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SUBJECT CIA DIRECTOR DEUTCH

BROADCAST EXCERPT

DIANE REHM (ANCHOR): I'm Diane Rehm. An independent presidential panel reported last week that the CIA had no involvement in murders of an American innkeeper living in Guatemala and a Guatemalan rebel leader who is married to an American lawyer. But an internal investigation suggests that doubts persist. The credibility of the CIA was substantially undermined last year, following the Aldrich Ames spy scandal.

John Deutch, who became Director of the Agency last May, joins me in the studio to talk about the CIA, its mission, and his efforts to reform its culture and priorities in the post-Cold War era.

We will take your calls during this half hour. Join us on 800-433-8850 or 202-885-8850.

Mr. Deutch, thanks for joining us.

JOHN DEUTCH (DIRECTOR, CIA): Good morning, Diane.

REHM: I'm glad to see you again, and I know that right now the administration is particularly concerned about its policy in Bosnia and what is happening there in Bosnia. What can you tell us?

DEUTCH: Well, I think that all Americans--certainly President Clinton, is interested in seeing that there is no loss of life, no further destruction, no further ethnic cleansing in Bosnia.

We are working with our closest allies, with members of Congress to put in place a policy that will end this long-enduring conflict which seems to be one of the great challenges of this period. Everybody's working hard to get some degree of peace in Bosnia, stop the loss of life.

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REHM: Do you, are you optimistic that that can happen any time soon, Mr. Deutch?

DEUTCH: Well, optimistic would be putting it too strongly. What I do think is, is that it's important that the President gets the support from Congress to take the diplomatic initiatives to reach out as much as possible for a diplomatic solution here. I'm very pleased with the support the intelligence community has given the President and the other top leadership of the country to assure that we have timely, accurate information about what's happening in Bosnia.

The policy choices here are difficult. President Clinton, Secretary Christopher, Secretary Perry are working hard with our allies to find a solution that will bring an end to this catastrophe.

REHM: All right. Be interested in hearing you talk about the CIA's internal investigation into the murder of Jennifer Harbury's (sp?) husband. She's the American lawyer. He was a Guatemalan guerrilla leader. Can you talk about that?

DEUTCH: Yes. I can, Diane. The Inspector-General just released a very comprehensive report, over 700 pages, going into every aspect of the CIA's involvement in Guatemala in the early 90s with respect to the murders of Divine and Bamaca (sp?).

REHM: Diane was the American...

DEUTCH: That's correct. That's correct. And the important point is that the report gave a clean bill of health to improper conduct by CIA officers or Army officers or members of the National Security Agency in their behavior in these actual incidents themselves.

The original allegations were that there had been improper behavior by CIA officers in Guatemala. No one believes that that's true any longer.

The Inspector-General's report also accurately points out some very serious shortcomings with respect to how the CIA conducted its business in Guatemala during that period of time and, in particular, their shortfall in keeping Congress fully and currently informed.

I've made it very clear that under my Directorship at the Central Intelligence Agency, we are absolutely committed to keeping Congress fully and currently informed. And the issue now is: what do we do about incidents which come up of past era in this regard?

Members of Congress are especially concerned and differ with the Inspector-General on whether it was an omission just of--

because they weren't doing their job right, or whether they intended not to keep Congress fully and currently informed.

If I found out that any member of the agency today or in the past willfully kept information from Congress, I will terminate their employment.

So, right now we're at a stage where I am intent, working with members of the House and the Senate, oversight committees, Congressman Combest(sp?), Senator Specter, to assure that we come to a resolution about: Were there any members of the agency that willfully kept the information from Congress? Which I consider unacceptable behavior. And have made that clear.

REHM: Going back to Jennifer Harbury. I gather, she has announced she's filing suit against the CIA for failing to provide her with information about her husband's death. Can you comment on that?

DEUTCH: Well, it's difficult to comment when somebody is in litigation against your agency. And I must say, I've not yet seen yet the characteristics of the litigation. But let me say that we are making every effort, a quite unusual effort to declassify and make available to her all of the records that we possibly can.

I have a tremendous sympathy for her. She lost her husband. We think it's very important to try and get to the bottom of the, this, these facts. I'm committed to doing so. And we are going to try and make as much information available to her as we can, given the requirement that we have to protect our sources and our, and our methods of collection.

REHM: CIA Director John Deutch is with me. And we do invite your calls. 800-433-8850. Here in the Washington area call us on 202-885-8850.

Talk about the internal worldwide review of CIA agents that's now underway. What do you hope that that review is going to accomplish and, indeed, clarify?

