STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

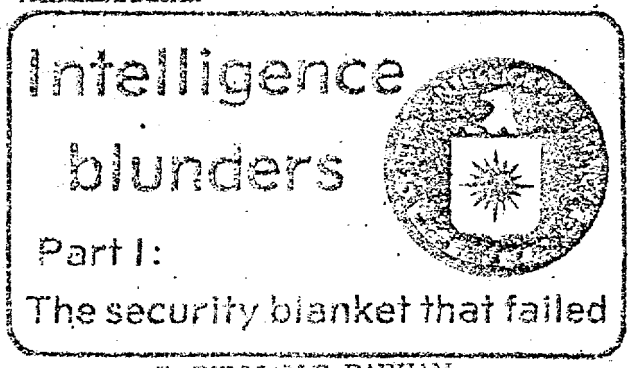
ARTICLE APPEARED ON PAGE 1.

NORWICH BULLETIN(CT)
8 March 1981

The CIA's blunders coul

This three part Bulletin series on 20 years of CIA estimates of Soviet military capabilities reviews two decades of charges that since the early 1960s the CIA has systematically underestimated Soviet military spending, technical capabilities and weapons deployment.

Today's first installment, "The Security Blanket That Failed," explores the scope of the blunders as seen by a number of experts who have analyzed the reports during both Republican and Democratic Administrations.



By WILLIAM F. PARHAM
Bulletin Staff Writer

WASHINGTON — The U.S. government has wasted billions of dollars over the past two decades on inaccurate estimates and forecasts of Soviet military spending and capabilities, according to present and former U.S. intelligence and defense officials.

Ever since the Soviets encouraged the U.S. in the late 1950s to overestimate Soviet deployment and accuracy of intercontinental ballistic missiles (ICBMs) which led to the famous "missile gap", U.S. Presidents and Congresses have reached arms limits agreements with the Soviets and have determined U.S. defense investments on the basis of inaccurate intelligence about what the Soviets were spending on defense and what weapons they were planning to deploy, strategically as well as tactically, The Bulletin has learned.

The inaccurate intelligence has been the subject of often heated debate within the intelligence community since the mid-1960s, with some critics claiming they were forced out of the CIA for questioning the agency's figures. Recently, more ominous questions have been raised about possible explanations for the errors.

Was it simply the result of bureaucratic bungling or stubborness on the part of those involved, some of the critics ask. Or was it the result of Soviet deception possibly including "moles" or Soviet agents in high positions in the U.S. government?

Whatever the cause, it is beginning to dawn on Capitol Hill and throughout the new Administration that the money wasted on the poor estimates may be only the tip of a very unpleasant iceberg.

An even more significant cost of the U.S. intelligence community's persistently low estimates may be realized in the hundreds of billions of dollars the U.S. may decide to spend during the 1980s on extremely expensive crash programs, such as the MX missile, to prevent the Soviets from gaining an overwhelming advantage, experts say.

If the crash catch-up programs fail over the next decade, says one analyst on Capitol Hill, the ultimate cost of the mass
could be "beyond
West and the vic
default, all at a ti
of the Soviet sy
apparent."

Complicating e
the Central Intel
analysts and mi
consistently low S
producing them, a
way they used to,

President Rea
William J. Casey,
deputy director, e
CIA's analytical p
mation hearings.

But a CIA spok
major organizatio
yet been underta
analyzes Soviet
grams.

The Bulletin ha

— Current CI
spending (61 to 6
the actual Soviet
mates to be 108
rate for rubles in
exactly what is b
single accurate co

— CIA estima
percentage of nati
percent to 13 p
probably 18 percen

— CIA estimate
purchasing as a p
machinery are too
over 50 percent thi
'60s and 35 percent

— The CIA est
better, and unless
estimating Soviet m
to be even further off in five years than it is now.

— The CIA was apparently caught unawares by the introduction, refinement ordeployment quantity or timing of at least 18 major new Soviet weapons systems and technologies.

