

Round Table on »Intelligence and National Security at the Beginning of the 21st Century«

Dubrovnik, Croatia, October 27–28, 2000.

Main Topics of the Round Table

I Intelligence estimates of the changes in Europe at the end of the 20th Century

Estimates of the changes in the late '80s and '90s in the former socialist countries, the fall of the Berlin Wall, unification of Germany, disintegration of former Yugoslavia, Czechoslovakia, USSR; dissolution of the Warsaw Pact; enlargement of NATO and PFP, etc.

II The role of Intelligence in conflict resolution (crises and wars in Southeast Europe)

The role of national Intelligence estimates; national strategies and international agreements; the relationship between Intelligence and policy-makers; bilateral cooperation of Intelligence services; Intelligence support to international community and international forces (UNPROFOR, UNCRO, IFOR, SFOR, KFOR, etc.

III Subjects and methods of Intelligence agencies at the beginning of the 21st century: possibilities and limits

National vs. non-national Intelligence collection; covert vs. overt collection of information; bilateral and multilateral cooperation; Intelligence for international, national and private organizations; etc.

IV Ethics and legal norms for Intelligence and national security

Intelligence and policy makers; Intelligence and the public; ethics in special operations, and misinformation; Intelligence and responsibility; national security and human rights, etc.

Participants:

Dr. Wilhelm Agrell, Lund University, Sweden
General Todor Boyadjiev, Bulgarian Euro Atlantic Intelligence Forum, Bulgaria, Sofia
Prof. dr. Krešimir Čosić, Director of the Institute for Defense Studies, Croatia, Zagreb
Prof. dr. Stevan Dedić, Integrated Intelligence Consultant, Croatia, Dubrovnik
Dusko Doder, former Washington Post correspondent in Belgrade and Moscow, USA
Admiral Davor Domazet, Ministry of Defense, Croatia
Ambassador Victor Jackovich, Associate Director, George C. Marshall European Center For Security Studies, Garmisch-Partenkirchen, Germany
Richard Kerr, Consultant, USA
Admiral Pierre Lacoste, France, Paris
Jan Leijonhielm, Head of Bureau, Defense Research Agency, Sweden
Lt-Gen. N. Leonov, The Russian National Economy Security Service, Russian Federation, Moscow
Lt-Gen. Leonid Shebarshin, President of The Russian National Economy Security Service, Russian Federation, Moscow
Douglas Smith, Consultant, USA
Richard Stolz, Consultant, USA
Prof. dr. Miroslav Tuđman, University of Zagreb, Croatia
Gen. Markus Wolf, Germany

Introduction:

Tuđman: Allow me once again to welcome you to this Round Table, *Intelligence and National Security at the beginning of the 21st Century*. I believe we all know each other, so there is no need for formal introductions. I am pleased that we are gathered here together and that we are going to discuss these topics during the next two days. In preparation for this meeting, you have received suggestions

for the topics to be discussed. I will briefly repeat them: First, ***Intelligence estimates of the changes in Europe in the last decades of the 20th Century***. The second one is ***the role of Intelligence in conflict resolution***. The third is subjects and methods of Intelligence agencies at the beginning of 21st century: possibilities and limits, and the fourth ethics and legal norms for Intelligence and national security. If you agree with these topics, we can discuss them today and tomorrow. May I first propose moderators to preside over our sessions. We would like the moderators for the first session on Intelligence estimates to be Mr. Shebarshin and Mr. Stolz. For the second session, Mr. Jackovich and Admiral Lacoste. For the third, Mr. Agrell and Mr. Kerr, and for the fourth, Ethics and legal norms, Mr. Boyadjiev and Mr. Wolf. The role of the moderator is to stimulate participants into a lively debate and discussion. Some participants have already given me their contribution in written form, so there will be no need to repeat all the arguments presented therein. Discussions will be recorded, and after authorization will be published in the following issue of our journal.

Thank you very much. We have here a group of very distinguished people, very knowledgeable and experienced, and I am sure we shall have a constructive meeting.

First session:

Intelligence estimates of the changes in Europe at the end of the 20th Century

Estimates of the changes in the late '80s and '90s in the former socialist countries; the fall of the Berlin Wall; unification of Germany; disintegration of former Yugoslavia, Czechoslovakia, USSR; dissolution of the Warsaw Pact; enlargement of NATO and PfP; etc.

Moderators: Richard Stolz, General Leonid Shebarshin

Stolz: I am Dick Stolz and Miro has asked the general and me to moderate this first session. General Shebarshin has a voice problem and I said I would do the honors and accept, and that if I said something particularly stupid, he would intervene, and he promised to do that as well. I would like to make the comment here that we will be talking about Intelligence estimates. We have a distinguished journalist here who has his own views. You'll notice the topics do not include some very important things. What the Intelligence agency thinks will happen, what actually did happen, and what will happen do not necessarily coincide. Some people think that they never coincide. I don't take that dim a view myself, but there is a point to be made in that it should be a part of the discussion today. I'm speaking for myself, I hasten to add, when I say that I think we did more or less call the collapse of the former Soviet Union. The timing may have been off a little, but no one knew that in 1989. The issue now is how do we manage, and what has happened as a result of that collapse. That's the word I use. Others may have a different word. Markus Wolf can speak, of course, as well as anyone and better than most, as to what has happened in former East Germany. My reading tells me that it is not a very happy picture...the reunification is, to put it mildly, not complete economically, socially, or politically. I think that we really need to talk a little bit about the events of former Yugoslavia, and currently, as of today, whether we think Macedonia is a viable country. Is Bosnia and Herzegovina a viable country? What will really happen in Kosovo? Does anyone seriously think that Kosovo can be an independent State? I personally do not. What is NATO's role or lack thereof? I think NATO and the Intelligence Agencies may well have been looking for a new life. What do we do now? But my opinion is that NATO is floundering. So there we are. What role will private entrepreneur, governmental organizations play in the future? I hope a larger and larger role, but who knows. So who would like to start off first? Or do I have to pick somebody? I will pick Mr. Doder.

Doder: Looking at the work of Intelligence from the outside, let me say that I've covered Intelligence for years for the Washington Post in Washington, and it was going OK when Mr. Casey was director. It is interesting to look back and see how the American Central Intelligence Agency performed in terms of assessment of Russia, and how the Reagan administration, Director Casey in particular, tailored the Intelligence to whatever his personal needs were, or the needs of a particular group. I was in the Soviet Union from '81. to '85, and of course it was quite clear to me that a serious disintegration

of the country was taking place. When you have three leaders die in rapid succession, then this disintegration is more rapid. There was practically no contact between the two governments. You remember that the deployment of missiles in Western Europe was traumatic for the Russians. I think they were paranoid, but you know, as Henry Kissinger used to say, "the fact that I'm paranoid doesn't mean I don't have real enemies". The West was really paranoid about what was going on in Eastern Europe, and I thought that in 1983, they were very close to war and real confrontation. I thought that the Administration at that point also realized that things were getting out of hand, and that they kind of backed off a bit. And of course then Chernenko went back to introducing the old style government and so forth. The point is that all these assessments were available to everybody and now I realize that - at the time I didn't know, but I know now - that people in the Agency had views very close to mine. In fact, I was better informed on many issues. You know the key question is one of national estimates. It sounds like it drives everything, because it drives your military procurement, it drives the budget, it taxes the resources, everything. The Reagan administration committed to pushing the rearmament program. So the Agency, the analysts in the Agency, provided them with assessments. Let me read to you what the head of the Soviet and Analytical Division in the Agency testified to ten years later. He was the director from '84 to '89, Douglas MacEachin. He says "the period during which I felt I had the least impact on Policy was during the Reagan administration. They thought of us as the enemies. The implication was that the CIA undercut our ability to rebuild our national forces. The administration thought the CIA was too liberal. It said we underestimated the military strength and the Soviet threat in the Third World." When MacEachin came to the then director of Intelligence, Mr. Kerr, and Mr. Kerr tried to get some of the assessment on Soviet military Intelligence as a foot note, he wasn't successful. Couldn't make a footnote, and I was railing against the CIA all the time because what we see is what the director, or whoever is in charge, presents. And also, what was happening with Gorbachev? What's happening in Russia? It was quite clear to me that this was a major change. When I went to the Party Congress in 1986, Gorbachev told the country that Afganistan was a bleeding wound. I interpreted this as a foretaste of what was to come, since a political leader doesn't say something like this unless he plans to do something about it. In this case, quite clearly withdraw, because they couldn't win. When Gates was Casey's deputy, he was asked in March, 1986 - a month afterwards - by the

Senate Intelligence Board about Gorbachev's reform and so forth. His answer was the following: "quite frankly, without any hint that such mental changes are going on, my resources do not permit me the luxury of just idly speculating on what a different Soviet Union might look like." It's March 16, 1986. The thrust of my paper, and this is something that Markus Wolf has in his book, is that all Intelligence agencies are toys in the hands of political masters.

Shebarshin: The main conflict of the last century was the clash between the two economic and political systems represented by the USA and the USSR. The disintegration of the USSR and the Warsaw Pact put an end to the conflict, which had determined the directions, priorities, and methods of all major and lesser Intelligence services of the world. The change in the international situation was so drastic that some politologists got carried away and began to write about the end of history. But history never ends and never takes a respite. It is time now to think about the kind of conflicts which might determine the destiny of the world in the 21st century. And naturally, Intelligence services are ever present in the real or virtual area of the conflict. For the time being, the global situation seems to be more or less stable, due to the immense military and economic might of the United States and its NATO allies. (It ought to be noted that this kind of stability is not necessarily beneficial to the rest of the world)

But even this imperfect stability will be challenged by tremendous problems which will inevitably arise in the 21st century. The main challenge will be, or already is, the growing incapacity of the world energy resources to support the further development of modern civilization in its present form. Imminent shortages of energy will make oil, gas, and uranium a mighty weapon in the hands of those who control the resources, and a coveted target for those who lack them. The intensification of conflict seems to be inevitable. It would hardly be realistic to expect the development of the conflict to be peaceful. The compulsion to use force is growing. Look at Serbia, Iraq, Afghanistan. The world has not become a safer place.

It would be naïve to presume that the present-day configuration of world forces will remain stable forever. Look at the technological, economic, and military progress of China and India, for instance. The subject could be elaborated on ad infinitum, but one conclusion is clear: we face not the end of world history, but a new century consisting of old and new conflicts.

Dedi jer: When I began my intelligence courses in 1973 at Lund University in Sweden, I asked myself: What knowledge did the Communist Yugoslav leaders under Tito lack about the world which prevented them from developing their country effectively? I discovered that they lacked global intelligence; that is, knowledge about the trends and dynamics of world changes. I had already realized that the Communist system had lost its battle with capitalism. Mine was the first open course on Intelligence in a European university, and perhaps in the world, and as a result of this, I was invited to lunch at the Cosmos Club in Washington, D.C. by William Colby, former head of CIA, who told me that I was breaking a lot of myths about Intelligence with my courses. During that lunch in 1976, I asked him what he thought would happen with the USSR and was surprised to hear him say that "We don't have to worry about the USSR! They will collapse!" This idea was first expressed openly in 1947 by George Kennan and President Truman at the start of the Cold War. Two years after this lunch, I read an article in the Moscow »Komunist« by Rumintsev of the KGB Insitute, stating that the Communist regime in the USSR was based on a cult of secrecy and not on a culture of open information. Today, as William Colby, I myself, and a number of students of Intelligence perceived, we live in a new Intelligence and security revolution.

Now we are witnessing the globalization of all aspects of society by the »new deal« based on the enlightened capitalism of the U.S., European Union, and Japan, and this has become the principal proponent of social change in the global society. This is illustrated by the current changes in China, Russia, and other former Communist countries, and in the third world countries, which is how I estimate the world changes in the intelligence and security (I&S) efforts in the 21st century.

However, intelligence estimates can also mean estimates of intelligence and security efforts in the world. During the Cold War, the I&S government budgets were extremely secret, but this was not always the case. As early as April 1912, the Government of Britain published a white paper which I discovered in the Library of Congress: "Annual expenditure on Secret Services by the governments of Austro-Hungary, France, Germany, Great Britain, Italy, and Russia«. Today, the U.S. spends 30 billion dollars on Federal government I&S entities, and another 50 billion dollars on private, corporate, and state security. IBM published the results of a survey on

business intelligence, estimating the market at 70 billion dollars. In 1975, in an interview with the "Corriera della Sera", I foresaw that the main investment in intelligence & security would be made by business, which is happening now.

Döder: I think that the individuals do matter, it does matter who comes to take charge in a given situation. I mean, in the Soviet Union it clearly mattered that Gorbachev took power. In Yugoslavia it clearly mattered that Milošević came to power. Imagine that Milošević had been in South Africa instead of Nelson Mandela. There would have been a blood bath.

Lacoste: I would like to refer to De Gaulle's ideas in the sixties, when the two military blocs were facing off in Europe. The danger of a new, third world war between the West and the East was very high. De Gaulle was convinced that such a situation could not last forever. He did not accept that world politics would be dominated for years and years by such a dangerous bipolar system. He pointed out that our European "brothers" were living on both sides of the Iron Curtain, pushing for a new Europe "from the Atlantic to the Urals."

But such views were not understood or accepted by our American allies, who had the responsibility of preserving the world's security and who had, in 1947, opted for the "containment policy". In those times, the White House and the State Department were very angry with De Gaulle; anger was at its peak when he withdrew the French military forces from the integrated structures of NATO, and when he obliged those allied military forces stationed on French territory – essentially American air forces and NATO headquarters – to leave the country and to build new infrastructures in other European countries; for example, in Belgium. De Gaulle was portrayed as a traitor to the Allied cause. However, in fact, he never betrayed the Atlantic Alliance. When very dangerous crises took place, namely the Berlin Crisis and the Cuban missile crisis, he immediately informed President Kennedy that France was wholeheartedly behind him in opposing Khrushchev's aggressive initiatives, saying: "I am at your side, no problem, you took the right decisions, I agree and I concur." Then a few years later, tensions abated and his prophetic views were gradually shared by all the leaders of the Atlantic Alliance; instead of brutal hostility, we had détente and arms limitation treaties.

However, I have observed that, several years after the dissolution of the Soviet Union and the end of the Cold War, there are still difficulties in building positive links with Russia. We escaped the dangers of a nuclear confrontation, but we have not yet suppressed other threats. I am afraid to say that the

political revolution in the former Soviet Union was followed by a terrible economic disaster. This can lead to a new, dangerous authoritarian regime, because the Russian people will become increasingly resentful toward the rich, Western democratic powers who were not able to help the country recover and stabilize its economy. Poverty and despair have been the source of many past conflicts. I remember that Hitler's election was one of the consequences of the German defeat in 1918, the Versailles Treaty, and the Great Depression of 1929.

I would like to address another issue directly connected to the economic and political turmoil: the growing power of transnational criminal activities. I wrote a book in 1992 about the dangers of the "Mafia syndrome". I had observed that opening the borders and allowing free circulation of people, goods, and financial assets were highly dangerous in the absence of strict security measures, as this provided new opportunities for clever "godfathers" running the Mafias. In 1992, few people admitted these dangers or thought that our societies could be threatened by them. Today, observing the Bosnian and Kosovo conflicts, I must say that my predictions were accurate; it is clear that criminal gangs and arms smugglers are playing a major role in these horrible wars. Organized crime and mafia systems disregard borders. They shift from country to country, taking advantage of the discrepancies between national legislations in order to escape countermeasures by law enforcement agencies. I believe these new threats should be a major concern for all secret services, not just the police forces.

Tu man: Can I put the question another way? What we like to talk about are Intelligence estimates and to see if those estimates exist and were accurate at that time. Actually, at that time, I didn't know anything about the existence of Intelligence estimates. So the question for me is, if there really were estimates from any side that the Warsaw Pact would collapse, then wouldn't this mean the disintegration of Czechoslovakia, Yugoslavia, and the Soviet Union as well? We know, for example, that in 1989 there was a leak of information from the States, probably the CIA, that Yugoslavia would disintegrate. In spite of that, we saw in 1990 and 1991 that the American foreign policy was focusing on the economy as the main problem of former Yugoslavia, and because of that, Americans supported Ante Marković as Premier, and invested large amounts money and effort to solve the economic problem and keep Yugoslavia together. All the assessments of the American State Department on the regional

crises focused on advocating human rights and a market economy, claiming that if those criteria were met, everything would be hunky dory in former Yugoslavia. Then war broke out in Croatia, Bosnia and Herzegovina, and, a year ago, in Kosovo. Another example, even when the process for the independence of Croatia was underway, is an American diplomat who told the late Croatian Defense Minister, Gojko Šušak: "Don't even dream about the independence of Croatia. Even your great grandson won't live to see that". The question is, were there real Intelligence estimates on the disintegration of Yugoslavia, or was there just one monolithic view, with all the other sources pointing in the opposite direction? What I do believe is that, in the absence of a proper diagnosis, we cannot talk about the future. If we don't recognize reality, we cannot understand the situation and the processes of the disintegration of Yugoslavia, Czechoslovakia, Soviet Union, the Warsaw Pact, or the unification of Germany. How good were Intelligence products in the late 1980s and 1990s?

Stolz: Thank you, Miro. First of all, I want to mention Czechoslovakia again. When Tito drew a crowd of 100,000 people in Prague in April, 1968, and when you heard that crowd shouting 'Ti-to, Ti-to, Ti-to', you knew that the Soviets couldn't stand that for much longer.

Leijonhielm: My name is Jan Leijonhielm and I am the former head of the Swedish equivalent of Economic Intelligence. At present I am in charge of Russian studies at the Swedish Defense Research Agency. In answer to your question concerning the relative or the real knowledge about the crises in Southern Europe and Russia/Soviet Union, I think there are different levels of knowledge needed for the detection of these crises. I believe there are also certain common denominators in the inability of Intelligence services to foresee events, and especially to convey the message to the politicians, something which Mr. Doder brought up, and this is an interesting question. I would argue that systematic errors built into the Intelligence agencies will decrease their capacities and harm their links to the political level. This relationship is crucial. There are human related errors and there are systemic errors, which I believe would be interesting to discuss, and later perhaps we could talk about what this audience thinks in regard to future crises; where they will appear and what shape they will take. Admiral Lacoste said, for example, that the real danger after the collapse of the Soviet Union was an economic one. This danger was also present in disintegrated and segregated countries, which led to a series of wars in the former Soviet Union. I believe there is another

topic which should be taken into account. The performance and the relationship between smaller, private Intelligence and security institutions, which I think is perhaps as important a subject as the relationship between developed countries in the future. So these reflections give no answers but rather pose more questions.

