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The C.I.A.'s most Important Mission: Itself

By TIM WEINER

ON AN AUTUMN EVENING, IN A PRIVATE PLANE APPROACHING WASHINGTON, JOHN DEUTCH, THE NEW Director of Central Intelligence, sprawled wearily in an armchair and worried aloud about the nation's spies. He compared them to a defeated force -- the United States Army after the fall of Saigon.

"What happened with the Army?" Deutch said. "The young officers looked at each other and said: 'We're in trouble. We've got to change. We've got to figure out a way to do this differently. We're either leaving or we're going to change the system.' And the people who stayed did change the system."

Deutch's struggle to transform the Central Intelligence Agency, the world's greatest and most reviled spy service, has become a war in itself, a battle against the history and the culture of the C.I.A. The opening shot came early one morning last May when Deutch first walked onstage at the Bubble, the agency's once-futuristic amphitheater, and looked out at 500 frightened people. Fear was the watchword of the day. The agency was taking a terrible beating, lampooned by cartoonists, lambasted by pundits and politicians. Its last chief had quit abruptly. Its best people were fleeing. Its great enemy, the Soviet Union, had disappeared. It had been betrayed by Aldrich Ames, the unctuous apparatchik who had blown a hundred secret missions and exposed scores of American spies. He helped Moscow create a team of double agents who manipulated American perceptions of the Kremlin for years, a fact the C.I.A. concealed from three Presidents and the Pentagon.

The agency's scarred heart -- the spies in the D.O., the directorate of operations -- needed surgery. Republican Senators, three-star generals and National Security Council officials were talking in public about whether merely to "overhaul" or to "eviscerate" or "blow up" the agency. A Presidential commission was debating whether the C.I.A. should live or die. The agency's very existence depended on what Deutch did -- and he had vowed to change it, if needed, "down to the bare bones." No wonder the spooks were spooked.

The new leader told a little joke to put them at ease. He recalled that his connections with the agency went back to 1976, when George Bush, then the director, put him on a panel of expert advisers on spy satellites and other technical wizardry. "And ever since that time," he said, "I always harbored a secret desire to be the Director of Central Intelligence."

The spies laughed, knowing the truth. In January, the President had gazed fondly upon Deutch, his brainy and ebullient Deputy Secretary of Defense, and said, John, your country needs you. Deutch, astute fellow, said no. His punishment was to find someone willing and able to say yes. The search went on for six weeks. Finally Deutch came up with an obscure Air Force general whose nomination wobbled, plummeted and crashed. And then the President gazed with something less than fondness upon John Deutch.

"The President pressed on me the view that I really had to do it," he recalls. Thus was a 57-year-old physical chemistry professor from the Massachusetts Institute of Technology given the most difficult experiment of his life.

Deutch's scientific specialty is visualizing atoms and molecules, seeing them with the mind's eye as they undergo changes, and understanding how those changes transform matter -- how a lump of coal under enormous pressure becomes a diamond. With a colleague, Francis Low, he solved a puzzle in laser physics three years ago: 1) A wave packet of photons (think of a cloud of no-see-ems) appears to move faster than the speed of light. 2) This is impossible. 3) Prove it. "The amazing thing about John," says Low, "is his ability to walk into a system he doesn't know fundamental things about and fix it." But if the physical world is ruled by immutable principles, the nation's spies are cursed by human frailty and weighted by a dark past. The biggest problem Deutch had to fix was not systems but people, for whom no quantum theory holds.

"The clandestine service is the heart and soul of the agency," says Robert M. Gates, Director of Central Intelligence from 1991 to 1993. "It is also the part that can land you in jail." The operations directorate was in such deep trouble that it was facing a life sentence -- or execution. It had "to change its nature and character," says Adm. William O. Studeman, acting director from January to May, 1995. Under enormous pressure, it had to be transformed.

The agency would live, Deutch told his audience that May morning, his first full day on the job. There would always be a C.I.A., he assured them, despite past calls to shut it down from people like Senator Daniel Patrick Moynihan. And there would always be spies within it, despite proposals to the contrary from retired generals and would-be wise men ready to give the job to the military.

Deutch knew that the congressional intelligence committees and the Presidential commission re-evaluating the agency were beginning

with a blank sheet of paper. He had their trust to fill in the blanks -- if they first could be convinced that the agency's 5,000 spies had the capacity to change, and the morale, the motivation and the mental wherewithal to perform vital missions. Deutch has had to convince himself. This is taking time.