Also, analysis of the annual Posture Statements of the various Secretaries of Defense against subsequent developments shows the CIA was caught by more rapid or extensive development or deployment than it had expected of numerous systems and technologies, including:

— A large deployment of Soviet medium bombers in the late 1950s and early 1960s;

— A large deployment of medium/intermediate range ballistic missiles (M/IRBMs) in the same period;

— The deployment of a second generation of sub-launched ballistic missiles (SLBMs), SS-N-6s, on a fleet of Yankee-class subs in the mid-1960s;

— The deployment of multiple independently targetable reentry vehicle (MIRV) warheads on ICBMs;

— The deployment of a second generation of Soviet intercontinental ballistic missiles (ICBMs), the SS-13,

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

CONTINUED

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

ARTICLE APPEARED ON PAGE A-1

NEW YORK TIMES
2 MARCH 1981

At the Pentagon And State Dept.: Pragmatic Tone

By PHILIP TAUBMAN
Special to The New York Times

WASHINGTON, March 1.— Though he was often identified with doctrinaire positions on foreign policy as a candidate, Ronald Reagan as President has assembled a largely nonideological team of managers and career Government officials to direct foreign and defense policy in his Administration.

Drawn from large corporations, blue-chip law firms, universities, the military and the upper ranks of the Federal bureaucracy, the newly appointed policy makers, with some notable exceptions, appear to represent the mainstream of the Republican Party.

The relatively moderate cast of the Reagan team has produced irritation among many of the President's more conservative supporters. Led by Senator Jesse Helms, Republican of North Carolina, they have complained bitterly about Mr. Reagan's failure to staff his Administration with strong conservatives.

An Emphasis on Management

Others have faulted Mr. Reagan for failing to name long-range conceptual thinkers to key policy jobs. They argue that his Administration may suffer from a preponderance of officials experienced in carrying out but not in designing foreign policy.

The pragmatic managerial tone of the Administration's leadership was established by Mr. Reagan's appointees for the top four foreign and defense posts. Among foreign affairs specialists, none of them was considered a leading strategist or planner.

Secretary of State Alexander M. Haig Jr. was president of the United Technologies Corporation, commander of NATO and White House chief of staff during the final year of the Nixon Administration. The former general also worked as deputy to Henry A. Kissinger when Mr. Kissinger was the adviser on national security under President Nixon.

Caspar W. Weinberger, the Defense Secretary, had little foreign or defense experience before joining the Reagan Administration. He was vice president of the Bechtel Corporation when Mr. Reagan picked him. Earlier, he served in the Health, Education and Welfare, Director of the Office of Management and Budget, chairman of the Federal Trade Commission and California's Director of Finance.

William J. Casey, the new Director of Central Intelligence, was a corporate lawyer in New York before becoming head of the Reagan campaign early last year. During the Nixon and Ford Administrations, he was chairman of the Securities and Exchange Commission, Under Secretary of State for Economic Affairs and president of the Export-Import Bank.

Haig Takes the Lead on Policy

Mr. Reagan's national security adviser, Richard V. Allen, is a longtime Reagan foreign policy aide. He is the author of several books on Communism, he worked as a White House adviser on international economics during the Nixon Administration and has been a business and trade consultant.

Mr. Haig has emerged as the leading foreign policy spokesman among the four and has taken the lead in policy formulation, according to senior Administration officials. Mr. Allen has maintained a low profile and appears content to help coordinate policy for the President rather than direct it.

Mr. Weinberger, aides said, is still learning about his department and consequently has been handicapped in asserting himself in policy deliberations. Mr. Casey, though close to Mr. Reagan, has been concentrating on intelligence matters and has not played a major role in policy formulation, according to White House aides.

Along with Mr. Haig, White House officials said that the key official shaping foreign policy is Edwin Meese 3d, counselor to the President and one of Mr. Reagan's closest aides. Mr. Meese's authority stems from his mandate to coordinate all Administration policy making and to act as chief policy spokesman.

Mr. Meese is a lawyer who acted as Mr. Reagan's chief of staff when he was Governor of California. He has no previous foreign policy experience.

Also holding Cabinet rank but not considered to be a key policy maker is the chief representative at the United Nations, Jeane J. Kirkpatrick. Mrs. Kirkpatrick, a Democrat, was professor of political science at Georgetown University and resident scholar at the American Enterprise Institute, an economic research and policy organization.