Jackovich: I am Victor Jackovich from the United States. I thought some very interesting comments were made, starting with Duško Doder and Mr. Tuđman, who spoke about the nature of national security and Intelligence, and how they are integrated into governmental decisions. I think for me the real problem occurs after estimates have been made, though we saw that some estimates have not been accurate. But it is a question of the integration of political preferences that tends to override this, and I am sure that during the course of the day and a half that we will be here, we will be discussing this in some detail. In the case of Yugoslavia, the estimate that there would be a collapse and that the collapse would take place with great bloodshed and great violence wasn't, in fact, considered very accurate, because it clashed with the political preference that Yugoslavia continue as a single state. So what we found was that the estimate was there, the prediction was there, but we carried on with the preference for what we thought were good reasons, not only because of Yugoslavia, but because we saw the Soviet Union through Yugoslavia. We continued on with the extra-regional prejudices. I know you want to get into Intelligence estimates. I find some of the comments extremely interesting, especially by Admiral Lacoste, on the challenges of organized crime, not only because of its strength and national nature, but because it has the potential to penetrate the services themselves. What I mean by penetration of the services themselves is that the services sometimes use organized crime elements in order to find, identify, and fight against organized crime, but sometimes the organized crime elements are so organized and wealthy that they turn the situation around. Then you find your tradecraft very much inundated by the criminal elements, and there's penetration of the services. It's an interesting issue for later in the discussion. I just wanted to focus on the discrepancy, and how one integrates national security with political options. Just let me go back to that period for a moment. Probably on the cusp between Bush Senior's administration and the first Clinton administration where the estimates were there, the political preference was indeed stated for the continuation of Yugoslavia as a single state, although as a democratic single state, democratically and economically liberalized, and reorganized. Yet the policy

options that would seem to be called for by an estimate that predicted dissolution were not developed, so that we found ourselves in a situation where we were facing the emergence of mini-states, but had not really matured or reconciled our policies towards the realities on the ground.

Dedijer: The Idea of Yugoslavia, of the union of Southern Slav peoples, was formulated in Croatia in the 19th century by Bishop Strossmayer and Mazuranich, and was implemented by politicians, for example Supilo, in the 20th century. In 1915, he came to Serbian Prime Minister Pasich, whose government was based in the town of Nish - as the Austrians had occupied Belgrade - and warned that Italy wanted to take over Dalmatia. Pasich asked my father, the geographer Yevt Dedijer: "What is Dalmatia?". Dedijer wrote a brochure published in May 1915 describing Dalmatia, and ending with a graph representing the growth of »Great Serbia« in square kilometers since the year 1200, and predicted in it that in the future, it would comprise all the area inhabited by Croats, Slovenes, Macedonians, and Albanians. This idea of Great Serbia was Milosevic's guiding concept in the four wars he started in former Yugoslavia. In Croatia, you have advocates of »Great Croatia«, and in Kosovo, advocates of »Great Albania«. These are the Balkan proponents of the romantic nationalism that prevailed in Europe in the 18th and 19th centuries.

Kerr: It is very difficult to know where to intervene in this discussion, because there are a number of themes, but let me just make a comment on Ambassador Jackovich's point about Yugoslavia. In 1989, the Intelligence community did produce a rather comprehensive and reasonably accurate estimate on the future of Yugoslavia. It turned out not to have been so bloody, but it was still a dark picture, and it was unusual, in that it was clear. I mean a lot of estimates are fuzzy and ambiguous, but I think this estimate, in fact, was a clear estimate.

There were a number of reasons why I think it was not acted upon. One is that it is easy to describe a problem, as the Ambassador said. The problem was enormous, and the outcome was disagreeable. It meant a fundamental change that we did not want, from our perspective. The other thing is, you have to think about what was going on in the world in 1989 when that estimate came out. What was happening in Eastern Europe? In the Soviet Union? What was going to happen only a year later with the war with Iraq? I would argue that people like Larry Eagleburger, who was then the Secretary of State and was also very interested in Yugoslavia, were very concerned about it, but were preoccupied with a host of

burning issues at that moment, not future problems in Yugoslavia, but issues of importance at that very moment. So you can't pull these problems out and deal with them as if they stand alone, you have to place them in a much larger context.

If I can go back to something that Mr. Doder said earlier, I think when you look at United States Intelligence estimates of what was happening, primarily with the Soviet Union - which was our focus between 1980 - 1988 - during the two Reagan administrations, and then the Intelligence relationship, I would disagree to some degree that we didn't have access to or direct involvement with the policy makers. We did. We saw them everyday. We saw all the senior people everyday. We had great opportunity to see them. They were reading the product. But you have to again think of what was going on from 1980 - 1988. There was a very tense relationship with the Soviet Union all over the world. We had lots of little fires and confrontations. Afghanistan was just one of many, but it was a very confrontational world, and we had an administration that considered the Soviet Union the enemy from the dark side, and it was bound and determined to take action to limit and change that. Bill Casey came in as an Intelligence officer, not at all interested, not really interested in what the Intelligence analyst had to say. He was interested in what you could do about it, where you could exert pressure and change the outcome.

Dedijer: Colonel North is the product of Casey.

Kerr: But Casey had other interesting things to use. And Intelligence officers during this period also were involved in this military confrontation. Military forces continued to be built up. So nobody would have thought it made any sense if they had heard from an Intelligence officer in the 1980's that the Soviet Union was going to end and break up in 1989. What we did say during that period was that the economic system was in decline, but we had been saying that since 1975. I don't think even in hindsight you could have said in the early or mid '80's that the Soviet Union was going to collapse. In fact, I would have been very interested in Iraq. It seems very clear to me that Gorbachev didn't expect that. I don't think Gorbacov was trying to cause the end of the Soviet Union; he was trying to make changes that would make it capable of dealing in the future with a different kind of world. So he didn't predict the outcome. I used to argue with one of my officers. I said, "you expect me to predict the outcome when not even the principle players know the outcome?" We can talk about the implications of that, perhaps, but prediction is not something that we do particularly well. I

would like to say one more thing about Mr. Doder's comment. I was involved in writing the daily product that went to the President. I read it every night, I was the last person to read it. At 8:00 at night we put it to bed and then updated it. Mr. Casey never looked at that product, never came in and said "I want you to change that, I don't like the message that you are conveying." He would call me the next day and tell me that. After he read it, then he would write a note to the President or to the National Security Advisor or to someone else saying "I don't agree at all". He thought himself as an independent person, independent in the CIA, but he never caused me to change a word. I have a lot of strips off my back from him, but he never changed anything before it went out, which I always thought was an interesting commentary.

Session two:

The role of Intelligence in conflict resolution (crises and wars in South-East Europe)

The role of national Intelligence estimates; national strategies and international agreements; the relationship between Intelligence and policy-makers; bilateral cooperation of Intelligence services; Intelligence support to international community and international forces /UNPROFOR, UNCRO, IFOR, SFOR, KFOR etc./

Moderators: Ambassador V. Jackovich, Admiral P. Lacoste

Jackovich: I would like to begin the afternoon session. I am very honored to be asked to moderate this session with Admiral Lacoste. Perhaps we should start with the second point on the Round Table agenda, which is the role of Intelligence in conflict resolution in crisis situations; for example, in the wars in Southeast Europe, and, specifically, the role of cooperation of Intelligence services with international forces, with the international community in operations such as SFOR, UNPROFOR, KFOR, IFOR. Probably a lot of FOR's will be coming up in the future.

The discussion this morning was very freewheeling, which is fine, but perhaps we should start this discussion with some coverage about national Intelligence estimates, security and Intelligence estimates, and the relationship to specific international operations. I would immediately throw the floor open to anyone who would like to make a point on this or expand on a point that was made this morning. We talked about actions taken and not taken, options offered and not offered. In terms of context, one of the important points that shines through, for me at least, was the fact that in hindsight, we often look back at the past and try to analyze past actions, losing track of the fact that we have a context, that there was an international context, that there were distractions. The attention of policymakers is torn in many different directions, and they also weigh the consequences of their actions. One of the things that I did when I was in Bosnia, for example, was a mechanism that I developed myself, but I subsequently discovered that others in similar situations have adopted the same mechanism. I absolutely forbade my people to send

back policy recommendations out of the zone, out of the war zone. I did this because I felt that we were the least qualified to do so. I felt that we were the best qualified to give information about what was happening on the ground. This happened in this village today, yesterday, whatever. This many people were casualties. This sort of military action was taken. We were on the ground and we could witness the event and send dispatches back and tell the government about it. But I also told my people that we were the least qualified to determine what to do about that in a global context. The discussion this morning, the contextuality, was a special point for me for that reason

Kerr: One thing seems to be increasingly important and very difficult, much harder for the US than other countries: our ability to maintain constant liaison and involvement with our allies and friends, and sometimes even our opponents. There is a lot of criticism in this current political campaign that the U.S. has not maintained its relationships, letting contacts go down. Consequently, when we need them and expect everyone to respond to our needs, nothing happens. I am struck by how complicated it is for the US to try to touch base with all those people that are involved in a particular problem or crisis. Maintaining those relationships with international organizations, all the nations that are involved, and keeping them organized and orchestrated, is an enormous task unless the government is exceptionally well-organized. In some administrations, everybody goes off and does their own thing independently, without any general guidance. In other administrations, it's very tightly orchestrated and carefully controlled by a very small number of people. Every crisis involves different players and a different set of circumstances, so the responses are often very uneven. It's very hard to coordinate across the U.S. government because of the sheer scope and breadth of it.

Tu man: I'd like to relate some of our experiences. We started to organize our Intelligence community at the beginning of the '90s, and from the very beginning, we established a lot of relations with foreign services, because they were interested in the regional crises. My experience is that when we were discussing the reality of the crises, wherever they were - Croatia, Bosnia and Herzegovina, Serbia, or Kosovo - the Intelligence estimates among the services were basically the same. We all shared the same or similar views on these basic questions: What is the situation? Who are the main actors? What are their objectives? How can these actors or subjects succeed in realizing their objectives? The problem arose when we had to address the political solutions imposed by

powerful countries or the so-called international community. The fact is that they had proper Intelligence at their disposal, but still were not formulating and promoting the best political solutions. I personally don't think the focus was on resolving the political problem in the area but, rather, satisfying the national interests or objectives at home. I will use just one example, the Dayton Agreements for Bosnia and Herzegovina. From the very beginning, everyone was in favor of the agreement, but such an agreement can only function if the political structure is built from the bottom up, not from the top down. Only the three nations, the three peoples, can establish the necessary relations, infrastructure, and so on, within an atmosphere of confidence.

The publicly announced objectives of the international community about their presence in Bosnia and Herzegovina were not primarily to resolve the problem of Bosnia and Herzegovina itself. More often the objectives were to demonstrate the main role of NATO, to prove that the mechanism of European security was working, to implement international criteria and standards, but not to solve the problem of those three peoples living on that territory. That is one part of the problem. The other problem arose with the implementation of Intelligence estimates on the level of the international community. Basically, the Intelligence was exchanged only on a bilateral level, and because of that, we sometimes had problems when it came to multilateral cooperation. Another example based on Croatian experience: we have run a lot of joint projects or operations with other services in support of SFOR, IFOR, UNCRO, UNPROFOR, etc. When we ran those bilateral joint operations with the Americans, for the benefit of NATO, we believed that there was multilateral collaboration, and that at least the higher NATO officials were informed about it. Then we learned that NATO had not been informed at all. That is an example of how the role of partners on a multilateral level is often not recognized at all, the actual role of the partners. It's often not even known who the partners were.

Stolz: With regard to the question of multinational Intelligence cooperation, I guess I would have to say I am pessimistic that it will be achieved in any significant way. Actually you will hear every once in a while that the UN ought to have a Intelligence service. It's just not going to happen in a practical way.

Tu man: Obviously there are certain areas where only bilateral cooperation is possible, so I am not talking about that. A year ago I was in Washington, and we were discussing and evaluating American and Croatian joint operations. It was an

overview of the last five years of cooperation, with a number of Intelligence products produced on the basis of joint operations. We were informed about how many Intelligence products, based on our cooperation, were produced for the President of the United States, State Department, Chief of Staff, or for different European commanders of the NATO forces. Most of those Intelligence consumers were Americans, but the problem was that those people were not informed that a portion of their Intelligence was provided thanks to American cooperation with Croatian Intelligence services. I am not saying that users of Intelligence products have to know the origin of each piece of information. My point is that they have to know who the key partners or providers of their Intelligence are. At least it should be known to a certain number of people. That knowledge is relevant, especially in political crises, and especially if the partners themselves are involved of the crises. Both sides have to know whether the partnership is part of the problem or part of the solution.

Leijonhielm: I see, as the chairman pointed out from the start, two related problems. One concerns a UN Intelligence dimension and the other the relationship between strategic and tactical or operational Intelligence, which seems to be a missing link. I admit that it will be extremely difficult to create a UN Intelligence unit which perhaps could not even be called that, but on the other hand, it seems possible to create an Intelligence task force for special missions to function as a sort of information umbrella. Helene Boatner pointed out in her recent article in the first issue of *National Security and the Future* that if the parties involved in special missions under a UN umbrella agree beforehand on technical and other practical means, it is much easier to transform national Intelligence into an operational and unilateral Intelligence unit once the mission is initiated. So preparations should be made beforehand, but the UN has, in fact, stopped that process. The other problem which we should consider is that at the operational level, you must have a steady flow of information on what is happening at the strategic and political levels. You are otherwise left in the dark. We have studied this problem and come to some conclusions. The lessons learned have so far been negative, but there is a way to go. You could, for example, try a scenario-building technique. One or two strategic scenarios could be applied to current events at the operational level, and these would be pegged to each scenario so as to create a better understanding of what is going on in a broader context. There is another special problem connected to Intelligence in unilateral missions. In peace enforcement and peacekeeping operations, human

Intelligence (HUMINT) is much more important than signal Intelligence (SIGINT). A method must therefore be created to use HUMINT more effectively, while still protecting one's sources from the other participants in the operation. I don't have an answer to that, but would just like to bring up the problem. Another important aspect is that if you have a united Intelligence force, you must have a common view, so as to avoid misunderstandings in the future.

Jackovich: If I am hearing this right, it seems to me that there would be some utility in sharing some operational information on a specific issue and specific crises, but obviously there is a lot of conditionality involved, because the national interests of each service are going to be paramount. There was a comment I'm sure you have all seen by the head of the Russian Intelligence service in connection with the Ames case in 1994. He said something to the effect that "there are friendly states, but there no friendly Intelligence services."

Doder: I would like to raise a specific question about Bosnia. How good is Intelligence in Bosnia? If it's national, if each side has its own national interest, then as a journalist, should I go to the front with the Muslim forces and get shot at by the Serbs? In this case, the Serbs are my enemy because they could kill me. If I go with the other side, the Muslims are my enemies because they are shooting at me. I am the same person trying to be as impartial as I can be. So how good is your Intelligence? What do these people want, apart from the cliché that they are savages, that their ancient hatreds cannot be resolved? Has anybody ever thought about it?

Smith: I think their objective is to stay alive in this case, and the case you're talking about is territory. Their objectives are pretty limited, I think, but the Intelligence that we are interested in collecting is, first, what's going on in the front lines. It's very basic Intelligence. Then, second, anything which would threaten NATO troops and force protection has become the aim of Intelligence, any place where there is a military threat. So Intelligence consists of worrying about some group not under control, in the case of Bosnia, and about one of the three parties that has for whatever reason decided to target a NATO element. That is Intelligence.

Doder: If that's Intelligence, then you are better off reading newspapers, because you have limited yourself to activities which provide no direction to leaders on how to deal with the situation. A political problem has to be solved in part by political means. Action has to be taken from the outside by great powers.

Smith: So basically the political powers or policymakers tell you what interests them.

Tu man: Well, that is one thing. But then why do you believe that a fourth party or the international community automatically has the right position, the correct solution?

Doder: It costs a lot of money, you see. Bosnia so far has cost more than 5 billion dollars in non-military expenditures. That is a lot of money.

Tu man: It's a lot of money and no solution.

Doder: A lot of money and no solution. Shouldn't we invest money not to hear what the leaders say, but what the people say? I don't know how you do that. I'm not in the Intelligence business.

Tu man: There have been a lot of estimates in last five or six years about the Dayton Agreement. There is nothing, in my opinion, which needs to be corrected in those estimates. They were accurate then and are still accurate. The basic conclusion was that the Dayton agreement would not function if the structure were built from the top down, and I think that most of us will agree on that. Why was this type of structure then implemented? What good then is Intelligence in the resolution of conflicts, or the impact of Intelligence on the resolutions proposed to resolve the conflict?

Doder: I think you have to look at it this way. You have to provide your customers, that is, your national leaders, with the best possible assessment of the situation so that when they talk to other people, they can feel secure and know how to proceed. This is conflict resolution, because if they go into a meeting with a chairman and know exactly what the situation is, then they can actually agree on something. If they go in without an accurate picture, they can be manipulated.

Agrell: We have moved to a fundamental issue: what is actually conflict resolution, what is the international community doing when it is solving conflicts? Is it solving its own collective or national problems relating to the conflict? This is precisely what Mr. Tudman is saying we experienced in the 1990's. The European security system is basically an introverted security system that functions mainly to resolve short-term internal problems which arose from the conflicts in the Balkans. Its main focus is not to solve the conflicts in the Balkans, but to solve those problems created through the media and public opinion, and address political frustrations within the European Union and with the countries themselves. This explains why a number of actions taken were not functional or appear pointless. But they were not completely pointless, because they served another purpose, and this is the explanation as to why the Dayton agreement was built from the top down. This was a way of solving the Western problem with the Bosnian war, not the conflict itself. The West wanted to

remove the conflict from the top of the agenda, and Dayton succeeded in that, although it has not solved the conflict and will not solve the conflict. There is a lot of knowledge to be collected from the mistakes and failures in the 1990s. When UNPROFOR was organized in the spring of 1992, it was done without the even the most basic Intelligence assessments. That is why the UNPROFOR headquarters is based in Sarajevo, in a pleasant, faraway place with good communications. That is why it was placed there. Lots of nice restaurants and an airport and so forth.

