

LETTERS to the editor

There are only two additions and one comment I can usefully add to Jim McCullough's vivid, evenhanded description of the events that overwhelmed CIA's seventh floor during November and December 1986 ("Personal Reflections on Bill Casey's Last Month at CIA," by James McCullough; *Studies in Intelligence*, summer 1995). I do want to record, however, that with customary modesty McCullough fails to note his own steady influence as a voice of reason and common sense during those troubled months.

The first addition concerns the atmosphere on the seventh floor during the last 10 days of November 1986. As McCullough relates, 19-21 November was occupied with preparing Casey's first Congressional testimony scheduled for 21 November. The meeting to discuss the testimony held late on the afternoon of 20 November was characteristic of the confusion that gripped the seventh floor during that period. Although all the seats were taken around Casey's ample conference table, no one present was able—or perhaps willing—to fit together all elements of the Iran-Contra puzzle.

In fact, the atmosphere at the meeting was surreal: many of the participants seemingly were more interested in protecting themselves than in assisting Casey, who was visibly exhausted and at times incoherent. It was clear to McCullough and me that the next morning we would be accompanying a badly confused Director to Congress. We both felt that we had let the

boss down, that he was headed for trouble, and that we had not done enough to prepare him.

The second addition concerns Casey's condition when, on 10 December, McCullough and I again accompanied him to Congress, on this occasion to the cavernous hearing room of the House International Relations Committee. It was at this hearing, described in McCullough's article, that I first began to realize that Casey was ill, perhaps very ill. Something was clearly wrong with his motor control, to the extent that he lurched from side to side in his chair, while we took turns trying to keep the microphone within range of what by then was a barely audible mumble.

When late in the hearing Casey asked for a break, it took four of us—two security officers, McCullough, and myself—to steer him, stumbling repeatedly, up the risers to the back of the hearing room, down a flight of steps, and along a narrow corridor to his destination. The return trip was equally perilous. Not long afterward, Chairman Dante Fascell, recognizing that his witness was in no condition to continue, adjourned the hearing.

The hearing was, as McCullough writes, "another dismal performance." It was also the beginning of a tragedy, a larger-than-life man destroyed by a small rumor, just at the time when he needed all his powers to defend himself from questionable charges that he was the mastermind behind the Reagan administration's worst foreign policy disaster. After his

death—after the opportunity for rebuttal that died with him—the charges grew in scope and detail, their creators safe from Casey's reach.

Next, I would like to comment on the role of excessive secrecy in first creating and then deepening public suspicion of CIA involvement in the Iran-Contra affair, an ill-advised effort that was devised, managed, and bungled by the staff of the National Security Council with support around the margins from CIA, NSA, and the Pentagon.

The essence of secrecy is compartmentation. Applied horizontally across CIA's organizational structure, compartmentation helps keep the secrets, a necessary goal in any intelligence agency. But in the Iran-Contra affair, compartmentation was also applied vertically inside CIA's chain of command. Thus, McCullough's remark that, in October 1986, he "became aware for the first time of the general outline of the NSC Staff's management of and CIA's support for the administration's efforts to trade arms for hostages."

McCullough was not alone. Many of the officers working directly for Bill Casey knew little or nothing of these events until long after they had occurred. Casey's General Counsel was unaware until after the event of the November 1985 use of a CIA proprietary aircraft to ferry missiles to Iran. The officers charged with meeting the press and with representing CIA to Congress (myself) were operating in near total ignorance until

Clair George briefed Congressional staffers on 18 November 1986.

Further, vertical compartmentation impeded and, in some cases, defeated efforts not only to put all the facts on the table in preparation for the Congressional hearings McCullough describes, but also to provide documents, first to Congress and later to the Independent Counsel as he pursued his investigation. McCullough writes that knowledge of CIA's role was "scattered around the DO." The description is too kind. In fact, it required months to pull the scattered pieces together into an accurate account and years to provide complete documentary evidence to investigating authorities.

I recall vividly the frustration felt by members of the Executive Director's Iran-Contra review committee, as we were told with numbing regularity that excessive compartmentation made it nearly impossible to reconstruct events and locate relevant documents. In the end, these failings led much of the public to an inaccurate, but understandable, conclusion. CIA was deeply involved in the affair, and Bill Casey was its mastermind.

What lessons does the Iran-Contra affair teach? First, vertical compartmentation is a sure prescription for trouble whenever officers are called to account for actions about which they have incomplete knowledge. In the Iran-Contra affair, probably only one officer positioned three levels down from the Director's office had complete or nearly complete knowledge. Casey's loose management style and his contempt for the chain of command were partly to blame for permitting this to happen. Misleading

testimony to Congress and inaccurate briefings of the press were among the consequences.

Second, prudent management of a high-risk operation, especially one in which another government organization is calling the shots, is impossible without making accurate information available to a circle wide enough to permit debate of different courses of action. In the Iran-Contra affair, vigorous debate on the seventh floor might have mitigated the most damaging mistakes, such as mishandling Presidential Findings.

Third, vertical compartmentation must not be a shield to conceal poor judgment or provide protection from accountability, as was the case in two Central American stations, where violations of Congressional prohibitions against supplying the Contras continued without knowledge of officers at higher levels in the chain of command. Although I now look at CIA from the outside rather than from the inside and thus often lack relevant information, my impressions of some of CIA's recent troubles is that many of the lessons of the Iran-Contra affair have not been learned.