The least difficult part of the equation was: which missions? There remains a widespread belief that the C.I.A., without a cold war to fight, is wandering around looking for work. The reality is different. The Clinton Administration has been using the agency as its own private Internet, a kind of secret adjunct to the Library of Congress, asking thousands of questions about ravaged rain forests, compact-disk counterfeiters, the opium crop in Afghanistan and the crooked ruler of Zaire. But many of the answers can be found in newspapers -- "and in many cases I get a better presentation in the newspapers than I do in a secret briefing from the C.I.A.," says Senator Bob Kerrey of Nebraska, vice chairman of the Senate intelligence committee.

The clandestine service, unhappy at being thought of as a billion-dollar news bureau, conceived a plan. Shortly after Deutch arrived, it presented him with a glossy brochure titled "A New Direction. A New Future." It said, in essence, forget about ecology and human rights and epidemics and sociology. That's soft stuff. The spies proposed narrowing and sharpening their focus on what the C.I.A. calls hard targets.

Most of the top 10 targets were obvious -- though nobody knew where the next Somalia or Haiti would pop up, and everyone knew the agency would be crucified for failing to see it coming. The specter of loose nukes, the whole Pandora's box of weapons proliferation, was high on the list. So was terrorism in all its faces, including armed Islamic fundamentalism. The C.I.A. always had to satisfy the military's thirst for intelligence, from the order of battle in the Balkans to the latest intrigues in Libya.

Five nations pose endless questions. What's going on in the high councils of Iran, Iraq and North Korea? Who really understands China's future directions and leadership? What will happen in Russia, a minefield of out-of-work weapons designers and wild visionaries?

At that point, picking priorities gets trickier. International criminal cartels are now richer and stronger than many nations, and capable of many crimes from financial fraud to computer hacking. But supporting American law enforcement has never been the agency's strong suit -- not if nearly 50 years of bad blood between the C.I.A. and the F.B.I. is any sign. And grappling with the international drug market offers little chance for success. "Organized crime and drugs may be better left in the hands of the F.B.I. than the C.I.A.," says the chairman of the Senate intelligence committee, Arlen Specter of Pennsylvania.

Last on the priority list was the thorny problem of economic intelligence. Inevitably, that means spying on Japan, Germany and France. Is the information gleaned worth the risk of being caught stealing trade secrets from allies? Not to judge by the recent embarrassments over being caught tapping telephones in Tokyo and bribing bureaucrats in Paris. And not in the minds of the top American officials who read the C.I.A.'s take and openly deride its quality, utility and revelance.

Deutch had reservations about the spies' new vision. He would not have laid it out quite the same way. Now, he says, he embraces it as the "road map for the future." One of his deputies says the message for the clandestine service is blunt: "Let me explain life to you. Here are the 10 or 15 things that we cannot tolerate to fail against to advance the national-security interests of the United States. This is what we want you to devote your money, your people, your language training and your skills to. We want to get this right."

IN ORDER TO GET IT RIGHT, THE CLANDESTINE SERVICE HAS TO change its ways.

American spies overseas are almost all based in embassies, posing as diplomats and targeting their opposite numbers. But the United States has no embassies in Iran, Iraq or North Korea. And most terrorists, weapons dealers and drug kingpins do not wear white tie and tails.

"In the cold war," Bob Gates says, "if you wanted to recruit an East German or a Pole, the vehicle for that contact was the diplomatic cocktail circuit or the tennis court. None of the guys you're interested in now are on that circuit. None. You're not going to recruit a rogue nuclear scientist at a cocktail party. That's the biggest challenge: how to move the clandestine service away from the embassy to a more independent status, without the protection of diplomatic cover or a diplomatic passport. That represents a fundamental revolution in the way C.I.A. has conducted itself. Your whole training program, your language program, the way you pay salaries has to change. The risks are different and much higher. You no longer want people who can do tea and cookies in the afternoon. You have to look for a new kind of personality" -- different from the vast majority of the spies, who are "primarily white middle-class guys. You need a guy walking into Tripoli or Pyongyang who doesn't look like he just left Iowa."

If terrorists, thugs and tribes with flags were the hardest targets, then the spies had better be good. The alternative is to start from scratch and build a completely different clandestine service.