The same goes for the planned location of the main logistics base for UNPROFOR in Banja Luka, which was ideally situated in Northern Bosnia, and had a good line of communication to the conflict areas in Croatia. Everything upside down, as we know now, and of course with some kind of Intelligence we should have been able to predict this at that time. I think the whole UNPROFOR operation in Bosnia and Herzegovina from 1992 up to the end in 1995 can be characterized as a tremendous Intelligence failure on the tactical as well as the strategic level, because I have the impression that the UNPROFOR never understood the war in Bosnia. They never fully understood what was going on, and this explains the debacles in 1995. The UNPROFOR leadership simply did not understand what was going on.

Another aspect is the role of the NGOs. In contrast, they have certainly learned to play the game and operate through the media; that is, achieve results not by going directly to the political decision-makers, but by influencing the media. This media policy has been much more elaborate than what government agencies have achieved. I would suggest that some of the NGOs should actually be regarded as Intelligence organizations, since the organization is basically collecting, analyzing, and distributing information; for example, Human Rights Watch, which is basically an Intelligence organization. This means that we have other actors in the Intelligence field. They might even be superior to national Intelligence agencies in some aspects. Certainly we have seen in a number of cases that Human Rights Watch or Amnesty International has been more rapid, more detailed in its reports about events taking place in conflict zones such as Algeria, in Kosovo and Rwanda. The question is whether or not to regard the NGOs as targets for Intelligence activities. If they are so influential, then their decision making processes and their priorities must be regarded as one of the factors fundamental to world politics. But how do states direct Intelligence activities against NGOs? How does this relate to ethical legal norms?

Doder: The crucial role of the NGOs and the media is obvious, I think. What is happening in the media is absolutely fantastic; it's such a big change that you have to take it into account. Here's an anecdotal example: Leon Panetta, the White House Chief of Staff, is woken up at 2 in the morning by White House security. A small plane had just landed on the grounds of the White House and a security man is reporting to the Chief of Staff on the incident. Panetta asked a few questions before he discovered that the security man's information was based on CNN reporting. Did you go outside and see it? he asked him. No, the security man replied. He saw it on CNN. Now this may sound like a parody, but it shows how people approach information. And in this context, the NGO becomes an important player in a third world conflict situation. You have a reporter in Kosovo equipped with a cell phone and a satellite dish. But the American audience does not want to watch people who do not speak English. The audience doesn't like voiceovers. So reporters interview NGOs. They and some contract employees of international organizations have been the source of much misinformation about the Kosovo war. All the governments involved were also generating misinformation. We were told that hundreds of thousands of people were dead or presumed dead. The NGOs repeat these figures. And the whole system of information gets polluted. In an era of instant communication, we have an illusion of knowledge because we see live pictures.

Dedijer: I suggest that you write an article for the Washington Post. That is, what is the world expenditure on Intelligence and security by different countries? The United States spends approximately 28 – 30 billion. How much is France's, Russia's, Sweden's, Bulgaria's, and Croatia's?

Doder: I think you know in the case of American Intelligence, most of that money goes into monitoring and you know it's all technical. It's not like Russia in 1912.

Kerr: Just to comment on that. Most of the money that goes to technical Intelligence is for military purposes and not for what we are talking about. It is quite different. But let me ask a question. These NGOs I find kind of interesting because they are extra governmental and they are often on the other side of a problem, because they are pushing a problem while the government is sometimes trying to stay out of it. I have to comment on something you said. You described them as providing Intelligence, and they don't provide Intelligence from my perspective; they provide information. I think that is a very fundamental difference. I look at Intelligence as information which undergoes a validation process and is then applied to a particular purpose; for example, supporting a government

objective or a government problem. Information has no objective. For instance, I don't consider what Duško does to be Intelligence. It is not done to help the government order its priorities or resolve its problems. It's done for quite different reasons. I think that is an important distinction. I would be interested in your response.

Agrell: Can I respond immediately? I think that you are 95% correct. Traditionally the NGOs, especially in the field of human rights, have been providing information, and have built their credibility on providing objective information on events which have happened.

Doder: In Kosovo this was not the case.

Agrell: Although this wasn't always the case, I think now that they have gone more and more into the field of politics. This is distorting their traditional rule of reporting established facts, and Kosovo is the case where this happened. Because if you look at the NGOs in the 1990s, they have been moving away from simply reporting to making policy recommendations. That is why I used the word Intelligence, because they are actually starting to assume an Intelligence role. They are working as information collectors as well as providers, and these two roles conflict with one another. You don't know whether they are simply reporting the facts or whether they themselves are actors.

Dedijer: There are 25,000 NGOs in the world today, and they are all bureaucratic. They don't have any social control system. Business has profit controls; if you don't make a profit, you're out. But all these organizations are terribly bureaucratic, regardless of their goals.

Tu man: Just to add a comment on NGOs and what you mentioned before. It is not always clear whether we are talking about NGOs, because sometimes they appear to be NGOs but are not. I estimate that there are 5,000 non-governmental associations in Croatia. It is an enormous number, which is an indication itself of something. Some of them have secure communication, and nobody knows where the money is coming from, nobody knows to whom are they reporting, and they are providing political judgements and questionable findings. Another fact, probably common in transition countries, is that there is no legal foundation about what NGOs are allowed or not allowed to do. Then we have to ask what the real criteria are for NGOs. Is it independence from government sources or not? How do we define an NGO? Sometimes they are very close to the domestic government, and sometimes to another government, but that is not the main point. Obviously the media, NGOs, Intelligence services, and diplomacy are all producing information. But the

information belongs to different categories of knowledge, which have different goals and values to satisfy. In the media, you can find whatever you want to support your particular thesis, especially in turbulent times or in transition countries where no protection exists in the area of national interests or privacy. There are basically no professional rules. What kind of valid, long-term, relevant information or knowledge can we expect from such sources? Because of this, I rarely read the newspapers. What we really need is to better understand the essence of Intelligence. What is information, what are NGO findings, what are diplomatic messages? That enables a better understanding of the world of knowledge.

Jackovich: It's hard to follow everything out there, because there is so much, and you are right. How do you filter it, the information that is there? But one must have access to it, treat it in a particular manner, and be careful of it. I'm reminded here of the famous CNN reporter that was in Bosnia at the time, Christiane Amanpour, and what she said during a presidential town hall meeting with President Clinton. They were recording this town hall meeting with the President, and all of a sudden they beamed in Christiane Amanpour, and you could hear shelling in the background and see refugees running around, and on camera she asked the President, "Mr. President, what are you doing about Bosnia?" If you were in President Clinton's shoes, it would be a tough situation, and it is not something where you can say, "well, let me assess this, or I'll do that." It's very immediate, and millions of people are watching. There is an immediacy to this which I think we're trying to grapple with.

Posi : I have a comment on the NGOs. I have a feeling that NGOs are much more active than just collecting information. What are their rules and objectives? How they are functioning? What is the source of their budget? Who is responsible for formulating their mission goals? I would like to read just one of the definitions of an NGO, which seems completely different than what they are actually doing on the ground. "NGOs are the institutional expression of civil society. They are non-profit organizations, long-established and well-funded, or short lived for a single purpose. Just a few additional sentences. There are 32,000 NGOs from the developed nations, 80,000 within affected nations, and the budgets for all of them totals 100 million. What is the source of their budgets? Disaster relief, food and agricultural activities..this I can see. But activities meant to encourage democratic processes? Initiating a process is an active role. This is not just acquiring information, but the shaping of the environ-

ment. NGOs are a very interesting issue, and I agree that they are much more like Intelligence organizations. They have reliable information, gather prime information on site, and so forth.

Kerr: I think it is going to be harder and harder for Intelligence to focus on the problems of greatest priority to U.S. policy. It is too easy to be diverted by current issues that may be relatively unimportant in the scheme of things, but which get publicity. A one liner on the news that catches people's attention, or a photograph of some dramatic incident, may drive both Intelligence and the policy maker. Intelligence cannot shape the issues that it wants to address.

DeDijer: Bill Colby initiated a national Intelligence debate about what is important at this moment for the U.S. to deal with. You've got that.

Kerr: No, no. We always have statements of priority in one form or another, but it is not clear who pays attention to them, and they are easily crowded out by current issues.

Doder: What is important to understand about television is that it's picture driven. In other words, first they acquire pictures and then you put in the text and the picture dictates what the text is. Irrespective of what's happening.

Something else on NGOs. I can see why any government that is not established is afraid of NGOs, and also of journalists. You know when I was in Moscow in the 1980's, the journalists were regarded as spies and you saw us as spies.

Shebarshin: I didn't.

Doder: I really don't think so.

Shebarshin: Why not?

Doder: What has happened in several instances is that people then get so radicalized that they get into different kinds of warcraft, but I don't think that American papers would employ journalists connected to the CIA.

Shebarshin: The role of the media, in particular television, is very cleverly illustrated in a De Niro film, "Wag the Dog". I advise you all to see it.

Jackovich: I feel we're getting deeper into a media-related subject, which is good if that is a productive direction, but we might be getting off the subject.

Smith: I don't think it's a productive subject. It's part of life, one has to deal with it. We have to deal with it, politicians have to deal with it, policymakers have to deal with it. But television is rarely very informative, very often it's misleading, and therefore, Intelligence services have to know what the

important issues are, whether they like it or not and whether the policymakers like it or not. Now clearly, some other people have to answer the policymaker's questions in regard to what they see on television. That has to be responded to .

Kerr: I agree with one exception. Intelligence officers want to do things the way they want. They expect policymakers to read their product. But whether you like it or not, more and more policymakers are used to sitting in front of the Internet. They are used to being on e-mail. They are used to getting quick responses to their questions. They are going to want information in a different form, so if Intelligence is clever, it's going to have to figure how to influence the policymakers as they are, not as we wish them to be.

When I used to be an analyst, there was a certain arrogance about analysts who would try to tell a policymaker about an individual that lives 3000 miles away, a person from another culture, someone he even doesn't fully understand, and whose language he probably doesn't speak, and yet he can't even figure out how the policymaker sitting right in front of him thinks and feels. I'm off the subject, obviously.

Smith: But you're right. We have to do what the policymaker wants. We have to feed the policymaker material we want to feed him in a form which he would find digestible and which makes sense to him. There is no doubt about that. We can't say "no no, that's not what you want, here is what you want."

Jackovich: There is a subject that came up earlier in regard to international operations, operations where the international community has agreed in one form or another to be present on the ground, and to take action or to do some peace-keeping or peace maintaining. Bosnia comes to mind, Kosovo comes to mind easily, but there are other places as well. What I would like to do in the short time remaining is to talk about successful operations or quandaries, challenges or problems which developed in terms of how Intelligence is provided to these operations, either in a national way, from one particular national service to the operation, or in a multilateral form. If we could just return to that particular question which we addressed earlier. Would somebody like to speak to this?

Doder: This touches on a problem we dealt with in the morning; that is, how the political world, great powers, and the members of the Security Council reach an agreement to implement a certain decision. I pointed out that we have no agreement in the Balkans between the four Western powers, France, Germany, the United States and Britain. If you don't have an agreement on a political level, you let the UN handle it, and then you characterize everyone who works for the

UN as incompetent, lazy, and gutless. I don't know who said that if your commander has clear cut decisions and knows where he is going, then everything functions. Here we don't know where it's going, the United Nations is taking care of it, and we create countries, say in Bosnia, with money. This only encourages a sense of dependency. I remember Sarajevo just after Dayton; the street was full of garbage. I said to people, "why don't you burn this goddamn pile of garbage." One guy says "we're waiting for Italian trucks; they're coming any day and then we're going to remove it." You create such a dependency on international donors, who actually resent this. I'll tell you another thing about this NGO's which has just occurred to me.

I was a fellow at the U.S. Institute for Peace. The Institute gives grants to NGOs to promote conflict resolution. Distinguished figures, former ambassadors, and cabinet members sit on the Institute's board. They invited me to sit in on their meeting. They had given a grant of \$150,000 and the groups were back now to report on their mission to develop brotherhood between the Muslims and the Croats in Livno. So in come two guys in nice, clean shirts and the books are presented with charts, and everything is in color, and I look through their expenditures, and see that they have two Jeep Cherokees. In other words, the expenditures that went into the infrastructure of this project exceeded the expenditures that were allocated for their project. For example, they considered part of the project to put in a heating system for the Livno high school, which supposedly did not have a stove. I have covered almost all the Communist countries, and the Communists always built good schools. There was always a stove. But let us assume the town of Livno, which is a very cold town in winter, didn't have stoves. Wouldn't the parents of these kids, 40 years ago, 50 years ago, get a stove, cut up the firewood? I mean, these are their children. So they looked at us and said, "well, maybe there was a stove, but we want to upgrade everything." Sarajevo is now full of people like this, actually driving around doing something, looking very busy, and probably in the process of doing some good. The question is the price. The price that we pay doesn't correspond to the results. And the funniest part is that the board didn't like to hear this, because they all felt good about having given the money. They actually want to give money to promote friendship between Croats and Muslims in Bosnia. When you tell them that maybe this was not such a brilliant project, then you feel like you're pissing on the parade, and you don't do that.

Smith: What has he got against Cherokees?

Doder: No, I like them. But they are very expensive.

Tu man: 60% of the expenses for humanitarian organizations in Croatia go for the people, for their salaries.

Doder: But that's crazy.

Tu man: But that's a fact.

Kerr: If you want to get back to the principle issue. It seems to me that from the US perspective, when the US is dealing with a problem like Bosnia or a situation where U.S. forces are involved in coalition forces, it would put together a special task force and, essentially, Intelligence would not be a major problem. I don't think the U.S. is going to be a major contributor of Intelligence to an organization where it lacks control. So I think in the case of U.N., which acts largely independently, the U.S. would be very reluctant to do more than give token support. It will show some help, but unless it is the principle player, unless it feels it has the leadership role, it's going to be very reluctant to provide information on a open and thorough basis. I think that's the reality of it and I don't see that changing soon. I don't think it should change that much, either. I don't think there's going to be globalized Intelligence, by any means.

Lacoste: Yes, we have a point here. In today's world, military Intelligence is very expensive, because it uses a lot of sophisticated devices that are essentially useful only for combat actions against "high tech" modern armies, as was the case when NATO and Soviet forces were preparing for a possible war. There was a brilliant demonstration of such a "high tech" conflict during the Gulf War. It worked well because the Iraqi forces had been modelled on the Soviet and Western modern forces. We had another demonstration of American tactics during the Kosovo conflict, but the issue was not really satisfactory. In both cases, the political goals were not achieved: Saddam Hussein is still the head of Iraq, Milosevic was not immediately deposed, and the populations were the real victims; moreover, it is not surprising that the Serbian army suffered practically no casualties. When for demagogic reasons one announces before initiating a war that no ground troops will be engaged, the enemy merely has to wait it out under cover of well-camouflaged and protected shelters. This is one of the consequences of the ridiculous "zero dead", as though the life of one soldier is more precious than the life of hundreds of civilians.

I believe this is an interesting issue to raise when considering political aspects of future conflicts. We should take into account the economical and psychological issues. War is no longer between superpowers, between national armies, so that the model developed all these years in the U.S. is prob-

ably not the best one to use for present and future conflicts. High tech is not paramount; photographs from space cannot help understand what happens in the mind of a dictator; even the best "decrypts" by the NSA fail to understand the projects or strategy of an enemy. I observe many discrepancies between the former world and the actual, contemporary world. We developed specific tools for the Cold War, highly sophisticated systems that are increasingly incapable of addressing new challenges.

Kerr: I would assure the Admiral that it is easier for the United States to think about new investments in technical collection, and to try to solve the problem that way, than it is to think about political solutions to difficult political problems. So it is easier to spend the money and invest in that than to work out the real problems. But I will bet you that this is the direction we will be inclined to go, because that's a programmatic decision only involving money. So you can say, for example, that you want to build a satellite that will take pictures of something as small as my fingernail and you want to see it all the time, every moment of the day, 24 hours a day, in all kinds of weather. That's very satisfying to the military, because it gives them a marvelous sense of knowing everything. It doesn't have much to do with the problems that we are going to face, I agree, but I think that is the solution we'll follow.

Agrell: I would like to go back to the UNPROFOR. The UNPROFOR operation was basically a coalition without a clear goal, without a unified command, and without any qualified Intelligence support. The latter was a disaster. The combination of lack of Intelligence support and lack of unified command is one of the best recipes for military and political disaster that you could ever prescribe. Why? Why was there no qualified Intelligence support? Certainly there was a lot of information available and a lot of Intelligence assets around, but it didn't work, because there was this loose coalition of various countries contributing their forces on a national basis. They contributed some lowgrade information to the Intelligence system of the UNPROFOR; basically, military maps and handbooks of Yugoslav weapon systems. I have seen some of these things, and they were not very useful for the force operations. It was not quality Intelligence support, and of course this was not given because security was not guaranteed. If UNPROFOR had been provided with quality Intelligence, there was the risk that it could have been leaked to those who were not supposed to have access, and thus sources would have been compromised. Now the European Union is organizing a 60,000 intervention force for crisis

management, which would end up with 250,000 men, but with no Intelligence structure. There we have a big problem, at least as Europeans, because we might end up revisiting UNPROFOR.

Tu man: : But there will always that problem, because if you don't have a clear objective, there is no chance of getting the Intelligence.

Agrell: You must have an objective, you must have a unified command, and then you have a chance of getting Intelligence support.

Tu man: This afternoon we discussed the fact that there is no clear objective, and that there is no precise wish to solve the problem on the ground.

