



E. R. ZUMWALT, JR.  
ADMIRAL, U. S. NAVY (RET.)

April 20, 1995

Dr. Harlan Ullman

Dear Harlan:

I attach a copy of a letter which I wrote to Max Kampelman recently together with his response with which I concur.

The purpose of this letter is twofold:

1. Would you be interested in being the indispensable organizer?
2. If not, whom would you recommend?

Sincerely,

E. R. Zumwalt, Jr.  
Admiral, USN (Ret.)

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Enclosure



E. R. ZUMWALT, JR.  
ADMIRAL, U. S. NAVY (RET.)

March 27, 1995

The Honorable Max M. Kampelman  
Fried Frank, Harris, Shriver & Jacobson  
10001 Pennsylvania Avenue, NW  
Washington, DC 20004-2505

Dear Max:

The purpose of this letter is to suggest that the time has come to organize a Committee on the Present Danger II. The new committee would have the responsibilities of focusing on the following threats:

1. The DPRK--how to deal with violations of the Geneva Accord and how best short of that to insure implementation.
2. The proliferation of biological, gas, nuclear, and other weapons to rogue nations.
3. How to deal with the proliferation of theater-range nuclear missiles to rogue nations.
4. How to deal with the increasing nuclear threat in PRC as Russia and the U.S. reduce their levels of strategic weapons.
5. How to deal with the increasing temptation of rogue nations to take advantage of the current incapacity of the U.S. and its NATO allies to react to serious threats.

All best wishes.

Sincerely,

E. R. Zumwalt, Jr.  
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# Flaws In The N. Korean Accord And In The NPT: Implications For US Policy And The NPT Review

Albert Wohlstetter

1. The main trouble with the N. Korean nuclear accord is that it does essentially nothing to prevent N. Korea from acquiring and storing separated plutonium that it could at any time turn into nuclear weapons too rapidly to provide usable warning -- so long as N. Korea says it doesn't intend to use the plutonium for weapons but only for peaceful purposes such as a plutonium thermal or fast breeder reactor.

Besides the main trouble, others include the fact that the accord rewards N. Korean bad behavior in having tried to hide a reprocessing plant, using it to separate an unknown amount of plutonium and defying IAEA -- and US -- demands for immediate inspection to find out how much. The rewards include: a five-year delay in the inspection; the current high-level talks we had said we'd enter into only after such inspection; free deliveries of oil; two big, costly LWRs with enough total megawattage to produce plutonium at a greater rate than the three reactors N. Korea has suspended operating or building. A familiar Clinton pattern of threatening severe punishment, then retreating to "pinpricks", and sometimes actual rewards.

The accord has had other troubling effects that are less direct: It has strained relations with S. Korea; inspired some in other countries to demand rewards for their bad behavior in nuclear programs (a high Iraqi official, protesting UN sanctions on Iraq shortly after Iraq moved troops toward Kuwait in October 1994, complained to Rolf Ekeus that Iraq had been more cooperative than N. Korea with IAEA inspectors, by showing where various elements of their weapons programs were located); and encouraged Yeltsin (who, along with France, has favored lifting sanctions on Iraq) to try selling Iran LWR technology of the kind we helped induce the Shah to abandon when Germany was providing it in the late 1970s.

In an earlier (1993), flawed move, Clinton proposed that weapon states stop producing fissile material for nuclear explosives and place any such facility and all future fissile materials produced for non-explosive use under IAEA inspection and accounting. However, this "cutoff" (a) wouldn't stop production said to be for civilian purposes other than explosives, nor even for military purposes (like the HEU used for submarine propulsion), so long as it wasn't for an explosive; (b) wouldn't lessen the fissile material already produced -- like that in India, as the Pakistanis have pointed out; and, most important, (c) wouldn't prevent plutonium already produced from being quickly turned into weapons -- as Indonesia has noted. (N. Korea charges that nuclear explosives are the sole actual purpose for the plutonium Japan says it will use in breeders.)

2. **The main trouble with the NPT** and the administration view that it should be extended forever without being subject to further review is that it encourages non-weapon states to stockpile separated plutonium whether or not they intend to turn it into nuclear explosives, making it easier and more likely that they will exercise an option for nuclear weapons; and it provides a convenient disguise whenever their intention to do so becomes firm. (Iraq stayed with the NPT after its French-supplied Osirak reactor had been destroyed, specifically to hide its accelerated weapons program.) Once a non-weapon state has stocks of separated plutonium, the additional cost and additional time to get a nuclear weapon will have been drastically reduced by comparison with the total cost and time to get a nuclear weapon starting from scratch. If a stock of concentrated fissile material is in metal form, as it can be for what are now legitimate "critical experiments," the extra costs to turn it into an explosive can be trivial and the time measured in hours. If we don't face such problems in the NPT, the important work of Sens. Nunn and Lugar in furthering the reduction and control of Russia's stock of finished weapons can be overshadowed by the wide spread to many new countries of stocks of fissile material that are very nearly finished weapons.

