelligence service in some areas represents a sharp change in attitude here as well. "I've been particularly reluctant—and I think the agency as a whole has been reluctant, to date at least—to engage the KGB in a direct and in an equal-to-equal discussion," Mr. Kerr said. "Quite simply, we didn't want to bring them up to our level."

But now, Mr. Kerr said, "we have a new KGB. And I think we have to be willing to look at this KGB with new eyes, just as we're looking at the Soviet Union."

In recent years, there has been some tentative U.S.-Soviet cooperation on such matters as battling narcotics and terrorism. But contacts have been conducted largely through the State Department, and haven't directly involved intelligence agencies.

Now, Mr. Kerr said, "we will clearly begin something that's more direct than it has been."

The move toward more cooperation began last month, when Secretary of State James Baker met with KGB Chairman Vadim Bakatin during a visit to Moscow. Mr. Bakatin had taken over the spy agency and begun cleaning out its ranks after the failed August coup by Communist hardliners, which was led in part by the KGB.

It isn't clear what relationship Mr. Bakatin and the traditional KGB bureaucracy will have with Mr. Primakov and the new Soviet intelligence service.

But U.S. officials said Mr. Bakatin indicated in his meetings with Mr. Baker that the KGB would like to get CIA help in drawing up legal guidelines governing the operations of an intelligence service in a democratic society.

Mr. Kerr said the CIA would "certainly" be willing to provide help in that area. "We have had more experience and are more directly involved in the issues of legality, and with issues of oversight and the role of an intelligence organization in democracy," he said.

But it's also clear there will be limits on CIA cooperation with the Soviet Union. Mr. Kerr said he isn't prepared to declare an end to the intelligence rivalry between the CIA and the KGB. "I don't believe we've reached that point," he said. The U.S. still will have to "wait and see where they are willing to cooperate" and whether the KGB is dropping some of its more unsavory activities, he added.

The Washington Post _____
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 USA Today _____
 The Chicago Tribune _____
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INTERVIEW OF THE ADCI

BY

GERALD SEIB

OF THE

WALL STREET JOURNAL

3 OCTOBER 1991

Q: I mostly wanted to talk about a piece that I am trying to do with our Moscow guy, looking at the CIA and the KGB and how they both address the ((word indistinct)). And now that history is over, they have to address a different world. And I want to talk about some philosophical things in that regard. But first I might ask you about your reaction to Primakov yesterday, which was a fairly interesting performance in which he tried to describe the way the Soviet Union, or what remains of the Soviet Union, tries to reorder its intelligence business and particularly the notion that he threw out, which you hear from others in Moscow that they see areas of cooperation like having to work with the CIA. Is that something that appeals to you? Do you have interest in that?

ADCI: Well certainly we have an interest in it, and I think we are quite willing to talk and discuss with the KGB those areas where we have a common interest and there are quite a few, whether they are issues of terrorism, narcotics, or issues of proliferation. Those are important issues and ones we would be willing to discuss with them. We have been reluctant, and I have been particularly reluctant, and I think the Agency as a whole has been reluctant to engage to date of these two, engage with the KGB in a direct, kind of a equal-to-equal discussion. And quite simply, we didn't want to bring them up to our level. I mean that in a very -- that's precisely what I mean. I didn't want to have this organization equated in moral or in business terms if you will to the KGB. But that doesn't preclude our engaging them, and we have a new KGB, and

I think we have to be willing to look at this KGB with new eyes, just as we are looking at the Soviet Union with new eyes. So I think there is no reason why we cannot engage, as we have engaged other intelligence services of countries that may not have the exact views or we may not agree, why we can't have some discussion on issues of common interest.

Q: There was sort of an ~~inquisitive~~ undercurrent in what Primakov said that the rivalry between the CIA and the KGB was over. Has it gotten to that point in your eyes?

ADCI: I don't believe we've reached that. I think it's far too early and premature to make that ((word indistinct)) rivalry, and besides we are not rivals in that sense. Our interests are ~~very~~ ^{VARIED--} it seems to me that our interests are so different. We have not engaged historically in the kinds of activities they have engaged in, whether it's fundamental disinformation or the more extreme operations that they have been involved in. And so I think the idea of saying this is all over, I think we have to wait and see where they are willing to cooperate, and more explicitly, precisely what they are willing to do in this area.

Q: Is there any of that starting yet? Has there been any?

ADCI: It has been. It is not totally new, and it is one of those things that has been ongoing from Baker's meeting and Strauss' meeting. Obviously, we are going to pick up on that -- have already picked up in terms of our own particular interests. We have had contacts more indirectly through State Department who have had discussions

with the Soviets on terrorism and narcotics. So these are areas where we have been -- while we haven't been up front, we have certainly been involved.

Q: But through the State Department more than directly?

ADCI: Certainly to date. Now we are starting a more directly -- you know we will clearly begin something more direct than it has been following the Baker meeting.

Q: You know one of the things -- as you know I was with Secretary Baker when he was in Moscow, and one of the things that his people said after their meeting with the KGB was that they particularly interested in getting some CIA technical assistance on legal questions and organizational questions; less of a world organization and more of a legal organization. Is that the sort of thing you expect will happen?