So how good were they? Deutch soon learned that though the clandestine service consumes only 3 percent of his budget, it would occupy half his waking hours, and more than a few restless nights. The Director of Central Intelligence is chairman of all the intelligence agencies as well as the C.E.O. of the C.I.A. Nearly 90 percent of the \$28 billion or so Deutch will spend this year goes to military intelligence services like the National Security Agency, which conducts signals intelligence, or sigint, with satellites and ground stations, and the National Reconnaissance Office, which builds the fantastically expensive satellites. Deutch loves this stuff -- "I'm a technical guy.

I'm a satellite guy. I'm a sigint guy," he says -- and orchestrating the instruments of intelligence to perform like an symphony was a task he could handle.

Making the clandestine chorus sing his tune was a different problem. From his first days, he went walking around the agency's headquarters, shaking hands, lunching in the cafeteria, semi-spontaneously dropping into people's offices, and then flying off around the world to C.I.A. stations, listening, nodding, questioning.

His initial impressions of the spies were unsettling. He says he was "shocked by their inability to formulate solutions" to their problems. He says he heard "a defensiveness, and almost panic, about what should be done" to reassert the C.I.A.'s credibility. He heard a lot of complaints, a lot of pleas to save the clandestine service -- but few ideas about how to do it. Though the spies had been through their own Vietnam, through two decades of scandals and snafus and self-inflicted wounds, the clandestine service did not appear to have the ability or desire to reinvent itself the way the Army did. Deutch did not find many first-class minds in the ranks. "Compared to uniformed officers," he said in September, "they certainly are not as competent, or as understanding of what their relative role is and what their responsibilities are."

He figured out later that the spies knew what he thought of them, and began to rethink his first impressions. He started to search for the talented younger officers who were unhappy with the clandestine service but had stuck it out, hoping for a change. He started saying "we" instead of "they." This, again, took time.

The directorate of operations' initial response to Deutch was not wholly favorable either. Antipathy boiled over in the Bubble on Sept. 29. That morning, Deutch was forced to confront the C.I.A.'s history. There are places where the agency has done good -- like smuggling money and fax machines to the Solidarity movement in Poland or securing Vaclav Havel's Velvet Revolution in Czechoslovakia -- but Latin America is not one of them. Nowhere is the agency's record worse than Guatemala, where it overthrew the Government in a 1954 coup and for the next 40 years supported a brutal military that has killed more than 100,000 civilians.

Prompted by the disclosure that one of the C.I.A.'s foreign agents, a Guatemalan colonel, might have been implicated in the murder of an American, Deutch ordered a worldwide re-evaluation of thousands of paid informers. The orders were to identify the crooks and the fingernail-pullers, to weigh the information they provided against their records, and to sack them if they failed the test. Then he reviewed the C.I.A.'s recent performance in Guatemala, and found what he politely called "tremendous deficiencies in the way the agency carried out its business." Above all, he found "a lack of candor -- between the chief of station and the Ambassador, between the station and the directorate of operations' Latin America division, between the directorate of operations' Latin America division and the deputy director for operations, and between the C.I.A. and the Congress." Guatemala proved to be a core sample of a deep rot.

In the World-of-Tomorrow setting of the Bubble, Deutch announced he was firing the former chief of the Latin America division and a former station chief. It is very hard to get fired from the C.I.A. -- no one was dismissed after the Ames debacle -- and the discipline did not go over well. The hundreds of officers gathered there were deeply unhappy, and they told Deutch so. They said he was moving the goal posts on them. They saw their job in Guatemala as getting rid of Communists, not providing grist for Amnesty International reports. They saw the affair as a supremely pointless scandal, a left-wing revisionist history of the cold war.

Deutch said, O.K., this was a setback, but you can't be afraid of failure. You can't be afraid of controversy. You've got to go out there and keep taking risks in the service of your country. And then a low, rumbling growl started from the back of the Bubble, a bitter, sardonic, self-pitying chuckle signifying: Yeah. Sure. They were laughing at him. The curse of the Old Boys was upon John Deutch.

THE CURSE IS THE PATRIMONY OF AN ELITE SECRET SOCIETY that degenerated into an elitist bureaucracy, an inbred tribal culture. The old boys were the Knights Templar of America. Secrecy was their sword and shield. They had billions of dollars; they could buy kings and break them; they were saving the world. They were different. Rules and laws were not for them.