3. **Facing the main troubles with the NPT and the NPT Review**

The goal of the NPT was to stop the spread of nuclear weapons, not to disarm those that have them. The only way of avoiding a distinction between weapon and non-weapon states would be to distribute bombs to everybody or to arrange for a highly certain, complete nuclear disarmament. In the real world of bitter rivalries, the first alternative would be disastrous; the second is infeasible, despite some pieties in the NPT about faithfully negotiating for "general and complete" disarmament, not merely nuclear disarmament.

Nor was the point of the NPT to subsidize economic growth by way of the fast breeder reactor -- as a kind of consolation or bribe for doing without weapons. (Though it clearly means avoiding arbitrary interference in developing civilian nuclear energy.) The economics of the NPT, as in all prior "atoms for peace" programs, were based on a very doubtful understanding of the price elasticity of the demand for energy, and for nuclear energy in particular; on the way the discovery of uranium reserves would respond to expected increases in price; and how all this would be affected by the prices of alternative fuels, and the costs, performance and "imminent feasibility" of an economic fast breeder reactor.

The breeder has been imminent since May 1945, when some of the most brilliant members of the Manhattan Project -- including Fermi, Oppenheimer, Compton and Lawrence -- judged that, because of some metallurgical problems, breeders would not be operating on a large scale -- until January 1, 1949. Brian Chow's current estimate is that it is unlikely to be as economic as LWRs fueled safely with low-enriched uranium before the year 2060. By that remote date, both LWRs and breeders might be less economic than some greatly improved, presently-known technologies (such as the hydrogen fuel cell) or some now unknown alternative. Sixty-five years ago, no serious list included nuclear energy as an option.

Like almost all disarmament or arms limitations arrangements associated with "atoms for peace" agreements, the NPT was premised on some physics that ignored the fact that power-reactor-grade plutonium fuel could be turned into an explosive too quickly to provide

usable warning. Very few of those who signed the treaty understood this at the time of signing. They have a legitimate beef that the consensus on the NPT Review is ignoring.

For a country without nuclear weapons, the main return for promising not to manufacture or receive them plainly has to be a corresponding promise by some potential adversary, backed by a reliable system that would provide usable early warning if the promise should be broken. In its present form, the NPT won't do that.

It makes no sense, then, to talk only of whether and how long to extend the NPT in its present form. Still less of extending it forever without the possibility of review, as is proposed in a recent "consensus report" of an impressive bipartisan CFR task force on nuclear proliferation. The empirical work that persuaded the Ford and Carter administrations of the dubious civilian benefits of separating plutonium and its undoubted military dangers has been overwhelmingly reinforced by developments since. Attempts by the American and European nuclear industry and by Euratom to minimize the Ford and Carter conclusions on the dangers of separated plutonium -- for example, at the 1977 Persepolis Conference in Iran -- have been definitively refuted. Key figures at Persepolis now agree that the date at which the breeder might be competitive is much more remote even than the Ford and Carter studies estimated.

Negotiating with some of our major allies and adjusting the NPT to exclude the sale or civilian use of separated plutonium is the right subject for a Review that would maintain the purpose of the NPT.

#### 4. Coping with the probable spread

Advanced cruise as well as ballistic missiles almost surely will spread the ability of many countries to deliver nuclear, biological and chemical weapons -- at great distances, at least in two-stage delivery systems, as well as at short and medium ranges. The spread is assured because, in contrast with plutonium, which has no net economic benefits, these advances will.

The ability to launch satellites will have a genuine civilian use for some countries and an arguable utility for others. But space launchers are long-range ballistic missiles that can deposit a payload any place on earth. Even more, revolutionary advances in navigation and precise guidance applicable to cruise missiles will bring immense benefits measured in billions of dollars and in lives saved by avoiding collisions in civilian air transport. Differential GPS will make accuracies available to international airlines (and, therefore, also to adversaries) measured in meters -- better than the GPS accuracies we had originally hoped to reserve for our own military forces by coding more precise signals to them than those available for civilian (and adversary) use. Differential GPS will also greatly increase the precision and discriminateness of our own missiles, and so reduce our own and allied reliance on nuclear weapons to deter or answer terror strikes against US and allied interests at home and abroad.