Mrs. Kirkpatrick, a Latin American specialist, has advocated greater tolerance by the United States toward "moderate autocrats friendly to American interests."

Working one or two levels below these senior officials are the under secretaries, assistant secretaries and deputy directors who receive less public attention but who command great influence over specific policies that fall within their areas of responsibility.

[illegible] confirmation, has not been explained by the White House. A senior White House aide said there are "political problems."

These problems, White House officials said, involve but are not limited to objections by Senator Helms. The delay, they said, has been caused in part by an effort to balance Mr. Haig's desires with competing demands from Mr. Reagan's political advisers that campaign aides and loyal supporters be rewarded with senior Government jobs, including some at the State Department.

The No. 2 position at the State Department, Deputy Secretary, has been officially filled by the Administration's most visible newcomer to foreign affairs, William P. Clark, a former Supreme Court judge in California. He has been confirmed by the Senate.

Mr. Haig, according to aides, initially opposed the appointment of Mr. Clark, a longtime friend of Mr. Reagan's, but was overruled by the White House. At his confirmation hearings, Mr. Clark acknowledged that he was unfamiliar with most foreign policy issues.

Mr. Haig named a career diplomat, Walter J. Stoessel Jr., to be Under Secretary for Political Affairs. In a 39-year diplomatic career, Mr. Stoessel served as Ambassador to the Soviet Union, West Germany and Poland. Fluent in Russian with three tours in Moscow, he will probably also act as the department's chief Soviet expert.

The Under Secretary for Economic Affairs is Myer Rashish, an economist and consultant who worked for President Kennedy as assistant for international trade and who more recently was a consultant to the Congressional Joint Economic Committee and to former Senator Abraham A. Ribicoff, Democrat of Connecticut.

Former Senator James L. Buckley of New York has been confirmed as Under Secretary for Security Assistance. White House officials said the appointment of Mr. Buckley, a champion of conservative causes, was made to blunt criticism of Mr. Reagan's appointments by Senator Helms and others.

The Director of Policy Planning is Paul D. Wolfowitz. Mr. Wolfowitz was co-director of the security studies program at the School of Advanced International Studies at Johns Hopkins University. Before that, he was a Deputy Assistant Defense Secretary in the Carter Administration and a specialist on strategic arms limitation talks at the Arms Control and Disarmament Agency.

Mr. Wolfowitz has rapidly become a key aide to Mr. Haig, according to department officials, and has played a central role in supporting the Administration's early verbal offensive against the Soviet Union.

[illegible] team, Mr. Haig drew

CONTINUED

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

ARTICLE APPEARED
ON PAGE 24

NEWSWEEK
2 Nov 1981

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

A Flap Over the VA Appointment

Ronald Reagan is caught up in an embarrassing wrangle over the appointment of a new head of the Veterans Administration and may change his mind about the choice. Originally, in response to what one source calls "Neanderthal pressure" from New York's freshman Sen. Alfonse D'Amato and further arm-twisting by CIA director William Casey, Reagan agreed last week to appoint John Behan, a Vietnam War amputee and a Long Islander like D'Amato and Casey. But veterans' groups had lobbied hard for former Ohio Congressman William Ayres as VA administrator, and Delaware Rep. Thomas Evans, an Ayres backer, rushed to the White House to object. Reagan was then aboard Air Force One en route to California, but Evans demanded and got a phone connection to the President and talked him into reconsidering the VA appointment. Meanwhile, D'Amato has complicated matters by telling the press that Behan has the job.

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

ARTICLE APPEARED
ON PAGE 36.

U.S. NEWS & WORLD REPORT
2 March 1981

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

It's the No. 2 Men Who Really Run Government

Nobody voted for them and they are rarely found in the spotlight, but decisions made every day by top deputies in the Reagan administration will go a long way in shaping the nation's future.

Behind closed doors in offices scattered across the nation's capital sit a handful of men, little known and seldom seen, who wield vast powers over the lives of all Americans.

They are the No. 2s—under secretaries or deputy directors of major federal agencies who hold the real control over day-to-day operations of Washington's sprawling bureaucracy.