DEUTCH: Well, I think that all Americans would understand that if you are in the clandestine intelligence business, and you are dealing with agents that the country's recruiting to get information, let's say, on terrorist activities in one extremist Islamic group or another, that you are not dealing with the best characters in the world.

So, it is terribly important that in that process of recruitment, two features take place.

The first is, is that our officers who are doing the recruiting understand what is acceptable and what isn't acceptable.

There may be borderline judgments when you come across an especially bad character, but a person who can give you very valuable and unique information. That judgment has to be made on a case-by-case basis.

Secondly, the agents that we do recruit must know that if they are going to be in our service, even clandestinely, that there is certain kind of behavior that we will not tolerate. For example, murdering Americans.

Prospective agents are recruited against a set of criteria for what conduct is acceptable relative to what they can do for this country by providing unique information. And secondly, that we assure that the agents know that if they are working for the United States government, even in a clandestine capacity, that there's certain kind of behavior that we will not tolerate.

REHM: Does that mean that you anticipate any specific actions to be taken as a result of CIA's activities in Guatemala?

DEUTCH: Well, we have already completed a complete review, because of the tremendous interest and concern about the events of the early 90s, so that that process has taken place with respect to activities in Guatemala.

I was very pleased to see that Guatemalan governmental officials pointed out that there is a completely open and legitimate relationship between CIA employees in Guatemala, a State Department ambassador, who are supporting that government's efforts on moving towards democratization and supporting counter-drug efforts which we have great interest in throughout the Central American/South American region.

So, there is a way to address important intelligence questions in today's world in a responsible and accountable manner, and that's where we're going to move.

REHM: Today's world is also what everyone continues to refer to as the post-Cold War world. How does the end of the Cold War in your mind change the agency's goals, its mission, its operation?

DEUTCH: Well, there's no question that the range of intelligence issues that we have to confront now and the priority we place on them are entirely different. For example, we are very much committed to improving our support to law enforcement, to those efforts which deal on international crime, international terrorism, drug trafficking, international drug trafficking.

There's one example of where we are reorienting our entire intelligence community to better serve our customer, namely Attorney-General Reno and others in the law-enforcement community. We have the prospects now at the end of the Cold War to really make

intelligence help our military war fighters. Whether they're going to be called into action, as they were in Desert Storm, whether they will be called into action perhaps in Bosnia or even in the very important peace-keeping operations like Rwanda and Haiti, we are making sure that all of the technical competence of our intelligence community, the technical correction goes to make those military commanders as informed as possible about the circumstance in which they find themselves.

REHM: What about the issue of industrial espionage, which has come up again and again, with regard to perhaps a new mission for the CIA?

DEUTCH: We do not do industrial espionage. It's not been a policy of this country, either in this administration or in the prior administration. There are places where economic intelligence makes sense. But it is not to provide commercial advantage to specific individual firms or industries. That's their job to do in open competition with others in the international marketplace.

It is important that we keep the President and the other leaders of our economic management team, Secretary of Commerce Brown, Mickey Kantor, our trade representative, Bob Rubin, the Secretary of the Treasury, keep them informed where we can to augment public information about important international developments and economic matters which bear on our national economic interests.

That's a long way from industrial espionage. We do not carry out industrial espionage.

REHM: Mr. Deutch, I think you're well aware that a great segment of the American people has always had some problems with the CIA, has always felt that an agency operating at that level in clandestine activities was itself to be suspect. And now, in the aftermath of the Aldrich Ames episode, perhaps that kind of suspicion, that kind of attitude toward the agency has been solidified. How do you as the agency's Director counter that attitude on the part of the American public, that perhaps doesn't like the CIA, to begin with, and now sees it as a bumbling agency?

DEUTCH: Diane, when President Clinton, President and Mrs. Clinton came out to the agency two weeks ago, President Clinton gave a very good address about the role of intelligence in American democracy. But one point that he made, and one which I thoroughly agree with is that the American people do support intelligence, they do support the Central Intelligence and their people in what they are trying to do.

I don't think there's a doubt at all about that support in Congress, or with the American people. But what the American

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people insist upon--and correctly so--is that that intelligence operation is carried out responsibly and carried out properly.

And what we saw in the Aldrich Ames case is not shock at the American people that the Russians were able to, by paying millions of dollars to one individual, to find a rotten apple in our barrel, but the length of time that it took the agency to monitor its own conduct of its employees and finally find this person.