Their legacy is an arrogation of power through secrecy, a we-know-what's-best-for-America imperiousness, a "lack of candor" -- lying to Presidents, to the Pentagon, to the Congress and to each other. It's a suicidal habit; it keeps threatening to do the spies in. Deutch must break the tradition.

"It's a tradition to keep in mind, because I'm certainly flowing against that tide," Deutch says. "They were careless. Not being fully forthcoming with -- never mind the Congress -- with the President? With the Secretary of State? With the Secretary of Defense? It's unimaginable." It dies hard. The old boys' heirs "have habits, they have practices, they have attitudes which are just not reasonable," he says. "There is a wish that somebody would come in and in one fell swoop replace what they see as the dignity of the past."

To better understand that past, Deutch stays in touch with the last great spymaster, the vicar of dirty tricks, who once said he wore his conviction for failing to testify truly to Congress as a badge of honor: the Honorable Richard McGarrah Helms, Director of Central Intelligence from 1966 to 1973.

Helms is at an age of funerals. Eighty-two years old, elegant as a British banker, he stood before a congregation in a small wood-beamed Episcopal church in September, the blue flag of the Central Intelligence Agency hanging by the altar. A hundred old men filled the pews. There was Bronson Tweedy, chief of the Africa division when Washington fought Moscow for dominion over Europe's lost colonies. Rolf

Kingsley, chief of the Soviet division when we were eyeball to eyeball. Thomas Parrott, the agency's link to the White House in the days of coups and plots. These were the men, tempered by the fires of the cold war, who made the C.I.A. Walter Pforzheimer, the old boys' unofficial historian, leaned on his cane and observed: "This is the second-to-last great gathering of the clan. The last one will be for Helms."

The occasion was a memorial for Larry Houston, the agency's chief lawyer from 1947 to 1973. Helms gave the eulogy. He praised Houston as a man who always told the clandestine service what it could do, not what it could not. "And that," he said dryly, "was essential at the C.I.A. in those days."

A few days later, Helms sipped a beer under the slowly revolving ceiling fans of the Bombay Club in downtown Washington and mourned what has become of his service, how can-do decayed into can't. "Exactly how all this deteriorated, I don't know." But he does know. "If you're going to be involved with espionage you've got to be motivated. It's not fun and games. It's dirty and dangerous. There's always a chance you're going to get burned. In World War II, in the O.S.S., we knew what our motivation was: to beat the goddamn Nazis. In the cold war, we knew what our motivation was: to beat the goddamn Russians. Suddenly the cold war is over, and what is the motivation? What would compel someone to spend their lives doing this sort of thing?"

"In this," Helms said, polishing off his beer, "the director must provide the motivation. John Deutch is a damn smart fellow. He's obviously not terribly interested in having a lot of dirt thrown on him -- he wants to go back to M.I.T. -- and so he's instinctively drawing away from the D.O., seeing it as nothing but trouble. Nor is he the first to be distancing himself. He's got a job to do convincing them he's on the team."

Helms's day ended in congressional hearings that paraded a generation's worth of skeletons before the public -- the assassination plots, the coups, the spying on Americans. Then came a brief reformation in the late 1970's. Then came the counterreformation. In the 1980's, the C.I.A. expanded mightily under William J. Casey, President Reagan's Director of Central Intelligence. Casey hired thousands of new spies, but quantity was not matched with quality. He lowered the intelligence quotient of the C.I.A., said Gates, his deputy director. And when Casey was caught running guns to Iran and Nicaragua on orders from the White House in 1986, in defiance of law and common sense, the clandestine service took another flaying in the form of indictments and investigations. These left permanent scars, in the form of "a risk-avoidance mentality, a lack of boldness and imagination," Gates says.

The most recent beating, still being administered, began last year after the arrest of Aldrich Ames. For seven years after Ames walked out of headquarters with a six-pound stack of secret papers, no one at the agency investigating the betrayal ever told Gates or his predecessor, William Webster, anything close to the truth about the case. The chain of command was broken.

Now some of the best of the second generation of spies say the clandestine service has forfeited its leading role in national security. Among them is an old spy named Milt Bearden, a smart tough guy, the kind you want on your side in a war of words or a bar fight. Today Bearden lives down a dirt road outside an obscure New Hampshire hamlet. A few years back, he was running Stinger antiaircraft missiles into Afghanistan, baiting and bleeding the Russian bear. When the Soviet Union went into its death spasms in August 1991, he was watching with delight from inside K.G.B. headquarters in Dzerzhinsky Square. As much as any man, Bearden -- the last chief of the Soviet division -- had a good cold war. The only blot on his career was the fact that for 10 months he had a mole on his payroll named Ames.