Shortly before joining the administration, Secretary Perry co-authored a monograph expressing the belief that national military forces should sharply limit their ability to strike deep "at rear and homeland targets" and should only defend national territory; and that forces in excess for this purpose should take part in multinational forces as UN peacekeepers or to enforce UN sanctions. It said also that "all major military establishments" declare --

and really expect to do -- the same. Such a proposal for "cooperative security" may be consistent with Presidential Decision Directives on the role of peacekeeping.

However, it isn't consistent with Yeltsin and Kozyrev's assertion since last June that Russia's only international borders are those of the former Soviet Union, nor with Russia's recent behavior nor its strategic programs. Nor is it consistent with the views expressed by some of our principal allies. The French defense ministry, for example, recently rejected questions, raised in an AISC monograph by Dennis Gormley and Scott McMahon, about the export of its Apache missile; and declared moreover that its longer-range Arme de Precision Tirée a Grande Distance is "a weapon of national sovereignty...not open to international cooperation." The French want to be able to strike deep.

Such a capability will spread well beyond the "major military establishments." In the emerging new disorder, if we are to avoid relying on preemptive strikes (and indiscriminately-wide area strikes against targets of uncertain location at that), coping with the probable spread calls for the synergy of a precise, discriminate nonnuclear offense and active defense. The latter (like the offense) can never be perfect, and may be sized to deal with small attacks that are genuinely and realistically within the technical and operational capabilities that will have spread by the time a defense can be operation. But it should be highly effective against such attacks, and not artificially constrained by a distinction between "theater" and "strategic" forces that eroded many years ago. "Strategic" forces once referred to the massive, nuclear, long-range forces of a Soviet Union that would supposedly maintain at any cost the capability for a massive strike against American cities, against which a "leak-proof" defense was both necessary and impossible. This apocalyptic strike was linked to the contingency in the European theater of an all-out Warsaw Pact attack through the Fulda Gap.

Much of the precise and discriminate weaponry displayed in Desert Storm, and some that could have been available, was the product of an early 1970s ARPA Long-Range R&D-1 study that proceeded on the assumption that the plausible, important contingencies affecting US and European interests would be on the flanks, particularly in such places as the Persian Gulf -- which the Europeans, especially, considered "out of area." These contingencies included all the ones that have turned out to be of major importance before and after the collapse of the Soviet Union -- the Soviet attack on Afghanistan, the Iraqi invasion of Iran, the Iraqi invasion of Kuwait and the potential for its going on into Saudi Arabia, and war in the Balkans.

The world emerging from the fall of the communist dictatorships will contain a variety of rivals and potential adversaries with advanced technologies for producing and delivering weapons of mass terror. We can't cope with this new world disorder by inserting UN peacekeeping forces where there is no peace to keep, nor do so exclusively by agreements signed among potential adversaries. An agreement among potential adversaries -- like the NPT -- can have its useful limited effects, provided it is altered to serve, rather than subvert, its original purpose.

#####END

## The Biological Weapons Challenge

Max K  
 Considering their potential strategic impact and the relative ease and low cost of their production, biological weapons could become the "weapons of mass destruction" choice for rogue nations and terrorist groups in the near future. Michael Moodie, head of the Chemical and Biological Arms Control Institute, and Robert Kupperman, representative of the Center for Strategic and International Studies, argued that American policy-makers have failed to respond to the potential threat represented by possible use of biological weapons (BW). They called for increased attention to this problem and the development of an integrated strategy to deal with the BW challenge, including new passive and active countermeasures.

Mr. Moodie noted that the gruesome prospect of death by disease, plus the minute quantities of materials needed to inflict severe casualties, make biological weapons dangerous instruments. For example, less than 10 grams of anthrax is the equivalent of a ton of chemical nerve agent. Moodie noted that if anything is the "poor man's atom bomb," it is a biological weapon.

The BW threat is not new; these weapons have been used throughout history (e.g., catapulting diseased bodies over medieval walls or distributing pox-infected blankets to the Indians). What is new is that several rogue states apparently are giving increased consideration to threatening the use of BW, said Kupperman. BW may become an increasingly attractive policy option for a number of reasons, Moodie said, noting that "entry costs" have declined. Such weapons are relatively easy to produce, the programs are relatively easy to conceal, and BW would provide even marginal groups with strategic impact.

Who are the potential proliferators? According to Moodie, no consensus exists, but 10 to 12

nations are considered likely candidates. An Office of Technical Assessment (OTA) study says that the potential countries include: Iran, Iraq, Israel, Libya, Syria, the People's Republic of China, North Korea, and Taiwan. Of more immediate concern is the former Soviet Union, which has admitted conducting a program in violation of its commitments under the 1972 Biological Weapons Convention (BWC). Although President Yeltsin declared that Russia would end its program, the question remains, has it?