While the spotlight focuses on secretaries of departments as they glide around in their limousines to cabinet meetings and congressional hearings, it is their top assistants left back at the office who often run the show.

Elected by no one—though their nominations must be confirmed by the Senate before they can take office—the No. 2s heavily influence how money is spent for defense and welfare, how economic policy is managed, whether regulations are to be eased or tightened and who is to get how big a slice of the federal money pie.

Cabinet secretaries traditionally are picked for their loyalty to the President, for their public stature or to reward a vital political constituency, but the No. 2s tend to be men who are expert in areas their departments control, are highly regarded for their managerial skills or possess solid political connections.

On these pages is a look at some of these men, their backgrounds, their philosophies and their plans for the country.

* * * * * * * * *

A Pro to Run the Spies

A lanky, soft-spoken admiral with a passion for anonymity seems destined to become CIA Director William Casey's indispensable right-hand man.

Vice Adm. Bobby Ray Inman knows not only the craft of intelligence but also the secrets of what is another mystery to many bureaucrats—how to get along with Congress.

One Senate aide who dealt frequently with Inman during the recent probes of intelligence abuses sums up the CIA's new deputy director this way:

"He is by far the best senior intelligence official we have. He is extraordinarily intelligent, straightforward, articulate."

"He has a marvelous memory and a good sense of what intelligence is for—what it should or should not do in American democracy. He gets along with all senators."

A native of Rhonesboro, Tex., Inman, 49, joined the Navy in 1952 as an ensign and served on the aircraft carrier U.S.S. *Valley Forge* in the Korean War. Rising steadily despite his lack of a Naval Academy degree, he was named director of naval intelligence in 1974 and vice director of the Defense Intelligence Agency in 1976.

Since 1977, he has headed the supersecret National Security Agency, which listens in on electronic transmissions of foreign countries.

Inman expects to shoulder a major burden in running the agency and coordinating the U.S. intelligence community while Director Casey, an intelligence official in World War II, concentrates on management of covert operations.

The No. 1 problem, says Inman, is to rebuild America's intelligence manpower—neglected during the post-Vietnam years while money was spent on sophisticated satellite technology. He also wants to improve the CIA's ability to forecast where political events are headed.

Inman won raves on Capitol Hill, where Barry Goldwater (R-Ariz.), Senate Intelligence Committee chairman, told him: "If there's any such thing as the right man for the job at the right time, you're that man. I don't know of a man in the business who is better than you." □

WIDE WORLD

Veteran spy Bobby Ray Inman seeks CIA manpower increase.

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

LONDON DAILY TELEGRAPH
2 March 1981

Pledge to Reagan

By RICHARD BEESTON in New York

MRS THATCHER returned to London yesterday from her visit to the United States after calling for a new defence policy beyond the Atlantic to prevent further Soviet encroachments. She had earlier discussed with President Reagan the possibility of British units joining an international rapid deployment force for the Persian Gulf.

At a dinner in New York, where Mrs Thatcher delivered a major foreign policy speech before flying home. She received a farewell message from Mr Reagan praising her leadership and asserting that their talks had left him in no doubt of "our joint capacity" to meet any threats to freedom.

In her most successful speech of her three-day visit—at a ceremony when she received the Donovan medal awarded "in the cause of freedom"—the Prime Minister declared: "The interests of the allies do not stop at the boundaries of the alliance.

"There is an urgent need for a new defence policy beyond the North Atlantic. We must prevent Soviet encroachment in regions vital to the interests of the members of the alliance and to the economies of the world. This is true of parts of Africa. It is true of the Gulf.

"I welcome, therefore, the new President's determination to tackle this problem without delay. As a loyal ally Britain will help to the very maximum of her ability."

Shared outlook

Mrs Thatcher had earlier told reporters that Britain was prepared to provide forces to serve in a multi-national rapid deployment force for the Gulf, if such a group was created. But she said that no decisions on creating such a force had been made.

Mrs Thatcher's New York addresses was given before veterans of the Office of Strategic Services, the forerunner of the CIA.

Welcoming her to the dinner, her host, Mr William Casey, the new head of the CIA, said that not since Winston Churchill had a British Prime Minister so well epitomised "the common heritage and outlook we share."