Dedijer: : Miro, can I ask you a question? How do you explain that the European Union doesn't work at all with Intelligence? They want to invest tremendous amounts of money without using Intelligence. It's crazy.

Agrell: There is a very strong national hangup on Intelligence. You can hand over sovereignty to the Union in many fields, but not in the field of Intelligence. That is the last field where you hand over anything.

Lacoste: Not unless you accept having shared Intelligence in certain sectors. It is done, though not very well, in criminal investigations, which are low level but can be effective, even in drug investigations. We have positive examples of such task forces.

Kerr: But don't you think that Europeans also are and have been very unwilling to invest in the infrastructure needed to do this? You just don't say "I'm going to have Intelligence systems and I'm going to have a comprehensive view of the world through all the technical means available." After all, the United States started building a huge intelligence system at the beginning of the Cold War. It is a huge industry and a vast investment and operation. Even if you have the technical means, even if the Europeans have the satellites to put up, they couldn't interpret them, they couldn't read them or figure out what to do with the information. This is not just a casual business. The United States, in my view, is in the wrong business for the future. But that is the business we have been in, so that is what we know how to deal with. Remember the old joke about the drunk looking under a street light for his keys? Someone asks him "Is that where you lost them?" and he says, "No, but this is where the light is". That is what we are used to doing. Whether we'll do it effectively in the future is a crucial question.

Jackovich: I think the topics tomorrow are going to be fascinating. The possibilities and limitations, what can and cannot be done, and also ethics and legal norms. We got into this a little bit; in fact, Admiral Lacoste got us into the question of organized crime and its connection with the Intelligence services, which I think will be a fascinating discussion under one of tomorrow's topics. I will not attempt to sum up what we said in a rather broad-ranging discussion, whether you look at this as pessimism, cynicism, realism, or simply, as Mr. Shebarshin said, the hard nosed reality of the business. It's either in the national interest or it is not in the national interest. It is probably not in the national interest to go into broader information-sharing where it cannot be protected and may not be used properly in the national interest. At the same time, we have an environment where there is proliferation in the information field, and a multitude of new players. The proliferation is not represented just by players like the NGOs, which have their own services, politics, and self-designated role to play, but also by television and its impact on the public and policymakers. Then you have the immediacy of communication through the Internet and people's access to a broader public dialogue. So we have the reality of national interests of the Intelligence services versus a world in which there are many more players and an explosion of information capabilities. Would anyone else like to comment?

Lacoste: Just a point maybe. We know that if you want to play a role in the world, not just against others, but as real players, you need to have the Intelligence capacity. In my own country, that has been disregarded by politicians for years and years. It began only after the Cold War, when there was a lack of real information. So we tried to develop a satellite capacity, not just for collection, but also for interpretation. You know there is a European service near Madrid that we share with the Spaniards and Italians. We had another project with Germany - a radar satellite - but that project failed because they didn't put the money into it, and we got to the same point as we did before. I think now everyone agrees there is a necessity for this.

Dedijer: In closing, I would like to talk a bit about the lack of individual and political intelligence in conflict resolution in the former Yugoslavia, and the stupidity and corruption in Yugoslav conflict resolution by the representatives of the European Union, the United Nations, and, to some extent, the U.S. My political approach to the problem of former Yugoslavia is very simple: I am a Serb and I know from experience in the U.S., Sweden, and other democratic countries that Serbs cannot be free until Croats, Slovenes, Albanians,

and Bosnians are free. That is why I have opposed the Milosevic regime since he came into power in 1988, and launched four wars against Slovenia, Croatia, Bosnia and Kosovo in order to achieve the goal of "Great Serbia". I watched in horror from 1991 to 1995 as, among others, John Major, Douglas Hurd, Malcolm Rifkind, Lord David Owen, former prime minister of Sweden, Carl Bildt, Francois Mitterand, Bill Clinton, and Al Gore proclaimed the Milosevic aggressions in Croatia, Bosnia, and Kosovo »civil wars«, and urged the democratic countries to remain neutral. On July 4, 1995, I published an article in Dagens Nyheter in Stockholm, »Send Thousands of Bombers to Serbia", which NATO finally did in 1999, thus bringing the criminal Milosevic regime to an end. I was further shocked to read the following in Lord Owen's 1996 book: »I told Milosevic that he would not get a Great Serbia, but he would get a greater Serbia.« The UN representative in Bosnia, Carl Bildt, spoke of Milosevic in his book as the only Balkan leader with whom one could discuss problems, and condemned the presidents of Croatia, Tudjman, and Bosnia, Izetbegovic, as unreasonable men. It was incomprehensible to me that the Dayton Agreement established »Republika Srpska« in Eastern Bosnia, run by the very Serbs who had established the heinous concentration camps that repelled the world, and who were responsible for the butchery in Srebrenica, where several thousand Croats and Muslims were killed. It is thus not surprising that, after the signing of the Dayton Agreement, the representative of Republika Srpska, Koljevic, said on CNN: »Now we have achieved Great Serbia«. Soon after Dayton, when the Labour Party came to power in Britain, it was revealed that the Milosevic government utilized the National Westminster Bank, which is headed by Major's former foreign minister, Douglas Hurd. (Hurd, Bildt, and Kissinger are consultants to the Hucklyt Company, founded by FitzRoy MacLean in 1996 to provide intelligence for corporations and governments in business, now run by former MI6 officials. See Financial Times of March 23, 2000). My guess is that after Milosevic is overthrown from power and tried for his crimes, many former European ministers and prime ministers may be found to have done business with Milosevic in his wars.

Subjects and methods of Intelligence agencies at the beginning of 21st century: possibilities and limits

National vs. non-national Intelligence collection; cover vs. overt collection of information; bilateral and multilateral cooperation; Intelligence for international, national and private organizations; etc.

Moderators: Richard Kerr, W. Agrell

Kerr: The subject is the nature and methods of Intelligence. Let me start just with my perception of the changes. I think the Intelligence during the Cold War was extremely important to the major issues in the East-West confrontation. Intelligence owned the information to a considerable degree; it owned the satellites and the communications intercepts. It had the clandestine networks it had built, it owned those instruments that process the information, and it also owned the reporting mechanisms by which that information was reported to the policymakers. So it was actually a closed shop. There were a few people outside who thought they had inside information, and they certainly did on politics, but on issues of strategic military forces of the major issues that threatened the survival of the countries involved, Intelligence did own and control that information. With the end of the Cold War, the threat to national survival of the countries became a less critical issue, and the kind of information that was needed for policy development began to spread out. More and more people knew more and more about the issues of interest to the policymakers. So Intelligence no longer owns the business of information; it is merely one of its many players. I think that changes in a very fundamental way the nature of the role of Intelligence. There are still a few areas where Intelligence plays a critical role, so I don't think one should say that there is no need for secret information. Terrorism is a good example. Nuclear proliferation is a good example, and also narcotics. I think though that criminal activities will in time tend to move into the law enforcement area. I think that's one of the other major changes in Intelligence. Another is the role of

the defense establishment. For thirty years, forty years, the U.S. military forces never directly engaged, to my knowledge, the principle adversary, the Soviet Union. They never rubbed up directly against that force. It was all conducted through other parties. Other countries fought each other in the name of the East and West; the U.S. military was primarily a strategic force prepared to deal with the strategic, larger battle, but it really didn't engage. It trained other people and provided equipment. But within the last 10 or 15 years, beginning with Granada, and since then Panama, the U.S. military has become, in effect, a major instrument of U.S. foreign policy, whether you like it or not. I personally don't like it, but Intelligence has been a main supporter of that military activity. There's now less strategic Intelligence and much more tactical Intelligence. The other major change that I would suggest is that law enforcement has become a much more critical ingredient in the international scene than it was during the Cold War. The FBI is everywhere now. The FBI cooperates widely with other countries in law enforcement. The Drug enforcement agency in the U.S. works with other organizations, and it is no longer the exclusive business of Intelligence to conduct liaison and foreign liaison. So I would say that changes the very fundamental nature of the role of Intelligence, and also the role of other sources and other information.

Agrell: I think you put your finger on something very important. What we have witnessed in the last 10 years is not a really a change of Intelligence structures as such, but a change in the environment, a change in the questions being asked. The questions that were central for the last 40 years are still present to some extent, but they are not that crucial anymore. There is a whole set of questions that the old system simply can't handle, because it's not constructed for it. There are other aspects of these changes, however, because of the objects the Intelligence structures are monitoring and analyzing. The world is also changing, and the technical premises for Intelligence collection are changing, and here are themes I think we should discuss. The first is the information technology revolution. "Information Overkill" is a term invented in the early 1970's in the U.S., describing a situation where one has access to much more raw information than one can ever use or need. In fact, one has more than one wants. In the 60's, 70's and 80's, this overload of information was a problem for the Intelligence agencies. Today we are all suffering from information overkill through the Internet. What does information technology revolution mean in terms of Intelligence? Is it solving problems or is it creating new ones?

Another question is that of overt and secret Intelligence collection. Mr. Dedijs has been kind enough to leave an article here called "Spies". It claims that spying is not dying, but already stone dead, and that spying is a Cold War hangup, immoral and dangerous. Technology has outmatched spying and open sources provide better information than spies. Machines provide better Intelligence than humans.

Dedijs: It's by Professor Johnson of the University of Georgia, who has written three books on the CIA.

Agrell: I'm not sure he's right, and I'm being very diplomatic. The information technology revolution not only provides new open sources enabling us to go to our computer, log in, search for information and receive the answers we need. It also provides new means for secret Intelligence collection, especially in electronic communications. There's e-mail, and also economic transaction systems that the global economy is more and more dependent upon. This is a new, weak spot in the system, and also a potential source for secret Intelligence collection, not only by agencies and institutions, but by other entities as well. The last question, which coincides with what Richard said, is: who is supposed to solve this more difficult task, who can do it? Can an Intelligence agency do it alone or is it too complex to be handled by an institution? Will we see Intelligence analysis task forces in the future which will be used for specific purposes, in the same way as peace enforcement task forces?

Dedijs: I think it was a very good opening. I'm not a professional in Intelligence, but I was a member of the Communist party for 22 years, which was very good training for Intelligence. My experience is limited, but I've been studying Intelligence. When I left Yugoslavia I asked myself what was wrong with Tito and the whole Yugoslav elite. They didn't understand which way the world was going, and to understand where the world is heading, you need Intelligence. Everybody speaks about revolutions. Bill Gates of Microsoft represents the computer revolution. There is a revolution in everything. Since 1945, several colonial empires have disappeared. Two hundred new states have arisen, and one is fragmenting; namely, England. The conservative parties are asking where England is now. Scotland is breaking away, as is Ireland. There are dozens of revolutions going on: political, scientific, ecological, and so forth, and to understand the need for Intelligence, you must understand what revolution means. What is happening in the Intelligence communities? They are falling apart. They have no lasting goal. And nowadays, 100% of intelligence information can be gotten from open sources.

Leonov: The topic of covert versus overt collection of information is another subject that requires special attention. I dare say that the proportion between the two is changing in favor of overt information. In the major, democratic countries, the number of policymakers participating in the formulation of foreign policy is growing continuously. Among them are political parties, Congress and Parliamentary groups, research centers, influential mass media, prominent personalities, and so on. Kissinger, Brzezinski, and Albright came to politics from the universities. Their basic approach to major international problems is well known. In fact, their behavior could often be predicted in advance. Second, the mass media are always searching for their own secret sources of information, but as soon as sensitive information falls in the hands of the newspapermen, this information becomes accessible to everyone. For instance, we obtained the first information about the United States' secret plan to rescue the men from the sunken Soviet submarine in the Pacific through California newspapers. The number of professional analysts who are utilizing public information is also growing, but in the process of analysis, they often enrich these data, draw conclusions, and make prognoses, which is valuable.

During the past decade, the Internet has become a crucial instrument if information support. In the coming century, its importance will increase even more. Personal electronic devices are less expensive, quicker, and provide more reliable information; that is, as opposed to misinformation often prepared for counterintelligence purposes. But I would like to conclude by saying that I believe the human factor will remain essential in the Intelligence world.

Boyadjiev: I agree entirely with Mr. Agrell about the new possibilities for Intelligence gathering with the development and technical progress in the field of information and communication technologies and so on. The new trend here is that the number of experts able to do this is increasing tremendously. Not only Intelligence agencies and private companies can gather sensitive information, but now many individuals have the chance to obtain secret information just by surfing the Net through international communication networks. I'll give you an example. For the last several years, I've often been astonished while surfing the Web to find information that is considered to be secret, or at least confidential. Just one example: on a Russian server I found a handbook for terrorists and anarchists, with detailed formulas and manuals on how to make a chemical bomb, binary weapons, and other modern means of destruction, not to mention Molotov cocktails and other "trivia" that has been known for years. Today nothing

on the Internet astonishes me. I recall a Bulgarian proverb that says that there is no good without evil. In this case, the good comes with a lot of evil. Here I see an objective which must be immediately included in the objectives of the secret services. Another example of the urgency of this issue is the case of the computer virus "Lovebug". Several months ago, the Lovebug, which began somewhere in the Philippines, attacked major American companies. That was nothing, that was a child's play in comparison to what can be done over the Internet and other communication networks. Every American battalion now in Kosovo or any other place in the world receives secret information through INTELLINK, INTERNET, and similar nets. Even though there is a very high level of security on these nets, they are not 100% secure. If even they are vulnerable, then imagine the lack of security on more common nets, where economic information is constantly flowing. Vital information affecting the lives of people all over the world, and not only in the States, can be attacked. Without much difficulty, an aggressive force can deliver a severe blow. The world economy can be placed in jeopardy, as well as other areas affecting not just a single country or state. Civilization itself can be endangered. That is why Wilhelm's remark was very appropriate. Here I see something that does not concern only national interests, but something which ought to become a common denominator in the cooperation of the different Intelligence services. It affects the interests of a wide variety of countries.

Tu man: In one of Plato's dialogues, somebody came to Socrates telling him that King Kadmo had invented the alphabet and that now everything would be remembered, and all knowledge would be at one's disposal. Socrates had a different opinion. He claimed that many things would be forgotten, because they will be in books and not in our heads, and that is not real knowledge. I agree with most of you that we are faced with a lot of changes. The information technology revolution is also going to change the nature of knowledge. Until recent times, knowledge in a philosophical sense was something that could not be separated from the knower, from the one who did the contemplating. Now we deal with information as physical evidence, and equate that with knowledge. But information is independent, not only from the knower. It is separate from motives and objectives. That is really what we are looking for: motives and objectives. That is why we have to take into account that the nature of information and knowledge has changed. We have to confront those changes. First we have changes on a national level, because until recently, Intelligence agencies were largely gov-

ernmental and oriented to protect national objectives. Now we have many more actors and objectives which must be protected: governmental, non-governmental, and so on. Also, technology is changing the methods and procedures used to satisfy those objectives. But I also believe that the gap between Intelligence and knowledge will grow. Intelligence is a certain type of knowledge. Intelligence itself is related to objectives, to the predicting of future events, and supporting decision-makers. But I am not convinced that this enormous amount of information will immediately enlighten people about where they are going and what they want. Also, it's not a good idea to believe that everything is changing. Basic human nature is not changing, because otherwise we lose our human identity. These tremendous changes will not prevent us from understanding or reading Shakespeare or listening to Beethoven or enjoying the works of Michelangelo. That means something must be and is constant. Or to use another example: in spite of all the knowledge and information available about the reasons, objectives, and nature of the Israeli-Palestinian conflict, the conflict in Ireland, or the ten-year conflict in Bosnia and Hercegovina, the conflicts have not been resolved. Something is still constant; human nature is not perfect and changes slowly, if at all. What I believe is that the environment and methodology are changing, but the actors and their problems remain constant. At the end of the twentieth century, we are talking a lot about globalization. But I believe the process is as old as civilization itself. The Roman Empire was the global solution for its time. The impact of the discovery of America was just as important as satellite communications in the global age. Of course we have to respect circumstance and the dynamics of events. We have to be much more critical and less enthusiastic in our claims that everything is changing. Things are not the same as before, but we must not lose our identity if we want to survive.

Q: What are the opportunities and challenges of the information age and information technologies in the training and education of the Intelligence community? There is no doubt that conventional approaches to the education, training, and thinking in the Intelligence community must be updated and redesigned. What are the main differences in Intelligence in the information age compared with Intelligence in the non-information age? How can Intelligence function effectively when confronted with the flow of massive information? Instead of a lack of information in the past, in the information age, Intelligence sources and channels are now overloaded with information. Intelligence information comes in many different forms, amounts, and quality levels, which means that

we have too much information at our disposal to make decisions. Therefore, new techniques and new formulas must be devised regarding the information collection, data correlation, and culling of data. The education of the Intelligence community in the information age requires the introduction of new curricula in information, computer, and communication sciences. Information warfare, cyber-war, computer sabotage, and computer espionage are the result of the expansion of information technologies. Information can even be a weapon for mass destruction. In cyber-space, new types of non-state actors may emerge, threatening the existing international order and stability. How can cyber attacks be uncovered and prevented? A new theoretical connection between information overflow and decision-making processes must be established. How can a decision be made when there is an excess of information and too little time? Artificial Intelligence and filtering systems then become very important. A new kind of technical expertise must be developed to support the Intelligence community in the information age. Strategic consulting is impossible in the information age without reliable strategic Intelligence. Security and business Intelligence on a global, regional, or local level needs strategic Intelligence advice, which is impossible without the additional education and training of the Intelligence community.

WOLF: I agree it's necessary to discuss the kinds of issues you addressed in your statement. Naturally the question of information plays a big role because changes in technology, and how it is used, have been greatest during the last decades. But I think when we discuss the subject of Intelligence in this new century, about the ethics and legal norms, we can't avoid the question of whom the Intelligence services serve and to advance which goal. In reference to this, I see no principle difference between this and the past century. We discussed a bit yesterday how it's impossible to separate the use of the Intelligence service from policy. So I see only the big difference that, instead of a balance of power, we now have a more unilateral use of power, and more judgement calls on the actions of political forces, organizations, and individuals. We had that after the Second World War, examples of the use of policy and power from both sides. The services most probably served the Government successfully and gave them information about the threat from the other side, their weapons, and so on. The result was this very terrible arms race, and at the end of the '70s and the beginning of the '80s, the stationing of missiles on both sides. Of course the services had to give information, real information, and partly perhaps manipulated information. This increased the tension

on both sides, inside the Governments, among public opinion, and in our own work as well. This was one reason for the big crises in the latter half of the last century. I see no real change in this situation.