## The Nature of Biological Weapons

A biological agent is a microorganism, toxin, or agent of biological origin that causes disease in man, animals, or plants. There are four common categories: (1) unmodified (naturally occurring) infectious agents, usually bacterial or viral, e.g., anthrax, botulinum toxin, or tularemia; (2) toxins (poisonous substances made by living things), e.g., snake venom; (3) modified infectious agents (those genetically altered to enhance certain characteristics); and (4) bioregulators (natural body chemicals that regulate physical or psychological processes).

To be an effective biological weapon, Moodie pointed out, an organism must have several characteristics: infectivity, virulence, persistence, a capability to be grown in quantity, stability under conditions of storage or dispersal, and, ideally, resistance to medical countermeasures. The easy availability of materials, at least for a rudimentary program, gives rogue countries an incentive to pursue such programs. Virtually all necessary supplies and equipment for research and production of BW agents can be acquired commercially, either for business or research purposes. The large-scale production capability needed for pest-control programs has resulted in a number of

countries already possessing the infrastructure and competence for a BW program.

### Impact of New Technology?

One of the most attractive features of BW for interested nations is the easy availability of materials. Research on vaccines, for example, or even enhanced food production, has yielded technology appropriate to BW. The classical approach to mass production of pathogens is production in fermenters, such as those found in breweries. The introduction of computer-controlled, continuous-flow fermenters has made it possible to reduce the size of a fermenter about one thousand times below conventional batch fermenters that give an equivalent production. This illustrates the nature of the BW "dual-use" challenge. However, the biotechnology revolution and genetic engineering are not likely to produce higher lethal "super agents," as some observers have claimed.

Most of the problems confronting would-be BW proliferators relate to the *transformation* of the agent into a useful military tool. From a proliferator's perspective, technical and financial resources must be devoted to the development, testing, and production of the agent itself, as well as to the more-complex engineering problems associated with integrating BW agents into a useful weapons system. The difficulties of creating persistent agents and warhead design, fusing, and guidance control may also make BW "beyond the reach" of many rogue nations or terrorist groups. These difficulties probably explain why biological weapons have not yet appeared on the modern battlefield.

This is not to say that BW has no battlefield utility. BW could prove useful against a number of targets: fixed fronts in wars of attrition; reserves or other massing formations; airfields; logistics nodes, such as supply depots and port facilities; command-and-control centers; beachheads established by intervention forces; and large naval vessels. In sum, the BW threat extends to a broad range of military targets. However, civilian populations are particularly susceptible. Against civilian populations, a BW delivery system need

not be more sophisticated than a terrorist's suitcase.

### The Russian BW Program

The BWC, signed in 1972, entered into force in 1975. Despite the treaty, however, in the late 1970s the USSR created the *Biopreparat* apparatus, a complex chain of research facilities and production plants, with a budget of 200 million rubles and 15,000 employees.

In 1979, the infamous outbreak of anthrax at Sverdlovsk took place. Although the Soviets claimed that the incident was caused by meat poisoning, the United States and other Western countries accused Moscow of conducting an illicit program. This has since proved to be the case. In 1981-1983, the Soviets began work on a new BW program to examine genetically engineered agents that would be more powerful than existing BW agents (pneumonic plague and tularemia). In 1985, a new Five-Year Plan for the production of even more deadly agents was begun, and by 1987, the Soviets had sufficient industrial capacity to make 200 kilograms per week, enough to affect 500,000 people. They called them "weapons of special designation."

In October 1988, a Soviet defector revealed the extent of the program. According to a British report: "The information was stunning; a whole ministry exposed, billions of rubles spent, a complete organization shown to be a front; and then there was the clear involvement of Gorbachev. It just went on and on."

In 1990, in separate meetings, President Bush and Prime Minister Thatcher raised the issue with Gorbachev, who denied all knowledge of such a program. Mrs. Thatcher threatened to go public and the Russians hurriedly invited a U.S./U.K. team for a visit. Rather than alleviating concerns, however, the trip heightened them (e.g., at Oblensk they saw an aerosol-testing chamber, delivery-systems testing capability, and fermenters). Nevertheless, Moscow continued to deny the existence of a BW program. In a meeting between President Bush and Yeltsin at Camp David

in 1992, Yeltsin finally admitted that such a program existed and signed a formal decree to ostensibly end the BW program. This produced a flurry of media releases that were part of a disinformation campaign designed to minimize the role of *Biopreparat* and Russia's capability to continue to develop BW. The disingenuous statements provoked continued skepticism in London and Washington and led to continued demands for access. Finally, in 1993 another defector claimed that the program continues. Clearly, the United States is frustrated and has serious concerns regarding the Russian BW program.