A year into his retirement, he considers what was lost when we won the cold war. "It was easy, once upon a time, for C.I.A. to be unique and mystical," he says over mugs of tea in his New Hampshire dacha. "It was not an institution. It was a mission. And the mission was a crusade. Then you took the Soviet Union away from us and there wasn't anything else. We don't have a history. We don't have a hero. Even our medals are secret. And now the mission is over. Fini."

In its place, he says, are far smaller missions that require a smaller clandestine service. "Out of 5,000 people, you've got 1,500 buggy-whip makers" in the spies' ranks, he says. "There's nothing worse than having a couple thousand more troops than you need. It's poisonous. John Deutch needs to have a garage sale out there, and have those who remain understand that they're not the front line anymore. Their mission is greatly reduced: intelligence support to other agencies that will do things about the great transnational problems."

The spy service's future, he says, is in backing up the military and the F.B.I. and drug-enforcement agents and friendly foreign intelligence services who will do the dirty work. His conclusion is shared by many. The Pentagon wants to increase its own spying abroad, and has plans, not yet approved, to set up soldiers under the cover of phony overseas companies. The F.B.I. has similar designs on the agency's turf, and wants to play a greater part in foreign intelligence. Both would gladly usurp the power of the C.I.A.

Come what may, the agency will always have a role supporting the military, especially in helping the Pentagon create a 3-D map of the theater of war that overwhelms the enemy's two-dimensional vision. The failure to deliver timely, accurate information to battlefield commanders was one of the main shortcomings in the 1991 gulf war. Deutch's Pentagon experience and connections will create permanent channels to insure better performance the next time.

But on a typical Sunday morning, the United States is not at war. And its enemies sit not in the Kremlin or any other capital, but in the

Bekaa Valley, the outskirts of Kabul, the nouveau-riche estates above Bogota and the mosques outside Teheran. As borders blur and states collapse, the threats are less nations than gangs. The harm they can do the United States is less a military matter than a law-enforcement problem.

The F.B.I. thinks this is a job for the F.B.I. The C.I.A. begs to differ.

The bureau and the agency have a lifetime of mutual mistrust to overcome, another legacy from the old boys, and one of Deutch's biggest burdens. The C.I.A. wants to keep control of overseas intelligence missions, seeing the F.B.I. as a bunch of cops in Ninja suits with a certain lack of savoir-faire. The bureau wants to wrest control from the agency, seeing it as unskilled in the basics of busting bad guys. They are forced to cooperate, and this requires working hard to avoid colliding. This struggle either will end in an amicable truce or a catastrophic loss of power and prestige for the clandestine service.

"The problem we face today," Deutch says, "is getting both these communities to work together and build on each other's strength and forget about the fact that this tussle goes back to the time of Allen Dulles and J. Edgar Hoover."

The most fertile terrain for cooperation -- and the biggest minefield -- is in the C.I.A.'s overseas stations and bases. They maintain liaisons with 400 different foreign intelligence services, internal-security groups and police departments. These liaisons remain the least-known aspect of the agency's work abroad. When things go well, the foreign service can arrest a terrorist or subvert a drug syndicate. When they go badly, people die. And they are often dangerous liaisons, marriages of convenience marked by infidelity. For liaison is penetration: the C.I.A. tries to spy on the foreign service, co-opting police chiefs and colonels, and the foreign service spies on the C.I.A. "We are all each other's partners," Studeman said, "and we are all each other's targets."

Senior Justice Department officials say they often feel a certain uneasiness in their liaisons with the C.I.A. "We never know if we're getting the whole story," one says. "The agency usually has another agenda. When we don't know if we're getting the whole truth, it's a little unsettling." This bodes ill for bringing drug dealers and bomb makers to justice from abroad. The issue is nearly irresolvable: how can the agency keep secrets when the bureau wants to use them as evidence? Sharing secrets, says the C.I.A.'s deputy general counsel, Dawn Eilenberger, creates "a constant tension. That tension is never going to go away."

If the Pentagon and the bureau set up their own foreign intelligence services, the C.I.A.'s future role may be irrevocably diminished. But if the agency can defend itself from its allies in the United States Government, and survive the slow exhumation of its buried past, then it has a chance to preserve the heart of its true mission: identifying the handful of real secrets that might harm the United States and getting station chiefs to steal them.