Services, of course, are used by their governments; they're serving the nation, and do it perhaps more objectively now. This is the question we are discussing, and the last example from the last century, I think, is the intervention in Kosovo. It was a question of the use of power, but the information, and the information on public opinion, was one sided. I felt this very strongly in Germany, and we observed clearly the change from a bilateral to a unilateral balance of power. After the unification of Germany, it seemed incredible that German armed forces could have taken part in the war. Before the changes in Europe, and prior to the unification, this could never have taken place. The question is not whether this was good or bad, but I just want to say that we can't discuss the use of information as an abstract issue as it relates to every service. The Intelligence service is acting in the service of a nation, but not the whole nation. It serves a government. You see, the difference is a question of policy. We have now the situation that the presence of troops, American troops, in Kosovo is a not a objective necessity, because other candidates for president, George W. Bush, for example, has said he would like to remove the American soldiers. So the connection between real policy, the task at hand, and the priorities of the services is very close.

The main question is, in my opinion, whether the policy of the state and therefore the aims of the Intelligence services helped to prevent or produced new international crises. The past century has provided many such examples, and we can see in practice the difficulties in fulfilling international agreements regarding, for instance, aerial observation. There were some international conventions on this. This is the problem for the services: How to fulfill international obligations? Where is the biggest threat? Does it come from these rogue states like Libya or North Korea? Current events in North Korea show how policies change without clear reasons. Of course, there were some changes, but not substantial enough to justify Madame Albright's shaking hands with the "biggest bandit" in North Korea. Up to now, I have been unable to obtain a visa for the United States because of my "participation in terrorism". Our only participation was contact with the Palestinians, but Arafat has shaken hands with Clinton on the lawn of the White House. I would just like to stress the fact that there is a close connection between political ideas, plans, and aims of the government, and the priorities of

Intelligence work. Another example: what is the arms lobby doing in the highly developed countries? Perhaps this is more dangerous and a greater threat than the weapons in secondary countries. The former number two man in NATO, the German General Klaus Neumann, had a lecture in Switzerland in March, and gave the example of bacteriological weapons. How dangerous are they? In Iraq, after the war, 8000 litres of anthrax were found. One hundred litres could destroy a city like Lucerne. I agree with all you have said about information. There's a big stream of information going to the services. Who uses it? How should it be used? My personal opinion is that for a successful service, human intelligence will retain the main role in the future. You may have reached a different conclusion. My personal opinion is that it's possible to reduce the staff of the intelligence services, and reduce it very radically, because there is no law which dictates that all the secret information and information coming from various sources must be collected and analysed only by the classic services. What may be most important are the ways of managing this huge stream of information. I believe the sense and *raison d'être* of the services is to collect real, secret information; not about the actual situation, but about intentions, and potential threats coming from a real, potential enemy. Now information is often the continuation of the policy of power in the absence of a real threat. But if you have to know the real plans of a real enemy, you must have human sources and other kinds of secret information. I agree that it's very difficult to categorize them into what's more or less urgent, less important... we need a new kind of education, but it's still an issue..

Stolz: I would like to come back to Markus's thing on reducing the size of the human intelligence collectors. I agree, but I think it's important to deal with Stevan's cosmic views. He has elucidated the issues, but I submit that intelligence officers are not futurists. For example, we can see trends right now. One of the things that I find extremely interesting is that when I was a lad at the university, we were taught that the nineteenth century was a century of nationalism and that the twentieth century, by God, was international. What do we see today? We see devolution in its mildest form - Scotland, Wales, and the United States. Recent court decisions are favoring states as opposed to the federal government. And of course you have the violence in Chechnya, India, Pakistan, and Yugoslavia. It is different. I don't pretend to know quite why that is, but it's not difficult to see it. Another thing I think

we overlooked is the population. Isn't it six billion? We know the kind of problems that will create, and we also think of it as one solution to overpopulation. Another issue is the rich-poor - some call it the North-South - issue.

Shebarshin: Abstract global problems, like the future of humanity and so on, hardly require secret, Intelligence information. Real life people, politicians, government officials, and businessmen may occasionally indulge themselves in discussions on these matters, but what they need is down-to-earth, practical information, practical conclusions and suggestions. I had to work with the government institutions of my country, and in later years with the Russian Business Corporation. The demand for specific, usable data is incomparably greater than for global predictions and conclusions. The mission of Intelligence is to uncover what is concealed from the public eye, and supply its clients with reliable and useful information.

Lacoste: Yes, I fully agree with what you said. It was my intention to develop the same arguments. You were right to insist upon the difference between "information" and "knowledge". I will recall that, traditionally, French military Intelligence had two sides. We call the first one "documentary Intelligence", which is the best possible knowledge of the capacities, doctrine, and intentions of the enemy army; its assets, weaknesses, and so on. The second is "operational Intelligence", which is directly connected to the cause of the action and the operational choices of the authority in charge. The decision maker needs both knowledge and information; knowledge to understand what Intelligence issues mean in order to make the correct decisions.

There is another issue that has not really been raised here concerning the economic revolution. We have in mind the political and military aspects of the Balkan problems, but we should also pay attention to the economic issues. The shift from a bipolar strategic situation to a multipolar one has corresponding consequences for the global economy. Nowadays, large international corporations are more concerned with foreign affairs than many governments used to be. Their staffs conduct themselves like state governments, but under the pressure of huge financial and industrial interests they are taking full advantage of the new tools and the best products of the age of "information technology". I have observed in my country that no state administration, no politician, no secret service profits as well as the private sector from Intelligence assets. Private firms discovered the leverage effects of Intelligence collection through modern devices, "data mining", open networks, new interconnection proce-

dures, and “knowledge management”. I believe it is very important for government administrations and traditional Intelligence agencies to adopt new methods of managing information. Large international corporations represent an interesting model, because their leaders are excellent managers and strategists. They are actually and efficiently controlled by their shareholders, who carefully monitor their financial performances. It is not the same for politicians. They are supposed to be controlled by the votes of the citizens, whose appreciation is based on other criteria.

Another analogy between the state and private sectors is the development of electronic networks inside governmental systems and military systems. Traditionally, administrations and military structures are organized as a pyramid; orders go from top to bottom, and reports from bottom to top. Today, in the real economic world, management is based more and more upon various interconnected networks. The psychological effects are important for human relations inside and outside the organization. The traditional, bureaucratic model is no longer able to manage collective knowledge as well as modern methods, which use new information technologies and software assets.

This is a big challenge also for Intelligence agencies and the relations they have with their governments. There is a “revolution in military affairs” that takes into account these elements; for example, at the operational and tactical levels, where they actually mix command, control, and Intelligence information in fully integrated networks. It is a new dimension, and the private sector applies it more rapidly than public administration.

~~Agre~~ll: If large corporations are starting to behave like governments, then there will be legal problems, and we need to discuss the ethical and legal aspects of Intelligence this afternoon. It’s a considerable problem. One week ago, the large Swedish multinational corporation, Ericsson, got into hot water because the Swedish paper revealed that it had paid around 170 million Swedish crowns through its intermediaries to consultants, who did not want their identities known. We can imagine what those consultants were doing. These are facts of life for big business in the world of globalization: the use of Intelligence, bribes, and use of connections necessary to close almost all big contracts. This also characterizes real business Intelligence; that is, Intelligence not obtained through the Internet or open media sources, and which provides a general view of the customer or country with which you are dealing. It is as General Shebarshin has said. The key

is identifying the central figures, getting to know them, and making contact with them so that you can close the deal with the assistance of key persons. This illustrates the continuing importance of clandestine Intelligence work.

Lacoste: Another analogy is the spreading of networks in government and military systems. It is a part of what I would call collective knowledge versus individual knowledge.

Doder: I'm listening to this and I actually have no knowledge about the bureaucratic side of Intelligence, but I do know something about information and what to do with information. In the end it seems to me that the purpose of any Intelligence organization is not only to provide information to policymakers but to tell them what this information means. Despite globalization and the profusion of information, it seems to me that need for solid Intelligence services is greater now than before, because we face entirely new types of challenges ranging from narcotics trade and international terrorism to cyberspace crime and weapons of mass destruction being acquired by rogue states. It's a very specific kind of Intelligence, because it requires experience and a certain kind of knowledge. I'm told that actually today, it's very difficult to bug, because these are these obstacle cables that transmit millions of messages and it's very hard to locate who's saying what and from where. It's an enormous task. This is what one of the operators told me. It seems to me that Intelligence work for a private cooperation is something entirely different, because in the end, you have a national service to protect national interests, and provide leaders with the best possible assessment of potential threats and how to deal with the countries presenting them.

Dedijer: After the Cold War, all national intelligence communities suffered from what I call »mental viruses«, which are similar to computer viruses in their destructive capacity. These old ideas - »idols« as Francis Bacon called them - almost lost me my life in December in Bastogne, Belgium. In spite of the good intelligence they possessed, Generals Eisenhower and Bradley stuck to the mental virus that Hitler could not start a new offensive. The former CIA director, Robert Gates, describes the CIA in his book *From the Shadows* as »one of the most closed bureaucracies in Washington, an agency hostile to 'outsiders' at any level, a complex and clannish organization deeply averse to change«. What is true of the CIA in the most open country, the United States, is true of all other intelligence agencies. Their reform, even the need for reform, is now being questioned. We live today in an emerging global civilization, a »global village« with 6.1 billion inhabitants and three billion organizations - from families, firms, work-

places, regions, and nations - all undergoing multi-dimensional radical changes; that is, revolutions. It is from this image of our planet that we must start to look at the »subjects and methods of intelligence agencies at the beginning of the 21st Century«.

The world today is dominated economically, technologically, militarily, and in many ways culturally, by the U.S., which has less than 5% of the world population. The United States is the freest and most creative state in the world, but falls behind socially, as compared to the Scandinavian countries, which are also free and creative. This domination by the U.S. must not and will not last. I believe that the emergence of business intelligence and security, and the democratization of other countries, above all China and Russia, will lead to a competitive socialization of the world, and that my dream of a world without "prisoners of starvation« will be realized by global democratic capitalism.

Leijonhjelms: Just a few reflections as I listen to the debate. Sometimes I get a feeling that we are discussing the same topics and the same ambitions, but from a different perspective. There is, as we know, a tremendous difference between larger countries' capabilities in Intelligence as compared to smaller countries, and my views reflect the smaller country's. If you have only 1% of the American Intelligence potential, you are forced to totally adapt your handling of threats in a way which larger countries do not. I would like to bring up a few points from that perspective. There are several trends which have been mentioned here. One is that HUMINT is not dying, and spying is not dying, but getting smaller, and this very much reflects the present situation in Intelligence. The rapid change in relations between developed nations and underdeveloped nations totally alters the need for Intelligence. For example, small countries like Sweden, which are not threatened militarily – even in the long term - must concentrate on specific possible threats in order to avoid information glut, which has been mentioned here. It is impossible to cover all things which might constitute a threat, and which are better covered by other institutions. I see a majority of traditional Intelligence tasks going to private security agencies or other institutions. Traditional Intelligence techniques are of limited interest in evaluating new types of threats. Apart from military threats, the new type of threats are more uncontrollable and unforeseeable and will threaten new sectors of society - from electricity supplies to social services. We spoke earlier today about a Swedish hacker who managed to close down Florida's rescue service for almost two days. What I regard as another serious threat is weapons of

mass destruction, because we have found, as we heard earlier, instructions on how to build such weapons on the Internet. One can find today relatively good instructions on how to build effective biological weapons in one's own backyard. This type of threat is very real. You also have technical progress in the conventional explosives sphere, which perhaps does not seem that important. But consider that today, it is possible to increase the energy intensity of conventional explosives by several times. This will enable terrorists to blow up World Trade Centers much more effectively in the future. Therefore, a high priority for military Intelligence must be technical developments and new military technology, because that is what constitutes the threats, also in the civilian sphere, in the future.

Kerr: It appears to me that we would generally agree that Intelligence organizations and Intelligence are going to remain vital, and that the countries still need to support their foreign policy. They need information that is directed at their problems. And their problems are more diverse and complicated. Whether it's secret or open is less relevant than the fact that they still need information, and are still going to be faced with an enormous set of complicated problems. I would argue in some ways that more detail and finer-grained information is required. I think Doder was actually making this point – the world is in some ways more complicated than it was before. Because the level of detail that's required is sometimes greater and the knowledge at a greater level of sophistication. But if you make that assumption and we go to some of the other comments made, I would also argue that if I were a policymaker, I would say there are too many voices out there. There are too many people trying to help me and I would still need an organization that can give me coherent, relevant answers to my problems. Not to somebody else's problems, but to my problems. Then the question I would ask is: are the organizations that I have at my disposal good enough to do that? Can I be confident, in this complex world, that an organization can give me unambiguous, direct, and relevant answers to the questions that I have? I think there is a way to do that, but I am not convinced that the Intelligence organization I worked for has done that. I would argue that during the Cold War, we tried to do everything. We tried to be experts on everything, and built a huge organization that had great expertise on everything in the strategic area - from nuclear weapons, to terrorism, to eco-

conomic, political, and social issues. Today, the organizations have shrunk in size, and are much more focused on current activities, so it's impossible for them to deal with this array of problems at the level of sophistication the policymaker needs.

Kerr: So we can say, at least from the U.S. perspective, that Intelligence organizations can't be everything to everybody, so they need to change the way they think about problems. Analysts should not try to be experts on every problem, but should try figure out where the expertise lies. Who are the experts? And how can they obtain the information relevant to the problems with which they have to deal to support national policy? That is quite a different role, and it means locating areas of expertise, perhaps outside the government. In fact, many of them should be outside the Government, but we need to know how to use that array for our own particular self interest. It seems to me that this is the key, and it means admitting that we don't know everything. It's difficult for Intelligence officers to say "I don't know much about this problem; in fact, I don't know anything, but I'll find out." I would argue that this requires a whole change in the way one thinks.

Agrell: I think Richard said something very important here about the change in the role of Intelligence agencies. In the 1990s, we saw the birth of a lot of strange new expressions, and one of them was "information broker". An information broker is a person who helps someone obtain information they cannot obtain on their own. Maybe what you are hinting at is that the government needs Intelligence brokers, experts who come in at the point where knowledge and decision-making intersect. The methodological problem is that they do not know the facts, because it's impossible to know them today. You can't even predict the questions that need to be answered. So this is a fundamental change not only in the organizational and source structure, but in the core profession.

Boyadjiev: First of all I think that with our capable mediators, we have reached some level of telepathy around the table. We have started to think about many things that different Intelligence services have in common. I want to make some remarks from a very narrow angle. Not from the position of "We, the services," but of "Me, the Spy who was Left Out in the Cold". What do I mean by this?

A lot of Intelligence professionals in ex-Eastern Europe, some of whom have maintained their former sources, not only within their national borders but in other countries as well, are now dispersed within society. The majority is focused in private business. I mention this because I think special services in various countries will soon begin to feel the effects of this.

With the end of the Cold War, many terms and categories, such as “main adversary”, “chief enemy”, and so on, were discarded. Today, everybody is in competition. Former allies are competing against each other. Soon their national and private counterintelligence services are going to face additional problems presented by “friendly Intelligence” from Eastern Europe. This will most likely be on a private and not a state level, but this does not make it any less aggressive. So now we have not only the issue of global government interests, but the problem of competing on a private level.

Here I would like to make a comment about what General Ćosić said. He raised the question of educating Intelligence professionals. I think a majority of the professionals left in the cold are now doing exactly that - preparing or teaching young people and specialists from the private field in the craft of Intelligence. I know that Generals Shebarshin and Leonov and their colleagues are doing that. For several years, the first private, Russian, high-level educational, Institute for Security of Private Business, has been in operation.

The Bulgarian Euro Atlantic Intelligence Forum – our Association - has been doing the same thing for more than eight years. We have a group of nine people, professionals from Intelligence and counterintelligence, and we teach different aspects of Intelligence in several Bulgarian universities. So knowledge about the Intelligence craft is becoming known among wider audiences, and that will be felt in the competitive field of private business.

Jackovich: We’re touching on something that goes into another aspect, and I think Mr. Wolf mentioned this yesterday; that is, professionalism, the expertise that emerges from particular services, and what happens with it. I see a potential danger in terms of it. The infusion of this personnel into society and the loss to the professional services is one thing. The potential gain for some other entities is quite another. Here, I am thinking in two dimensions. One is something that Admiral Lacoste mentioned yesterday, and that is organized crime and criminality. Assets can be used in a positive way. If, for example, in the Soviet Union nuclear physicists and scientists that were connected with particular laboratories are the beneficiaries of a program, however meager and modest it, or its results, might be for the West. Is it out of the realm to think that the same thing might be possible in the Intelligence field? Maybe its not by virtue of the nature of Intelligence work. I don’t know. But it seems to me there is a danger that, if something positive is not undertaken, then somebody will undertake something negative. You already have a situation where transnational criminality is expanding, and has capa-

bilities that rival national Intelligence services, which I don't think we've seen to that extent in the past. You have corruption and criminality within a state that we tended earlier to think was part of a transition process. The longer the transition process goes on and the longer these groups operate in a transnational, active sense, the greater the danger that it becomes a permanent phenomenon in these states. Then you have the social reaction to it. If the people in these states begin to look upon that sort of development as an integral part of liberalization and democratization, then support for liberalization and democratization will weaken among the populations of those states. The essence of this is that the entire economy, entire states can be hijacked in today's world by the strength of criminal organizations which are perhaps the beneficiaries of fallen away Intelligence services.