While Mrs Thatcher took a tough line with the Kremlin, much like Mr Reagan's recent public statements, she also stressed that the West must continue to deal with the Soviet Government and should do so with "realism and consistency."

Commenting on the recent speech by President Brezhnev which proposed a US-Soviet summit, Mrs Thatcher said "There are many things in it which all of us would utterly reject. But there are also things which need to be explained and explored and turned if possible to the benefit of the world.

"In particular, there are signs of readiness on the part of the Soviet Union to negotiate.

"Like President Reagan I welcome that. In this perilous world negotiations between governments must continue, particularly in the field of arms control, or better still of arms reductions."

While there was a "present danger" in a world harbouring a super-power with a destructive ideology and an expansionist record, this danger should not be exaggerated, she said.

The Soviet Union had made no advances in Europe since 1945, and recent events in Poland had demonstrated the failure of the Soviet system.

The Soviet Union had been thrown out of Egypt, her relations with China remained hostile, 111 nations had condemned her invasion of Afghanistan. The Soviet system had failed to produce material prosperity, had crushed spiritual satisfaction and, after 65 years of uncontrolled power, was "spiritually and morally bankrupt."

Mrs Thatcher, in her speech went further than before in backing the Reagan Administration's stand on El Salvador.

She described the country as Cuba's "latest target" adding "I fully agree with President Reagan that Cuban interference in, and arms supplies to, that country are totally unacceptable."

Speaking of the capacity of the West to defend itself Mrs Thatcher told an anecdote about a boxer who continually crossed himself in the ring. A spectator asked a priest whether this would bring the contestant the benefit of divine intervention. The priest replied "It depends if he knows how to box." She added, "Both Europe and America know how to box."

She said she believed that the tide was beginning to turn in favour of the West with a "new determination in the Western alliance and a new leadership in America which gives confidence and hope to all in the free world."

'They hit it off'

American and British spokesmen said Mrs Thatcher's talks had shown agreement "on all major strategic issues."

The Prime Minister had an unscheduled farewell meeting with Mr Reagan before returning to Britain and the White House spokesman, Mr James Brady commented: "It was difficult to pry them away from each other at the end. Their chemistry is right—they hit it off.

"They both know where one another has been and where one another is going. They have stared down the same gun-barrel."

Mrs Thatcher in a television interview before leaving said her meetings with Mr Reagan had been particularly fortunate since they came at the time when the Washington Administration was formulating its policies.

Asked by the ABC Television interviewer, Barbara Walters, about criticism levelled against her by the American Treasury Secretary, Mr Donald Regan, over her failure to cut British taxes, Mrs Thatcher replied: "I think he's right. We would have loved to have cut more but that is not possible unless we can get public spending down."

The Prime Minister said that if she reversed her economic policy and began to reflate, Britain would become less competitive, and that this would lead to much higher unemployment in the long run.

Schmidt's fears

Asked about concern expressed by the West German Chancellor, Herr Schmidt, that Mr Reagan's economic programme would deepen European recession. Mrs Thatcher said the President was proposing methods similar to those adopted by Herr Schmidt. She said Herr Schmidt could not deny to America the very policy which he had made so successful in Germany in bringing down interest rates.

Commenting on the "two in the morning courage" leaders needed to take major policy decisions, Mrs Thatcher said: "I feel Mr Reagan and myself are not going to sacrifice the future to go for popularity for the present. We are long-run leaders of government."

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

ARTICLE APPEARED ON PAGE C-8

NEWPORT NEWS DAILY PRESS (VA)
1 MARCH 1981

Rejuvenated CIA Casey's Goal

By DANIEL F. GILMORE

WASHINGTON (UPI) — Stansfield Turner, the handsome former admiral, quietly dropped out of sight when President Reagan announced that World War II intelligence chief William Casey would replace him as CIA director.

"He's just an ordinary citizen now," a CIA spokesman said of Turner. "He's living in the Washington area."

And so went Turner, the ambitious, 57-year-old U.S. Naval Academy contemporary of Jimmy Carter and a man much criticized in his role as head of U.S. intelligence.

