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Defense build-up ben

By Harry Jaffe

WASHINGTON—This year, the Reagan administration will pay out $100 billion more than it takes in. Next year, according to the best estimates now available, the administration expects a deficit of more than $184 billion. Many programs are being cut, but others are clear winners.

In Washington, the government's company town, the items that make up the budget surface in strange places. The Federal Labor Relations Authority is not as well known as the Defense Department or the Central Intelligence Agency, but FLRA recently made news when three authority members spent $150,000 for office furnishings. Besides $323.52 for a "muffin stand," the bill included $1,712.67 each—a total of $3,425.34—for two Barcelona chairs for Chairman Ronald Haughton.

No one knows for sure how many Barcelona chairs the Central Intelligence Agency may have at its headquarters in Langley, Va., just across the Potomac from the District of Columbia, but CIA budgets are up.

HOW MUCH the spy agency spends is top secret. CIA expenditures are hidden in the budgets of other government and nongovernment agencies, including the profit and loss statements of private corporations and universities. But those privy to intelligence information say the CIA's spending is rising approximately at the 15-percent rate of the defense budget.

Every day the Department of Defense announces new contracts to absorb the Reagan military spending increase from $176 billion in 1981 to his request for $258 billion for fiscal 1983, an increase of $82 billion or 32 percent. The Defense Department and the CIA are distributing rewards from the Reagan national security cornucopia: more pay, more people, more contracts for weapons and equipment.

The Pentagon budget is open for scrutiny, but the CIA's cloak is a well-kept secret. The general picture of the agency's robustness emerged from a series of interviews with people on Capitol Hill, academics who consult for the CIA, private organizations that monitor CIA activities and the agency's public information office.

"THE INTELLIGENCE community is a growth industry in the context of a national budget with very few growth areas," said a congressional aide on an intelligence oversight committee. "Over the next five years, I think you can expect about a 35 percent increase in funds for the various intelligence agencies, including the CIA, the National Security Agency, the Defense Intelligence Agency and the Bureau of Intelligence and Research at the State Department."

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recruitment ads are on radio stations in Atlanta, college campuses in Utah and in selected newspapers across the country. The agency wants more analysts expert in African and Asian cultures and languages. University researchers and people of all stripes are responding with job queries.

To incorporate new micro-computer chip technology, the

surveillance and listening devices around the world. New devices must operate in the face of Soviet advances in jamming U.S. electronic apparatus.

While other federal agencies shrink, the CIA plans to double its physical plant with a new one-million-square foot building, planned for construction in the next few years at Langley. In addition, the Reagan administration gave the CIA what money couldn't buy. The White House lifted the ban on spying within the U.S., and it expanded the government's right to keep more information secret.

The CIA, already heavily cloaked, is now more secretive than ever. The agency forbids tours, visits by most journalists, release of employee names and discussion of even routine operations.

Last summer, the CIA stopped its longstanding policy of issuing unclassified analyses, such as annual reports on the Soviet economy or world terrorism. Also, the agency constricted the number of briefings for journalists, down from 160 in 1980 to 30 in 1981 and 15 so far this year.

THE REDUCTION in the flow of information corresponds with a dollar bonanza for defense and intelligence contractors.

McDonnell Douglas Corp. ($1.4 billion in defense sales), the St. Louis firm that makes the F-15 fighter plane, is jockeying for the No. 1 defense contractor spot with General Dynamics Corp., the contracting giant that builds the F-16 attack plane, the Trident submarine and now the M-1 tank, newly acquired from the Chrysler Corp. Boeing Co. and Lockheed Corp. trail close behind.

The details are secret, but many of the same defense contractors work for the CIA, according to Ronald Easley, president of SPC Corp., an aerospace firm with CIA contracts. "It's safe to say," said Easley, "that most of the large aerospace corporations have done work for the agency in one sense or another."

TRW, Inc., a high-technology electronics firm based in Cleveland and Los Angeles, is known to make components for the CIA. Lockheed has built planes for the intelligence agency.

Still, all at the CIA is not running smoothly. Underlying the new growth is the same kind of bureaucratic infighting that goes on in the less secretive branches of the federal government.

PARTS OF the CIA have been overhauled by the new director, former Reagan campaign manager William Casey. As a result, there have been winners and losers. Adm. Bobby Ray Inman, the No. 2 man under Casey, recently quit, in part because of the power struggles.

Capitol Hill sources suspect that there is a

ding sway over more dispassionate, career analysts in the agency. A staff member on an intelligence oversight panel noted the general perception.

"We've seeing a gradual ideological shift in the intelligence community toward the new administration's global point of view," he said.

THE GROWTH of CIA has spurred fears among civil libertarians and liberals that the government will once again begin the clandestine political operations aimed at destabilizing foreign goverments. Jay Peterzell, a CIA specialist for the Center for National Security Studies, an arm of the American Civil Liberties Union, said: "There's clearly a buildup of clandestine services going on, the action arm of the CIA."

Peterzell contended CIA agents are working secretly in Nicaragua, Afghanistan, Libya, Iran and Iraq to influence the outcome of political turmoil in those regions. By law, the government must notify two congressional committees of any planned clandestine activities, and that notification process is in heavy use, according to a committee staff member.

"It's a continuing activity," said the aide, who declined to list specific projects.

Longtime Washington observers of CIA activities worry about the consequences of covert actions both at home and abroad under the Reagan administration. They see a continuing policy struggle between the passive collection and analysis of information within the agency and active meddling by CIA agents in foreign governments. They question whether more money produces better intelligence, and they question whether covert activities are political activities consistent with United States diplomatic and policy objectives.

Closed-door congressional debates about the CIA's budgets are often expressions of political differences as much as they are arguments about how much one of Washington's most powerful agencies should spend. It is Congress, with the authority of the Constitution, that must choose between the political alternatives represented by every dollar spent—whether for the CIA's covert actions or for the Barcelona chairs at the FLRA.

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