THOUGH IT IS engaged in fewer clandestine operations today than ever before, the C.I.A. is still capable of achieving things. It helped to arrest the old terrorist Carlos the Jackal, 20 years a fugitive, in the Sudan last year. It helped take apart the Cali cocaine cartel by providing intelligence to Colombian authorities. It helped track and trap Ramzi Yousef, charged as the ringleader of the World Trade Center bombing. But to operate effectively, it needs effective operatives. And the curse of the old boys has so damaged the morale and reputation of the C.I.A. that it is hard to find good people, keep the best and replace the ones who leave.

"Some guy who's a talented Arabic speaker who just got a master's at Harvard has got Salomon Brothers saying you can come tomorrow, versus the agency saying, well, you have to take a lie-detector test and maybe we'll call you in nine months -- do I have a chance of competing for somebody like that?" a senior agency official asks.

The lie detector, or polygraph, is either an indispensable tool for security, or a medieval machine best suited for hunting witches, depending on your point of view. The agency's Office of Security swears by it, and rejects a very large fraction of job applicants for failing it. "Their reliance on the polygraph," Deutch said, "is truly insane." He is thinking about cutting back on it, in the hope that it might be a help in "getting flexible minds to come in and stay."

As for people leaving, that is harder to stop. If the agency conducted exit interviews, which it does not, it would have heard this from Phil Giraldi, who spent 16 years in the clandestine service, starting as a field officer in Rome and ending as chief of base in Barcelona in 1992: "The ultimate tragedy is spiritual. Most of the younger officers I knew have resigned. These were the best and the brightest. Eighty or 90 percent of the people I knew, halfway through their careers, have packed it in. There was very little motivation left. The enthusiasm was gone. When I joined the agency, back in '76, there was a tribalism. The esprit de corps that the Agency had was created by this tribalism, and it served a good purpose. You used to have great eccentrics. You used to hear criticism, intellectual debate. Now you have M.B.A. clones, not philosopher kings." Giraldi says that when he started out, his partner in the Rome station had a Ph.D. in Italian politics. In Barcelona, on his last tour, she was an English major who spoke no Spanish.

Even so, the best people remaining are very smart -- and very resilient. "How talented are we?" asks the deputy director of Central Intelligence, George J. Tenet. "More talented than people know." The greater part of that talent lies in the think tank, the directorate for intelligence. Its new chief, John Gannon, says his analysts include some of the most intelligent people in Washington. He may be among them. When Gannon was a graduate student in the 1970's, "the agency was not something that interested me," he says. "I was a Latin Americanist, so not only did it not interest me; I thought the agency was as close to evil as you get to in the universe. I disapproved of what they were doing in Latin America."

At the urging of a senior agency analyst, he came in for a look. "The quality of the work I saw being done was extraordinary. It had nothing to do with my image of the agency. It was really good stuff." The information was so far beyond what was available in academia, and the people so interesting, he says, that he stayed, and, over 18 years, has never looked back. But now, looking ahead, Gannon fears he may lose the expert colleagues he needs. One of his predecessors said in 1993 that he found it "hard to do serious analysis with a bunch of 19-year-olds on two-year rotations." That exaggerates the problem, but not by much.

Right now, Gannon says he has plenty of people, but not the right mix. German speakers? Too many. Chinese speakers? Some. Slavic language speakers? Nowhere close to enough. Economists? No. People capable of understanding what's going on in Azerbaijan or Afghanistan? Some, but not enough. Worst of all, Gannon says, the analysts feel adrift: "People in this directorate do want a sense of direction, a sense of what the mission is, and I need to work hard to give it to them," he says. "How do you take this supertanker and get it in the direction you want to put it?"

IT WILL TAKE A VERY long time to turn the C.I.A. around, if it can be done at all. Deutch is talking about three or four years. But it may be far longer. "We didn't get to the position we're in overnight and we aren't going to get out of it overnight," said Nora Slatkin, whom Deutch brought in from the Pentagon to serve as the agency's executive director, its day-to-day manager and by far the highest-ranking woman in its history. "Change isn't easy. There's always going to be some resistance to change. Always. If it takes a decade or so to build a new satellite, it's not unreasonable to take that long to build a new generation of C.I.A. officers."