### Dealing With the BW Threat

Moodie concluded that an approach that integrates a number of policy instruments is needed. In the area of deterrence and defense, the United States should upgrade its defenses, both passive and active. Passive measures include enhanced protection for soldiers. The threat of active responses may also be required, including the consideration of "asymmetrical responses" to uses of BW (implying nuclear weapons).

In the arms-control area, the United States should try to enforce the terms of the Biological Weapons Convention and make the confidence-building measures work. A new approach is needed to establish a worldwide export-control system that responds to these new challenges. Attention must also be given to devising effective means of verification.

In sum, Moodie said, BW was a "policy orphan" in the national and international policy community, perhaps because it has traditionally been the province of fiction writers. But now there are reasons to take the BW threat seriously.

### The BW Terrorist Threat

Mr. Kupperman said that biological weapons, if used by terrorist groups, could "cause this nation to collapse." He noted that we have already witnessed a number of terrorist incidents in this country, but so far none have employed BW.

During the Gulf War, Saddam Hussein may have considered using a form of BW, but he did not. Closer to home, a radical cult in Oregon used agents that caused food poisoning, thereby enabling the leadership of the cult to exercise its sway over its members.

According to Mr. Kupperman, if anything, Moodie may have underestimated the lethality of biological weapons. Certain strains of anthrax, for example, are extremely virulent (>10<sup>4</sup> grams). However, terrorist groups will not have an easy time using them. Indeed, "dispersal" may be difficult. But the key is the extreme lethality, which makes "cost-effective" employment criteria much less important.

He alleged that some terrorist groups, such as the Red Army Faction, had experimented with very virulent agents. A number of similar horror stories exist. In sum, although no terrorist group that we know of has employed BW to date, "they are getting increasingly sophisticated." He expressed concern that the terrorist group that attacked the World Trade Center could have made that operation a major "success" by dispersing anthrax spores before the explosion. This could happen next time.

Kupperman stated that he was quite concerned about the lack of attention given this problem in the United States. He said that the Federal Emergency Response System is totally inadequate. Research and development (R&D) for countermeasures does not receive a high priority. In other words, we treat this potential threat in a "rather cavalier manner."

Pointing out that this is dangerous, Kupperman said that the speed of advances in the biotech arena has accelerated the potential for terrorist groups to employ biological agents. We need to convert the national (nuclear weapons) laboratories to centers of research for the development of effective measures to counter those biological threats that are certain to arise in the future.

One participant expressed doubt about the extent of BW advances. He said that he remembered hearing similar alarmist warnings 15 to 20 years ago, but none of the most dire—or even moderately dire—outcomes have come to pass. Both speakers acknowledged the lack of evidence of BW employment. However, they stressed that in the post-Cold War world, neither the United States nor Russia can impose the restrictions on rogue countries they might have imposed before. Another speaker noted that a major new dimension of the problem is that the breakup of the Soviet Union means that a number of scientists who once worked in the BW area are now available on the “world market.” Iran or Iraq, for example, can “purchase” this capability cheaply, though as yet no evidence exists that they have done so.

Further, Kupperman added, the “long arm” of international terrorism, combined with its “growing technical talent,” raises the probability of our seeing a major incident soon. Moodie stressed that the relative “cost effectiveness” and potential impact of BW makes it more attractive. Kupperman also pointed out that, although he knows many talented scientists who could *design* a nuclear weapon, few could actually *manufacture* such a weapon. With BW, both the design and the manufacture are not insurmountable challenges.

### **An Industry Perspective**

The conversation was enlivened by a presentation by Neill Brownstein, CEO of Bessemer Venture Partners, a leading biotechnical venture capital firm. Brownstein stressed that today some 2,000 biotech companies are actively pursuing R&D. Only three or four have brought products to market, but the rest are feverishly pursuing advances in biological products. The young companies are very specialized. He further warned that the intelligence specialists attending this seminar should not assume that technology is restricted to within firms or within boundaries. There “simply are no national boundaries” restraining the “proliferation” of biotech R&D work.

Brownstein said that the biological industry is still young. Some companies are working on genetically engineered agricultural products. Others are concentrating on advanced strains of drugs. He doubts that any of the CEOs of these companies are in the least aware of the BW concerns discussed today. The BW threat discussed at this meeting is simply not one of their worries. Instead, they are striving to bring a profitable product to market.