Leijonhjelms: I believe that widespread criminality in transition countries is here to stay. I think there is ample evidence of that, and it fits well into Putnam's theory that, in a state where constitution building is not taking place, criminal structures tend to grow rapidly. People's faith in governmental institutions vanish where unemployment is high and poverty is spreading, as we see in almost all the transition countries. For example in Italy, this type of criminality is extremely difficult to eradicate. Of course, there are different phases in criminality. In its earlier phase it is most harmful, because then most revenues from criminal activity are exported instead of invested within the country, and capital goods are imported. Later, when reliance on institutions in the country has grown, the money will eventually return and be invested in the country. But now, my impression is that, for example, Russian organized crime is in its most harmful phase. I would also like to make a comment on what the chairman said at the beginning. I think we should move one step further in order to be prepared for new threats. Intelligence agencies must open up, and more effectively use the knowledge of possible threat scenarios which exist in open society by creating reference groups or knowledge centers to focus on specific problems. Not only should academics and Intelligence people be involved, but also individuals with vast experience in the targeted area. Devil's advocates are also needed. This mixture should eventually lead to a better understanding of imminent future threats.

Jackovich: You're quite right about the export of profits. In the past, in the United States and elsewhere, things were built in the places which were producing the money, continuing the tradition of the robber baron who contributes back to his

community, so the communities benefited. Today, with globalized economy, the profits are going to where they can be increased, and that means he exports the profits to make greater profits elsewhere.

Kerr: In regard to the private sector, I was commenting to Admiral Lacoste that I watched the banks invest in the Phillipines in the early 1970's, as the economy was going into the pits, and lose literally millions and millions of dollars. U.S. and foreign business have not been all that clever in predicting the future. Consider their investment in South East Asia and the financial collapse there. So business does not necessarily have a clarity about the future that we might have implied. It also makes terrible mistakes even though it has a single minded focus on making money, whereas Intelligence does not have such a clear objective.

Doder: Dick was saying how I think in a very polite and diplomatic way about Eastern Europe, and the former security people who were involved in shady business as consultants and so forth. The last time I was in Bulgaria, former athletes and former security people were the local mafia. Car theft was so prevalent that it was impossible to drive. Then they get hold of police uniforms and pull drivers over, take the driver out, and take the car. The Chinese embassy hasn't had a single car stolen. The guys that run the only kind of reliable parking lot in front of the main hotel are part of the mafia, too. They charge extortionist prices, but at least your car is there.

Boyadjiev: A lot of stolen luxury cars are brought into Bulgaria through the nets of organized crime networks, even from Canada. But not only Bulgarians are participating in those rings.

Doder: But what I'm trying to say is that many of these security services were extremely large, and then when they were dismantled, a lot of people couldn't find a job.

Kerr: A lot of us have become consultants.

Dedijer: In England you have Oxford and Analytica, put together by a CIA man who took 800 professors from Cambridge, Oxford, all the English universities, and organized them as consultants. You want to know what's happening in Uganda? You get three professors and three reports for 50,000 dollars. Such firms are rising up all over the world, consulting firms which do the work of other former Intelligence organizations.

Boyadjiev: In Bulgaria, the process started with the establishment of "companies" selling "security". Most of them were registered by ex- wrestlers, fighters, kick box specialists, and so forth. That was a lower form of selling security - with a baseball bat. I hope this is a thing of the past now. What we

are trying to do, and what General Shebarshin's Institute is trying to do, is to teach legitimate managers about company security; to prepare people with clean dossiers. We are teaching them law, economics, informatics and then, as a second part during the second year of their education, the special crafts of Intelligence services. We think that, in this way, we can help rid society of the false security "retailers" selling their "security services" through racketeering and force, and place trustworthy and legitimate people in this business.

Doder: I have a friend who has a large business interest in Russia. He runs five or six factories, and I know from him that you have to hire security to do anything. It's not a normal operation, let's not kid ourselves. In other words, the former security people who don't have jobs become part of a mafia.

Tu man: Different countries have different security problems. For most transition countries, the initial problem was physical security, and then technical security. Croatia also started with the development of physical and technical security systems, but I do not believe in general that we should be satisfied with data protection and communication security. On the other hand, some countries developed all those systems under very precise legal norms and other measures necessary for the development of security systems. Having that in mind, I think what Todor said about education in this area is important. But there is not much formal education available on Intelligence, at least in the public education system. Our journal, *National Security and the Future*, is the only one in Croatia and in the transition countries. I hope the journal will provide professional and scientific articles which can contribute to both formal and informal education on Intelligence and national security.

In the first ten years of Croatia's existence, we established a Diplomatic Academy, a Military War School, and an Intelligence Academy. A year or two ago, General Ćosić, Admiral Domazet, and I prepared a proposal for a National Security Academy or National Security School. The basic idea was to combine the Diplomatic and Intelligence Academy and the War School, in order to concentrate the intellectual resources and facilities of our small country. The idea was not to discount the differences between Intelligence, diplomacy, and military, but to offer diverse national security programs in one school, and to integrate that school into the University. The proposal was not realized, but sooner or later it will happen.

There is an interesting review in the journal *Intelligence and National Security*. Two years ago, they published the names of people who took doctorates in Intelligence. They provide 20 or 30 pages with the names and titles of doctoral theses. I think we can expect the subject to become a regular university subject in the near future. In the European countries, at least, the introduction of a new scientific discipline in university programs always goes from the top down. A new discipline first appears as a subject on the postgraduate level, and then later in graduate studies. When Intelligence becomes a subject of scientific research and an element of university education, public opinion will change on the role and objectives of Intelligence agencies. That fact will impact on the education and selection of professionals for different national security services. In other words, education will be available for everybody, which presents a certain element of risk. Both good guys and bad guys can educate themselves on the same topics. Anyhow, I believe that in the future we can expect European countries to offer Intelligence as an academic subject at the university. As a result, people will not only be educated to work in governmental and non-governmental centers or agencies, but will also have an impact on the methods, techniques, and development of the Intelligence services.

Lacoste: This is a very important issue. This type of education is not only for future specialists in Intelligence. It is also necessary for understanding various branches of universal knowledge. I have observed that there is a legal aspect, in constitutional as well as criminal law. There is a sociological aspect and a psychological aspect; for example, if you want to understand how Hitler's or Stalin's brain operated. There is also an historical aspect, which is probably the main one, since historians normally take all these aspects into account. And this is why I personally tried to organize a group of French scholars – individuals from different backgrounds - police, diplomacy, sociology, army, Intelligence services, law faculties, etc., - to take part in a three year long university seminar in order to avoid the typical characteristics of the "French Intelligence culture".

I am convinced that when professional Intelligence officers from different countries meet, they will be in a better position to address common threats such as international terrorism or arms smuggling, and also to discover better ways to solve their own problems. In a way, it is the kind of work we are performing here which leads to better international understanding.

Cosic: We spent some time on the selection of curricula for the Croatian Academy of National Security, and there were some very interesting findings regarding curriculum composition. We analyzed the curricula and courses of leading educational institutions around the world in the areas of business administration, public administration, and information resource management and security. State of the art education on the Intelligence community and administration requires courses like strategic leadership, cyber-battle-space, cyber-war, organizational management, e-finance, and so forth. Selecting curricula in public administration, business administration, and information science must be properly done to meet expectations and needs in education and training of the Intelligence administration and community in the information age.

Stolz: If I may, I would like to change the subject a little bit and talk about terrorism. International terrorism. Now you can disagree, but I will submit that we vastly overrate international terrorism, and spend an enormous amount of time on a subject that should be broken down into its individual parts. Now when I say terrorism, I refer to the generally accepted definition: killing innocent people for political purposes. It is not terrorism when Palestinians and Israelis shoot each other or throw rocks at each other. That is not terrorism. A bomb in the public square is. A bomb on a destroyer is arguable. A bomb on the USS Cole is arguable. ETA's terrorist activities are indeed a problem, but it is a problem for Spain and France, not an international problem. In the same vein, the IRA and the PIRA are a problem for the United Kingdom and Ireland, not for the international community. Pakistan, Kashmir; that is a problem, but that's a potential war, it is not terrorism. They are killing each other every chance they get. I won't go through them one by one, but take Iran, for example. They have an agenda, and it's largely anti-US and anti-Israeli. I'm not saying we shouldn't take a look at these things, but these international counterterrorism centers are police matters in many cases. I happened to be in Geneva when the huge explosion took place in Oklahoma. Our former congressman from Oklahoma, who was the head of the House Intelligence Committee, said "Those Arabs will pay for what they have done." And of course, it was home grown. We often overdo it and fail to analyse the basic problems.

Dedijer: I'm sorry, but the British services' terrorism is a poor people's war. You can see this in Israel, where they developed the technique of throwing stones. It is a wonderful invention. Fighting for the independence of Palestinians against tanks, planes, everything else. That is another way of looking at terrorism.

Doder: Terrorism is also when thieves empty a bank account or similar actions by using hackers. Take the recent love virus. What hasn't been mentioned in the papers is that the virus was capable of getting passwords from bank accounts. It is now technically possible to send a virus which includes the capability to collect passwords from bank accounts and clean them out. It seems to me that that is an act of terrorism, because it invades my security. Maybe everything I have is in an account.

Stolz: My definition is the killing of uninvolved people for a political purpose. That is my definition.

Lacoste: I am no longer active in current Intelligence events, but I am wondering why the press never mentions a very obvious Intelligence goal; namely, to discover where Milosevic's money is? It has been in Cyprus, it is certainly in various other banks, but it happens to be a type of information that is covered by the "law of silence". Sometimes there are indiscretions about other dictators' fortunes. I read an article on the plane two days ago about the money the former Nigerian leader had stolen from his people. Two or three billion dollars, which is not a small amount, were deposited in a Western bank. The money is certainly being used to generate new profits. When I asked questions about this to top financial authorities or politicians, I never received a clear answer. They preferred to "bury their heads in the sand", the "ostrich approach" as we say in French, than to raise such controversial issues publicly.

Kerr: It is not hard in today's world to understand where money goes, what happens to it, who owns it, and where it is deposited. The problem is that the international banking community frowns on people interfering in that process. And it's possible to interfere in it, but if you intervene in the banking process you bring the wrath of a lot of people down on your head, because they feel this is sacreligious. You can't touch that!

Shebarshin: I want to add to what Dick Stolz said about international terrorism. Dick pointed out quite correctly that terrorism has specific roots in every part of the world. Terrorism in the USA (remember Oklahoma) is one thing. Quite different is what happens in Kashmir. It is an offshoot of a real, undeclared war, which has been going on between India and Pakistan for fifty-odd years.

I think that people who inveigh against international terrorism often do not rely on hard facts. We hear a lot about the international character of terrorism in Chechnya and Afghanistan, about the almost mythical Bin Laden, and the convergence of Russian and American interests in this respect. And there is no doubt that it is the duty of all civilized states and their Intelligence organizations to eradicate terrorism in whatever shape it appears.

But one would expect hard evidence of the Taliban assistance to Chechen terrorists, or of their connection to anti-American acts in the Middle East. There is none. At the same time, Taliban enjoys the support of Pakistan, Saudi Arabia, and the United Arab Emirates, all respectable states, but which support a regime labeled "terrorist".

I doubt the existence of effective working links between real terrorist groups of various persuasions. Such links would run counter to the very secretive nature of terrorism. Any outside connection, an extra person admitted to a terrorist group, sharply reduces its chances of success. Frankly, I regret the deficiency of contacts between terrorists of different countries, because they could have made penetration by special services so much easier.

During the Afghan war, we managed to trace numerous connections between the Afghan opposition (who could have easily been labelled terrorists) and outside forces. They consisted of our current good partners: the United States, China, Pakistan, etc. Weapons supplied by them to Afghans, i.e. Stingers, are still killing people in terrorist acts. Yes, the Afghan opposition was getting support from Islamic organizations, but mainly moral support; they were supplied with propaganda material and Korans, but rarely with arms, unless the shipment was paid for by one of the countries mentioned, and they practically never got money. So let us not be duped by the myth of ideologically motivated Islamic solidarity, especially in the field of terrorism..

Kerr: There is a difference between terrorism today and terrorism 10 – 15 years ago, when there was a fair amount of evidence of state-sponsored terrorism. In other words, there were terrorist organisations who learned tactics and trained together in various countries. There is much less evidence today,

where a state is actually helping to organize and support terrorism. From a U.S. perspective, I think one of the more effective things that U.S. Intelligence has done is to preempt terrorist attacks, to stop them before they can conduct attacks. One of its real successes has been its cooperation with other organizations to preempt acts of terrorism. During the Iraq, terrorists were sent out and many of them were caught. After the recent bombings of the Embassies in Africa, other people clearly involved in training were picked up in Africa. So that's a very legitimate role for Intelligence.

We've also been talking about information, which is out there everywhere swirling around. It seems to me one of the most interesting problems for the future is disinformation and deception, using the very systems that we are talking about. There's the potential to inform people in a way you would not like them to be informed.

Doder: The real problem is that the first spin you put on a piece of information becomes the prevailing view. The first spin is put by the guys who leak it. There's nothing that you can do. You know, the Clinton White House has been marvelous at that on the domestic level. If something's brand new, they immediately say it's six years old. It's the spin that colors the information and the speed it's disseminated, because we have 24 hour news channels. The spin is floated in a certain way and then you have the talking heads, who know nothing about anything, but have to talk about and discuss it in the original context. I can see how a foreign government can introduce something like this. The Russians were excellent at that. I'll tell you a story about when there was an assassination attempt on Brezhnev in 1969. All of the U.S. journalists were there, we saw the cosmonauts and the motorcades coming into Borovisky gate and it was all on television. All of a sudden, the television broadcasters lost their connections and we outside of the gate couldn't see anything. The limousines went in. The point is, a day later the Russians leak the story that there was a crazy guy who was shooting at the cosmonauts. If you're given information that a crazy guy tried to kill the cosmonauts, what do you do? I was working then for UPI and I wrestled with the problem.

Shebarshin: They made a TV film on that, which I saw recently on the first channel. A documentary.

Kerr: Of course my experience as a Intelligence officer is that the first report is nearly always wrong or partial or distorted. My first reaction when someone says something has been shot out of the sky or something has happened is: "Don't anybody move for a moment. Let's be calm about this, let's make sure we know what the hell we're talking about."

Dedijer: All scientific discoveries are disinformation for most people, because they don't understand them. It's totally out of their world. And that was the case with the bomb. So all information can be disinformation for somebody. Now when you do it on purpose, that's another thing.

Lacoste: Former international Intelligence problems were directly linked to international relations, security, and military affairs. Now they more than ever overlap with traditionally "internal" security problems. For example, terrorism is obviously a matter of concern for foreign Intelligence, but it also lies within the responsibility of police agencies. All Intelligence agencies nowadays must admit that police officers have a specific knowledge about the criminal world, that they have a better understanding of the criminal mentality and their courses of action. We must accept those facts, even if they create difficulties in managing interservice rivalries. I observed such problems in my country, when there was an increase in Islamic terrorism during the Lebanese conflict, and later on, with Algerian terrorism. The perceptions were not the same as seen through the eyes of police and of counterintelligence officers, putting aside their traditional bureaucratic hostility. I believe that Intelligence services and police agencies are complementary, and that they must discuss and compare their views, which means that there must exist a strong political authority to listen to both sides and impose its decision. Unfortunately, politicians generally prefer to play one agency against the other in order to maintain their personal power. This is a basic principle of Machiavellian politics, but it does not serve the country's best interests.

Leijonhielm: Just a comment about validating information. You could argue that deception and disinformation works. I believe that is the conclusion we must draw from history, especially if it is constructed at a high level or by the state itself. There is, however, a large difference between disinformation regarding smaller subjects and deception on a national scale. I would argue that the Soviet Union managed for decades to spread disinformation about its economy and military strength. This worked very effectively, and led to overestimation of the Soviet economic and, subsequently, military strength in the West. The deception was not discovered until someone detected that, in fact, there existed a large budget deficit. So the pieces slowly fell into place. My other remark is that we also have the problem with disinformation given unintentionally, which is much harder to detect. Continuous and systematic overestimates of a country's economic performance are very difficult to detect, unless you have access

to all statistical, primary sources of production and financial transactions. I would go so far as to argue that in many transition countries, but also other European countries, the true state of the economy is only partially known.

Doder: Take for example the Soviet statistics on the production of tractors. They produced roughly 2.7 million tractors per year. The total number of tractors in the country was about 2.9 percent of that. You look at the export figures and they should read that about 180,000 were exported annually. As you can see, millions of tractors are missing. In regard to the Soviet military budget figures, the figure stood at 17.9 billion rubles in 1968, and in 1982, it was slightly less – 17.82 rubles – and the Russians were fighting a war at that time in Afghanistan. The figures were meaningless.

Tu man: We could also discuss the value of information and role of disinformation. First, there is a certain basic prejudice or belief that information is synonymous with reality. Obviously that is not the case, because today everybody - from Government officials, to businesses, athletes and film stars - has a spokesperson who tries to reduce the amount of bad press or negative perceptions and increase the positive coverage; not necessarily to fabricate, but at least to obscure certain details or to augment insignificant information which protects the image of the person or institution. That is the problem with the value of information. The question is, what represents reality in information? And how can we verify it? What kind of feedback can we get? We have the same problem not only internally in one country, among different groups, but also when there is a conflict of interest between countries. For example, the other day we discussed something which was not known to those of us who were not involved in Operation Storm in '95. Several years after the operation, there were attempts to convince the general public that Americans supported the Croatian Army during Operation Storm, and that, without that support, the Croatian Army would not have won. The fact is that in the summer of '95, the Americans were warning the Croatian Government not to run the operation, and in fact telling them they were not allowed to undertake it. And what is the general perception today of Operation Storm? There have been many efforts to reshape that perception.

From my point of view, information itself is not knowledge, and the value of unevaluated information is exaggerated. If something is available to the public, this does not mean it is accurate. Information can contain not only facts, but also fabrications, misinformation, disinformation, ignorance, prej-

udice, wishful thinking, and so on. Therefore, a critical approach to information is necessary. What I would like to say is that a large part of our knowledge of the world is based on ignorance. That is something we have got to admit.