If the curse can be broken, Deutch has the chutzpah to do it. "If any man can change the culture of the C.I.A., this is such a man," Senator Moynihan says. Few in Washington can match his brains, and not too many are aware that he has been around the business most of his life. "John's resume in intelligence," says Brent Scowcroft, President Bush's national security adviser, "is a lot deeper than most people know."

It begins with his father. Michael Deutch was a Russian Jew, born in Smolensk in 1908, who with his family fled the Bolshevik Revolution for Belgium and who learned chemical engineering at the University of Ghent. He married Jean Fischer, the daughter of a diamond merchant who ran the Zionist Federation in Belgium. Their son was born in Brussels in 1938, an inauspicious time and place for a child of his heritage. In 1939, the Deutches fled from the Nazis, first to Paris, then Lisbon and finally to America. His father quickly joined the military-industrial elite, serving as deputy director at the War Production Board, in charge of making synthetic rubber. He befriended generals and admirals and intelligence types, all of whom fascinated him.

In 1951, he went on a Presidential mission to the Philippines as an economic adviser. He became deeply impressed by an Air Force lieutenant colonel named Edward G. Lansdale. Detailed to the C.I.A., Lansdale was simultaneously trying to kill off a Communist insurgency in the Philippines, create a pro-American President and win over the populace with star-spangled propaganda, psychological warfare and covert action. Michael Deutch became a lifelong friend to Lansdale, a man who through hidden-hand diplomacy and dirty tricks came to embody American influence in the Philippines and Vietnam in the 1950's. (He was memorialized, heroically, as Col. Hillendale in "The Ugly American" and, devastatingly, as Pyle in Graham Greene's "The Quiet American.") Deutch was by Lansdale's side for a far less successful return engagement of his winning-hearts-and-minds road show in Vietnam.

President Kennedy loved Lansdale's style, and created a job for him as the assistant to the Secretary of Defense for special liaison operations. In 1961, the President, through his brother Robert, the Attorney General, set Lansdale off on a C.I.A. plot code-named *Mongoose* -- a plan to eliminate Fidel Castro. That year, Lansdale personally recruited John Deutch for his first Government job.

At 22, Deutch became one of Secretary of State Robert MacNamara's whiz kids in the Pentagon's office of systems analysis. The generals hated the whiz kids, and who could blame them? These earnest young men with slide rules were about to overturn the central tenet of American nuclear strategy: the complete destruction of everything east of the Iron Curtain at the first sign that the Soviets were ready for war. The plan was to kill hundreds of millions of people with 3,423 nuclear weapons on the first day of World War III.

The plan was based on bad intelligence. The C.I.A. and the Air Force estimated -- falsely -- that the Russians had a two-million-man army with 175 divisions and hundreds of nuclear missiles. The United States had a million-man army and thousands of nuclear missiles. Ergo: nuke them with a bolt from the blue.

"The idea was to get away from the single spasm response that destroyed everything and create the capacity to do something more complex," said Deutch's boss, Alain Enthoven, then 30 years old. Their idea -- that you could fight and win a limited, controlled nuclear war -- is a concept that theologians of the nuclear church still debate.

It was heady business for young John Deutch, who spent four years in systems analysis while earning his graduate degree at M.I.T. His father's fascination with military and intelligence matters now rested in him. So did the experience of overturning hidebound thinking with reason. And Deutch liked his taste of power.

He began a lifelong pattern. He held political posts in Democratic administrations and went back to academic and advisory posts in Republican times, serving in a sort of permanent government of defense intellectuals -- neither hawks nor doves but owls. He was a member of President Reagan's commission on nuclear strategy, President Bush's Foreign Intelligence Advisory Board and six other similar panels. Deutch stuck close to academic politics, becoming dean of science and then provost of M.I.T. Moving between these

worlds, the bivalent professor won admirers in both. He may be the only living American to gain the approval of both Ronald Reagan and Noam Chomsky, the M.I.T. linguist and leading left-wing thinker. "He has more honesty and integrity than anyone I've ever met in academic life, or any other life," Chomsky said. "If somebody's got to be running the C.I.A., I'm glad it's him."