He stressed that, although industry support may be gained for measures to prevent nuclear-weapons development, it is much more difficult to “galvanize concern over what happens in a petrie dish.” The biotech group is small, but the overall pharmaceutical industry is quite large and has an extensive R&D program. He recommended that any form of industry-government partnership to control the development of potential BW agents should concentrate on working with the major pharmaceutical corporations. The smaller venture capital firms will then follow.

The meeting concluded with a general discussion of the potential for promoting a cooperative effort between industry and government in preventing the development of BW weapons. A good precedent for this exists in the effective partnership that has been developed in the chemical field. However, little or no government-industry cooperation has been established in the biological field to date, and doubts were expressed that the elusive “biotech genie” could be constrained as effectively as nuclear systems have been.

*Tyrus W. Cobb*  
*Rapporteur*

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You will be interested. MMK

WITH THE COMPLIMENTS OF

MAR 10 1995

MAX M. KAMPELMAN

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MAX M. KAMPELMAN

APR 07 1995

March 31, 1995

Admiral E. R. Zumwalt, Jr.  
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Dear Bud:

I appreciate very much the initiative you have taken with your letter of March 27. It is interesting to me that at a recent lunch with Paul Nitze he raised the question as to whether it was now desirable to reformulate the Committee on the Present Danger with or without the use of that name. I've heard similar thoughts from two or three others in recent weeks. My own emphasis in recent months has been on theater missile defenses, as well as on the awful situation in the former Yugoslavia.

Most of us from the old CPD days are now considered the older generation. It would be very helpful if we could point in the direction of enticing younger people with more energy to take on the major responsibilities. We need another indispensable Charles Tyroler.

My warmest best wishes to you.

Sincerely,



Max M. Kampelman

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**The Killowen Group  
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Washington, DC, 20007**

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May 4th, 1995

Dear Bud;

Thank you for your letter of April 20th which we discussed briefly before you left for Europe. I am very flattered by your confidence and expression of interest. Whether or not I am the right person, I would very much like to talk and to help you any way that I am able. For the moment, let me offer a few ideas we might discuss when you return.

As you know from my latest book In Irons, I am concerned that the nation (is not and) may not make use of the advantages we currently enjoy to revise and readjust our overall national security posture before new, "clear and apparent dangers" of truly threatening proportion emerge from the mists of the post Cold War world. During this transition period, which could be of a substantial duration, the large erosion in our strategic, military, industrial and resource bases will continue. In some ways, unless we are prepared to determine as a nation whether we can finally "do more with less," that elusive and unobtainable goal of much of the Cold War, I believe we will see a future security posture, writ large, that is consigned to a condition of "in irons." We can debate the real risks of such an erosion, which may not be that considerable. But why take the chance? And, I am also troubled by the current political realities that defy a more rational approach to these matters.

As you know, the Clinton administration is wedded to the "Bottom-Up Review Force" entirely for the political reason of not wishing to look soft on defense. But this force posture, in my view, is strategically excessive (2 MRC's as defined are unrealistic), financially unaffordable and underfunded, and almost guarantees an outcome of a very "hollow" future military force and supporting industrial base. The Republican dominated Congress calls for spending more on defense without proposing any means of providing those resources and its intent to strengthen defense lacks any clear cut or sensibly organized plan to achieve that objective. So, politically, without an external force to break this self-imposed, and entirely bipartisan gridlock, we are very much "in irons."

On that basis, it strikes me that the first order of business of any new review is to take a fresh look at national security with a clean sheet of paper. NSC-68 in the broadest sense, and Project-60 on a more technical level represent the general models for designing this new look. From a specific statement of national goals and objectives that can actually be translated into forces and resources, we ought to look at alternative means of accomplishing those ends and WITH A MINIMUM EXPENDITURE OF RESOURCES ! In other words, for too many years we have tried to spend our way clear of danger rather than to think our way clear. While we have not run out of resources, absent a visible and accepted threat, the competing demands for national resources, exacerbated by the irrational and highly inefficient way we use those resources, mean that we may finally have to do more with less if we are to maintain an appropriate level of national defense.

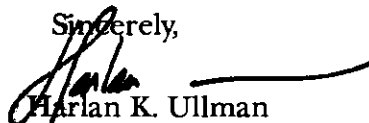
Without downplaying the importance of the issues you raise, I believe that the first priority is framing the context. From that context, dealing with the specific threats and problems raised in your letter has a greater chance of long-term success. I personally would like to take this examination down to the force structure and doctrine level along the lines of an observation I once heard you make while you were CNO.