ADCI: Certainly. I mean we are ((word indistinct)), although in today's contact, today's environment it's a little hard to ((words indistinct)) to sound terribly credible. Let's face it, we have more experience and are more directly involved with the issues and legalities and with issues of oversight and with the role of an intelligence organization in a democracy. And we have had experience with that. We know a great deal about it. It's hard, I know, for people, to put this in context, but we have a very ethical organization and an organization which pays an extraordinary amount of attention and time to issues of legality, but also issues of contacts in a democracy. What is acceptable, not

just legal, but what makes sense. And we, obviously, have extraordinary experience with oversight, and we have been through oversights, and while we are not -- I can't say that I am enthused at all times about all aspects of oversight because I am not because it tends to be at times micromanagement rather than the larger, in my judgment, the larger issues that oversight should address, which really are the legalities and contacts and effectiveness of an intelligence organization. Is it doing its job, and is it doing in a way that is consistent with the law, and is it doing it reasonably efficiently, and I think that those are the things Congress has a very legitimate reason to be involved in. Those things we know a lot about, and I think we can help and we have, and we will continue to try to help people understand, give them advice, not directive, but advice based on people who have had experience with it. So we will continue to do that. I think that is not a bad role. It's rather interesting for CIA to be giving advice to others on oversight, but we have done that and will continue to do it.

Q: I am just wondering what your impression is overall about the way the Soviets seem to be attempting to reorganize or remake the KGB. Does it make sense to you what they are doing?

ADCI: I don't I know enough about it yet or I am not sure we know collectively about it to know whether that makes sense. It sounds as though what they are going to try and do though is break off the foreign intelligence element, which is essentially CIA, if you will,

and its activities. Those things are pointed outside the country from the domestic element. My own view of that is that it is an extraordinarily sound and good approach. I think that trying to mix foreign and domestic intelligence, if you will, crosses that line into police functions and into areas where an intelligence organization is going to get itself into enormous trouble. So I think splitting that in the Soviet Union is a very good idea. We have a good line between the FBI and the CIA. It's one that is well understood. We have little areas where we overlap or areas where we cooperate and some areas where there is some uncertainty, but those are very minor, and almost all of them are in the area of counterintelligence. And that's quite understandable why there would be problems there or issues there -- not necessarily problems. But there is no question about our role ((word indistinct)), and I think that is a neat division to have.

Q: And that is the overall division?

ADCI: Seem to be moving toward -- domestic. And then they also seem to be -- and I don't know enough about this, but it that maybe they are also moving away from having forces associated with the KGB. They seemed to have done that already, but I don't know to what degree there will be a break, but again I think having -- and these are real military border guards -- them associated with an intelligence organization I think has great potential for abuse.

Q: Let's talk a little bit about how the KGB and CIA in a broader sense are going to be operating in the 90's as you see it now.

There are all sorts of ideas out there. Moynihan wants to move intelligence to the State Department or one day he'll say that and one day he'll say something else, and Vince Cannistraro wants to eliminate the whole thing, and there are all sorts of possibilities floating around. What do you think the CIA ought to look like in the 1990's given what has happened over the last couple of years?

ADCI: Well let me start what I think it should look like and what it is going to look like, which are probably two different things. My own personal view, and I am not even sure there is an institutional view or certainly not agreement in the Executive, or has been formed on the Hill or hasn't been discussed as a focused item yet. There are a lot of ideas out there about what should be done. I think in an era of diminishing resources of a fundamental change in defense and the rationale and the threat and therefore the defense against the threat that intelligence has to be -- organizations are going to ^{be} smaller, as a Community, size will be reduced and I think it needs to be consolidated to a greater to much greater degree than it is now. That in some ways runs counter to another pressure which is the experience of DESERT STORM and DESERT SHIELD which says the military needs requires to the ends more and more intelligence and more control of intelligence when its forces are engaged or going to be engaged or about to be engaged. So we have two rather significant trends. One is, in my judgment, is a very broad requirement for the military to be able to provide intelligence support against a much less specific enemy and a much

less certain time frame with a lot more ambiguities surrounding the circumstances of when and how forces will be employed, and therefore, in many ways, a much more demanding requirement because uncertainty means you plan for the worse at the very time when again on the other side there is a clear pressure to diminish the resources committed, particularly those intelligence elements that support the military because if you can't take down units and regular Army, Navy, and Air Force units without taking down the support around them, that wouldn't make any sense. So we have I think two contradictory forces as you always in a situation like this forces it out. But from my perspective, the nature of the problems we are going to face argues for more centralization of intelligence activities because the problems we face I find are more complex, require a more complex array of collection, and then a much more sophisticated analytic act, and then required you to translate that into whether it's law enforcement or policy in a much more operational way than we had to do on a systematic basis before. And if I can give you an example of the kind of -- I think we are going to be involved in more activities that look like our counterterrorism activities where very fine details of information need to be pieced together, knitted together to get understanding, and it is really investigative intelligence which is not something that we have historically done as the principal business, but investigative reporting that's tied to our allies, tied to foreign liaison organizations that we are going to liaison with, tied to

other governments that involves diplomatic initiatives and demarches, and also ties in law enforcement on both US and foreign law enforcement in a way where you take the information and move against a particular target.

Q: What targets are you thinking about?

ADCI: Narcotics, I would say terrorism, counternarcotics, proliferation itself it kind of nearly the epitome of that particular problem because it involves illegal acquisition of small pieces of technology from a vast set of suppliers, and is a very complicated process to follow. But I would say those three certainly: terrorism, proliferation, and counternarcotics are three that would certainly kind of epitomize that. I think we are going to find other areas whether it's technology transfer, although I think that's of a lesser kind of problem unless it relates to proliferation or relates to weapons. But those are going to occupy a lot of time and attention and require, and I go back to the first point -- I think that organizations that have inherent in them all aspects of the business whether it's collection analysis and operations in an integrated way, otherwise I don't think you could tie these things together ((word indistinct)).

Q: Let me ask you about another area that is like the ones you have been talking about, but is more intriguing to me in a lot of ways and maybe more sensitive in some ways. Everybody assumes or conventional wisdom that the 90's is an area where the local competition is not going military, it's going to be economic and an