Turner, as 12th director of the CIA since its inception in 1947, was supposed to rejuvenate the agency after it was subjected to about two years of distracting attacks by civil libertarians and morale-shattering congresssional investigations into past transgressions.

Turner tried to run the agency like the guided missile frigate Horne, which he once commanded. It didn't work.

Instead, on what Turner liked to call "my watch," he managed to alienate most of his colleagues, purge the agency of more than 1,000 of its veteran officers and agents and even incur the wrath of Carter himself for faulty intelligence on Iran, Afghanistan, the Middle East, Cuba and other points.

But Casey, the new CIA director, and his team have the respect of the intelligence community. They take over at a time when the general mood of the country favors good intelligence and a credible defense in a dangerous world.

Casey, 67, was head of clandestine actions for the World War II Office of Strategic Services, the forerunner of the CIA. There were two other CIA directors who served with the OSS: Allen Dulles, who carried out World War II espionage operations from neutral Switzerland, and William Colby, who parachuted into Nazi-occupied Norway on sabotage missions.

Casey later was chairman of the Securities and Exchange Commission and established a reputation as a corporation tax lawyer. Then he joined the Reagan team as campaign manager.

He is a disarmingly unpretentious man with thinning white hair, rumpled suits and sometimes vague answers to pointed questions. When it was rumored he was being tapped for CIA director, a United Press International reporter asked if he really was out for the job. "Not particularly," he said.

Those who have worked with him, however, say Casey has a razor sharp mind and he is known as a first rate administrator.

At his Senate confirmation hearings last month, Casey said he was not out to reorganize the CIA, but to revitalize and strengthen the agency, whose morale has been badly damaged during the past five years.

His new deputy is Adm. Bobby Inman, 49, since 1977 head of the National Security Agency and regarded by knowledgeable persons as one of the most brilliant intelligence experts in the United States today.

There are also some CIA veterans and supporters in top Reagan administration positions and elsewhere in government, including:

- Vice President George Bush, CIA director for part of the Ford administration.
- Frank Carlucci, CIA deputy director under Turner, now deputy defense secretary.
- CIA veterans in the National Security Council.
- John Blake, former CIA deputy director for administation and acting deputy before Turner took over, now staff director for the new, Republican-dominated Senate Intelligence Committee that oversees intelligence activities.

The committee chairman is Sen. Barry Goldwater, R-Ariz., a long-time proponent of a vigorous intelligence service, who said: "I think the CIA is going to find a very cordial reception here. It's difficult to discuss any position to intelligence."

Secretary of State Alexander Haig, former NATO commander and a White House aide in the Nixon administration, is also a firm believer in a strong intelligence organization.

Reliable reports are circulating that many of the veterans who resigned in disgust during investigations of the CIA, or who were fired or sent into early retirement during Turner's watch, will be asked to return to the agency's sprawling headquarters at Langley, Va., across the Potomac River west of Washington.

A CIA spokesman said only that he understood President Reagan's 60-day federal hiring freeze also applies to the CIA. The Defense Department, however, received a waiver and the CIA might also be given an exceptional green light.

Casey, like his predecessors, wears two hats — as CIA director and director of central intelligence. In the latter position, he is in overall charge of the Defense Intelligence Agency, the State Department Bureau of Intelligence, the intelligence branches of other agencies and the armed services, and the National Security Agency.

The NSA, largest and most secretive of all U.S. intelligence agencies, monitors foreign communications, breaks down foreign codes and protects the security of U.S. codes.

It uses ground intercept stations, spy-in-the-sky satellites, U-2 and SR-70

CONTINUED

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

ARTICLE APPEARED ON PAGE A-1

WASHINGTON STAR
1 MARCH 1981

Allen's Complaints Over Haig's Aides Mar Policy Setup

White House Adviser Grumbles to Senators

By Lisa Myers
Washington Star Staff Writer

Despite the appearance of relative harmony among President Reagan's foreign policy team, White House national security adviser Richard V. Allen privately has sought to undercut Secretary of State Alexander M. Haig with already disgruntled conservatives on Capitol Hill, Senate sources say.

Allen has complained to members of Congress about Haig's choice of subordinates and has claimed White House dissatisfaction with the former Army general, according to a number of congressional sources.