Stolz: Misinformation, as you just suggested, is when someone who really doesn't know the facts disseminates misinformation; this is in opposition to disinformation, which is deliberate, and usually state-generated or institutional. I think this is a distinction we have to keep in mind as analysts. We have "spin doctors" who sell their version of events to the public. What is the real story there? Then you get some bad stuff, which still bothers me, and which is not state inspired; for example, the crazy theory about the CIA selling crack cocaine in Los Angeles. There are still people who believe that.

Dedijer: I want to raise a very important issue for the journal: the issue of secrecy and increasing transparency. Secrecy is essential in all human activities, including Intelligence. Now, Intelligence organizations are extremely bureaucratic. One man from the CIA man wrote very eloquently that 95% of the secrecy of Intelligence organizations is intended to hide failures and stupidity.

Boyadjiev: As an example, the Bulgarian Parliament tried to pass a law in 1993 that all state secrets up to October 13, 1992, when the opposition came to power, were no longer secret. The next government tried to do the same thing. The only difference was that it changed the date to the date of its election victory. Fortunately, both attempts were unsuccessful, at least for now, since attempts are still being made. Here you have a good precedent as to how the problem of secrets can be resolved.

Dedijer: I started turning against Tito when I realized that people were being punished not for committing crimes, but for pointing out that crimes were being committed. That was one reason Communism disappeared. The biggest social experiment in human history.

Shebarshin: The greatest social experiment was not socialism, but Christianity, and it's still continuing.

Kerr: I can't let Stevan off the hook. The idea that secrecy is designed to prevent the uncovering of failures and incompetence is absolutely wrong. First of all, most secrecy is introduced into the system before you know whether the action will be a failure or a success. I think that's greatly overexaggerated. I just believe we trumpet most of our failures. Harvard writes about them; every school and group

writes about the failures and the occasional fiasco. Very few people write about and understand the successes, because they are usually more complicated, and success does not make as good a story as failure.

Doder: I taught a class in contemporary public policy at the University in Washington, to 30 students. I had them read the Howard Kurtz book, "Spin Cycle", about how information is manipulated and so forth. But even before they had read this book, they said that none of them took seriously anything the Government said. They thought the press was manipulative and untruthful, and, strangely enough, their attitude towards television was the most positive because they felt that pictures provided a greater amount of knowledge. I know that the Kennedy administration did a great deal to enthuse and inspire young people to perform public service and so forth. So I think information is not what we are really talking about. Mr. Dedijer is probably talking about something else: covert action. Of course you have to have secrecy in the Intelligence services. It's covert action, and the temptation to use it from one administration to another, that presents the problem; for instance, using the CIA the same way that the Kremlin used the KGB, as an arm of the executive. You know, some directors resisted, but some did not. And that's a real problem. Then you get the blame, no matter what, for some cockamamie scheme.

Wolfe: I want to say a few words about covert actions, or as we call them, active measures. Of course there's a difference between false information and disinformation. But looking back, I would say that the success of our activities in this field was zero. Of course there were activities, we had false documents, we used false documents to make the threat from NATO clearer to the public. Or, for example, we prepared falsified German documents, based on actual ones, to help our Bulgarian friends compromise the West German foreign policy toward Turkey. The only result was that our department issued a report that year about numerous activities they had undertaken. There was a brief mention in the papers, but that was it. Perhaps your experiences have been different. The only example I remember that succeeded in influencing public opinion, if only for a short period, was a document published by a well-known East German professor who specialized in this issue, stating that AIDS originated in American prisons, from experiments in American prisons, and so on. The problem was that I myself believed this was true, and that the evidence used in this document was true as well. I'm not

sure, but I think it came from Moscow. So though I do not want to underestimate this problem, the evidence used during my trials, in documents and witness statements about “terrible” actions and measures, was over-estimated.

19.7

Kerr: I think we have probably run the course for today’s discussion. I think the issue that you raised here will come up in the next session about covert action.

Agrell: I would only like to make a short final comment to General Boyadjev. I think we complain a lot about the media and all the shortcomings and unpredictability of the media, but maybe there is one hidden advantage of this, and that is that in the end, it’s very difficult to predict manipulation of the media. One never knows what result one might achieve have from the manipulation, and this a marketing problem everyone who tries to influence the media has: they can’t predict the impact of what they are doing. They are investing enormous resources with very little effect, and then, when they are doing nothing, everything blows up in their face and nobody can in retrospect explain why. Why didn’t that work and why did this always have an impact?

Session IV

Ethics and legal norms for Intelligence and national security

Intelligence and policy makers; Intelligence and the public; ethics in special operations and misinformation; Intelligence and responsibility; national security and human rights; etc.

Moderators: General Todor Boyadjiev, General Marcus Wolf

Wolf: It's hard to find a starting point for the discussion, because you may all have different points of view on the problem of legal and ethical norms. On the one hand, I think it is necessary to talk about international law as a precondition for the problems of legal regulations or legal terms in the services. But if we do that, we have some problems, because this would mean that national governments are adjusting their actions to international law, and the rules and decisions of the United Nations. We know that in practice there are some points of difference. Even existing international norms, conventions and treaties are not respected in an honorable way. This morning I used the example of bacterial weapons, and we know there exists an international convention against them, signed in 1975 by 143 states, but the weapons still exist. Many conventions are not respected, for a variety of reasons; one is because they are being used peacefully for scientific studies and research. In the morning, we discussed the problem of terrorism. What is terrorism? Of course the issue of terrorism or international crimes must be included in the judicial and legal rules for the services. We can at least begin the discussion with very simple but important questions: human life. Who has the right to kill, to give such an order? Or should it be totally banned? I remember problems and discussions that arose after the retirement of Willy Brandt, in connection with the case of Guillaume, who was under my responsibility. Is it possible to establish a zone of protection around leading persons, presidents, or prime ministers, an area the services are prohibited from entering? It was said that Honecker told German Chancellor Helmut Schmidt during a meeting that if he had known this agent (Guillaume)

had existed, he would have given the order to remove him. But I never got an order not to recruit agents in the Chancellor's office. These are just some examples we can use to direct our discussion about the ethics and legal norms for Intelligence and national security, but now I will give Todor a chance to speak about this issue.

Boyadjiev: I would like to mention a book in my introduction, not to make an advertisement, but because this book is directly connected with our current discussions.

The name of the book is "THE INTELLIGENCE". It was published in Bulgaria in May of last year, and it was number one on the best selling list for several weeks in a row.

The book is unique in several ways; first, because it is a collective effort of half the people in this room. It includes the autobiographies of Dick Stolz, Dick Kerr, General Shebarshin, General Leonov, General Asparuhov, and myself.

Each autobiography answers four principal questions: "How and why did I join the Intelligence service?"; "What was I doing in Intelligence?"; "How did I leave Intelligence?", and "What am I doing now?"

This approach allowed us to collect and compare individual fates, preserving at the same time the individuality of each person. The unostentatious conclusion reached is that Intelligence is a profession with a human face, that people in working in Intelligence have high motivation and morals, are patriots, professionals with strong intellect and comprehensive, encyclopedic knowledge; ethical and tolerant; prepared to look beyond the confines of their special services and assess the qualities of those who, based on their ideologies, were their opponents and even enemies.

The contributions of Admiral Pierre Lacoste and Professor Miroslav Tadjman come from this structure.

Admiral Pierre Lacoste wrote an excellent piece about his vision of Intelligence in the 21st Century. My very dear friend, Professor Tadjman, wrote a very interesting biography – the biography of the Croatian Intelligence. And General Markus Wolf, whose autobiography has been published in more than a dozen languages, supplied the forward. The only authors that are not in this room are General Brigo Asparuhov – my colleague for many years and the last Director of the Bulgarian National Intelligence Service, the "spy of the 20th Century" Kim Philby, whom I had the privilege to know for many years, the CIA Director George Tenet, and the director of the Russian Intelligence, Viacheslav Trubnikov, now First Foreign Deputy Minister of Russia.

All these authors' papers offer an open and reader-friendly vision of this worthy, though high-stress, profession "on the edge".

The book achieved its purpose. It gave the readers in Bulgaria, who have been manipulated for quite some time into believing that the special services are an "unnecessary evil", to learn for themselves that Intelligence is a noble profession with a human face.

The second part of the book comprises 75 pages, and begins with interesting reflections of the U.S. Central Intelligence Agency Director, George Tenet. Although the reflections address the rhetorical question "Does America need the CIA?", they go far outside the national parameters of an Intelligence service, and provide a serious and profound insight into the future of this profession under new, existing conditions.

What follows is a "virtual" "round table. There are seven independent subjects of discussion in several sections: How do Intelligence agents come into the world, or Education for Intelligence; Women in Intelligence; In what way is control exercised over Intelligence; What does "friendly" Intelligence mean, or how to steal economic, financial, and technological secrets of allies, partners, competitors and opponents; Is there any room for cooperation between state and private Intelligence; Is Intelligence becoming a part of the new business culture, and how can we make it smarter; Are there ex-agents in Intelligence and what do Intelligence veterans do after they cease their active work. And the last topic is "Cooperation in 'the game without rules', and should there be any rules for this game?"

The "round table" participants do not know each other personally; they don't meet face to face, and do not answer questions at the same time, but with a time delay of several months. Physically, they are separated by a distance of thousands of miles and by an ocean. Nevertheless, they are united by their common interest in the topics of this discussion and by the organizer. In this case, that was my privilege. I was the only one who met all 38 participants, asked the questions, and used authentic quotes from the answers received for the virtual "round table".

Gathered around this "table" were well-known politicians, legislators, professors, journalists, publishers, businessmen and, of course, Intelligence officers – retired and active – from the United States and the Russian Federation. Discussions were held in New York, Moscow, and Washington.

You probably know most of the participants, but I would like to name those who spoke about the topic we are going to discuss now:

Ed O'Malley – FBI

Ambassador Lukin

Professor Richard Haas

General Vladimir Kruchkov

Tom Finger – State Department

Valery Kantorov

Laurence Block – the Grandmaster of American criminal writers

John Millis – the brilliant professional who decided (God knows why) to leave this world for a better one.

General Vadim Kirpichenko

Frank Margiotta – Brassey Publishing House

Professor Roy Godson – Georgetown University

General Leonid Shebarshin

Douglas Roberts – Executive Director of Communication Control Systems Inc.

Army General Philip Bobkov

Victor Iliuhin

Professor Jefferson Adams – Sarah Lawrence College

Professor Allen Goodman – Georgetown University

Professor Richard Betts – Columbia University, NYC

I am not going to read or translate their discussions on our topic. I hope you will help us to publish this interesting book in English, French, Russian, German and other languages, and then you will have the chance to read it yourself.

I am sure our discussion is not going to radically deviate from the conclusions in the book. Yes, we will need some new set of rules: written or unwritten, ratified or just mutually accepted and observed.

I would like to add three more “provocative” questions to those listed in our program:

Will we have some sort of Vienna Convention for the rules of the game, which are very often characterized as “games without rules?”

Will we have some type of International Intelligence Community on a government and state level, on a transnational level, or an NGO level?”

Are we going to revisit the old – new slogan, “Proletarii vseh stran obedinates” – in our case “Spies of the world, unite”, to fight common evils, or will we keep to the old Bulgarian proverb: “Friendship is a good thing, but cheese costs money”. Or will it be a combination of both?

Now you have the floor.

Shebarshin: Concerning rules of the game and the possibility of a legal convention, I think a convention is possible if major world powers decide that it is necessary. It would hardly work otherwise, because every party involved would find ways to circumvent it. The same thing would happen, in my view, to a hypothetical joint Intelligence service. National services will survive under a different guise. Regarding rules of the game, the only rule is a ratio between expected results and operational-political risks. The ratio is different in times of war or confrontation than in times of peace. There exists a sinister trinity in the fighting of common enemies: narco-traffic, organized crime, and terrorism. Undoubtedly, there is a wide field for cooperation, but I should note that the components of this trinity have different significance for different countries, and consequently for their Intelligence organizations.

Kerr: Let me look at it from the American perspective. I find it difficult to imagine the United States agreeing to all-encompassing rules that regulate its behavior in this particular area, or another area, or to have an international Intelligence community that is truly supportive. I can see one that maybe assisted on the margins, but I can't see a complete commitment. It seems to me that for a variety of historical reasons, the United States still has difficulty with the concept of the United Nations. Sovereignty issues are very dominant issues, and I don't see that mood changing in the foreseeable future on issues of this sort, not just on Intelligence, but on issues of internationalism. I don't see that from a country that thought World War I, from a popular point of view, was Europe's problem. It was a problem the United States didn't want to be involved in. The view was basically the same on World War II, and it was only the actions of the Japanese that drew in the United States. So I think from the U.S. perspective, I don't see these themes gaining wide support. There will be a certain group that will support them, but I don't see them gaining national approval. It may even go in the other direction. I think it's equally likely that there will be people who will become disenchanted with internationalism because of its obvious failures in various places, and will look to a more independent way as the logical way. I don't know what my American friends would say about that or whether they agree.

Smith: I agree to that, and I've never agreed to any set of rules which regulate Intelligence.

Dedijer: Wait until Chinese capitalists start producing Chinese Coca-Cola; then you'll agree with them like you did with the Russians.

Boyadjiev: I appreciate your opinion on that matter. Wilhelm, after you pointed out that the only field where there is no co-operation in United Europe is in the field of Intelligence, I would like to ask you if you think this is going to continue forever, or can we expect something else?

Agrell: There is a discussion that's been going on for decades about Intelligence co-operation to enhance common goals. Now we see that practically nothing has come out of that. I don't think that we will see any quick progress in this area.

Tu man: Maybe we can discuss that from another point of view. If we all share the same legal and ethical rules there will be no problems. But there is an immediate problem when the rules of the game that exist in one country are imposed on the others, and the other countries or agencies are forced to observe them. Today we see that sometimes agencies violate or disrespect the laws of another country, but at the same time are observing those of their own country. That is also an ethical and moral dilemma. If somebody is acting to satisfy national interests and national objectives, but is not following the rules and legal standards of the opponent or hostile country, is this a moral dilemma?

When I held a course in the Intelligence Academy on the ethics of Intelligence, I asked the students two questions: first, is spying a moral activity, and second, what motivated them to join the service? The students could be divided into two groups based on their responses. For those who believed that spying was a moral activity, the main motive to join the service was patriotism. The other group was not convinced that spying was a moral activity, and their answers were very pragmatic: wages, security, personal success, etc. Those answers assisted me in clarifying many misunderstandings, especially among beginners in the services.

On the other hand, if the international Intelligence community exists, then what are the legal or ethical norms for that community? There are some forms of multilateral co-operation among Intelligence agencies. There is the Middle European Conference, which represents a certain type of co-operation, at least among the heads of the services. There is increasing co-operation among two or even three services acting in joint operations.

Obviously, some problems cannot be avoided, but I believe in certain areas we can establish more effective co-operation among the services on a multilateral level. Because if the bilateral co-operation does not include a third country which has a direct involvement in the issue, then there will be consequences which will impede the effectiveness of the Intelligence operations. So I believe there will be changes

from bilateral to multilateral cooperation, but that changes will go more slowly than we would expect. That is the logic of the globalization process, which will be the driving force for multilateral cooperation. But at the same time, that cooperation will be defined by national or group interests, because globalization is an interaction between entities that are striving to protect and promote their personal, group, and national identity and interests. Globalization means accepting common rules, but for the benefit and development of their own national interests.

Boydjiev: I'm afraid I might ask questions that may take us away from the more serious discussion, but I would like to rephrase one of the questions. When we are talking about Intelligence, we are talking from the position of Intelligence against. But very often Intelligence is Intelligence for. I wouldn't mind, for example, if there were CIA officers in the CIA station in Sofia advising the American government about the current situation in Bulgaria, the trends and developments. In this way, they could promote a more positive American policy toward Bulgaria. This is acceptable. But don't you think that there is a need for some rules governing Intelligence activities? Maybe not written and formally ratified, but mutually accepted and mutually followed. Maybe not in the immediate future, but after a certain period of time.

Stolz: You pushed my button when you said written. I think that Miro is talking in general, ad hoc, about cooperation on certain issues such as narcotics, crime and terrorism, about cases where one can help the other for common objectives, but if you start writing things down, in my opinion you have lost it, you've lost the secret. Once you start writing something down, it's lost, Dusko Doder will find it. Second, the lawyers will take over. I think that the rules can be discussed, but to get down to the point of writing a document, I don't think that's going to happen.

Kerr: I agree with what Dick said earlier. He agrees with most of the things that I say, and I agree with most of the things he says. But I think he's been even more even restrictive than I would have been. I think that it would be very unwise to tie your hands, to say that you will not act when there could be a situation calling for action at some other point in time. I think even in an area where we have much common agreement, terrorism for instance, or nuclear proliferation, I personally would argue that the United States should not tie its hands and prohibit action against terrorists or people in the proliferation business who have violated someone else's sovereignty. If it was sufficiently important from a national perspective, is that intrusive and is that violating someone's sov-

ereignty, and could you agree on that in an international law? Could you write a law that would allow that exception? I can't believe you could. So my argument would be you can't do that.

Agrell: Most laws have that. If there is no supreme national security interest.

Kerr: Then the law becomes meaningless.

Wolf: Let me say something about this. I don't know why I have to moderate this topic. I am a notorious optimist, but I am not so optimistic as to believe that we can find any basis for legal or ethical norms. I think what Dick Kerr said is realistic. Of course we can discuss, as everyone can, the ethical norms of Intelligence services, and I think that the most realistic way to reach some respected norms, legal ethic norms, is via public opinion. If we return to the question of terrorism in Germany, there are great misgivings about the newly-legislated right of the services and police to use special and technical measures to more closely control a room by going in with microphones and so on. I think this is very characteristic, because there are grave misgivings in our countries in Europe about the abuses by internal services, Intelligence services, and police as well. I think it's the same in America.

Kerr: No, I actually think it's going the other way in America. I think we're being allowed to be more intrusive. Police and the FBI are being allowed more leeway. And do you agree with wire tapping and the intrusiveness into what we would call our first amendment rights?

Wolf: I think we have to keep in mind that this is an open discussion that's taking place in most countries.