You may not remember the details as well as I do. You were brooding about the future and were suggesting that by the turn of the century, there was no reason why CINCPAC or CINCLANT (or any commander) should not be operating out of a secure command post in the Rockies and be able to command his forces thousands of miles away. Carrying that view to the next step, there is no theoretical reason why we could not design a force structure to achieve what we did in Desert Storm operationally and to do so not needing a six month buildup to over half a million troops deployed BUT PERHAPS IN DAYS OR WEEKS AND WITH BATTALIONS AND BRIGADES INSTEAD OF DIVISIONS AND CORPS.

I would also hope that such an effort moves from the broad policy area to the narrower issues of infrastructure and defense acquisition to include research, development and technology as well as training. To a much lesser degree, this is the intent of the Republican's proposed commission on national security, a commission in my view headed nowhere unless the president is determined and committed (or forced) to make such a commission work. As I note in the book, strategic alliances as well as foreign policy must be part and parcel of any effort.

Finally, while the CPD was a good name, I believe a new one is needed. Perhaps something along the lines of "Providing for the Common Defense" might be more appropriate.

I look forward to meeting with you and await your response.

Sincerely,  
  
Harlan K. Ullman

Tue 15 June

**The Killowen Group  
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Washington, DC, 20007**

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May 31st, 1996

Dear Bud:

As we discussed briefly, by separate correspondence, you will be receiving a complete package on Employment Compliance Technologies, Inc. including a business plan, demonstration disks and the three disk product.

In brief, the product is an easy to use, comprehensive guide to coping with federal, state and local employer compliance laws and regulations except those pertaining to financial regulation and the tax codes. EEO, age discrimination, sexual harassment, wrongful dismissal, AIDS and the whole "sea-bag" full of "social" compliance issues are covered.

The principal markets are small and mid-size companies who cannot afford to retain full-time HR and legal staff for compliance. However, it is also possible that larger companies, especially firms that have merged with or acquired other companies and do not realize what compliance problems may be lurking could be equally needing of this product.

We are more than competitively priced (about \$500 per three disk set and \$150 annual update fee as opposed to many thousands of dollars for compliance publications) and far more user friendly (virtually any computer can take the disk) and readable than what is on the market.

As far as due diligence, the agreement with the law firm that provides the basic compliance material input and update service is rock solid as is the input. Several legal firms have reviewed the product and it has drawn excellent reviews. The financial projections, likewise, have been positively vetted by outside teams. In essence, we have the product and plans for further products: there is a big market with little or no competition; and we are priced well under any possible rival.

As you will see in the package when it arrives, we are looking for an infusion of about \$2 million almost exclusively for telemarketing and direct mail campaigns

with another \$2 million as a line of credit. We are open as to terms for the deal and prefer a convertible type investment which, say in three years time, we will pay off or buy back at some multiple, say three, and leave the investor with a "trail" of perhaps five percent of the company. In other words, this can be a very attractive investment.

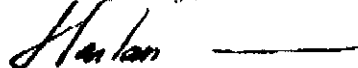
You will also note that in the financial projections, the margins are substantial. We would expect to grow to a hundred plus million revenue flow in three or four years with appropriate after-tax profits.

The only item that is not negotiable is control. We will maintain the majority of equity ownership and control. At present, ECT has nearly 50 distributors for direct sales and the roster is growing. This has generated an initial cash flow more quickly than we anticipated. However, the arrangement is such that ECT retains complete authority to put in place its telemarketing and future advertising and sales campaigns without restriction.

So that you know, I am vice chairman of ECT and Joe Linwick who you do not know is Chairman and CEO. I have also had preliminary discussions with Jim Woolsey and Tom Pownall about ECT, the product and a possible future association on the board.

In other correspondence, I will send you some material on Mike Boorda and what I believe that needs to be done about the Navy that might interest you.

Sincerely,



Harlan K. Ullman

**The Killowen Group  
1245 29th Street NW  
Washington, DC, 20007  
202-337-7337**

Stanley A. Weiss  
Chairman, BENS  
1615 L St NW  
Washington, DC

June 20th, 1995

Dear Stanley;

I was enthused by our discussion and by your positive reaction to the project that, for the moment, is titled "Providing For The Common Defense In The New Century: Real Dangers, Real Choices." To borrow from Churchill, I apologize that the attached summary is not as concise or succinct as I would have liked because I wrote it quickly in order for you to have it for your meeting with John Whitehead and others. Please consider the attached paper as work in progress and add or subtract as you like.

The success in getting this project underway will obviously rest on our purpose and process and how well we have spelled both out. The purpose, as we discussed, relates to providing comprehensive and integrated assessments, evaluations and recommendations regarding national security, broadly defined, in the new century and focuses on defining and establishing the real dangers and the real choices we face. The purpose will be supported by three tracks.