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This communication to the Editor is meant to stimulate a discussion in the pages of *Studies in Intelligence* on the role of CIA in the production of military intelligence. This is not a trivial issue. It is not simply a matter of turf, budgets, and prerogatives within the Intelligence Community. Much more is at stake, and the issue deserves thoughtful consideration by those who are now shaping the US intelligence system. I know that many within the Intelligence Community have pertinent experience and informed opinion to bring to bear on a discussion of this topic. I hope that the thoughts I offer below will encourage them to do so.

On 10 December 1994, *The Washington Post* reported that former DCI Robert Gates had fashioned a proposal to shift to the Department of Defense “all of CIA’s current responsibilities for analysis of foreign weapons and military force levels.” At the time, I reacted with a letter which was published by the *Post* on 21 December 1994 and is reproduced in part here:

Bob Gates’s proposals for improving CIA, as quoted in the 10 December story by Walter Pincus, are living proof of the notion that even a very bright guy can generate some really dumb ideas. I cannot think of a more costly or dangerous change to the US intelligence system than eliminating CIA’s role in the analysis of foreign military programs and activities.

I am convinced—having spent more than 30 years closely observing the dynamics of CIA’s relationship with the military in

producing foreign military assessments—that the Agency’s participation in the process has saved the US taxpayer many billions of dollars, contributed significantly to maintaining reasonable stability in the world balance of nuclear forces, and made nuclear arms control agreements possible.

The point is not that CIA analysts are universally smarter or better than the analysts of the military services and the Defense Intelligence Agency. Clearly, neither group has a monopoly on analytic skills. The point is rather that military intelligence analysis conducted by military organizations is inevitably driven by the fundamental imperative of the military commanders whom they serve. This imperative is to ensure the US capability to achieve victory in the event of a military conflict.

This creates a tremendous incentive throughout the DoD establishment to maximize (“worst case”) the military threat of potential adversaries in order to justify sufficient superiority to ensure victory. But it is a clear case when more than enough to do the job is not necessarily better. Indeed, at the national policy level the DoD approach to military intelligence analysis left unchecked by the competitive civilian analysis of CIA—as proposed by Mr. Gates—inherits economic and perhaps even military disaster.

The 40-year history of the Cold War is replete with examples of

overstatement of the threat by DoD intelligence organizations... Had the US reacted fully to these... overstated threats, the fragile stability of the East-West military balance could have been upset, and the Cold War could have ceased to remain cold. At a minimum, US defense spending would have been substantially larger than it was.

Subsequently, Mr. Gates presented his proposal directly in a *Washington Post* op-ed piece on 30 January 1995, and I was pleased to see that he agreed with my view on the built-in tendency of the military to overstate foreign military threats. As Mr. Gates succinctly put it, “...having the military as the sole judge of the threats it faces ensures exaggeration.” I was baffled, therefore, by his seemingly illogical conclusion and recommendation that CIA should, for all intents and purposes, get out of military intelligence analysis.

Although he concedes that it might be a good idea for CIA to maintain some analytic capability for weapons of mass destruction programs, this is an essentially empty concession. Military intelligence analysis is like preg-

* This letter to the *Post* provoked a response from the former Director of DIA, Lt. Gen. (Ret.) Daniel Graham, who said that I had demeaned DoD military intelligence analysts by calling them dishonest. In fact, I did no such thing, and it demonstrates that Graham missed the central point of my letter, which is that the propensity to overstate by DoD analysts derives primarily from how excessively prudent (not dishonest) military people are likely to be in assessing the strength of potential adversaries than it has to do with dishonesty.

nancy—it's impossible to be a little bit involved. The only way an intelligence organization can participate effectively and credibly in the national security deliberative processes is for it to demonstrate persuasively a command of the complex details that comprise foreign military programs. Under the Gates plan, CIA would lose the ability to develop the necessary in-depth understanding of foreign military programs and activities. Maintaining a cadre of CIA analysts who would be required to make policy-relevant intelligence judgments on weapons of mass destruction issues without the benefit of an independent base of pertinent data such as order-of-battle and weapons capabilities information—as proposed by Mr. Gates—is simply unworkable.

Mr. Gates's focus on foreign programs relating to weapons of mass destruction is understandable, but accurate assessments of conventional force capabilities and programs around the world are also vitally important to US national security interests and, in many respects, of more immediate concern. The Gates proposal would assign sole responsibility for assessments of foreign conventional forces to the DoD. Bosnia, Haiti, Somalia, and the Persian Gulf provide excellent examples of the kinds of national security issues that are likely to continue to confront our policymakers in the years immediately ahead. The quality of US assessments of foreign conventional forces will play an important role in determining how successful the United States is in dealing with these kinds of problems, and in establishing the minimum resource commitment required to deal with them. It is

worth noting in this connection that US conventional forces account for by far the lion's share of the US defense budget.

How the US Government decides to go about assessing the foreign military threats that it confronts is of paramount importance. The future US defense posture and the size of the defense budget will be driven to a substantial degree by intelligence assessments of foreign military threats to our national security interests—hundreds of billions of dollars are involved. Early in the Cold War, the principle of civilian (CIA) involvement in intelligence analysis of foreign military programs was established, and it developed into a complementary and competitive analytic process that overall served the US Government and the US taxpayer exceedingly well. To grant an analytic monopoly to the military at this juncture would deprive the national security policy process of balanced assessments of foreign military threats and would be penny-wise and pound-foolish in the extreme.

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