So, the way I would put it is that the American people do--and historically have, all the way back to the time of George Washington support intelligence. But what they want to be sure of is that it's done in a responsible way and that it's carried out effectively. And that's what I'm committed to do at the Central Intelligence Agency and everywhere in the intelligence community.

REHM: CIA Director John Deutch.

And let's open the phones. 800-433-8850. If you're calling from around the country. Here in the Washington area, 202-885-8850.

Kathy in D.C., you're on the air.

KATHY IN D.C. (CALLER): Thank you, Diane. My question is this: There are so many of us, as you just mentioned, who have been sick at heart with the history of the CIA in destabilization and overthrowing governments, especially in Latin America. And we have followed Guatemala, Chile, the Contras in Nicaragua. Now we have revelations in the Baltimore Sun, a series of articles about CIA in Honduras. This is beyond intelligence. And I'm just wondering if Mr. Deutch could answer: What would the American public lose if the...activities of the Division of Operations were just abolished?

DEUTCH: I think that you're correct to point out that there has been a lot of debate about the role of covert action, especially in the mid 80s and earlier in Latin America, in Central America. Today, it is significantly less than it was and(?) in that region, except for the counter-drug effort which we do in close collaboration with the countries down there who share our efforts to remove the--or reduce the supply of drugs into the United States.

I would say that the old reasons for covert action in Central or Latin America, that is to destabilize or to stabilize governments, are behind us. We have a new set of questions there, fundamentally to counter narcotics and counter terrorism. But generally speaking, it's an entirely different agenda, and it's carried out with governments, not entirely alone.

REHM: All right. Kathy, thanks for your call.

Let's go to LePlate(?) in Maryland. Stan, you're on the air.

STAN (CALLER): Thank you, Diane. I would like to have Mr. Deutch's opinion regarding the recent article that appeared in the Post, with respect to the Army sergeant who was a member of the military and paved the way in getting information from Noriega, having dinner with him at least on one occasion and provided, therefore, information to various federal agencies prior to the invasion of Panama, which apparently was a foundation for their invasion. Why wasn't the CIA more closely involved in that kind of activity? Why did they have to rely on a member of the military to do that?

DEUTCH: Stan, I'm not familiar with the particular case that you mention. I haven't read the Washington Post article. But I will say, as--since I've come as--from the Department of Defense as Deputy Secretary, I've been absolutely insistent that especially in our human operations, we run an integrated and under--completely transparent relationship between what we do and what the military intelligence does. I have gone over(?) Admiral Betty Blair to review all those relationships to assure that there's full understanding.

The military do like when they're about to undertake a military operation to have some of their own professionals involved. And we are committed to working with them and assuring that we know exactly what the right hand and the left hand are doing at all times.

REHM: Thanks for calling, Stan.

Is the relationship with the military, as you see it now, a new or changing relationship? Is the CIA moving toward greater support, perhaps, with Bosnia as an example of trying to provide intelligence information to the military?

DEUTCH: The answer is yes. Both for short-term and longer-term reasons. The relationships between the intelligence community and the Defense Department are especially close now, because I come as a deputy to Bill Perry, and Bill Perry and I are not only close friends but are of like mind on what needs to be done.

And there's a tremendously strong relationship between both of us and John Shalikashvili, the Chairman of the Joint Chiefs of Staff.

But underneath that is a much more important and longer term opportunity, and that is, all of our military commanders, if they have more timely intelligence, if they know what an enemy is doing, both in disposition of forces and where targets are, before the enemy knows where we are, we can carry our military objectives much more rapidly, with much less loss of life.

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That dominant battlefield awareness is going to be the core of our military power in the future, and it is going to require that military commanders have access to the most technically-advanced and accurate and timely intelligence.

So, we have to work to assure that the intelligence community, because of the technological advances that have happened, to assure that joint military commanders have accurate and timely information, and that's the basis of our military strength in the future.

REHM: Does that mean beefing up a certain sector of the CIA to do that kind of intelligence?

DEUTCH: It's not only the CIA that is involved here. It's the National Security Agency. It's the Defense Intelligence Agency. It's all parts of the intelligence community have to focus on the exploitation of the information that is collected and its distribution to the user, the end user, which is our military commander, whether that commander is in Rwanda, whether that commander is in Iraq, whether that commander is in Haiti, or whether that commander is off of Bosnia.

REHM: We were talking about the CIA's relationship to the international intelligence community. What about the relationship with the FBI in the United States?