Deijer: Intelligence organizations are going to listen to what the government tells them. And when the government tells them, look you've got to make an international agreement on Interpol or money laundering, the United States is going to agree on that, and then the Intelligence organization just goes and does it. There is no discussion.

Wolf: Let me just say two things. The question is, do we have effective, democratic, parliamentary control of the services? I am asked this very often by the public. My answer is different from yours, but I said no, there's no effective control in some areas; financing, for example. In Germany, there is legislation prohibiting the export of weapons to crisis areas. It's a very clear law, but they were nonetheless exported, and the German Intelligence service participated and, therefore, there is a lot of suspicion about the behavior of the services. Of course control is possible, but not absolute control, and

such control is necessary. So we must discuss legal and ethical norms, but without illusions about the possibility of adopting an international convention. This may happen in coming decades, but not now.

Lacoste: I wrote several articles about that specific point, ethics for Intelligence service people. We have had to deal with sensitive situations in the history of my country. We have had to manage periods of great danger, dealing with terrorism, upheavals, and revolutionary groups. I remember, for example, that the end of the Algeria war provoked a political and military revolt during which a group of "lost" soldiers tried a kind of "pronunciamento" against De Gaulle's government. The OAS conspirators had contacted members of the mob, criminals and murderers. Some people in the legal government proposed recruiting other criminals to fight against them. I strongly opposed such a strategy; it is a terrible mistake to make contracts with organized crime to conduct clandestine, government-sponsored tasks. Sooner or later you will lose control of them.

It's still a big issue in the contemporary world. In Africa, in Bosnia and Kosovo, Islamic "mujahedeens" from Afghanistan were recruited, as well as Albanian Mafia godfathers, to fight against Serb criminal militias. It is a very dangerous policy. I believe Intelligence services should never cross that line.

Stolz: I was going to comment on where we differ on the parliamentary democracies control of Intelligence services. In our case, one of the basic reasons that they can do it is money. The budget comes, technically, from the House of Representatives, but the Congress in the last 15 years will not sign the appropriations without knowing the specifics of some cases. What's this for? What are you going to do with this? And then they say they will not give you the money for this, but they will give you the money for that. So I'm basically optimistic, and this is a area where we're on the right track.

Doder: I wanted to add to this because I think Dick is right and, in fact, they are subject to scrutiny. For example, export of weapons. Politicians were behind it. And even then they could only use the CIA as a back-up. They went to the National Security Council. They sent Dexter and North out there, and it was Casey who engineered the whole thing. But the agency was not involved. Kennedy said, "Well, you know, they should assassinate Castro." It was not the agency that came up with the idea to go assassinate Castro. But unless you have a presidential order, they will not act. Although sometimes if your director is a political director, you can get the the president to say "you do this", and then it gets done.

Lacoste: In France there is practically no political control by the Parliament, but there are several administrative controls; namely, to preserve individual rights. We are very strict about unauthorized use of listening devices by police and Secret official services; they do verify that those few people whose private life is under surveillance for criminal or security reasons are registered in the short lists specifically authorized by judges or top governmental authorities.

Leonov: I would like to say a couple words about ethics in technical means of collecting information. In the morning session, we mentioned the globalization of information. We see that information sources are multiplying from year to year. The access to them is protected by electronic protection systems, which are only one element in the historical competition between aggressive weapons and passive protection. Their most dangerous enemy is the computer hacker. For years now, hackers have circumvented sophisticated protection systems. Sometimes they have done it illustrate their ability to humiliate the inventors of defensive systems, but on other occasions, they entered information banks of financial institutions and stole large sums of money. We have examples of penetration into secret information sites of sensitive military and administrative institutions. The hackers usually work alone, but they are often internationally organized, hold congresses, and exchange experiences. They might even have their own newsletters and magazines. Meanwhile, if they are operating by themselves, the danger is relatively small, but one cannot be sure that some of the Intelligence structures are not utilizing the genius of hackers to obtain sensitive information from highly protected sources linked with national security. This sort of hacker is protected and supported by the state, and oriented toward the Intelligence structure; he may even be an element of future Intelligence. Intelligence ethics were always very relative. In the years of the Cold War, we had several contacts with the CIA and, as far as I know, the only thing we agreed upon was not to use violence against each other. It was the beginning and the end of ethics. So I think that if breaking codes is condoned as legal, why shouldn't the skills of the hackers be accepted one day as well? Cryptography serves the same function as electronic protection systems. The use of hackers may be economically beneficial, effective, and low risk. Maybe it is time to elaborate a written or tacitly approved code of ethics in Intelligence activities, a code outlining prohibited activities, such as blackmail, physical violence, intentional misinformation, hacking, and so on.

Agrell: We are actually discussing two different things, although they are linked on some levels. One is a problem on the national level, the problem of parliamentary control of national laws applying to Intelligence and security agencies. Since the 1970's, most Western European countries have had some form of parliamentary control over Intelligence and security agencies, but with little success. In Norway in the mid 1990s, the so-called Lund Commission was formed to investigate the internal Intelligence and security services in Norway, from 1945 all the way to the mid 1990s. One of the findings was that the majority of secret Intelligence operations were directed against Norwegian citizens. But the most important finding was that parliamentary control over the Norwegian security service had been absolutely ineffective, since it was simply a formal structure lacking insight into the actual operations. That was a bit discouraging. It's a long road from formal parliamentary control to real citizen control. I don't think we've even started down that road. Now when we come to the international level, we are not talking about parliamentary control, but about norms and international conventions. We have seen little of that, although we do have one international agreement between the United States and the Soviet Union on avoiding incidents at sea, which is basically an agreement on Intelligence activities within a specific area, in order to avoid mutually dangerous situations. So here you have a mutual interest in regulating a specific case of Intelligence gathering, which prohibited, for example, flying your aircraft over the other side's naval vessel, which could be perceived as a threat. In other areas, such as killing people, there were unwritten rules during the Cold War. For example, most of the western services knew the identities of the Soviet Intelligence officers working in their country, but they were not expelled because that was part of the game. In the mid 1980s, the Thatcher government expelled Soviet Intelligence officers from Great Britain on a massive scale. This was a violation of the rules of the game. The Brits had done something that you were not allowed to do according to the unwritten rules of the game. In the good old days of the Cold War, we had a lot of these Vienna Conventions. Now the problem is the hackers, the new entities, criminals, and all those people in the gray zones. Today it is much more difficult to get an unwritten consensus on anything. Of course we can outlaw hackers. We have a law in Sweden against hackers, but how can we apply it? Where is the crime by the

hacker committed? In his bedroom where he sits in front of his computer, or whatever place in the world that he has invaded? So we can write all kinds of laws, but they don't mean anything.

Kerr: I'm following up on this issue of information and hacking. I think it's going to be very attractive for countries with limited resources to turn to information hacking, because it is easy to hire the people. It is not resource intensive and can be very effective. It seems to me that it is a very attractive weapon to use, particularly for those who are unequal in other areas of weaponry. I think there are laws in nearly every country against hackers at this stage, but it would be almost impossible to prevent hacking from occurring.

Leijonhjelms: I think in most countries you do have laws on that, and we also have a legal tradition in this field, which has shown that the hackers are usually tried and sentenced in their own countries; at least that is the case in the Nordic countries. So I don't think there would be a problem creating a convention on this issue. I have a few remarks on Intelligence towards third countries. Sometimes there are different legal problems and laws in these areas, so I am hesitant about the possibility of creating a convention. It would be useless in practice. As far as efforts to coordinate Intelligence are concerned, I wouldn't be as pessimistic as Wilhelm Agrell was regarding a combined European effort in the Intelligence field, because the existence of a European common security policy, and the creation of a military capacity involving some 250,000 soldiers, will force the European Union to create some sort of working Intelligence unit. It would seem logical, although I admit it's not in the pipeline yet. Another point to consider is that Intelligence cooperation in Europe has started to develop from the bottom up; for example, in the case of police Intelligence, which is important since Russia is also involved. The transition countries everywhere have been forced into expanding cooperation, because they are all plagued by rising criminality.

Döder: But I've been always under the impression that the majority of KGB resources were diverted into stealing technology.

Leijonhjelms: Russia, I believe, is among the most rapidly advancing nations in this area. At least a hundred institutions in Moscow are dealing with information warfare, and are making a substantial contribution to that field. It is a new problem and possibly also a worrying one to Russia, because it feels vulnerable, which can be seen in the way they treat this problem in their military and security doctrines. It is an interesting subject to discuss; whether technically less developed

nations are more or less vulnerable to information warfare. In Sweden, we have initiated IT, or information warfare units, in order to use them in operations, which is a combination of offensive information warfare or operations, and Intelligence.

Jackovich: Just to go back for a second to something that Mr. Agrell said. I found that through the crystalization of the entire discussion, we really have been at two different levels; one is national coordination within a particular state, or oversight by government and legislative bodies, and the second, entirely different, is coordination among national Intelligence agencies which, it would seem to me, boils down to ad hoc situations when we are unable to codify things, but can coordinate things internationally. But often, the oversight exists on paper but not in reality. You also have to make certain that responsible bodies are performing the oversight. I know in the United States, the concern is always who you brief on a particular committee. Which committee do you brief? It's not so much when to brief but who it is, and what the political motivations might be for subsequent actions if that happens. But in different countries, it might work in different ways. If you have, for example, a presidential commission, in some countries it might work and in some it might not. You have to have a very responsible president or prime minister or someone to whom the Intelligence services answers. The commission or body has to have a certain amount of autonomy or independence, not only in terms of oversight and briefings, but in terms of rooting out corruption. I'm not that familiar with the Russian Duma's oversight of Intelligence services, but I am familiar with the public report that stated that, between 1995 – 99, there were 200 convictions of Intelligence services personnel for abuses under the law. That's very interesting. I am not that familiar with the Far East, but I know that in Hong Kong, a presidential, prime-ministerial commission was created and given free rein to clean out the Intelligence services and ensure that corruption and abuses were not prevalent, and, in fact, it was very successful during a 20-year period. Now that's a very long period of time, but if you can turn around a situation in a particular entity or country in 20 years, that means that after one generation, you have not only cleaned up the act of an Intelligence service, but you have instilled confidence in a certain institution. Maybe that is self-evident, but it is extremely important, because once you lose that confidence, once people look upon whomever the authority figure is - a policeman, politician, or an Intelligence

figure - and assume that there is something wrong, that this person is doing this or this person is doing that simply because of his position, then the pillars of society begin to unravel.

Smith: What hasn't been discussed in great detail is cooperative action. I'd be interested in hearing the views of various players, the French, the Russians, the Bulgarians, on covert action and whether they favor using covert action, and if so, when they favor using covert action? It seems to me it's a very important Intelligence weapon that should not be discarded. Covert action can be publishing a book, or putting articles in the newspaper. Mr. Milošević would be an example of when covert action might be used, if you have an outlaw government which is causing great difficulties to its people and also potentially to you. Is it justifiable to use covert action to attempt to change the situation?

Doder: I would volunteer an answer, though I've never had anything to do with covert action. As a matter of principle, I would try to keep covert action to a minimum. I think it's much more effective to have an analyst write an open piece and try to place ideas he wants to promote in the Washington Post or the New York Times.

Smith: Let's go to something that's a little bit more active.

Doder: Let me come to the point. The problem with covert action is: who initiates it? It has to be the president and nobody else. Then it seems to me there's never been a clear mandate on what is permissible and what is not. In another words, is the killing of a foreign leader permissible? In the law it's not.

Smith: That's not covert action. You can't hire someone to shoot somebody. It's really not possible to kill people. You have to organize a political movement or use armed force, or minimal armed force. Saddam Hussein would be an example.

Doder: Let's take Greece, for instance, which we are both acquainted with. A sustained effort in Greece was not the right thing, because during a period of years, we encouraged and supported the government, and it basically did not reflect the will of the Greek people. We supported it.

Smith: Well, we supported it insofar as we were there, we dealt with it; we didn't support it.

Stolz: I would disagree. There is no such thing as covert action anymore, and it plays into the hands of people like Milosevic. The United States government is adrift; we said we're going to get rid of Milošević, and not by killing him, but by spending money, and the same in Iraq. So what did Mr. Milošević do? You see! He could and does claim that his opposition is controlled by the CIA.

Tu man: May I just quote what U.S. Ambassador William Montgomery said when he was on Croatian TV this year in August? He was asked where he was going after Croatia. He answered that he would be located in Hungary as the American government representative, and his task would be to get rid of Milošević. He said he would be in Hungary because that is the best location to establish contacts with the opposition, Serbian opposition, to support NGO's, and all the other people working to get rid of Milosevic. We see several ethical and moral problems here. Even if the main objective is politically acceptable, the means and methods are questionable. What kind of support of opposition political parties should be allowed from abroad? Is it legal and moral for NGOs to be involved in domestic affairs per the instructions of a third country, and financed by a third country? What was the legal, political, and moral position of Hungary, whose territory was being used for covert operations? There was a lot of discussion in Hungary about Ambassador Montgomery's position in Hungary, because he was using its territory to facilitate American activities in another country. We can say that there's no covert action anymore as part of an Intelligence operation; basically, an Intelligence operation is designed for collecting Intelligence, and covert operations are not collecting or producing Intelligence. We can say, no, we don't have any moral dilemmas, because somebody else is doing the job.

Stolz: Regarding Ambassador Montgomery, whom we all regard favorably, that is not what we are talking about. That was a government policy - however wise or unwise - where the ambassador wants to meet with people. And it's not a secret. He maybe made a mistake, but that's not covert action.

Smith: Dick pointed out correctly that it was not covert action when we announced that we were against Milosevic, and would encourage his overthrow. Covert action would have been if we were able to contact someone from the Yugoslav military and arrange for them to remove him from power without our hand showing. That would be covert action.

Dedijer: I'm 30 years older than any one of you, so allow me to talk to you as an older professor. Gentlemen, we're moving toward an enlightened capitalist system in the world. All countries, Latin America, Asia, everywhere except Cuba - and Castro is even vacillating - he's bringing out Coca Cola and so forth - are going that way. Second, of 180 countries in the world, according to a United Nations report, 95 are democracies, 45 are partial democracies, and 30 are dictatorships. We're moving toward a democratic world where all these

problems will come up to confront the entire population. It's not a question of American interest, or another interest. It doesn't matter what's good for the United States, but what's good for General Motors.

Kerr: I don't agree with you, but I think it's hard to find specific data during the last several major confrontations that the United States or its allies have been involved in, where business had an influence on the policy or the outcome. I think it's striking how little influence big business has had on policy. It didn't have any impact on Kosovo, on Serbia; it had very little impact on issues, even though people would argue that in the Middle East, it was a major force. We say it was all done for oil, but in my view, it was not all done for oil; it was done for a whole variety of reasons. But the companies' involvement, the involvement of the economic leaders of the world has been surprisingly quiet in these major policy adventures. Why do you think they are going to change? Money.

Dedijer: Because democracy is growing everywhere, and they are going to force them. Now we have global economics, social globalization, and legal globalization. Scientific, technological, and ethical globalization are on the way. Don't think in exclusive terms.

Shebarshin: Anyone who doesn't go along with globalization is going to get a bump on the head.

Jackovich: Just a short comment. Actually getting back to something that we started with, the covert action discussion. The irony is that if you go through a lot of regulation or a lot of coordination, then you can't undertake the covert action, because too many people know about it. It is no longer covert and everything becomes violated and then it becomes silly. That means, basically, that if you want to take effective action, you don't go through the coordinated process; but then, by definition, you have a renegade operation, and that's not to be condoned, either. I think we have some societies, and some national Intelligence services who have put themselves in that situation. Just a quick comment on what we did in Budapest. It's generally not a good idea to set up a shadow embassy, or a shadow operation on the territory of the neighbor country that you're trying to deal with, but this was exceptional. The situation in Serbia and Yugoslavia was exceptional, but I would also have to agree that the action we took - and a lot of other things - could have been done a lot earlier. Doing it in 1999 was a little late; we could have done it at any time. Not speaking in covert terms, but in terms of dealing with people, dealing with the democratic elements in Serbia in this case. We could have set up a operation; we could have done that very early on.

W af: I think we've gotten off the topic, but that's not surprising because it is a very difficult and broad subject. The question is, was this our specific topic, because we could discuss globalization until tomorrow morning. Would you like to speak or express an opinion?

Lacoste: I have observed that is more difficult than ever for official Intelligence services to perform covert actions, especially in the U.S., because of the very intrusive oversight of the two powerful Congressional commissions. It is difficult in Bosnia or Kosovo because of the widespread press coverage. So there is a temptation for governmental services to call on the private sector, not only for Intelligence tasks but also for military and covert action. The same thing happens in Ruanda, and Central or Western Africa. That temptation is not as present inside the services themselves, because they are professionally cautious and have their own ethical imperatives, but it can be found among the politicians. I have observed that in my own country; I might remind you that it also happened with the Watergate affair, when Nixon asked amateurs to perform a break-in of the Democratic party offices. I know of some examples of former Intelligence officers or retired members of special forces who have hired themselves out for dubious causes in return for financial gain. I think that nowadays, the specific topic of privatization of Intelligence activities should be very carefully considered.

W af: If you all agree I will try to bring this to a conclusion. I don't dare try to summarize our discussion on this topic. We have a common opinion, I think, that at this time it's impossible or perhaps makes no sense to attempt to write a Convention on the rules and ethics of this work, but these are very important points and will continue to be important, and I think our discussion is constructive. Of course, we who worked in the Intelligence services, specifically those at this round table, are all former members, and this is our privilege. We are able to discuss and talk about everything, which would become more difficult if a government decides to impose rules of cooperation on European Intelligence. I believe our opinions and discussions can be of some importance. I think we have come to an end, and I would like to ask Miroslav to make the final statement.

Tu man: I would like to thank you all, because I believe that during these two days we have had interesting discussions. Of course it was not our intention to reach any spectacular conclusions or send messages to the rest of the world, but I believe that we introduced certain issues, and because of the experience and knowledge of the participants, these views and opinions will also interest the general public and profes-

sionals who are dealing with these subjects. Our intention was to record this meeting and prepare the contents for publication, and I hope that these discussions will lead to other discussions and deeper insights. I would like to thank you all for your efforts.

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