Senate conservatives say Allen has "actively campaigned" among them against Haig's selection of Lawrence Eagleburger, a close aide to former Secretary of State Henry Kissinger and President Carter's ambassador to Yugoslavia, as assistant secretary of European affairs.

It was primarily Allen and Counselor Edwin Meese III who combined to delay the nominations of Eagleburger and other Haig designees, whose selection was questioned on the ground that they were "retreads" from the Ford and Nixon administrations or "recycled" Carter appointees, according to senior White House sources.

Eagleburger and others who have been on the job almost a month finally were given the green light by the White House late last week, after Deputy Secretary of State William Clark, a longtime Reagan loyalist, came to his new boss' aid, White House sources say.

The president's most senior aides expressed surprise at Allen's fomenting of conservative unrest. They insisted there is no dissatisfaction with Haig, despite early grumbling about what some report is his high-handed behavior and "mechanical problems" between the State Department and the White House on matters such as appointments.

Allen has complained about Haig to at least three prominent Senate conservatives, including his ally, Sen. Jesse Helms, R-N.C., Senate sources say. In the case of Helms, at least, Allen was preaching to the converted.

The senator, who pushed Haig's nomination to the top foreign policy post, feels that the secretary of state has betrayed a promise not to surround himself with Kissingerites and to name conservatives to key policy spots, according to two sources close to Helms. Haig was said to have made that pledge in November, when he quietly called on Helms to solicit his backing for the State Department job.

Helms has been the most vocal congressional critic of Haig's appointees and has threatened to put a "hold" on many of the nominations when the White House finally submits them to Congress. His No. 1 target is Eagleburger, whose confirmation Helms warns will be delayed indefinitely unless conservative William Van Cleave gets a key State Department post, such as SALT negotiator.

White House officials deny that it was Helms' objections which caused the delay in submitting the nominations of Haig's hand-picked subordinates. A senior official said two of the prospective nominees — Myer Rashish, the proposed undersecretary for economic affairs, and Robert D. Hormats, the proposed assistant secretary for economic and business affairs — were put on "hold" after the leak of major foreign aid cuts proposed by Budget Director David Stockman.

In addition to providing the information to reporters, some State Department official sent cables to overseas posts, informing them of the proposed cutbacks and provoking allies.

"There was a feeling that we ought to know who the drafter of the cables was," says a senior White House adviser. "The cables went out only hours after State was informed of the proposals and before Haig and Stockman even discussed them."

This source says the White House has been unable to pinpoint precisely who the culprit was and therefore decided to proceed with both nominations. However, the president's anger over the event has been made well known.

The nomination of Chester Crocker as assistant secretary for African affairs was held up because the White House was considering another candidate for the post, according to a senior source. But the White House recently decided to go ahead and give Haig the man he wants, sources say.

The only State Department nomination that White House officials concede was held up for "political" reasons was that of Eagleburger. But they acknowldge that concerns about Eagleburger also applied to some of Haig's other selections.

"It's very important that Ronald Reagan put his own imprint on foreign policy and that State Department officials faithfully implement that policy," explains a senior White House official. "A number of these people were State Department bureaucrats who had been in political roles under (former President) Ford, and Ford's policy isn't Reagan's policy. There was proper concern as to whether they could be counted on to carry out Ronald Reagan's foreign policy without opposition."

The White House eventually asked "for more information on why Haig wanted these guys," a senior official says. The response, deemed "satisfactory," came back through Clark, whom Reagan's aides trust and forced Haig to accept for the No. 2 spot.

Haig and Clark have hit it off well and the White House believes Clark's presence "will help work out some of the mechanical problems which have occurred over the last four or five weeks," a senior official says. He declines to enunciate what those problems have been other than "lack of communication on appointments."

CONTINUED

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

WASHINGTONIAN
March 1981

109.

THE NEW STARS OF WASHINGTON

Do You Know Me?

Fame is fleeting and fleeter for some than for others. Below we have pictured a few newcomers who in the opinion of veteran star-gazers may not last long. Cheer up, fellas—you haven't been chosen for possible extinction merely because you all look so much alike. Moreover, the food in the back room at Mel Krupin's is just as good as it is where the important people sit. A few clues to the identities of the mystery people are printed below; their names are upside down at the bottom of the page.