Deutch wanted to become president of M.I.T. in 1990, but did not win the prize. He stepped down as provost and returned to teaching, one of a dozen among the more than 900 given the title of institute professor. He had become rich from patents and consultancies and companies and investments and a partnership with William Perry, an old friend and colleague from the Pentagon. When the Democrats returned to power in 1993, there was a limited universe of people deemed capable of running the Defense Department. Deutch and Perry were in it, as was another friend from M.I.T., Les Aspin, a whiz kid who was chairman of the House Armed Services Committee. Aspin became Defense Secretary, Perry his deputy. Deutch became the procurement czar and by most accounts, did very well. He cut \$90 billion out of President Bush's five-year military plan. He took a ruinously expensive and fouled-up program -- the new C-17 transport plane -- and made it fly.

In March 1994, Perry became Defense Secretary and Deutch his deputy. And now that Deutch holds what Perry says "may be the toughest job in Washington" -- tougher than running the Defense Department or, for that matter, the White House -- Deutch looks back and sees his experiences in stark relief.

"The Pentagon, this time around, was an organization equipped to take on change and well aware that it was necessary because of the fall of the Soviet empire," he says. "It was a huge organization whose leadership and all of its different parts said: 'We need to change, and to organize our resources and our people to accomplish this change.'

"The C.I.A. is an organization suffering because it's had tremendous criticism because of its own mistakes, and part of the problem is for the core work force to recognize that they are responsible for some of these problems and that it's in their power to change," he says. "There's been some tendency to say, 'It's the world that's wrong, not us, and if only we could revert to the good old days things would be better.' It's very much harder for an outsider to come in and make progress, especially when a great fraction of my time has been spent explaining these inexplicable past errors. It's a very, very different management challenge and by far the most difficult, running the C.I.A. By far."

IT IS THE BUSINESS OF INTELLIGENCE TO REPLACE ignorance and fear with knowledge and confidence. The C.I.A. has been imprisoned by its own lies, living in fear, unsure of its history, uncertain of its future. Deutch is trying to force the agency to face its sins and shortcomings. If the C.I.A. has a future, this is how it must begin.

At 8:30 on Halloween morning, John Deutch returned to address the spies in the Bubble, once again trying to explain the inexplicable. The agency had suffered yet another self-inflicted wound, this time to its soul.

For eight years, the agency had knowingly given the White House and the Pentagon reports from Soviet agents it knew to be under Moscow's control -- a stupid and self-destructive decision. It was the most important job of the C.I.A. to speak truth to power. But the agency had simply picked the most plausible-sounding stories told by paid liars. Passing along information without revealing that its source works for the other side is putting poison in the well. The officers in question figured that they knew best. They thought the information was probably true, so they did not have to tell anyone that it came from double agents. They concealed that salient fact from three Presidents -- whose policy judgments may have been swayed by the reports. This deception reflected supreme arrogance, Deutch says, "an arrogance that let them ignore the fundamentals of their profession."

The double agents existed thanks to the treason of Aldrich Ames, and his treason sprang from that same arrogance. Ames was a child of the C.I.A., the son of an agency man, a living emblem of the malevolent mediocrity in its ranks. His treason has forced the agency to live in a state of fear, not knowing which of its secrets are secret. And this latest disaster shows that his spirit lives on. In a jailhouse interview last year, he spelled out why he sold out the agency's crown jewels to the Kremlin. "Call it arrogance, if you will, but I'd say: 'I know what's damaging, and I know what's not damaging, and I know what the Soviet Union is really all about, and I know what's best for foreign policy and national security.' And I do."

In the Bubble, Deutch discussed the disaster in detail for 15 minutes, then answered questions. And then he talked to the spies about the future. He said he understood the damage to their morale. He exhorted them not to let it bring them down. There are ways to fix it, he said. We're going to pull together. We're going to stand as one and move on.

They rose and applauded, long and loud.

Deutch received a similar reception the next day at a convocation of station chiefs from around the world down at the Farm, the agency's training grounds at Camp Peary, outside Williamsburg, Va. After his return, a sense of wonder began showing through his deep weariness.

As he talked about it the next night, in his suite of offices up on the seventh floor, he began to think aloud again: maybe he was getting through to the spies. Perhaps this last chapter of the Ames affair had shocked them into consciousness.

"This one got to them, on their own terms," he said. "It was such a violation of their own rules. They've realized what happened here. And I think it's shaken them very considerably. They're a lot more ready to say: 'Tell us what to do. We're going to work.' "

Tim Weiner, a Washington correspondent for The New YorkTimes, is an author of "Betrayal: The Story of Aldrich Ames, an American Spy."