The first concentrates on the so-called traditional national security issues that have been largely a function of military force and Cold War solutions. But, we all know that without a major shock to the system, the planned U.S. force structure cannot be maintained in the current condition. Further, not all or even many contemporary security dangers can be easily solved, let alone by applying military force. It is a post-Cold War world but one with an American security structure that very much resembles that of the war that is now over.

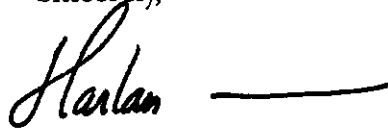
The second concentrates on the so-called non-traditional national security issues, made more visible by the end of the primary Soviet threat but blurred by difficulties in defining the basis and in fashioning effective solutions for these dangers. Narco-terrorism, internationally organized crime and ethnic war and conflict fit into this category. These issues are formidable because they fall across both institutional and national boundaries and because there are few obvious or easy remedies. There is also the problem for the United States of a complicated and diffuse arrangement of government agencies and departments that have partial or overlapping authority and jurisdiction in a growing number of these areas.

The third is the lack of an accessible and available repository of data, information and fact that interested Americans can easily reference in order to become better informed on these issues. In the main, while this information is available, it is usually difficult to obtain for other than specialists or students in the subject. As a result, too often, "information" becomes the swapping of opinion offered by so-called experts and pundits who are not always as well informed as their authoritative views might suggest. This track would make available important information and data from which interested people could make their own informed judgments.

The process for undertaking and completing this project is straight forward. The schedule will be fashioned to coincide and interact with the run-up to and the elections of November 1996 and the installation of the President and Congress in January of 1997. We will assemble a senior advisory board of "wise people" with sufficient authority, gravitas and prestige to give the project high standing and we would include both "the usual" and a few unusual "suspects" in this group. A working group consisting of several dozens of specialists and generalists would be organized to conduct much of the effort and a small staff would integrate and shepherd the progress of both groups. We would use all normal communications and media outlets including the publication not only of a series of reports and recommendations but perhaps also a "source" book that provides the important data, information and fact that interested Americans may use in formulating their own opinions.

I look forward to your reaction and to the reaction of your colleagues in New York.

Sincerely,

A handwritten signature in cursive script that reads "Harlan", followed by a horizontal line.

Harlan K. Ullman  
Chairman

ATTACH

CC: Bud Zumwalt

PROVIDING FOR THE COMMON DEFENSE IN THE NEW CENTURY:  
REAL DANGERS, REAL CHOICES  
(JUNE 20th, 1995 DRAFT)

- The purpose of this project is to provide comprehensive and integrated assessments, evaluations and recommendations on national security, broadly defined, with emphasis on defining and establishing the real dangers to our security, their consequences and what real choices lie before us.

-The principal reasons for undertaking this project rest in the broad reluctance of our government to examine national security from a "first principles" basis when it seems to most Americans that the nature of security has been transformed so fundamentally that a fundamental review is absolutely essential.

-- Put another way, despite the rhetoric of two administrations, in security terms, the sails of the ship of state have only been modestly trimmed and the course has stayed constant. However, the lodestar of the Soviet Union has disappeared and the waters ahead remain largely uncharted.

-The project's purpose leads to a three track approach. First will be examination of the "traditional" national security issues that have been largely addressed through military force but at a time when there was a continuing and powerful threat and military force seemed to be a necessary and applicable instrument for guarding our safety. Second will be examination of "non-traditional" security issues made more visible by the end of the primary Soviet threat but blurred by difficulties in defining the basis for determining the extent of these new dangers and in fashioning effective solutions. Ethnic conflict, narco-crime, terrorism and "operations other than war" form some of these new or potential dangers to security. Third will be providing, for interested Americans, access to information, data and fact on these issues which is now relatively hard to come by and on which citizens can make their own, better informed judgments rather than to rely on so-called experts and pundits who tend to substitute opinion and speculation for analytical appraisal.

-The project's process for undertaking this effort will combine assembling a senior advisory group of "wise people" with sufficient authority, gravitas and prestige to give the project high standing; working groups consisting of several dozen specialists and generalists; and a small staff to shepherd and integrate the progress of these groups. The project's schedule will coincide and interact with the 1996 national elections and the installation of government in 1997.

-The output would include utilizing all appropriate communications and media outlets, and publication not only of a series of reports and final recommendations but also of a "source" book that provides important and pertinent data, information and fact that interested Americans may draw on in formulating their judgments on these security dangers and choices.