JAMES PICKERELL

Inadequate to fill a gaping hole in the Cabinet?

LILLIAN O'CONNELL

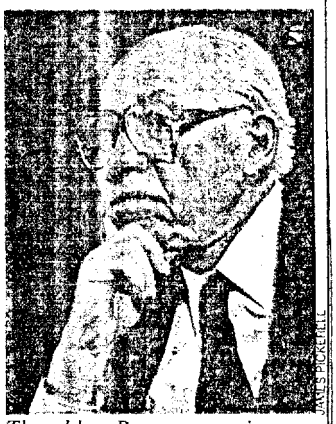
The fox has been appointed sergeant-at-arms of the hen house. So a few feathers get ruffled . . .

No truth to the rumor that he's ordered horse heads as a bargaining tool.

JAMES PICKERELL

Job paranoia? This man's job is as safe as that of the President—of Chrysler.

JAMES PICKERELL



JAMES PICKERELL

The oldest Reagan appointee, some say the crotchetiest.

The Answers

(1) Energy Secretary James Edwards; (2) Interior Secretary James Watts; (3) Education Secretary Terrel Bell; (4) Labor Secretary Raymond Donovan; (5) CIA Chief William Casey.

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

STAT

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

ARTICLE APPEARED ON PAGE 12

PALM BEACH LIFE (FL)
March 1981

L. RICHARD GULAY

HIGH PROFILE

A CASE(Y) FOR THE CIA

When President Reagan named William J. Casey to head the Central Intelligence Agency, most observers agreed it was an excellent choice. But it was much more than a political payoff to a valued campaign operative.

True, Casey had been chairman of the Reagan-for-President Committee, coming into that post at a critical time just after the Iowa primary in February 1980. But Reagan picked Casey for other reasons. One was his long experience in the federal government in a number of important posts, including chairman of the Security and Exchange Commission, under secretary of state for economic affairs, and chairman and president of the Export-Import Bank.

Casey demonstrated he knew how to run a bureaucracy. This was important to Reagan who wanted to avoid some of Carter's problems with inexperienced administrators. But primarily, Reagan picked Casey because of his long association with the intelligence apparatus of the United States.

The president not only gave Casey the title of CIA director, but also gave him cabinet rank. No other head of the CIA had this status. Clearly, Reagan wants to boost the morale of the CIA and raise it in the eyes of Americans and the rest of the world. But he also wants Casey's advice and experience to be heard at the heart of U.S. policy-making in the councils of the president's cabinet.

Casey, who is 68, jokes about his age when compared with Reagan, who is 70. "I guess the president picked me for the cabinet because he likes to have younger men around him."

When interviewed recently at his Palm Beach home on North Ocean Boulevard, Casey expressed pleasure at the president's desire to rebuild the public esteem of the CIA. There's no doubt Casey can do the job. He is a tough-minded leader with a lightning-fast intellect. His previous experience in running large bureaucracies taught him the importance of making fast decisions.

"Even if some of them occasionally turn out wrong," Casey says, "they can be changed just as quickly and it's far better to keep moving ahead instead of getting an entire organization mired down because of indecision at the top."

A national magazine recently observed that Casey does not readily abide fools or incompetents. Casey knows the CIA is the one Federal agency that can fire anyone for cause with no red tape. But this does not mean he is going to undertake a sweeping reorganization of the Agency right away. Casey told the Senate Select Committee on Intelligence, which held confirmation hearings on his appointment, that he wanted to reinvigorate the Agency and reverse what he called "institutional self doubts." He said he hoped to make the Agency more effective by attracting a wide array of talented analysts and tapping the insights of the nation's scholars.

Casey also told the committee he would observe the guidelines that prohibit the use of academics, clerics and journalists as intelligence agents — a practice that drew sharp criticism from Congress in the past. But he said he intended to review such guidelines and expressed skepticism about exempting any group from employment by the Intelligence Agency.

Approved For Release 2005/12/14 : CIA-RDP91-00901R000400200007-8

CONTINUED