DEUTCH: Well, you strike me on a particularly good day in that regard. I have been absolutely thrilled with the personal and professional relationship that has developed between Louis Freeh and myself. I've the greatest admiration for him and his team. I think that Louis Freeh is doing an outstanding job. And we are cooperating in a way that's never been true before on matters such as counter-narcotics, terrorism, counter-intelligence. I think we're on the road here to really working effectively together, and I'm very pleased with it.

REHM: Now, again, does that raise some red flags for some Americans who--by your own mission, you're an international intelligence-gathering and intelligence-operating agency. But doesn't the relationship with the FBI suggest something slightly different?

DEUTCH: Of course it does, and we are talking here about threats that are coming to the United States from abroad. That is where we are cooperating. We are not active in the United States, have no intention of being. The threats of when you have a New York Trade Center bombing, you have a New York Trade Center bombing, those come to the United States from overseas, and we have to cooperate with law-enforcement agencies like the FBI to combat those threats.

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REHM: CIA Director John Deutch. You're listening to the Diane Rehm Show.

And we'll go back to the phones now. 800-433-8850.

In D.C., Cliff, you're on the air.

CLIFF (CALLER): Good morning, Diane.

REHM: Hi.

CLIFF (CALLER): Great show.

REHM: Thanks.

CLIFF: Mr. Deutch, I just--could you clarify your statement about agency officer mistakes? You were pretty adamant in saying that if there's been any withholding of information from Congress, that this would really be immediate grounds for firing. What other circumstances might cause you to really sock an officer for something that he's done wrong, or she's done wrong?

DEUTCH: Well, I think the remark I made was: willfully withholding information. (OVERLAPPING VOICES) ...important point. There are many others. I think committing crimes against Americans, against American interests would be another example of where we would absolutely not tolerate misbehavior by any of our officers in the field. That would be one particular example.

REHM: All right, Cliff. Thanks for your call.

And let's go to Julie. You're on the air.

JULIE (CALLER): Hi. I have a question about the United States (GARBLED) history of using (GARBLED) extraterritorial arrest, which is going into other countries, specifically in instances of drug trafficking and terrorism, and taking the offenders back to the United States to be dealt with. I was wondering if the CIA had a role in this. And if so, will this policy continue?

DEUTCH: The answer is, is that the CIA sometimes facilitates our law-enforcement officials from (SIC) obtaining criminals abroad and bringing them back to the United States, and I would expect that with suitable oversight, that that role will continue.

JULIE (CALLER): What does this say about, now that terrorism has been a problem in the United States, what does this say about how it will be dealt with here? If we're willing to go to other countries and take people? Will the civil liberties and rights of the people so in America be used in a bad way?

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DEUTCH: I wouldn't think so. I believe that when these individuals return to the U.S. justice, they are covered by all the protections of the U.S. judicial system. The issue is: Can you get a terrorist who was involved in a bombing back--let's say, in New York--back to the United States for trial for that person's alleged participation in the terrorist activity?

REHM: You bring me to a question about the leader of Hamas, who has been cited in New York and, in fact, the Palestinian group that supports this leader is saying that if he is, in fact, extradited to Israel, as the Israelis have requested, that they, Hamas, will wreak a fair amount of damage on to the United States. To what extent does the, the U.S. CIA play a role in both the identification of and concern about threats against American citizens as a result of that?

DEUTCH: Well, overseas, of course, we're very concerned with threats against American citizens. And we play a great role in identifying individuals who are threatened. It is not a decision of the CIA, but, rather, the decision of our law enforcement bodies about whether a specific individual would be extradited or not.

REHM: At the same time, Mr. Deutch, I think, increasingly Americans are worried about the threat of terrorism in this country. Are you saying that the CIA's role stops at the identification at the border of someone coming in and threatening this kind of action against the U.S.?

DEUTCH: What we're trying to do, Diane, is to collect information from groups or individuals who threaten American citizens or American interests. We are not responsible, and we have no intention of becoming responsible for bringing those people to justice. It is our job to let law enforcement community know where those people who have committed crimes or who have--intending to commit crimes are coming into this country and working against our people and our society.

REHM: And you feel that the CIA can really perform a very important role there in terms of allaying people's fears in this country?

DEUTCH: I don't think there's any question about it. And it's more than just in this country. Our efforts to understand the behavior of international terrorist organizations have proved fruitful in a--in collaboration with a number of our other--of our allies in our other countries who are, indeed, facing the same kinds of threats in their countries, whether it's Paris, or Rome, or Bonn.

REHM: CIA Director John Deutch, I want to thank you so much for joining us. Come back again.

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DEUTCH: Thank you, Diane.

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